We promote the well-being of families through the best price and assortment

Integrated Annual Report
Grupo Comercial Chedraui

2025

Chedraui
cuesta menos



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About This Report

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

This report includes sustainability-related information for Grupo Comercial Chedraui, S.A.B. de C.V. (hereinafter, “Chedraui”), and its subsidiaries, Chedraui USA, Inc. (or “CHUSA”), for the period comprising Jan. 1 to Dec. 31, 2025.

This report aims to provide both the primary users of financial information as well as other stakeholders with a better understanding of the sustainability-related impacts, risks, and opportunities that stem from the Company’s operations, and the efforts undertaken by Chedraui to manage the same.

During the year, Chedraui took a significant step forward in the maturity of its sustainability reporting through the publication of its first Annual Sustainability Report for 2025, based on IFRS S1 and S2, as issued by ISSB (the International Sustainability Standards Board), and in compliance with requirements established by the CNBV (National Banking and Securities Commission of Mexico). This achievement represented the first adoption of these standards by Chedraui, thereby considerably reinforcing the processes used to identify, assess, and disclose climate-related risks and opportunities. As part of this process, this 2025 Report included data from some business units and categories that were not present in previous years, which may lead to differences in the figures.

Based on this experience, this report uses the ISSB Standards as a reference framework for describing processes for governance, strategy, risk management, and metrics and goals. In this way, Chedraui strives to establish a narrative on consistent sustainability information across its regulatory report and its voluntary disclosures.

The following standards are mentioned in presenting results on sustainability-related impact, risk, and opportunity management in the form of metrics:

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

Also presented are contributions to the SDGs (Sustainable Development Goals) made by Chedraui through actions and initiatives driven by the Fundación Chedraui, as well as its adherence to the 10 Universal Principles of the UN Global Compact.

Judgments and Sources of Uncertainty

This report contains “forward-looking statements.” Such statements are 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, sociodemographic 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 may also affect them. Therefore, caution is advised against placing undue reliance on these forward-looking statements, particularly those referring to medium- and long-term time horizons. All of the risks and factors mentioned above should be taken into account.

Message from the CEO

GRI 2-22

Dear investors, business partners, employees, and other stakeholders,

1

I am proud to share with you our financial and sustainability results for fiscal year 2025. I would like to begin by thanking our 82,780 employees in Mexico and the United States (USA) for their focus and commitment to fulfilling our customer-centric strategy by offering the lowest prices, the best assortment store by store, and a unique shopping experience. These three pillars are essential to our day-to-day operations, strengthening our relationship with customers and serving as the foundation for creating sustainable value for all our stakeholders over the long-term.

We are a proudly Mexican company and remain committed to continuing our investments in the countries where we operate as a key component of our long-term growth strategy, even during years of moderate consumer spending growth, as was the case in 2025, which also brought significant challenges to our USA operations due to changes in immigration policies.

In 2025, we generated operating cash flow of $24.73 billion pesos and invested $8.55 billion pesos, equivalent to 2.9% of consolidated sales, primarily in new store openings, store remodelings, and maintenance activities. In addition, we opened the highest number of stores in our history, with 142 new stores in Mexico and one in the USA, ending the year with a total of 1,067 stores across Mexico and the USA. In our USA operations, despite a challenging environment, we successfully completed the migration of five distribution centers to the RCDC (Rancho Cucamonga Distribution Center), which will allow us to improve logistics efficiency and strengthen our negotiating position with suppliers.

In Mexico, we remain focused on maintaining a differentiated value proposition, operating with efficiency, and further strengthening the profitability of the business. In the USA, we've aimed to better serve our customers by leveraging the new logistics and distribution capabilities resulting from RCDC, while building on the commercial and operational capabilities we have developed over recent years.

In sustainability achievements, during 2025 we took important steps to strengthen the way we identify, assess, and manage our impacts, risks, and opportunities. Following the update of our materiality assessment in 2024 for our operations in Mexico and the USA, we advanced the integration of these results into our risk management and decision-making processes, incorporating them into our long-term strategy.

One of the most significant achievements of the year was the completion of our climate risk assessment, through which we identified and evaluated physical and transition risks that could affect our operations across different time horizons. This exercise provides us with a clearer understanding of the potential effects of climate change on our operations, and it will

help strengthen our ability to manage these risks, prioritize actions, and capitalize on opportunities. Over the medium and long term, we will continue working to develop mitigation plans and adaptation strategies that will contribute to business continuity, operational efficiency, and the creation of sustainable value for the Company and all our stakeholders.

This enabled us to advance in preparing our first report based on the IFRS Sustainability Disclosure Standards (International Financial Reporting Standards for Sustainability Disclosure), as part of our commitment to transparency, disciplined risk management, and the continuous improvement of the quality of sustainability-related information.

In addition to integrating climate-related and sustainability-related risks into our internal risk management framework, and as part of the process described above, we achieved 44% renewable energy use across our consolidated operations, including a 29.8% increase in solar energy consumption compared to 2024. This contributed to a reduction in Scope 2 emissions, which totaled 174,889 tCO_2e.

Our employees are essential for the fulfillment of our mission and long-term strategy. For this reason, it is a priority to ensure their proper training, support their development within the Company, and foster leaders who promote a culture of solid values within a respectful and inclusive work environment. These efforts are fundamental for our long-term success and financial strength. As part of this commitment, we increased total employee training hours by 17% compared to 2024, primarily in areas related to sustainability, corporate policies, and occupational health and safety.

The diversification of our value chain allows us to optimize processes, strengthen relationships with our customers, and ensure the quality of the products and services we offer. We source products from more than 2,855 suppliers in Mexico and 3,100 suppliers in the United States, with more than 97.5% of our suppliers being local. Our suppliers are required to comply with various regulatory requirements and, in some cases, obtain certifications to become part of our supply chain. In addition, they must adhere to our Code of Ethics and our Supplier Code of Conduct.

Our Mission, “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,” embodies the fundamental principles of our strategy and commitment to sustainability. Accordingly, we will continue to strengthen our environmental, social, and governance initiatives to further contribute to the well-being of families in the countries where we operate.

José Antonio Chedraui Eguía

Chief Executive Officer of Grupo Comercial Chedraui



2 About Chedraui

About Chedraui

GRI 2-1, 2-2, 2-3, 2-6, 2-23

We are a Mexican multiline retail company with operations in Mexico and the United States of America (USA). Our stores are located across 25 states in Mexico. We offer a wide variety of products, including staple items, perishables, and general merchandise such as electronics, major and household appliances, furniture, apparel, and other consumer goods.

In the USA, we have operations in five states, where our stores offer perishable goods and grocery items, primarily serving customers of Hispanic origin, particularly the Mexican-American community, as well as a broader consumer base.

As of December 31, 2025, our workforce amounted to 82,780 employees, with 1,067 stores and a total sales floor of approximately 2,576,125 square meters, representing a 3.0% increase in the number of stores operated the previous year.

In Mexico, we operate 683 retail stores under our Tiendas Chedraui, Súper Chedraui, Súper Che, Supercito, and Arteli formats.

In the USA, operations include 384 stores under El Super, Fiesta, and Smart & Final formats, serving a diverse range of customer segments and reinforcing our presence in those markets.

The “Selecto” concept, introduced to serve higher-income customers, is available across Tiendas Chedraui, Súper Chedraui, and Supercito formats. As of December 31, 2025, our Company operated 59 stores under this concept.

Each year, we allocate a portion of our consolidated revenue to investments focused on new store openings, remodeling, maintenance, equipment updates, and information technology enhancements, to strengthen our operations and support the continued execution of our business growth strategy.

These efforts are guided by our mission: “to improve people’s lives 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.”



Grupo Comercial Chedraui Timeline

1970
The first Chedraui store opens in Xalapa, Veracruz, Mexico.

1980
Chedraui begins expanding in other regions in Mexico.

1982
Chedraui starts the operations of the Real Estate Division.

1987
Grupo Comercial Chedraui, S.A. de C.V. in Xalapa, Mexico is established.

1997
International Expansion with the first store opening in the U.S.A.

2005
Chedraui acquires the Mexican operations of Carrefour, entering Mexico City.

2008
Chedraui acquires the operations of Gigante in the U.S.A.

2010
Chedraui becomes a publicly traded company in the Mexican Stock Exchange (BMV).

2012
Chedraui acquires 8 more stores in the U.S.A.

2018
Expansion in the U.S.A continues with the acquisition of Fiesta Mart in Texas.

2020
Chedraui publishes its 1st Annual Sustainability Report

2021
Acquisition of 254 Smart & Final stores in California, Nevada and New Mexico.

2022
Chedraui acquires in Mexico 36 Arteli Stores.

2023
Inclusion to the S&P / BMV IPC index.

2024
Inclusion to the MSCI Mexico Index.

2025
A total of 1,067 stores in Mexico and the U.S.A.

Relevant Figures for Grupo Comercial Chedraui

SUSTAINABLE DEVELOPMENT





Environmental Achievements

- **62.7% of electricity consumption in Mexico** came from **renewable sources** (wind and solar energy).
- **Solar energy consumption in Mexico was 21.4% higher** than the previous year, going from **18,848 MWh in 2024** to **22,885 MWh in 2025**.
- The use of renewable energy sources in 2025 produced approximately **174,899 tons less of CO_2e**.
- **141.8 hectares** were reforested in Veracruz and Puebla in 2025, with an accrued total of **541.8 hectares since 2019**.

Relevant Figures for Grupo Comercial Chedraui

SUSTAINABLE DEVELOPMENT

Social Achievements

- By the close of 2025, Grupo Comercial Chedraui had **82,780 employees**.
- **56,790 employees in Mexico and 25,990 in the United States**.
- **49%** of employees are women, and **51%** are men.
- **Training hours** in 2025 increased **17.1%, as compared to 2024**.
- Women received an average of **11.22 hours of training, and men received 10.46 hours**.
- **Smart & Final Foundation donated 2,630 tons of food products** equivalent to 4.8 million meals for families.
- **3,374 tons of food** products were donated in Mexico, with over **566,000 beneficiaries**.
- Fundación Chedraui and Schools recorded **10,252 graduates during 2025,** an increase of **19.5%, as compared to the previous year**.

Governance Achievements

- The Board of Directors included **13 members**, of which **77% are independent** directors, and **15% are women**.
- **In 2025,** the attendance rate at Board of Directors meetings reached **98.5%**.
- During 2025, the **ERM (Enterprise Risk Management)** model included sustainability and climate change-related risks, thereby reinforcing identification, monitoring, and consideration of said risks during decision-making processes.
- **Private label suppliers are in compliance** with quality assurance certification requirements and with the guidelines of **SMETA audits**.

Relevant Figures for Grupo Comercial Chedraui

SUSTAINABLE DEVELOPMENT

Customer Relations and Service

- The Net Promoter Score reached **75 points in the second half of 2025**, as compared to **74 points for the same period in 2024**.
- Omnichannel sales represented **3.8% of Self-Service Sales for Mexico**, compared to **3.1% in 2024**; the omnichannel share in Chedraui USA was **3.0% of total sales**.
- WhatsApp was incorporated in 2025 as a personalized communication channel, and the “Token” project was launched to redeem balances of the MiChedraui loyalty program.

Organic Growth

- **142 stores in Mexico and one in the US** were opened, coming to a total of **1,067 operating units**.
- Consolidated sales amounted to **$295.314 billion pesos**, equaling **4.8% growth over 2024**.
- Consolidated EBITDA increased **4.0%** and the **EBITDA margin** posted was **8.4%**.
- The transition in the USA to the new Rancho Cucamonga distribution center was completed, having a surface area of more than **130,000 m²** and an investment greater than **$120 million USD**.
- **MXN 8,549 million invested** mainly in new stores, remodels, and infrastructure.

Business Strategy GRI 414-2

Our business strategy is customer-centric and built on offering the lowest prices, with a broad assortment of products, and a unique shopping experience. These elements are key differentiators and fundamental drivers of our business strategy, growth, and profitability.

Through our diverse store formats, commercial offerings, and customer service, Chedraui strives to effectively meet the needs of different consumer segments and strengthen our position in the markets where we operate.

Chedraui is a resilient company due to its strong leadership, solid values, effective corporate governance, and an inclusive approach toward employees, suppliers, and customers. Our transparent and responsible corporate governance framework enables us to ensure sound management and strengthen the Company's long-term resilience. In addition, we recognize that our employees and customers are at the core of our strategy. By prioritizing their well-being, we foster loyalty and engagement while also building a strong reputation. Furthermore, the Company's financial strength enables it to navigate challenges and seize opportunities, ensuring business continuity and sustainable long-term growth.

Our strategy is built upon three fundamental pillars:



The lowest prices



The best assortment store by store

The best shopping experience

The Lowest Prices

Offering quality products at competitive prices across different consumer segments remains a core element of our operations. Through this approach, we aim to create value for our customers while contributing to their well-being and that of their families.

Through ongoing market-price comparisons, we ensure that our customers receive the best value available. Daily market price checks are conducted at both the corporate and local levels by purchasing a broad basket of products from competing retailers and comparing their prices to our own. After this comparison, the lowest competitive price is sent to our points of sale, allowing us to consistently offer our customers the best prices compared to our competitors.









The Best Assortment Store by Store

The assortment of products offered at each store is based on an initial selection that is continuously adapted to the preferences of the customers that shop there, ensuring every store carries a product mix tailored to the needs of its local customer base.

In keeping with the search for the right assortment of products for the customer base at each location, the “Selecto” concept was introduced in 2011 across both the Tienda Chedraui and Súper Chedraui formats. Based on this concept, stores located in areas with a high concentration of customers in the upper-income “A” socioeconomic segment and above were adjusted in terms of both store layout and merchandise offerings, providing a more premium product selection for higher-income consumers. In 2022, the concept was introduced to our Supercito format. By the end of December 31, 2025, this concept is present in 35 Tiendas Chedraui, 13 Super Chedraui, and 11 Supercito stores.

Private Labels

Our private label strategy is focused on ensuring that the price and quality of our products are competitive compared to national brands. The focus is on maintaining quality standards that are equal to, or greater than, those of leading brands in the market. To support this commitment, our products are regularly evaluated through third-party audits. Additionally, the product assortment is continuously reviewed and updated if needed to meet evolving customer needs. In 2025, we strengthened our private label strategy by introducing new packaging and branding for several products to enhance their market positioning, quality perception, and value proposition for customers. As a result of this strategy, Private Label sales in Mexico grew slightly above 9% in 2025 compared to the previous year.

In 2023, we implemented the SMETA (Sedex Members Ethical Trade Audit) social responsibility auditing. This is an audit developed by SEDEX (Supplier Ethical Data Exchange) that helps assess suppliers' labor standards, health and safety practices, environmental performance, and business ethics for private label products.

Our supplier portfolio is continuously updated to ensure we are working with the best suppliers across our private label categories. **As of the end of 2025, we had a total of 156 suppliers, all of them complying with the required third-party quality assurance certifications and fully compliant with SMETA audit requirements.**

As mentioned previously, a robust quality assurance process is maintained to ensure the quality of our private label products. **Below is an overview of the audit process conducted at the manufacturing facilities of private label suppliers:**





Initial Quality/Food Safety Audits

All suppliers must undergo audits conducted by a third party designated by Tiendas Chedraui. All manufacturing facilities producing the proposed products are subject to auditing. Each audit must achieve a positive result, with a minimum score of 85 and no critical findings.

Social Responsibility Audits (SMETA)

All suppliers must undergo a Social Responsibility audit under SMETA methodology, covering a minimum of two core pillars (**Labor Standards** and **Health and Safety**). Suppliers that already have a valid SMETA audit must provide the corresponding audit report to a third party designated by Tiendas Chedraui for technical review. Suppliers that do not have a SMETA audit shall follow the protocol and be audited by the third party that Tiendas Chedraui designates. The validity term for the SMETA audit is two years.

Follow-up Quality/Food Safety Audits

If the supplier is not located in Mexico and holds a valid, recognized international certification approved by Tiendas Chedraui, no follow-up audit will be required as long as the certification is valid. Otherwise, the supplier must undergo an audit conducted by a third-party auditor designated by Tiendas Chedraui.

In addition, product quality is monitored through an independent laboratory that purchases random product samples from our stores and conducts tests to verify compliance with the agreed specifications.

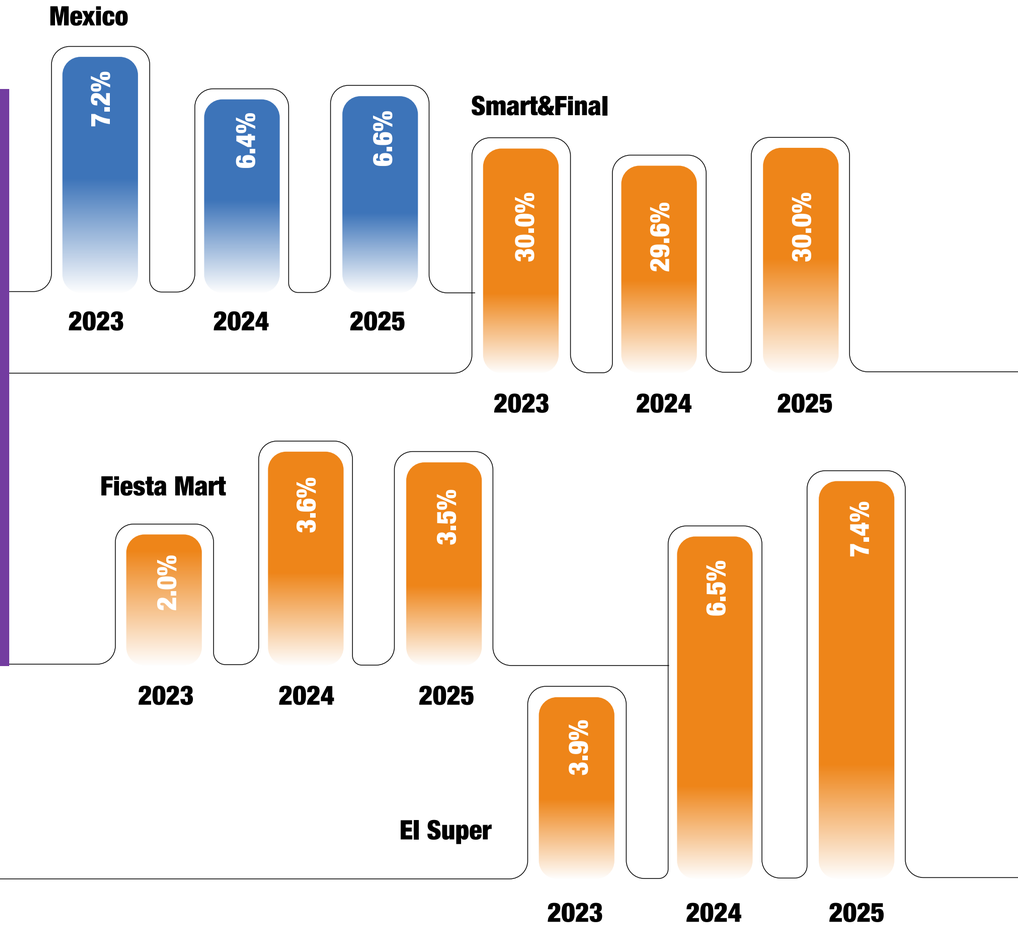
When suppliers fail to meet the requirements of the audits described above, they are given a three-month period to address non-conformities. If audit results remain unsatisfactory, the product is suspended. Should the supplier fail to complete the required corrective actions within the allotted timeframe, the supplier is removed from our approved supplier base. In 2025, no suppliers were removed due to non-compliance with these audit requirements, and none of our private label products were found to be in violation of food safety or quality regulations.



In Chedraui USA, particularly in Smart & Final operations, distinctive private label products for our customers have been developed, not only to meet their preferences and needs, but also to deliver superior quality at competitive prices compared to our main competitors.

To ensure the quality of our private label products at Chedraui USA, we operate an in-house quality control laboratory where product quality is evaluated, as well as labeling compliance and product safety. In addition, we conduct product evaluations, quality monitoring, first-production testing, specification development, compliance with all paperwork required, and label approvals. As part of our supplier requirements, all have to comply with the food quality and safety standards established by the Global Food Safety Initiative (GFSI). **Most of our suppliers are audited under the SQF, BRCGS, or FSSC 22000 certification programs, with the results reviewed by our Quality Control team.**

SALES SHARE FOR PRIVATE LABELS, AS A PERCENTAGE OF SALES FOR EACH BUSINESS SEGMENT:



The Best Shopping Experience

Our business strategy is built on offering our customers the lowest prices, a broad product assortment, and an exceptional shopping experience. This is our competitive advantage, a key strategic differentiator, and a fundamental driver for business growth and profitability.

Our stores follow standardized specifications for each store format and operate under strict hygiene and sanitation guidelines. In addition, they feature wide, well-lit aisles, clear signage, and, in our larger formats, customer parking facilities, all designed to provide a unique shopping experience for our customers.

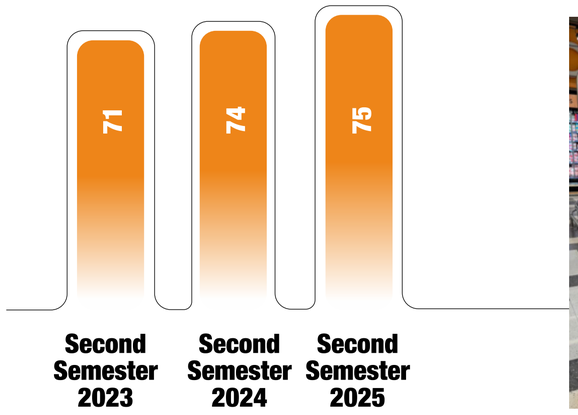
Customer Satisfaction

Our goal is to provide the highest level of service to our customers and business partners by selecting the best technological tools that help us achieve our objectives, supported by an efficient and modern supply chain. Twice a year, customer surveys are conducted across all of our stores, evaluating 13 key indicators to measure customer satisfaction, among other aspects. Based on the results, store-specific action plans are developed to improve service levels and enhance customer satisfaction.

In 2025, during the first half of the year, we conducted 32,447 customer interviews and achieved a Net Promoter Score (NPS) of 74, compared with 71 in the first half of 2024. During the second half of the year, we conducted 34,218 interviews and achieved an NPS of 75, compared with 74 in the second half of 2024. These results reflect a steady improvement over recent years.

Likewise, an annual assessment is conducted to evaluate and compare the service at each location or store against our main competitors, allowing us to establish overall performance measurements and indicators. This is carried out through door-to-door surveys as well as evaluations conducted within our stores' areas of influence.

NPS Graph



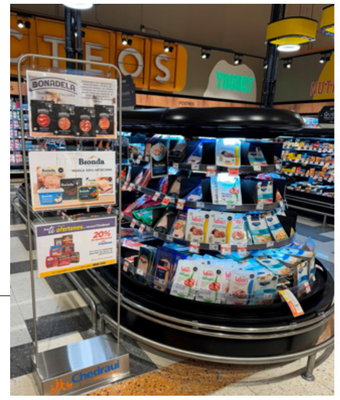
MiChedraui

Since 2016, we have led customer-centric initiatives with our "MiChedraui" loyalty program serving as the fundamental pillar of our strategy. In 2025, we reinforced this leadership with a strategy focused on creating real and tangible value for our customers, marking a turning point towards a more emotional, technology-driven, and predictive model. The evolution of the MiChedraui loyalty program has been focused on delivering more relevant and sustainable long-term experiences, transforming it from a rewards-based program into a platform to connect with our customers.

MiChedraui has evolved into a comprehensive customer experience strategy, where hyper-personalization, data, and technology are leveraged to build long-term customer relationships; in the medium term, we will continue strengthening our analytical capabilities, broadening the program's value ecosystem, and advancing towards a more predictive model.

We achieved significant growth in our active customer base, reaching 14 million users as of December 31, 2025, thus representing a 7.7% increase compared to 2024. This milestone reflects the continued success of our MiChedraui program and its ability to attract and retain a loyal customer community. Additionally, the program allowed us to identify 77.5% of sales in Mexico from members and expand the use of advanced analytics-driven promotional campaigns.

One of the most significant developments has been the integration of WhatsApp as the flagship channel for one-to-one communication with our customers. This channel has positioned itself as a close, efficient, and high-conversion platform due to its direct approach and real-time operation. Another key development is the launch of the "Token" project, which enabled customers to redeem the balance of their MiChedraui loyalty program via WhatsApp, completing the conversational experience of the program.







Omnichannel Strategy

Innovation and Digital Retail Leadership

The omnichannel strategy has become a fundamental pillar and a key growth driver for Chedraui; rather than serving as a complementary channel, digital integration has become the core of our efforts to acquire new customers and modernize shopping habits. This evolution enables us to seamlessly integrate our physical inventory with the convenience of digital shopping, and to strengthen our market leadership. We are present in 26 of Mexico's 32 states, operating online stores across several formats within our retail business through different service models and sales channels.

In 2025, omnichannel sales in Chedraui Mexico segment represented **3.8% of total sales**, as compared to 3.1% in 2024.



Technological Transformation and Artificial Intelligence

Chedraui has accomplished a significant digital transformation by strengthening its technological architecture for mobile apps and web platforms. A key differentiator has been the implementation of advanced artificial intelligence to optimize both internal operations and customer experience. Through real-time order synchronization and dynamic reporting systems, we have achieved proactive sales management and automated the resolution of critical cases, ensuring an efficient and scalable operation.

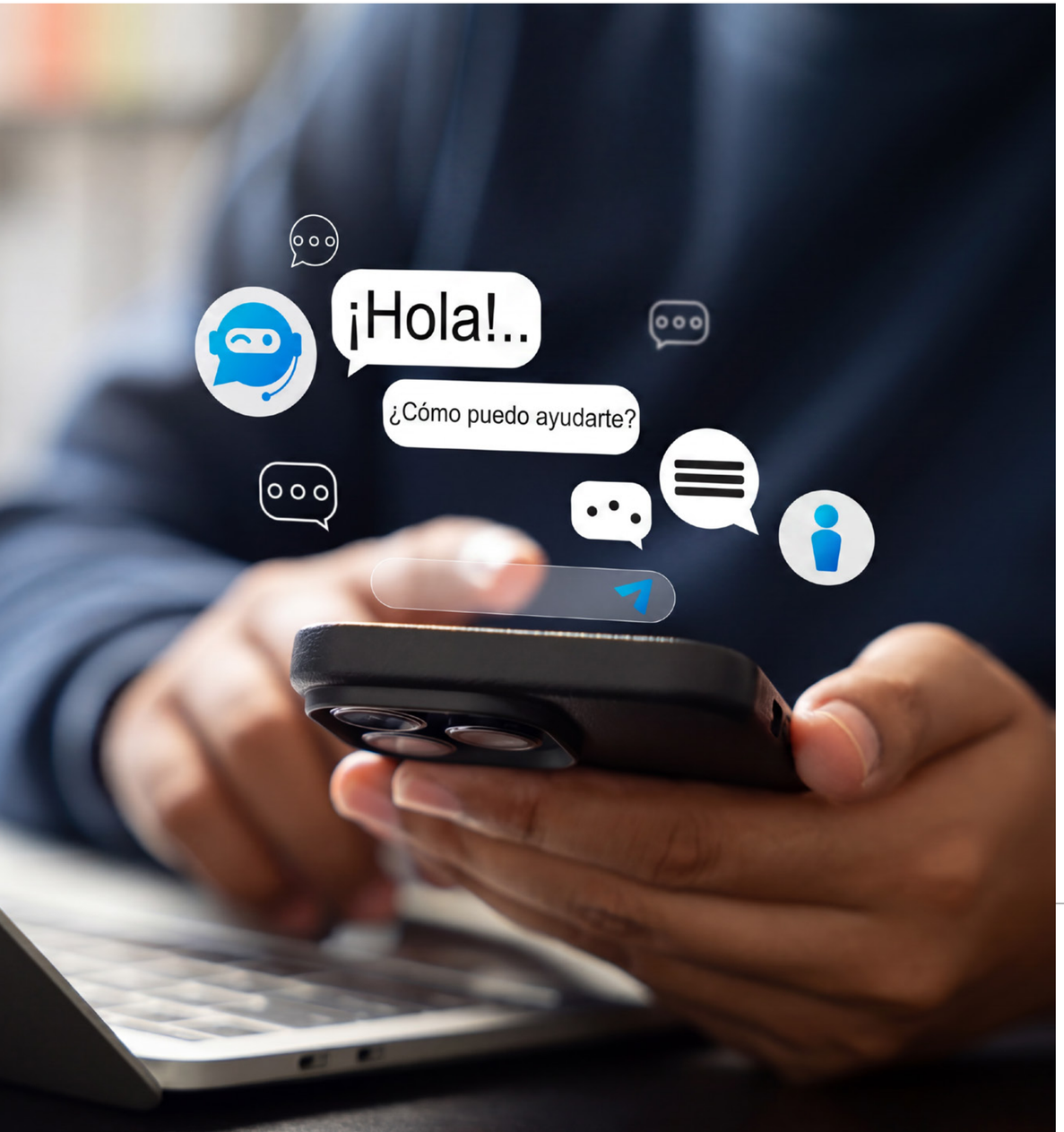
Value Proposition and Customer Satisfaction

Our platform has expanded beyond the constraints of the physical shelf through our "Extended Catalog" model, offering a diverse assortment of high-value categories such as General Merchandise and Furniture & Appliances. In addition, we have positioned ourselves as the leading supermarket retailer on major third-party delivery platforms, providing fast and efficient service to meet our customers' rapid-delivery needs.

The success of these efforts is reflected in the significant improvement of our "Perfect Order" metric, ensuring complete and on-time deliveries. This operational efficiency, combined with an intuitive shopping interface, has resulted in an outstanding Customer Effort Score, confirming that interactions with our digital platforms are simple and satisfying for users.







Vision for 2026: Moving to Creating a Digital Habit

Looking ahead, our strategy will evolve from a transactional approach toward fostering recurring shopping habits. The key pillars for the coming year include implementing AI-powered recommendation engines and order management modules, enabling us to deliver a personalized, low-friction experience supported by modernized segmentation models that address a wide range of customer shopping occasions.

Additionally, we partnered with established marketplace providers to expand our reach, manage deliveries, and attract new customers without requiring significant additional investments.

In 2025, the omnichannel strategy for Chedraui USA focused on driving increased traffic to our website, growing online sales, increasing app downloads and customer registrations, and implementing initiatives to improve visibility and training, among other efforts. We leveraged a hybrid approach that combines proprietary platforms with partner platforms: Smart & Final operates its own website and mobile app, including services for small businesses and community organizations.

In 2025, we expanded our third-party delivery options by collaborating with Instacart, DoorDash, and Uber Eats to better meet customers' needs. At some Smart & Final stores, customers also have the option of in-store pickup with support from our store teams.

In 2025, immigration-related concerns in certain markets led to increased online shopping, particularly among El Super customers, for whom e-commerce served as an alternative shopping channel. Fiesta and Smart & Final did not experience the same trend, but overall, e-commerce continues to facilitate shopping for our customers when in-store visits are less practical.

In Chedraui USA, omnichannel sales represented **3.0% of sales** for 2025, compared with 2.4% in 2024.

With respect to the security of our website and mobile app at Chedraui USA, we maintain a dedicated cybersecurity team focused exclusively on protecting customer information and preventing any misuse of customer data.

Technology and Information Security

GRI 3-3, 418-1
SASB CG-MR-230a.1, CG-MR-230a.2, FB-FR-230a.1



In 2025, we continued our strategy of strengthening the use of technological tools to improve operational efficiency in our stores, enhance Cloud Management and incident self-management processes, and further reinforce cybersecurity strategy.

Investment in Robotic Process Automation (RPA) has been maintained, obtaining the following benefits, among others:

1. **In stores, reduced manual workload and compliance risks for labor training reports submitted to the Ministry of Labor and Social Welfare.**
2. **Improved tax reporting processes within the Tax Department.**
3. **Automation of accounts payable reconciliations generated from purchases made through the market price-check process, to prevent losses.**
4. **Use of Artificial Intelligence (AI) to process import customs declarations and subsequently record them in the accounting system.**
5. **Continued deployment of self-checkout terminals in our stores, ending 2025 with self-checkout available in 73 stores across our operations in Mexico.**

We completed the first migration phase from PeopleSoft to SAP SuccessFactors, moving from an on-premises solution to a modern cloud-based platform that provides continuous innovation, enhanced user experience, and greater scalability, thereby reducing reliance on customized developments and aligning Human Resource operations with global best practices.

In 2025, we began establishing the Company's AI policies and strategy, creating a governance framework to guide the organization on a path aligned with information security, with the purpose of increasing productivity for the benefit of our customers.

In Chedraui Mexico and Chedraui USA, we guarantee the right to privacy regarding the personal data of our customers, employees, and third parties through a range of policies and procedures. As part of this ongoing commitment, we continue to strengthen our processes to ensure that information remains protected against any risk.

To ensure the privacy of our customers' data, there are in place several policies and procedures that reinforce our commitment to security and transparency. We oversee every stage of data collection, storage, and disposal; train our employees in responsible data handling practices; and conduct periodic internal audits aligned with applicable

regulations in the countries we operate. In addition, technologies have been implemented to detect, monitor, and prevent the unauthorized disclosure of confidential information. During 2025, there were no incidents or cases of non-compliance related to the privacy of customer data use.

The policy for managing and safeguarding personal data (Chedraui AUINT-01-PO00) is reviewed every two years, and updates are performed by the Company's internal audit department.

In Mexico, compliance with ARCO Rights is mandatory. These rights are a set of legal protections that enable individuals to safeguard and exercise control over their personal data. The acronym ARCO stands for Access, Rectification, Cancellation, and Opposition regarding the use of personal data.

Management of personal data by Chedraui consists of doing the following:

1

Identification.
Detect processes where personal data is collected and treated.

2

Registration and Control.
Manage and classify data collected.

3

Security.
Apply protection and safeguarding measures.

4

ARCO Rights.
Attend to ARCO requests made by customers via email.

5

Privacy Statements.
Produce privacy notifications for each point of contact with data treatment.

6

Communication Preferences.
Offer easy and effective mechanisms for customers to opt out of receiving the company's promotional materials.

Moreover, the Company has established supplementary actions such as:

- **Supplier and Third-party Management:** Include contract clauses on data protection and ensure the inclusion of high-quality security standards.
- **Incident Response Plans:** Clearly established protocols for actions regarding cases of vulnerability or unauthorized access.
- **International Certifications and Standards:** Currently in the process of obtaining certification to adopt regulatory frameworks such as ISO/IEC 27001 as part of our Company's commitment to information security, and to reinforce credibility and best practices.
- **Formal commitments** by business areas that handle personal data.
- **Attention and response** to requirements mandated by the corresponding personal data protection authorities.

To guarantee data privacy for our customers, the following policies are enforced:

- Personal Data Management and Safeguarding
- Information Security Management
- Attention to Access, Rectification, Cancellation or Opposition (ARCO) requests for Personal Data

Customers have access to the email address **datospersonales@chedraui.com.mx** to request enforcement of their ARCO Rights.

To date, there have been no confirmed incidents regarding privacy violations or misuse of customer data in Mexico or the USA operations.

To see our privacy policy:
https://www.chedraui.com.mx/terminos-y-condiciones/politicaprivacidad



Responsible Sourcing GRI 2-6

Our value chain enables us to optimize processes, strengthen relationships with our customers, and ensure the quality of the products and services we offer. In Mexico, products are sourced from more than 2,855 suppliers. No individual supplier or group of related suppliers accounted for more than 4% of our total product procurement in 2025; therefore, we are not dependent on any particular supplier. The availability and sourcing of materials for our retail operations are adequate, and the company works constantly on different strategies so that this remains so for the foreseeable future. We have not experienced any difficulties in obtaining the types or quantities of merchandise required on a timely basis, and should any of our current supply sources become unavailable, alternative sources can be secured without any material financial disruption to our operations. **In 2025, approximately 2.7% of purchases for our operations in Mexico consisted of imported products.**

Similar to our operations in Mexico, we work with over 3,100 suppliers for Chedraui USA, from whom we purchase the product assortments required in our USA stores. In 2025, our top supplier represented approximately 9.0% of the products purchased in that year. **The imported products sold in Chedraui USA are purchased directly from US suppliers; we do not have any suppliers outside said country.**

CHEDRAUI MEXICO

Our suppliers must comply with several regulatory requirements and certification standards to become part of our supply chain, including:

- Hold registration and protection with the Mexican Institute of Industrial Property or, where applicable, the National Copyright Institute.
- Complying with all requirements established in 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 our Standards of Ethical Conduct and compliance with legal requirements, suppliers of merchandise, materials, and services are required to be legally established and to fully comply with all applicable laws and regulations across the three ESG dimensions relevant to their operations, including those related to labor practices, immigration laws, occupational health and safety, and environmental protection, among others.

Additionally, signing the Code of Conduct is mandatory for all suppliers.

CHEDRAUI USA

In our U.S. operations, the products we market are required to meet federal and local government regulations and high-quality standards, consistent with our mission of offering customers the products they prefer at the best prices. To support this commitment, we conduct supplier quality and food safety audits against internationally recognized standards, including FSSC 22000, ISO 22000, SQF, BRCGS, and other industry-specific certifications, complemented by laboratory analyses and physical testing. This approach is consistent across our operations in both Mexico and the U.S.A.



Responsibility with Meat Products

Our meat products comply with national and international certifications that ensure their quality and food safety.

In Mexico, our products are certified under the **Federal Inspection Type** program, granted by the Secretary of Agriculture and Rural Development through the National Service for Agri-Food Health, Safety and Quality (SENASICA), aimed at increasing quality standards for all types of meat.

Meat products imported from the USA are certified by the **U.S. Department of Agriculture (USDA),** while meat sourced from Argentina is certified by the **National Service of Agri-food Health and Quality (SENASA)** and recognized in Mexico by **SENASICA**, ensuring compliance with internationally recognized standards.

In addition, we maintain an **Animal Welfare Policy** that promotes the humane, respectful, and ethical treatment of animals throughout the production and supply chain of our products.

Commitment to Sustainable Fishing

In 2020, we publicly announced our commitment to sustainable fishing in collaboration with **SmartFish, A.C.**, a not-for-profit organization that promotes environmentally and socially sustainable fishing practices, to assess the potential environmental impacts of the seafood products we offer.

Sustainable fishing seeks to ensure that enough fish remain in the sea, maintaining healthy populations, to allow for a balance between how much fish is caught and how much is allowed to reproduce in future seasons. It also aims to protect marine habitats while ensuring that the communities whose livelihoods depend on fishing can sustain their way of life.

In the fourth quarter of 2025, we announced the update and strengthening of our **Sustainable Fishing and Aquaculture Procurement Policy**, reaffirming our commitment to the conservation of marine resources and the promotion of responsible practices throughout our supply chain.

This update forms part of the Company's sustainability strategy and builds upon the progress achieved since 2020. In collaboration with **SmartFish, A.C.**, we assess the origin of both domestic and imported seafood products to ensure they are sourced from legal, verifiable, and responsible fishing.

In addition, the updated policy incorporates more rigorous traceability and certification requirements and promotes ongoing training for personnel involved in seafood commercialization.



In the “Causa Natura Center” “From the Sea to the Supermarket 2025” ranking, **Chedraui jumped from 5.97 points to 7.16,** occupying 2nd place within the group of supermarkets with responsible practices as part of their fishing program in Mexico.

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



Chedraui Mexico

During 2025, we continued to advance our organic growth strategy in Mexico by opening new stores and strengthening our operations. This growth is a reflection of our commitment to investing in the country, job creation, compliance with applicable legal requirements in the markets where we operate, and the responsible management of our environmental impact.

At year-end, we operated 683 stores in Mexico with a total sales floor of 1,722,546 square meters, representing a 4.4% increase compared to the previous year.

Total sales increased by 5.7%, while same-store sales grew by 2.7%, reflecting the strong performance of our operations.

Hypermarkets

Chedraui cuesta menos

Tiendas Chedraui: A multiline retail format offering a wide range of products, focusing on quality, assortment, and competitive prices.

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



218 STORES

34,959 EMPLOYEES

64,500 ITEMS

LOCATED IN CITIES WITH MORE THAN 100,000 INHABITANTS

AN AVERAGE OF 6,428 m^2 OF SALES FLOOR

1,401,195 m^2 TOTAL SALES FLOOR

Supermarkets

Súper Chedraui: A smaller-sized retail format, focused on the sale of staple items, groceries, and perishables.

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

85
STORES

7,943
EMPLOYEES



APPROXIMATELY
25,900
ITEMS

LOCATED IN CITIES WITH OVER
25,000
INHABITANTS, AND AS A COMPLEMENT IN LARGER CITIES

AN AVERAGE OF
2,128 m^2
OF SALES FLOOR

180,896 m^2
OF TOTAL SALES FLOOR

Arteli®

37 STORES

2,041 EMPLOYEES

APPROXIMATELY **7,600** ITEMS

LOCATED THROUGHOUT NE MEXICO



AN AVERAGE OF

1,095 m² OF SALES FLOOR

40,523 m² OF TOTAL SALES FLOOR

Smart&Final®

Smart & Final (Joint Venture): Non-membership price-club format, focused on groceries, perishables, products for households and businesses

17 STORES

25,879 m² OF SALES FLOOR



Proximity Formats

Súper Che: Format for large cities, offering groceries, perishables, and general merchandise.

8	267	APPROXIMATELY 10,200	AN AVERAGE OF 1,059 m²	8,469 m²
STORES	EMPLOYEES	ITEMS	OF SALES FLOOR	OF TOTAL SALES FLOOR

Supercito: Proximity format for high-density urban areas, focusing on convenience shopping.

Products: Food and non-food grocery items, and perishables.

335	3,221	APPROXIMATELY 2,300	AN AVERAGE OF 273 m²	91,463 m²
STORES	EMPLOYEES	ITEMS	OF SALES FLOOR	OF TOTAL SALES FLOOR



Chedraui USA

By the end of 2025, in the USA, there were 384 operating stores, with a sales floor of 853,579 m².

Our US operations continue with El Super, Fiesta, and Smart & Final formats.

El Super: Primarily targeting Latino-American consumers throughout California, Arizona, Nevada, New Mexico, and Texas.

Products: Top-quality perishable and grocery items.



70 STORES

6,803 EMPLOYEES

APPROXIMATELY 12,300 ITEMS

AN AVERAGE OF 2,517 m² OF SALES FLOOR

176,224 m² TOTAL SALES FLOOR

Fiesta: Targeted towards mostly the Mexican-American community in Texas, in some stores we cater to other ethnicities. With presence in the main cities.

Products: Perishables, grocery items, and general merchandise.

60
STORES

5,059
EMPLOYEES

APPROXIMATELY
20,900
ITEMS

AN AVERAGE
3,242 m^2
OF SALES FLOOR

194,516 m^2
TOTAL SALES FLOOR



Smart&Final®

Smart & Final: Format for both household consumers and small businesses, with presence in Arizona, California, and Nevada.

Products: Grocery items, perishables, and products in membership club-type presentations.

254 STORES

7,360 EMPLOYEES

APPROXIMATELY 17,800 ITEMS



AN AVERAGE OF 1,901m² OF SALES FLOOR

482,839m² TOTAL SALES FLOOR

Chedraui Values

GRI 2-1, 2-23, 2-24

The process of defining our Mission and Vision began with the consolidation of Grupo Chedraui in 1987. With the participation of senior management, these elements were formally established along with the Company's core values as part of the development of its first strategic plan.

As a result of this process, the Company established its core values of **Honesty, Commitment, Respect, and Results-Oriented**, which form the foundation of our organizational culture and guide our actions across the organization.

These values were approved by the Chief Executive Officer and Chairman of the Board. Today, their promotion and implementation are the responsibility of the CEO and the Human Resources Department.

Training programs are continuously conducted for both corporate and operational personnel to reinforce the adoption and day-to-day practice of our core values throughout the organization.

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.

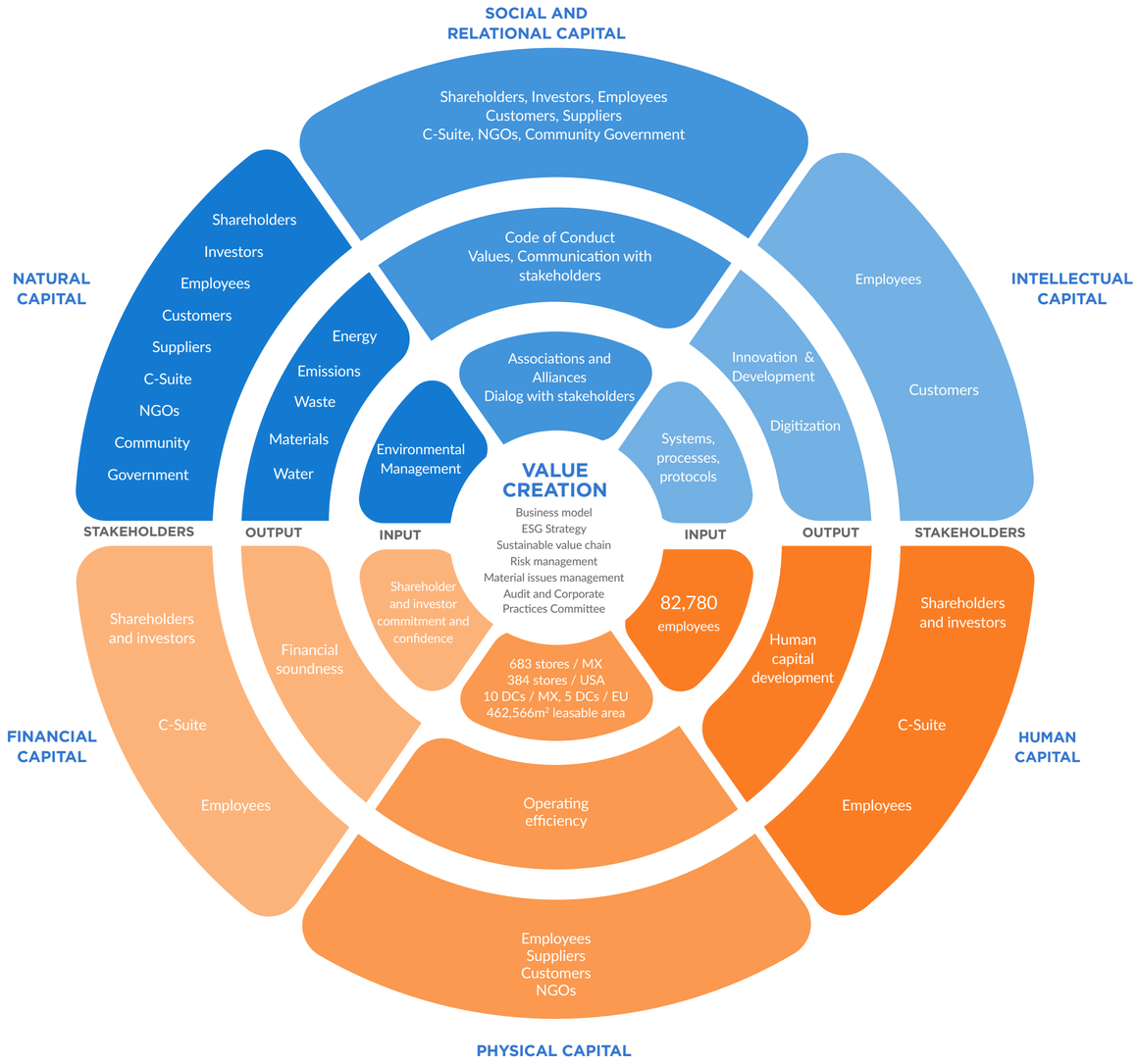
Commitment
We assume with loyalty and responsibility the mission of the Company: "To bring to as many places as possible the products that customers prefer at the best price."

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

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



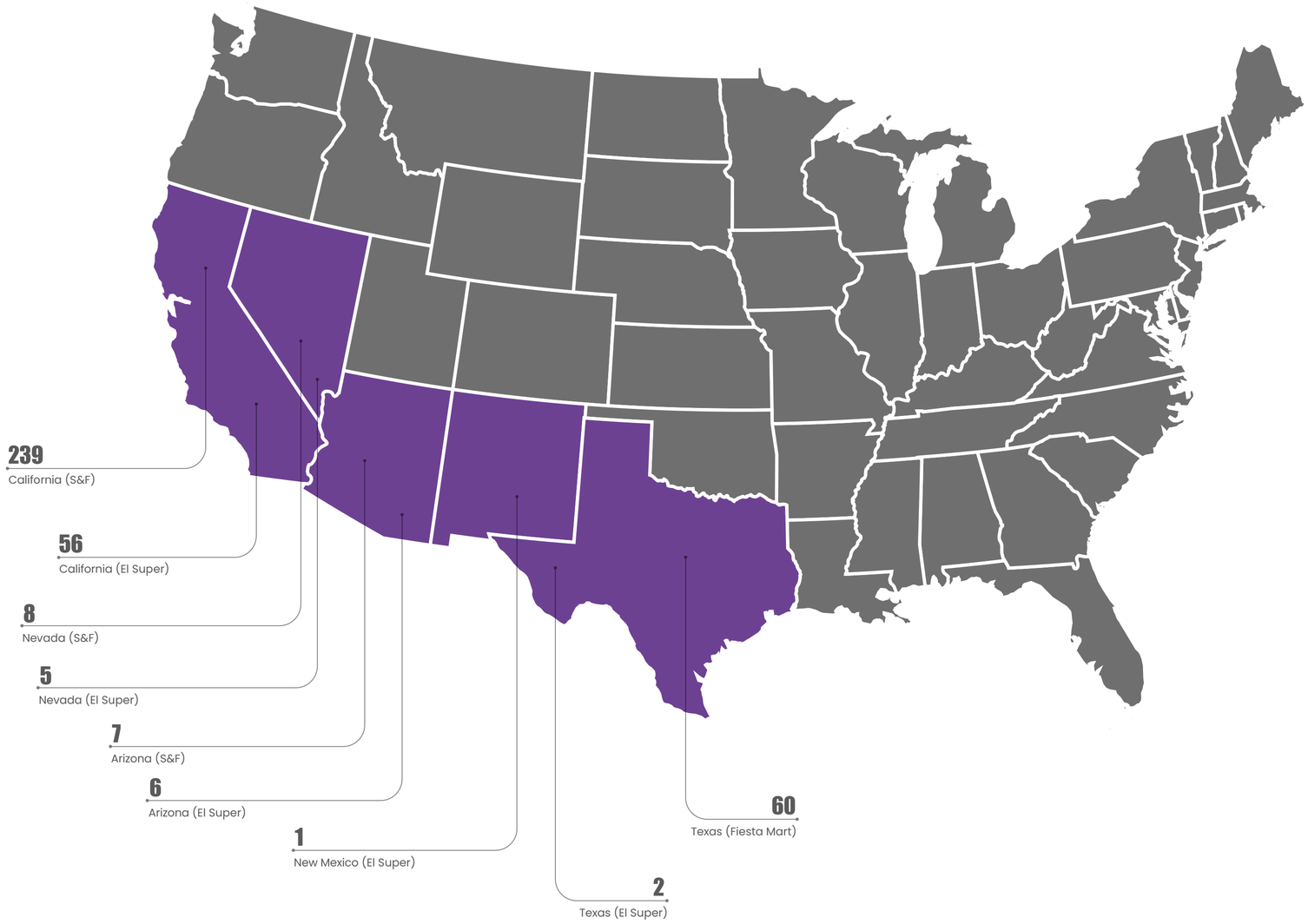
Sustainable Growth

In 2025, we continued advancing our organic growth strategy in Mexico and the USA, consistently focusing on offering customers the products they prefer, at the best prices and with a level of service that surpasses their expectations. During the year, we remained committed to investing in the countries where we operate, opening a total of 142 stores in Mexico and one in the USA.

The fulfillment of our strategic growth strategy and solid performance enabled us to maintain same-store sales growth above industry levels, reflecting continued gains in market share and the expansion of our customer base.



Sustainable Growth



Logistics and Distribution

For our operations in Mexico City and its surroundings, we currently use a 57,289 m^2 distribution center in Zumpango, a 13,000 m^2 facility in Cuautitlán Izcalli, and another 36,994 m^2 distribution center in the State of Mexico. To serve the stores in other states, we operate a 57,340 m^2 distribution center in Villahermosa, Tabasco; an 883 m^2 facility in Monterrey; a 10,415 m^2 distribution center in Guadalajara, Jalisco; a 6,020 m^2 facility in Cancún, Quintana Roo; an 820 m^2 distribution center in La Paz, Baja California; and an 11,245 m^2 distribution center in Veracruz, Veracruz. With the acquisition of Arteli stores, we added a 20,304 m^2 distribution center located in Tampico.

Our distribution centers in Mexico City and Villahermosa were specifically designed for our operations and feature 188 and 182 receiving and shipping docks, respectively, to handle dry grocery, refrigerated, and frozen goods.

These distribution centers allow us to achieve operational efficiencies by enabling suppliers to deliver products to centralized locations rather than to multiple individual stores, while also leveraging economies of scale. Our current facilities have sufficient capacity to support our expected organic growth over the next two to three years.

CHEDRAUI USA

By mid-2025, we completed the transition from five distribution centers in California to a new distribution center of over 130,000 m^2 in Rancho Cucamonga, California (RCDC), which serves El Super and Smart & Final stores throughout the state. The RCDC entailed over $120 million USD in investment and will allow us to establish the foundations for future growth opportunities for both formats.

In addition to the two distribution centers that were closed in 2024, the following distribution centers were closed during 2025: the 9,290 m^2 facility in Brea, California; and a 27,887 m^2 facility in Ontario, California.

As of December 31, 2025, the following distribution centers remained in operation: a 14,084 m^2 facility in Tracy, California; a 6,968 m^2 facility in Turlock, California; a 22,412 m^2 distribution center in Riverside, California; the previously mentioned 132,157 m^2 Rancho Cucamonga Distribution Center; and a distribution center serving our operations in Texas, measuring around 9,755 m^2, located in Houston, Texas.



Corporate Governance

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

Our Corporate Governance framework is founded on the principles of integrity, transparency, and accountability, and is supported by policies, guidelines, and standards that strengthen the Company's operation and sustainable growth, while ensuring compliance with applicable regulations and best practices of corporate governance at all times.

General Shareholders' Assembly

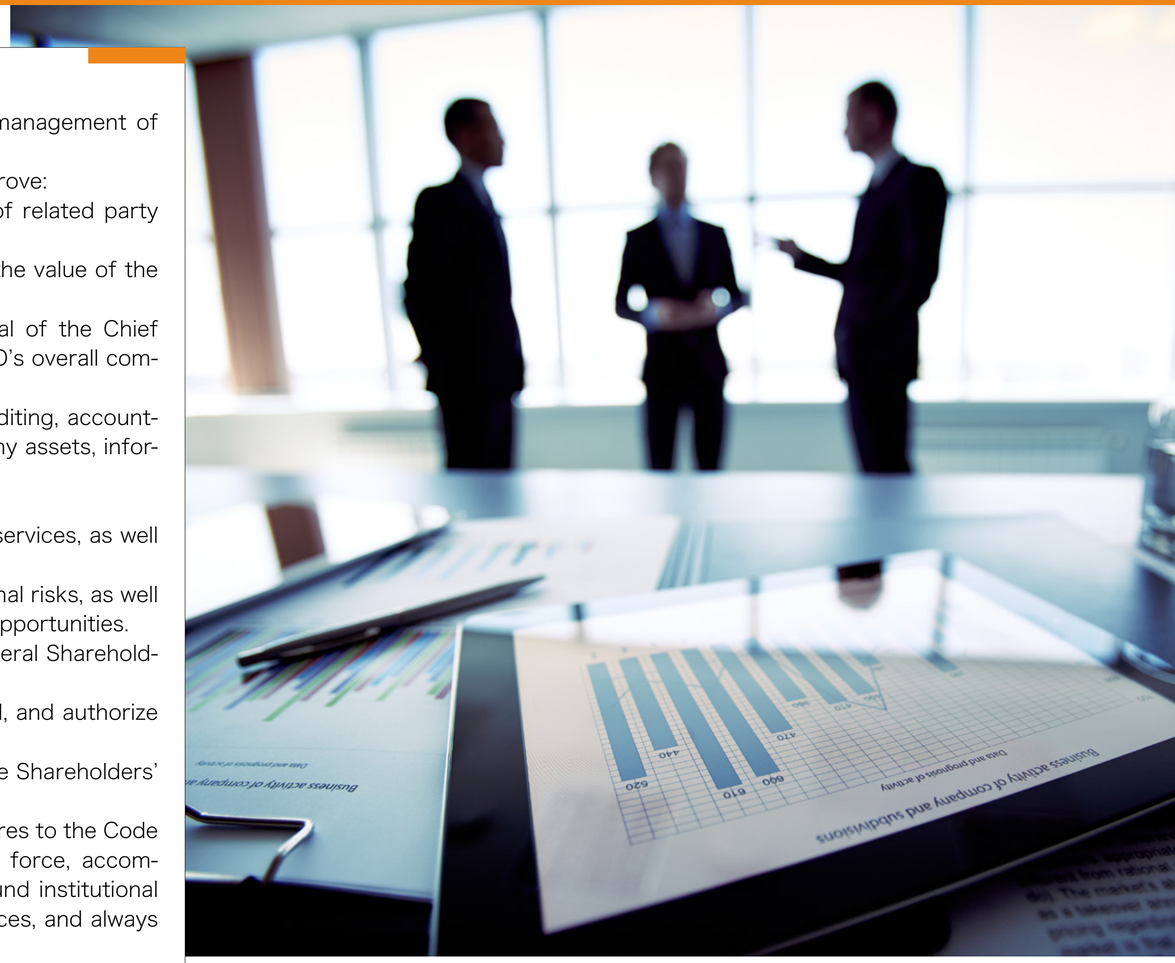
The General Shareholders' Assembly is the Company's highest governing body. As a publicly traded company, Chedraui conducts its shareholders' meetings in accordance with its bylaws and the General Law of Commercial Companies (*Ley General de Sociedades Mercantiles*). It serves as the Company's highest decision-making forum, where the most fundamental corporate matters and decisions are approved.

Board of Directors

The Board of Directors oversees the actions necessary to achieve the Company's strategy, objectives, mission, and values, while safeguarding the interests of its key stakeholders. It consists of thirteen members, all of whom were ratified at the Annual Ordinary Shareholders' Assembly held on April 7, 2025. **As of December 31, 2025, 77% of the Board members were independent directors, and 15% were women.**

The primary duties of the Board of Directors include:

- Establishing overall strategies, supervising and overseeing management of Grupo Chedraui.
- Based on Committee recommendations, the Board must approve:
  a) The oversight and monitoring of regulatory compliance of related party transactions that Grupo Chedraui intends to perform.
  b) Significant transactions exceeding 5% and up to 20% of the value of the Company's consolidated assets.
  c) The appointment, election and, where applicable, removal of the Chief Executive Officer (CEO), as well as the approval of the CEO's overall compensation.
  d) Key policies and guidelines relating to internal control, auditing, accounting practices, directors' compensation, the use of Company assets, information disclosure and communication, among others.
  e) The Company's financial statements.
  f) The hiring of the legal entity that provides external audit services, as well as any additional or complementary audit-related services.
  g) The review and monitoring of the Company's key operational risks, as well as its sustainability and climate change-related risks and opportunities.
- Periodically present reports and relevant opinions to the General Shareholders' Assembly in accordance with the regulation.
- Follow up on primary risks to which the Company is exposed, and authorize preventive and corrective actions
- Overseeing the compliance of the agreements reached by the Shareholders' Assembly
- Ensure Company Management performs its obligations, adheres to the Code of Ethics, follows all accounting and operational policies in force, accomplishes goals set by the Shareholders' Assembly, adopts sound institutional practices, in keeping with the Code of Best Corporate Practices, and always acts responsibly.



Additionally, **the Audit and Corporate Practices Committee (CAPS) serves as a supporting body to the Board of Directors** and is composed of four independent members of the Board. Both governing bodies oversee management's compliance with the Company's strategy, as well as with the applicable laws and regulations under which the Company operates.



Audit-Related Responsibilities of the CAPS:

- Promote transparency and integrity of management.
- Ensure compliance with internal and independent audit activities, and those related to risk management.
- Identify and monitor areas with the highest financial, strategic, environmental, and legal risks, or any potential risks the Company may face, and that which could seriously impact its operations and/or objectives.
- Comply with requirements and legal and regulatory requirements and provisions, including the Company's procedures and controls.
- Ensure the usefulness, timeliness, and accuracy of accounting and financial information, in accordance with applicable domestic and international financial information.
- Support the Board of Directors in complying with corporate and operational policies and the Code of Ethics and Conduct.

Corporate Practices Responsibilities of the CAPS:

- 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 the 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 holds quarterly meetings, with an additional meeting dedicated to strategic planning. The Audit and Corporate Practices Committee meets monthly. During 2025, Board members recorded 98.5% attendance at Board of Directors meetings.

With the support of its committees, the Board maintains ongoing oversight of the Company's business strategy, including sustainability-related risks and opportunities.

The Sustainability Committee is responsible for defining and monitoring the Company's environmental, social, and governance (ESG) priorities. The Committee is composed of senior executives from various business areas who drive the implementation of the Company's sustainability strategy across the organization. The Sustainability Committee meets on a quarterly basis.

Oversight of ESG-related risks and opportunities is the responsibility of the Audit and Corporate Practices Committee (CAPS), while the Finance Department and the Sustainability Department are responsible for their ongoing monitoring and integration of these matters into the Company's financial planning and operational management processes.

In addition, the Company has established several committees that strengthen the management and oversight of its operations, including:

- **Enterprise Risk Management Committee**
- **Ethics and Integrity Committee**
- **Investigations Committee**
- **Information Security Committee**
- **Diversity and Workplace Inclusion Committee**
- **Business Continuity Committee**

Board of Directors

Members	Gender	Seniority (Years)	Proprietary/ Independent	No. of Additional Mandates	Practical Experience in the Industry			
					Retail	Finance	Risk Management	Other Industries
Alfredo Chedraui Obeso	Male	55	Proprietary		Yes	Yes		Yes
José Antonio Chedraui Obeso	Male	55	Proprietary		Yes	Yes		Yes
José Antonio Chedraui Eguía	Male	35	Proprietary		Yes	Yes	Yes	Yes
Agustín Irurita Pérez	Male	25	Independent	4		Yes	Yes	Yes
Federico Carlos Fernández Senderos	Male	17	Independent	4		Yes	Yes	Yes
Clemente Ismael Reyes-Retana Valdés	Male	16	Independent	2	Yes	Yes	Yes	Yes
Julio Gutiérrez Mercadillo	Male	12	Independent	0	Yes	Yes	Yes	Yes
Cecilia Goya Meade	Female	9	Independent	1	Yes	Yes		Yes
Francisco José Medina Chávez	Male	4	Independent	4		Yes		Yes
José Antonio Meade Kuribreña	Male	4	Independent	2		Yes	Yes	Yes
Elsa Beatriz Bojorges	Female	1	Independent	3		Yes	No	Yes
Francisco Darío Albuerne	Male	1	Independent	2		Yes		Yes
Scot Rank	Male	0	Independent	0	Yes	Yes	Yes	Yes

Executive Team

Lic. José Antonio Chedraui Eguía

Chief Executive Officer

CHEDRAUI MEXICO

Lic. Alfredo Chedraui López
Chief Real Estate Development Officer

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 Commercial, Operations, and Logistics

Ing. 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 Technologies

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 for Supermarkets

Ing. Luis Rodríguez López
Director of Procurement for 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
Director of Format Strategy

Lic. Jorge Adrián Ribas
Director of Supply Chain

CHEDRAUI USA

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

Ing. Carlos Smith Matas
CEO, Chedraui USA

Jack Hook
Chief Financial Officer, Chedraui USA

Joe Angulo
General Counsel, Chedraui USA

Compensation

GRI 2-19, 2-20

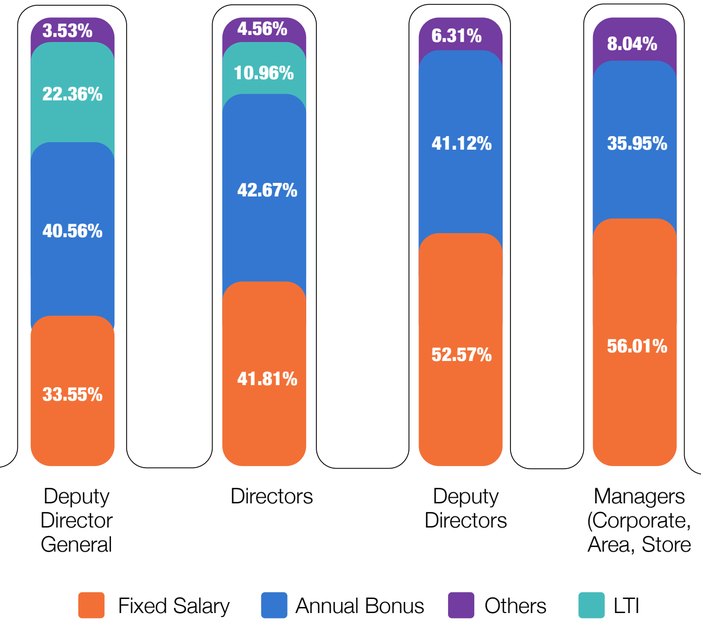


The Audit and Corporate Practices Committee is responsible for annual reviews of the compensation structure for senior executives, aligned with the Company's financial and strategic performance through the establishment of key performance indicators (KPIs). These indicators include metrics related to profitability, growth, and operational efficiency, aligned with the achievement of the Company's strategic objectives.

Compensation for key executives includes significant variable components designed to motivate accomplishment of performance targets and strengthen alignment with the Company's objectives. For executive and management positions, compensation consists of a fixed salary and annual performance-based bonuses.

Compensation programs are reviewed periodically to ensure they remain competitive with market practices and aligned with industry's best practices, thereby supporting the attraction, retention, and development of key talent.

Compensation plans are developed by the Human Resources Department and approved by the Chief Executive Officer, the Administration and Finance Deputy General Manager, and the Audit and Corporate Practices Committee



LTI: Long-Term Incentive Plan for Executives.

Integrity and Transparency



Integrity and transparency are two of the ethical values that have allowed us to grow sustainably since our founding.

Anticorruption

Grupo Chedraui is firmly committed to eradicating all forms of corruption that undermine the legitimacy of institutions and threaten the sustainability of businesses and society as a whole.

Our strategy is based on zero tolerance for any act or form of corruption and is reinforced through the standardization and formalization of our existing anti-corruption measures, involving all of our business partners and suppliers.

Employees are obligated to refuse any request or solicitation for bribes and are prohibited from offering, accepting, or receiving bribes from customers, suppliers, contractors, government officials, or any other third party.

Employees and executives are strictly forbidden to request, receive, or accept gifts, meals, travel, tickets, event invitations, or any other form of entertainment, whether directly or indirectly, from any third party with whom the Company has, or intends to have, a business relationship. Such benefits could compromise or improperly influence business decisions or create the appearance of granting an undue advantage to anyone providing said benefits.

The following table presents the number of employees who received anti-corruption training during 2025.

		2025			2024			2023		
Level	Country	Total Employees	Employees Trained	Rate	Total Employees	Employees Trained	Rate	Total Employees	Employees Trained	Rate
Director	MX	22	17	77%	21	16	76%	21	14	67%
	USA	37	35	95%	36	36	100%	124	124	100%
Asst. Dir	MX	56	56	102%	53	57	108%	51	42	82%
	USA	136	136	100%	145	138	95%	N/A	N/A	N/A
Manager	MX	904	931	103%	890	958	108%	816	781	96%
	USA	591	591	95%	589	589	100%	1,339	1,339	100%
Staff	MX	55,808	62,490	112%	52,918	65,524	124%	49,619	57,989	117%
	USA	25,296	25,296	100%	25,294	25,294	100%	24,560	24,560	100%
Total	MX	56,791	63,495	112%	53,882	66,555	124%	50,507	58,826	116%
	USA	26,058	26,058	100%	26,057	26,057	100%	26,023	26,023	100%

Percentages exceeding 100% are due to staff turnover recorded during the reporting period.

Money Laundering Prevention

It is a policy of the Group to ensure that its financial resources originate from lawful sources and to maintain **zero tolerance** toward any individual or entity involved in or committing acts related to money laundering or fraud in connection with any of its business operations.

The Company has established effective policies, procedures, and controls to mitigate the risks associated with money laundering and fraud, as well as identify transactions or activities that may involve illicitly sourced funds, and, **where appropriate, report such matters to the relevant authorities.**







Conflicts Of Interests

Potential conflicts of interest are managed internally across the Group's various businesses. Each case is assessed individually, and the most appropriate resolution is determined in a manner that best serves the interests of the Company.

Our employees are expected to protect Company assets and always act in its best interests; carry out their responsibilities independently from their personal interests, and avoid any situation that could give rise to an actual or potential conflict of interest.



Responsible Corporate Conduct

At Chedraui, we address with responsibility adverse impacts that our operations could generate, thereby contributing to sustainable development by integrating environmental, social, and human rights considerations into our business strategy and activities, including responsible business conduct standards for our supply chain and commercial relationships.

Our suppliers are required to comply with labor-related clauses in contracts and support our commitment to responsible business practices. In addition, we work together with our suppliers on various initiatives related to food, pharmaceutical, and environmental stewardship.

All suppliers are required to sign letters of commitment, conflict of interest declarations, and acknowledge and comply with our Supplier Code of Conduct.



Fair Competition

The Company is committed to treating all suppliers fairly, honestly, and in full compliance with applicable legislation. Our business is conducted at all times in accordance with the principles of fair competition and free markets, while maintaining respectful and ethical relationships with our competitors.

Across all of our operations, we adhere to the standards, principles, and best practices established and recognized by the retail industry.

Tax Compliance

The Company's tax governance and control framework is overseen by the Board of Directors through the Audit and Corporate Practices Committee (CAPS). Day-to-day tax management for the Group's companies is the responsibility of the Tax Department, which reports all matters on tax compliance, the implementation of tax reforms or corporate restructuring, and any related risks and opportunities to the Deputy General Manager of Administration, Human Resources, and Information Technology. On an annual basis, this directive reports to the CAPS compliance of all tax obligations for their review.

The Company must report all tax jurisdictions in which it is considered a tax resident. Our tax strategy in both Mexico and the USA is primarily focused on complying with all applicable local, state, and federal tax obligations in the jurisdictions where we operate, ensuring the accurate calculation, timely filing, and payment of taxes to the corresponding tax authorities. We also seek to apply tax incentives and other benefits expressly permitted under applicable law, whenever available.

In addition, we maintain internal policies —"150-004 Related Parties" and "150-011 Tax Compliance"—published on the Group's internal policy portal. These policies are designed to guide compliance with federal and local tax obligations in an appropriate, reasonable, and timely manner, while ensuring full adherence to applicable federal and local tax laws, regulations, and requirements established by the corresponding authorities.

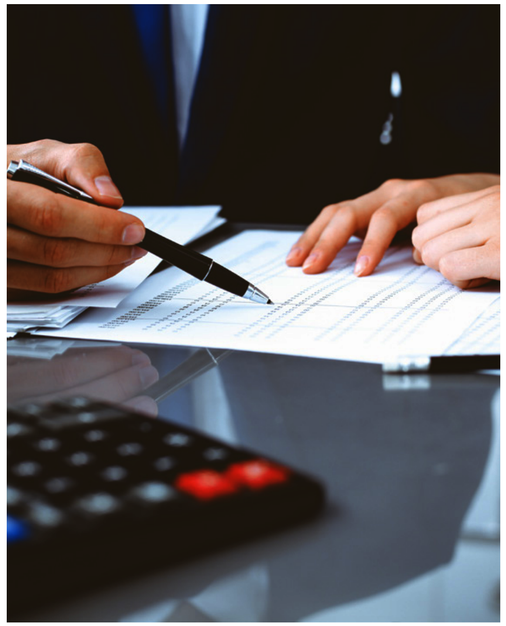
Tax-related risks are internally identified and managed through a series of review controls and the continuous analysis of changes in tax legislation and their potential impacts. These measures include the internal publication of tax bulletins for the Group's various business areas, the standardization of working papers, and the implementation of automated reports to reduce manual intervention and ensure accurate and timely calculation of tax obligations. In addition, there are ongoing reviews conducted by senior management to mitigate any possible tax-related risks.

Continuous investments are made for the development and implementation of new technologies to make tax compliance more efficient, sustainable, and reliable. This includes the deployment of automated processes (Bot) to manage large volumes of information and significantly reduce tax compliance risks.

Ongoing training on taxation and related matters is provided to employees within the Tax Department through specialized third-party providers. This includes annual tax training given by our independent tax auditor and, when appropriate, second-opinion advice is obtained from specialized tax advisory firms.

In addition, compliance with tax obligations within the Tax Department is continuously monitored, as well as the effectiveness of tax-related processes implemented across other areas of the Company. The effectiveness of these controls is reflected in the findings reported by our independent auditor, as well as in tax compliance opinions and reviews performed by the corresponding tax authorities.

The effective tax rate paid in 2025 was 30%, compared with 31% in 2024, remaining above the effective tax rate in Mexico, primarily due to the composition of taxes paid by Chedraui USA during the year.





3 Financial Performance

The Strength of Our Strategy and Business Model

Our associates' dedication to delivering a unique value proposition to our customers, while fulfilling our mission of *"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,"* is reflected in our solid results for 2025, achieved in a challenging consumer setting in both Mexico and the USA.

Consumer preference in Mexico enabled us to achieve a 2.7% increase in same-store sales in 2025 compared to the previous year, outperforming ANTAD's (National Association of Department and Self-Service Stores) Retail segment by 140 basis points during the same period.

In Chedraui USA, same-store sales were affected by a decline in transactions as a result of stricter immigration policies in the country. As stated before, this took place towards the end of the second quarter of 2025, thereby resulting in a marginal decrease of 0.6% in same-store sales.

We remain committed to investing in the countries where we operate, opening a total of 142 stores in Mexico and one store in the USA during the year.

As of year-end 2025, consolidated cash totaled Ps. 14.64 billion, representing a 7.2% increase compared to the previous year. Meanwhile, the Net Debt (Cash)-to-EBITDA ratio stood at -0.28x, compared to -0.18x in 2024.

Regarding the results achieved during the year, consolidated revenue reached Ps. 295.3 billion in 2025, an increase of 4.8% compared to 2024. This growth was driven by higher sales in both Mexico and the USA, as well as a favorable foreign exchange effect resulting from the average 3.3% depreciation of the Mexican peso against the U.S. dollar compared to 2024.

Consolidated revenue also benefited from a 3.0% increase in total sales floor; a 2.7% increase in same-store sales in Mexico; and a 4.0% increase in Chedraui USA sales, when translated into Mexican pesos.

Gross profit increased by 8.1% compared to the previous year, while the gross margin expanded by 71 basis points to 23.8%. The results for 2024 reflected the impact of transition costs associated with the start-up of the RCDC in the USA, as well as the implementation of Smart & Final's pricing strategy during the fourth quarter of the year.

It is worth noting that, during the fourth quarter, an unusual event in Mexico resulted in additional expense related to a tax authority review of prior-year tax periods. Also, in the USA, the Company recorded an additional provision related to a non-cash accrual for general liability and workers' compensation claims, impacting operating expenses for all U.S. banners.

Operating income increased by 0.5% over the previous year, reflecting higher labor costs in Mexico and the USA, as well as increased expenses associated with a greater number of store openings compared to 2024. The operating margin was 5.1%, compared to 5.3% in 2024. If the additional expenses discussed above are excluded, operating income increased by 5.2%, with an operating margin of 5.4%.

EBITDA totaled Ps. 24.73 billion during the year, representing a 4.0% increase compared to 2024.

EBITDA margin stood in line with the previous year at 8.4%. Excluding the additional expenses incurred during the fourth quarter, EBITDA increased by 7.0%, with an EBITDA margin of 8.6%, compared to 8.4% in 2024.

Finally, net income totaled Ps. 6.62 billion in 2025, a 2.5% decrease compared to 2024. Excluding the impact of the additional expenses, net income increased by 4.9% and represented 2.4% of consolidated sales.

Consolidated Income Statement

Amounts in Millions of Pesos	2024	2025	Variation
Net Sales	281,762	295,314	4.8%
Gross Profit	65,094	70,335	8.1%
Operating Expenses (w/o depreciation)	41,325	45,606	10.4%
EBITDA	23,769	24,730	4.0%
Consolidated Net Income	6,789	6,620	-2.5%

Chedraui Mexico

As of December 31, 2025, the **Retail division in Mexico**, which beginning this year includes the results of the real estate division, reported **5.7% growth in total sales as compared to 2024**, driven by an expansion in sales floor and a 2.7% increase in same-store sales.

EBITDA increased by 6.5% compared to the previous year, with an EBITDA margin of 9.3% over sales, representing an expansion of 7 basis points for the year. As noted previously, an unusual event recorded during the fourth quarter resulted in an additional expense related to a tax authority review of prior fiscal years. Excluding this expenditure, EBITDA increased by 7.1%, and the EBITDA margin reached 9.4%, compared to 9.2% in 2024.

Amounts in Millions of Pesos	2024	2025	Variation
Sales	132,963	140,597	5.7%
EBITDA	12,288	13,089	6.5%
EBITDA Margin	9.2%	9.3%	7 pp



Chedraui USA

Total sales at Chedraui USA grew 0.7% in U.S. Dollars; however, when converted to Mexican pesos, these results reflected a 4.0% increase, benefiting from the 3.3% depreciation of the Mexican peso against the U.S. dollar during the year. Performance in U.S. Dollars was driven by a modest 0.2% increase in sales floor and strong same-store sales performance during the first half of the year.

EBITDA from the operation reached Ps. 11.64 billion, with an EBITDA margin of 7.5%. As commented before, during the fourth quarter, Chedraui USA recorded an additional provision related to a non-cash accrual for general liability and workers' compensation claims, impacting operating expenses for all U.S. banners, in accordance with the results of the annual actuarial review. Excluding this expense, EBITDA increased by 6.9%, and the EBITDA margin expanded by 22 basis points to 7.9%, compared to 2024.

EBITDA for El Super and Fiesta Mart totaled Ps. 6.313 billion, with an EBITDA margin of 8.6%. Excluding the additional provision, EBITDA would have increased by 3.9% in Mexican pesos, and the EBITDA margin would have been 8.9% compared to 9.0% in 2024, whereas EBITDA for Smart & Final totaled Ps. 5.33 billion, with an EBITDA margin of 6.5%. Excluding the additional provision, EBITDA would have increased 10.4% with an EBITDA margin of 7.0% compared to 6.6% in 2024. These results are largely due to a more efficient distribution network that the RCDC provides for Smart & Final.

Amounts in Millions of Pesos	2024	2025	Variation
Sales	148,799	154,717	4.0%
EBITDA	11,480	11,641	1.4%
EBITDA Margin	7.7%	7.5%	-19 pp

Financing

By December 31, 2025, the Company reported a net cash position of Ps. 6.92 billion, consisting of Ps. 7.72 billion in short- and long-term debt, and Ps. 14.64 billion in cash and temporary investments.

It should be noted that at the end of 2025, outstanding bank debt amounted to $430 million U.S. dollars and was attributed to Chedraui USA operation. This balance decreased by 6.7% in dollar amounts compared to the $460 million U.S. Dollars reported at the end of 2024.

Based on these figures, the net debt (cash)-to-EBITDA ratio for the last twelve months closed at -0.28x, compared to -0.18x at year-end 2024.



Investment

CAPEX for 2025 totaled Ps. 8.55 billion, 25.4% lower than the Ps. 11.45 billion recorded in 2024, representing 2.9% of consolidated sales.



4 Sustainability Strategy

Chedraui's Sustainability Strategy GRI 2-22, 2-23

Our commitment to improve the lives of people by bringing them 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 inherently linked to the efficient use of available resources, environmental stewardship, and strengthening our ties to the communities where we operate.

Strong relationships with our customers, employees, investors, suppliers, and the communities where we operate are fundamental in achieving our objectives. Sustainability practices are fully embedded in our business strategy, and its ongoing evolution will enable us to continue creating and preserving long-term value in an increasingly dynamic environment.

In 2024, the Company published Chedraui's Sustainability Policy on its corporate website and updated its double materiality assessment to identify, evaluate, and prioritize the Group's sustainability-related risks, considering both Chedraui's impact on the environment and society, as well as the sustainability-related risks and opportunities affecting the business. The assessment also considers our contribution to the United Nations Sustainable Development Goals (SDGs) under the 2030 Agenda.

Based on the results of the double materiality analysis and considering financial impact as a key factor in the risk evaluation process, climate change and energy-related risks were identified as relevant sustainability topics for Chedraui, among others. Accordingly, during the second half of the year, we conducted a climate risk assessment to refine the financial materiality of climate-related matters and further quantify their potential financial impact.

In 2025, we initiated the process of including these climate-related risks in our internal Enterprise Risk Management (ERM) framework to enable more comprehensive monitoring and incorporated them into the Company's strategic decision-making processes.



Pillars of Our Sustainability Strategy

Environmental



Through a range of initiatives, we seek to mitigate the environmental impact of our operations and address climate change by prioritizing the management of our carbon footprint, water resources, waste generation, and recycling, while advancing the integration of circular economy principles across our business.

Social



Our people are our greatest asset. We are committed to improving the quality of life of our employees by promoting human rights, diversity, inclusion, professional development, training, and workplace safety through a wide range of initiatives and programs. The well-being of the communities we serve is also supported through our foundations in both Mexico and the USA.

Governance



Chedraui firmly believes that ethics and integrity are the core values that have defined us, and this enables building relationships of trust and mutual respect with our stakeholders. We maintain a strong corporate governance framework founded on integrity, ethics, accountability, and transparency, designed to protect the interests of all stakeholders, while also generating longterm economic and social value. Chedraui is fully committed to preventing illicit activities and eliminating any kind of corruption throughout the organization, while ensuring full compliance with the legal and regulatory requirements applicable in every country where we operate. In support of these commitments, a Supplier Code of Conduct and a comprehensive set of Corporate Policies are maintained to govern the conduct of executives and employees alike.

Governance

GRI 2-12, 2-13, 2-14

Our Business Model Immersed in Our Sustainability Strategy

Within the context of our business model and value chain, climate-related events and energy consumption were identified as relevant operational risks, among others. Climate events pose increasing challenges due to their frequency and potential impact on the operation of our physical stores and omnichannel home delivery services, while energy is a critical element required to sustain our day-today operations.

The company recognizes that in recent years, there has been an increase in extreme weather events, including tropical cyclones and flooding, which represent operational risks given the geographic regions in which we operate. The occurrence of these events could disrupt the operations of our stores, distribution centers, and offices, while also affecting the integrity of physical assets and inventory availability.

To mitigate these risks, Grupo Chedraui has implemented a range of operational, financial, and store design strategies.

Our Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are supported by robust procedures that enable a rapid and effective response when climate- related events occur. These plans prioritize the safety and well-being of our employees, assess the impact on store operations, and establish the necessary actions to restore business operations as quickly as possible.

In addition, increases in electricity and fuel costs can have an impact on operating expenses throughout our value chain, from production and distribution to the sale of the products and services we offer. To address this, initiatives have been implemented to improve energy efficiency and increase the use of renewable energy sources across our operations. In 2025, 63% of the electricity consumed by our operations in Mexico was sourced from wind and solar energy systems.



Governance for Our Sustainability Model

Sustainability governance is a fundamental pillar of Chedraui's business model, as it establishes the framework and mechanisms for integrating environmental, social, and corporate governance (ESG) considerations into our strategic decision-making and management processes across both our Mexico and USA operations. A robust governance structure aligns the Company's operating strategy with sustainable development, ensuring transparency, accountability, and resilience over the short, medium, and long term.

All members of the Board of Directors possess the skills and competencies needed to oversee strategies designed to address sustainability-related risks and opportunities, including those associated with climate change. Chedraui assesses this through an annual evaluation of the Board's composition, considering members' experience, professional background, expertise, and knowledge. In addition, members of the Board of Directors receive annual training from external experts on key sustainability topics that could have an impact, or are considered material to the Company during the fiscal year, thereby

strengthening the Board's capabilities. Likewise, the executives responsible for the Company's sustainability strategy work closely with external consultants to ensure full compliance with applicable regulations and to effectively align the sustainability strategy with the Company's overall business strategy.

We provide below a detailed description of the company's governance structure:



- **Board of Directors:** As the highest governing body, it plays a key role in strategic decision-making regarding Grupo Chedraui's sustainability strategy. It is responsible for approving the sustainability strategy and overseeing its implementation, monitoring the main sustainability-related risks and opportunities, and approving and ensuring the execution of mitigation plans, as well as efficient resource management.

- **Audit and Corporate Practices Committee (CAPS):** It plays a key role in strategic decision-making related to sustainability. On a semiannual basis, the Committee evaluates sustainability and climate-related risks and opportunities, oversees the progress and consistency of the mitigation plans implemented, and ensures that decisions made for the Company are aligned with its long-term strategy. Members of this committee actively participate on the Board of Directors, helping to ensure timely decision-making aligned with Grupo Chedraui's long-term vision.

- **CEO of Chedraui:** The Chief Executive Officer oversees the integration of sustainability into the corporate strategy, fosters a culture of responsibility among employees, and reports progress to the Board of Directors to ensure transparency and strategic alignment.

- **Deputy General Manager of Administration, Finance and IT:** As Chair of the Sustainability Committee, he actively participates in the design and implementation of the Company's sustainability strategy; ensures compliance with the Company's sustainability standards; adheres to regulatory requirements; and directly oversees strategic risks identified under Grupo Chedraui's Enterprise Risk Management (ERM) model, including short, medium, and long-term mitigation plans implemented to ensure operational efficiency and organizational resilience. In addition, he coordinates cross-functional initiatives across all areas of the Company and leads the execution of the strategy approved by the Board of Directors and the Executive Committee. Progress is reported semiannually to the CAPS to ensure transparency and alignment of sustainability initiatives with the Company's overall strategy.

Sustainability Committee

The Committee is responsible for defining, approving, and overseeing the Company's sustainability strategy, ensuring that sustainability principles are embedded throughout the organization's operations to create value over the short, medium, and long term. Meetings are held on a quarterly basis; the committee is composed of C-Suite executives of the Company's main business areas, including Chedraui USA.

The Committee oversees sustainability and climate-related risks and opportunities; reviews the performance of mitigation strategies; periodically evaluates risks with the greatest potential impact on financial performance, operational continuity, and business resilience; and ensures their appropriate integration into the Group's ERM process.

The Deputy General Manager of Administration, Finance, and IT is responsible for implementing the sustainability strategy and monitoring its progress, periodically reporting updates to the Sustainability Committee. The Sustainability Department is responsible for executing the strategy and overseeing its day-to-day management and follow-up on sustainability-related initiatives.

Double Materiality Analysis GRI 3-1, 3-2

Double Materiality Analysis

During 2025, we continued strengthening our double materiality approach to identify, assess, and manage sustainability-related impacts, risks, and opportunities arising from our operations.

This assessment was conducted in accordance with internationally recognized bodies, including guidelines established by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), allowing for the integration of both a financial perspective and our economic, social, and environmental impacts.



The process included the following components:

Identification of Resources, Risks, and Opportunities

Interviews were conducted with senior management teams in Mexico and the USA to identify key strategic resources, as well as the risks and opportunities associated with their availability and use.

As a result, 19 risks affecting the availability of strategic resources and 17 opportunities to optimize their use were identified.

Estimating Financial Relevance

To assess the relative importance of each resource, consolidated financial information was used, taking into account its impact on the Company's operating revenue. This exercise made it possible to determine the financial significance of each resource for our operations.

Evaluating Impacts, Risks, and Opportunities

Executives from various functional areas participated in workshops to assess the positive and negative impact of our operations, as well as the associated risks and opportunities.

In addition, the results of previous materiality assessments and stakeholder engagement exercises were incorporated, enriching the evaluation and ensuring a comprehensive perspective.

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

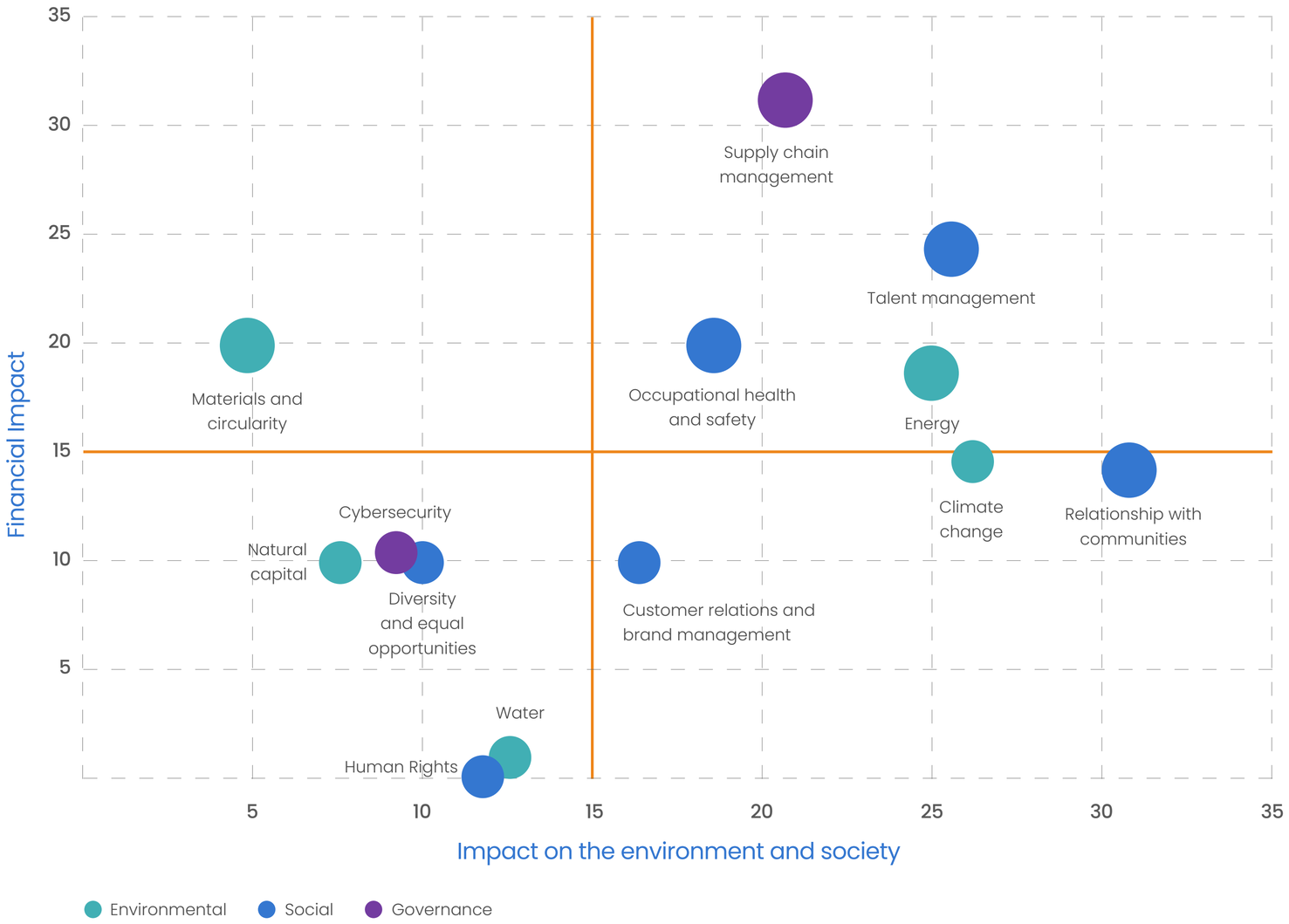
- Its Probability
- Potential financial impact
- The reversibility of the environmental impact
- The effect on the Social License to Operate (SLO)
- Relevance for stakeholders

As a result of this process, the Company's priority material topics were identified and grouped into environmental, social, and governance dimensions, as presented in the corresponding materiality matrix.

As part of the evolution of our management model, we are integrating the sustainability risks identified through this assessment into our Enterprise Risk Management (ERM) System to enhance effective management through a structured approach aligned with our business strategy.

In 2025, we conducted a climate risk assessment, which represents a key component of our long-term sustainability strategy. This assessment provided a deeper understanding of how specific climate-related risks may affect our operations; it facilitated proper identification, evaluation, prioritization, and the development of appropriate mitigation strategies.

The results of this assessment have also been integrated into our Enterprise Risk Management (ERM) System, enhancing management of climate-related risks within the Company's risk management framework, and aligning this process with the requirements of the applicable International Financial Reporting Standards (IFRS), particularly those related to sustainability-related risk disclosures.


Financial Impact
Impact on the environment and society
35
30
25
20
15
10
5
5
10
15
20
25
30
35
Supply chain management
Talent management
Materials and circularity
Occupational health and safety
Energy
Climate change
Relationship with communities
Cybersecurity
Natural capital
Diversity and equal opportunities
Customer relations and brand management
Water
Human Rights
Environmental
Social
Governance



5 Risk Management and Assessment

Risk Management and Assessment

GRI 2-12, GRI 2-13

In 2024, the company began the implementation of its risk management system using the Enterprise Risk Management (ERM) model, designed to identify, categorize, assess, prioritize, develop appropriate mitigation plans, and monitor the risks and opportunities that may impact operations and the execution of our strategy in the future.

Risk management at Chedraui is overseen by the Risk Assessment Committee, which includes the Deputy General Managers, as well as the heads of Real Estate Development, Legal, Information Technology, Sustainability, Internal Audit and Financial Information and Investor Relations.

The Audit and Corporate Practices Committee reviews the Company's key risks on a semiannual basis, and reports its findings to the CAPS. The Board of Directors is informed annually of the Company's material operational and sustainability-related risks. Should any changes arise in these key risks, the Board reviews, validates, and approves them to ensure their ongoing oversight and adequate monitoring.

In turn, the risk management team regularly monitors the materialization of identified risks and their mitigation plans with the corresponding Risk Champions from each area. The Risk Assessment Committee holds quarterly meetings to analyze trends in the materialization of risks that directly affect established objectives. These meetings may also be held on an extraordinary basis at the request of any Committee member.

The process used to identify, assess, monitor, and mitigate risks that may impact operations and reasonably affect the achievement of our objectives is as follows:



Risk Identification
Potential risks that could impact the Company objectives are identified through meetings with senior management.

Assessment
Risk response and action plans are determined.

Monitoring
Monthly or Bi-monthly sessions are held with the key individuals responsible for each department (Risk Champions) to monitor risk materialization trends and assess the maturity of mitigation activities.

Reporting
Every quarter, a report is presented to the Risk Management Committee covering the monitoring of activities, the trends in risk occurrence, and the maturity level of mitigation measures.

Sustainability Risk Management GRI 201-2



To manage sustainability-related risks and opportunities, the Company has established controls and procedures that enable its ongoing oversight, including those related to climate change. These mechanisms are part of the governance structure, through which clear objectives are established, and progress toward their achievement is monitored, ensuring that implemented initiatives remain aligned with corporate objectives and sustainability best practices.

Grupo Chedraui worked on an analysis of climate-related risks and opportunities aligned with the disclosure requirements of IFRS S1 and S2. This assessment is part of the process to strengthen sustainability-related risk management, and seeks to provide a clearer understanding of how physical and transition risks could affect the Group's expectations, operations, cash flows, and financial performance across different time horizons. This approach is consistent with the scope of IFRS S2, which requires the disclosure of climate-related risks and opportunities over different time horizons.



In developing this assessment, Chedraui implemented a structured process that identifies, evaluates, and manages climate-related risks and opportunities. This process considered both our own operations and relevant elements of the value chain, as well as short, medium, and long-term time horizons. Climate change-related risks have already been incorporated into the Company's Enterprise Risk Management (ERM) system, aligning with COSO-ERM, and we are currently in the process of integrating and/or modifying sustainability-related risks, which in some cases were previously handled as operational risks. The objective is to manage them consistently with the requirements of the IFRS S while remaining aligned with the Group's strategic, financial, and operational risks.

The ERM integration process involves multiple business areas and includes:

- Developing standardized "risk cards" (risk descriptions, current and future response strategies, and controls).
- Assigning "risk champions" responsible for monitoring.
- Support from specialized external consultants.
- Final review by the Audit and Corporate Practices Committee, followed by approval from the Board of Directors.

As part of the progressive adoption of the IFRS S standards, and considering the use of transition relief, the initial assessment focused on climate-related risks and opportunities, including both physical and transition risks.

The identification and assessment of risks was based on a two-stage materiality approach. First, climate-related risks and opportunities which could be relevant to the business prospects were identified. Subsequently, an assessment was conducted to determine the adequate information that could be considered material to the primary users of financial information, considering the likelihood of occurrence and the opportunities that may influence decisions related to the Group's strategy.

This assessment was based on a comprehensive understanding of Chedraui's business model, including geographic presence in Mexico and the USA; its network of physical stores; digital channels; distribution centers; proprietary and outsourced logistics; and its supply chain. Key operational resources were also considered, such as inventories, use of energy, water consumption, and human capital, in addition to the applicable regulatory context regarding environmental, labor, and consumer matters, and climate-related disclosures.

In order to be exhaustive, both internal and external information sources were incorporated into the analysis. Internal sources included financial information, store locations, energy and water consumption, packaging materials, emissions, and organic growth plans. External sources included international disclosure standards, such as IFRS S1, IFRS S2, and SASB; reference climate scenarios; industry benchmarking; regulatory information; climate, water, and pricing databases; as well as stakeholder feedback and support from sustainability experts.



As a result, Chedraui structured its climate-related assessment around the following steps:

Step 1: Identifying Climate-Related Risks and Opportunities

Chedraui identified climate-related risks and opportunities based on the comprehensive analysis of its operating context, resources, and value chain, with the objective of assessing the potential impact on its financial outlook across different time horizons.

Understanding the Business

The analysis encompassed:

- **Operations and geography:** Primary presence in Mexico and the USA, including its supply chain.
- **Regulatory environment:** Full compliance with labor, environmental, and consumer regulations in all its jurisdictions.
- **Key resources:** Inventories (private label and third-party brands), electricity consumption, fuel, and human capital.
- **Distribution Model:** A combination of physical stores, digital channels, and proprietary and outsourced logistics.

Identifying Risks and Opportunities

Based on this understanding, Grupo Chedraui assessed the exposure of its operations and value chain to:

- Climate-related physical and transition risks
- Climate-related opportunities

The assessment considered the potential impact of these risks on cash flow generation over the short, medium, and long term.

Multiple sources were used to strengthen the identification process, including:

- Internal risk processes
- International standards (IFRS S1/S2, SASB)
- Industry benchmarking
- Stakeholders
- Specialized consultants

Evaluating Impacts

The identified risks and opportunities were assessed based on:

- Probability of occurrence
- Magnitude of financial impact

The approach included:

- Climate scenarios for uncertain events in the future
- The inclusion of historical evidence, where available
- Initial qualitative prioritization, followed by quantitative analysis

Once risks were identified, the Company used a climate-scenario methodology to determine their potential impact on the Company's prospects, especially regarding cash flows in different time periods. **This methodology was carried out through the following stages:**

Stage	Analysis
Defining the scope of risks and opportunities	Defining the geographic scope and time horizons. Identifying exposed assets and processes. Selecting and classifying climate-related risks (physical and transition risks) according to their impact and probability.
Developing impact pathways and quantification	Identifying how climate risks may affect the business through transmission channels. Linking climate events to operational and financial impacts (costs, income, and resilience).
Collecting relevant scenario and value chain data	Integrating forecasted climate data, historical operational information, and economic variables (such as energy, water, and regulatory factors) with information on the value chain, to assess exposure and severity of their impacts.
Calculating financial impact	Simulating the economic impact caused by climate-related risks. Quantifying effects on costs, income, and other financial indicators under different time horizons.

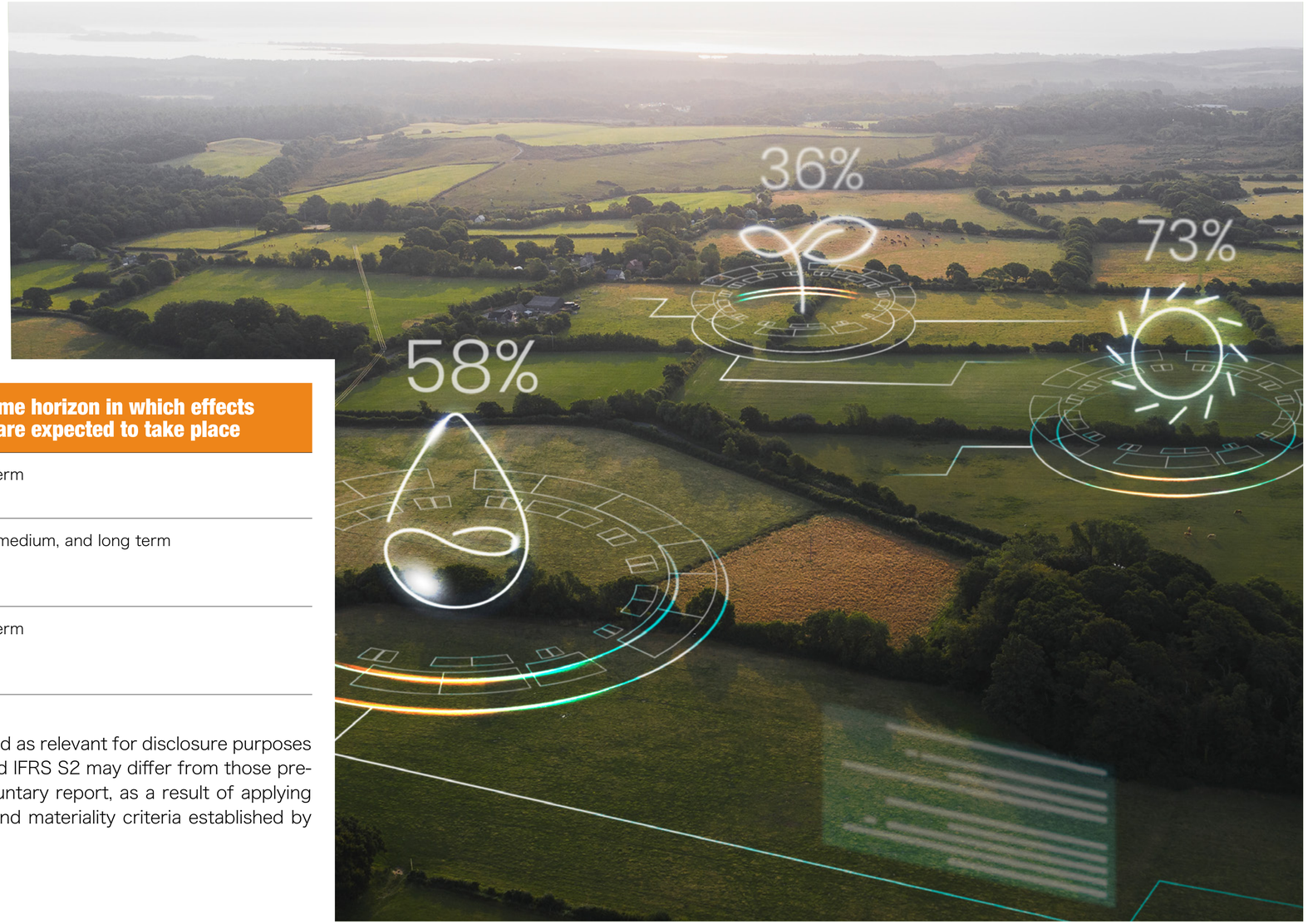
Grupo Chedraui incorporated input from external stakeholders to validate and supplement its internal assessment, and did not identify any additional material risks or opportunities. The final determination was based on professional judgment, and climate-related risks and opportunities were consolidated and submitted for review by the Audit and Corporate Practices Committee and then sent to the Board of Directors for final approval.

Step 2: Identifying Material Information to be Disclosed

Upon identifying climate-related risks and opportunities, Chedraui selected the **material information to be disclosed** for each one, as per IFRS S, while taking into account **qualitative and quantitative criteria.**

The criteria used in this evaluation **are periodically reviewed and updated** in each reporting cycle.

Consequently, Grupo Chedraui defined a set of **material climate risks and opportunities** that are reasonably expected to affect its prospects and will therefore be subject to disclosure.



Name of Risk or Opportunity	Type of Climate Risk	Time horizon in which effects are expected to take place
Increase in electricity costs due to rising temperatures	Physical risk	Long term
Operational disruptions caused by extreme weather events (hurricanes and flooding)	Physical risk	Short, medium, and long term
Increase in operating costs due to limited access to drinking water, resulting from drought-related water scarcity	Physical risk	Long term

As part of the risk management process under the internal ERM model, the potential risks and opportunities identified through the double materiality assessment have been considered as a starting point for the relevance assessment under the IFRS Sustainability Disclosure Standards. However, the risks and opportunities ultimately identified as relevant for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report, as a result of applying the assessment and materiality criteria established by those standards.



6 Environmental

Efficient Energy Use

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

Energy management is a critical component of Chedraui due to the Company's reliance on energy resources to support the operation of its stores, distribution centers, and other facilities. In this context, electricity and fuel consumption have implications not only for business continuity, but also for environmental impacts management associated with the use of natural resources and energy-related emissions.

As part of its Sustainability and cost-efficient strategy, Chedraui promotes initiatives aimed at strengthening energy efficiency across its operations, encouraging the use of lower-impact technologies, and gradually increasing the share of renewable energy sources within its energy mix. These actions seek to reduce emissions while also enhancing operational resilience in the face of a less favorable cost and regulatory environment.





Potential Risks:
Increased Electricity and fuel costs due to regulatory changes

Changes in energy sector regulations may result in higher costs for Grupo Chedraui's essential resources, directly affecting operating expenses. This situation could reduce profitability and require adjustments to our pricing policies.

Potential Opportunities
Optimization of electricity-related expenses through the procurement of clean energy supply arrangements under long-term energy supply contracts, known as PPAs (Power Purchase Agreements), as well as expanded use of retrofits in stores and DCs (Distribution Centers) where feasible.

By securing more favorable and predictable energy rates over the long term, we can reduce our reliance on traditional energy sources and mitigate the effects of volatility in energy costs.

Potential Impact
The development and supply of energy result in greenhouse gas emissions. The energy used in our operational activities requires the use of inputs from nature, which causes significant effects on the environment.

Mitigation Strategy

Within our business model, energy consumption is essential for supporting day-to-day operations. As a result, the use of energy resources is a relevant consideration for both operational continuity and management of our environmental impacts.

Chedraui recognizes that increases in electricity and fuel costs can place pressure on the Company's operating cost structure, affecting various stages of the value chain, from logistics and distribution processes to product commercialization. These factors may lead to higher operating costs and require adjustments to internal processes, commercial relationships, and efficiency strategies.

In response, we promote initiatives aimed at optimizing the energy performance of our operations and reducing our carbon footprint. Key actions include strengthening energy efficiency projects, adopting more efficient technologies, and gradually increasing the share of renewable energy in our total energy consumption.

As part of our strategy to address the risk of rising electricity and fuel costs due to regulatory changes, we maintain energy supply agreements and renewable energy procurement arrangements through PPAs, which help diversify our energy sources and strengthen operational stability. Also, the company has increased the number of stores and distribution centers equipped with energy-efficiency retrofits.

As of the end of 2025, 63% of the energy used in our operations in Mexico came from renewable sources.

Chedraui acknowledges that a significant portion of our renewable energy supply depends on PPAs with fixed contractual terms. To maintain the share of renewable energy within our energy mix, the Company continues to evaluate alternatives such as renewing existing agreements, entering into new contracts, and expanding distributed generation projects, such as increasing the number of solar installations.

This strategy is intended to strengthen the Company's operational and financial resilience regarding climate-related risks identified in our assessment process, including higher electricity costs associated with rising temperatures, which could increase the energy demand of refrigeration systems. As part of our climate risk management approach, we will continue monitoring these factors and implementing energy efficiency measures.



In recent years, we have also implemented various initiatives to leverage opportunities and reduce electricity consumption through energy efficiency measures in both existing and new facilities.



Key initiatives include:

1
- Accelerating the installation of solar panels in stores, shopping centers, corporate offices, and distribution centers.

2
- In 2025, a total of 69 stores, 23 shopping centers, and one distribution center have solar panels installed in Mexico.

3
- Conducting awareness campaigns designed for our employees on the efficient use of electricity and fuels.

4
- Increasing the use of natural gas in different facilities.

At Chedraui USA, initiatives aimed at strengthening the use of renewable energy have also begun to be implemented. As part of these efforts, agreements were established with solar energy providers to generate credits applicable to the electricity consumption of our stores. During 2025, two Smart & Final stores and one El Super store participated in this program, generating approximately 453.4 MWh in solar energy credits.

Additionally, two Smart & Final Stores have signed solar agreements and are waiting on their utility company to grant permission to operate, and five additional locations are awaiting internal and external approvals to proceed.

Metrics and Goals

Energy consumption at Chedraui reflects the importance of electric power needed to sustain the operation of stores, distribution centers, and other facilities, as well as progress made by the Company regarding the diversification of the energy matrix. Chedraui continues increasing the total consumption of energy as a consequence of its organic growth strategy, while also reinforcing efficiency and renewable-supply strategies. The goal is to reduce exposure to higher energy costs and, with this, support management of environmental impacts. **Notably, solar energy consumption increased by 29.8% in 2025, driven by the accelerated rollout of energy-efficiency retrofits at eligible locations across Mexico and the United States.**



Energy Consumption: Chedraui Mexico

	Unit	2025	2024	2023
Consumption of the public power grid	MWh	245,277	225,264	200,282
Wind energy (PPA)	MWh	390,047	394,248	403,052
Solar energy (PPA)	MWh	22,886	18,848	7,083
Total	**MWh**	**658,210**	**638,360**	**610,418**

Energy consumption: Chedraui USA

	Unit	2025	2024	2023
Consumption of the public power grid	MWh	506,218	502,849	493,695
Solar energy (PPA)	MWh	1,578		
Total	**MWh**	**507,796**	**502,849**	**493,695**

Energy Consumption: Consolidated

	Unit	2025	2024	2023
Consumption of the public power grid	MWh	751,494	728,113	693,977
Wind energy (PPA)	MWh	390,047	394,248	403,052
Solar energy (PPA)	MWh	24,464	18,848	7,083
Total	**MWh**	**1,166,006**	**1,141,209**	**1,104,113**

Fuel Consumption: Chedraui Mexico

Mexico	Unit of Measure	2025	2024	2023
Natural Gas	Liters	2,116,424	1,929,776	1,975,938
LP Gas	Liters	15,211,299	15,269,220	15,072,360
Gasoline	Liters	299,522	298,265	350,018
Diesel	Liters	1,349,011	1,170,098	1,030,739

Fuel Consumption: Chedraui USA

USA	Unit of Measure	2025	2024	2023
Natural Gas	Liters	21,776,799	21,842,738	22,171,182
Gasoline	Liters	2,729,464		
Diesel	Liters	104,015		

Fuel Consumption: Consolidated

	Unit	2025	2024	2023
Natural Gas	Liters	23,893,223	23,772,514	24,147,120
LP Gas	Liters	15,211,299	15,269,220	15,072,360
Diesel	Liters	1,453,026		
Gasoline	Liters	3,028,986	298,265	350,018
Total	**Liters**	**43,586,534**	**39,339,999**	**39,569,498**

Climate Change

GRI 302-1
SASB: FB-FR-110b.1, FB-FR-110b.2, FB-FR-110b.3

This section of the Annual Report addresses the physical climate-related risks identified as material for Chedraui through its climate risk assessment process, aligned with the requirements established under the IFRS Standards. The assessment considered potential impact on operations, the value chain, and financial performance in the short, medium, and long-term.

In particular, the analysis considered, among other factors, risks associated with rising temperatures, the occurrence of extreme weather events, and increasing pressure on water resources in specific regions where Chedraui operates.

The following time horizons were established:
- Short term (0 - 1 year)
- Medium term (2 - 5 years)
- Long term (over 5 years)

These time horizons are consistent with those used by Chedraui in its strategic planning and budgeting processes. Annual budgets, organic growth plans for stores, and expected operating results are developed using these time horizons. Growth plans extending beyond five years are also in place; however, they do not include detailed or quantitatively precise projections. The Company recognizes that impacts beyond five years involve greater complexity due to uncertainty in macroeconomic, regulatory, technological, and climate-related variables. This approach also applies to the Company's risk management processes, thus enabling Chedraui to make consistent and strategic corporate decisions.

Although the long term is defined as a period greater than five years, Chedraui adopted a specific time horizon through 2050 when quantifying the financial effects of climate-related risks presented in this report. This is consistent with climate projections described later in this document. This horizon is used to assess climate-related implications that could materialize beyond the Company's quantitative planning cycle (annual and up to five years).

Consequently, the results up to 2050 are intended to inform strategic direction and climate risk management rather than capital allocation decisions, which continue to be based on the prevailing budgeting horizon.



Climate Scenarios Considered

Three climate scenarios were assessed to analyze the sensitivity of Chedraui's operations to acute and chronic physical risks, using scenarios commonly applied in industrywide climate risk analyses as reference points:

1
- Net Zero Scenario / SSP1-1.9 – Low warming projection, associated with an approximate temperature increase of 1.5 °C;

2
- NDC Scenario / SSP2-4.5 – Intermediate projection, associated with an approximate increase of 2.5 °C, considering the implementation of nationally determined contributions, as per the Paris Agreement commitments; and

3
- Current Policy Scenario / SSP3-7.0 – Projection of greater warming, associated with an approximate increase of 3.2 °C, under a scenario where only currently implemented policies are maintained.

The physical risk assessment incorporated historical and projected climate variables, including historical climate data from the IPCC, covering the period from 1950 to 2024, and projections for 2025–2050. The analysis applied statistical methods, regression analyses, and modeling techniques to estimate the evolution of relevant climate variables (including rain, water scarcity, and temperature, among others) and translated them into operational and financial impacts.

The combination of these three scenarios provides a reasonable range of potential climate outcomes and enables an assessment of the resilience of the Company's strategy under different levels of global warming. The assessment focuses on the potential effects of acute and chronic events on store operations, the availability of critical resources, and operating costs.

For greater detail on the methodology and assumptions employed, see the IFRS Sustainability report through the following **link**.

Risk: Increased energy costs due to rising temperatures

The sustained increase in average temperatures across some of the regions where we operate represents a chronic physical risk associated with climate change, which may lead to structural increases in energy consumption, particularly in store refrigeration and air conditioning systems. This risk primarily materializes through higher electricity demand to maintain operational conditions, which could result in higher operating expenses and, consequently, cause pressure on the Company's long-term financial performance.

Based on the climate scenario analysis, which considers different levels of temperature increase, Chedraui has identified that Super Chedraui stores exhibit the greatest relative sensitivity in energy consumption in response to temperature changes in Mexico. In the United States, while energy consumption remains comparatively more stable, El Super stores are expected to experience increases in energy consumption under these scenarios.

Additionally, the Company's exposure is particularly relevant in regions where substantial temperature increases are projected, including southeastern Mexico and certain areas of the state of California in the United States. These findings are considered by Chedraui in the development of its operational strategy and the management of climate-related risks.



Effects on the business model and value chain

The sustained increase in temperatures has direct implications on the business model, as store operations rely on refrigeration systems to preserve perishable products and maintain appropriate operating conditions. In this context, the primary impact mechanism identified is the increased demand for electricity used to power in-store refrigeration and air conditioning systems.

Likewise, this risk may affect various components of the value chain, particularly the storage, distribution, and commercialization of products that require temperature-controlled conditions.

Given the widespread nature of this phenomenon, Chedraui estimates that 100% of its operations, including stores, distribution centers, and offices, are exposed to sustained increases in temperature, although exposure varies according to geographical location and local climate conditions.

Current effects

As of the reporting date, the Company has not identified any material effects resulting from the sustained increase in temperatures on the operation of its stores; however, it continues to monitor trends in the use of refrigeration systems and the associated operating conditions.

Expected effects

Over the medium and long term, chronic temperature increases could:

- Increase the operational demand for refrigeration and air conditioning systems in stores and distribution centers.
- Affect storage and transportation conditions throughout the logistics chain.

This risk is also expected to have a differentiated impact on certain store formats and in geographic locations that are most exposed to rising temperatures.

Effects on Strategy and Business Model

The Company's approach to managing this risk focuses on implementing measures aimed at improving the energy efficiency of its operations, particularly in the use of refrigeration and air conditioning systems.

In this context, we consider this risk in the decision-making process related to the operation of our stores, as well as in the prioritization of initiatives aimed at optimizing energy performance and strengthening the efficiency of operational infrastructure.

Current and planned direct efforts

We have currently implemented measures that manage the operational effects associated with rising temperatures, primarily centered on improving the efficiency of our refrigeration systems. These measures include energy-efficiency initiatives such as replacing conventional lighting with LED fixtures, automating lighting systems, and upgrading air conditioning and refrigeration equipment. In addition, we have installed doors on refrigerated display cases to reduce cooling losses and improve the operational efficiency of these systems.

Additionally, Chedraui maintains a renewable energy procurement strategy as part of our efforts to optimize the energy performance of all operations and manage the increased energy demand associated with this risk.

As stated before, 63% of the energy used by Chedraui in Mexico comes from renewable sources, whereas Chedraui USA has initiated a solar panel deployment program in selected stores since 2024. These efforts reflect our commitment to optimizing operating expenses while driving a reduction in the Company's Scope 2 emissions.

Financial Effects

Current financial effects

During the reporting period, the Company found no material financial impacts attributable to the risks associated with rising temperatures that would require specific recognition or disclosure in our financial statements.

Long-term financial effects

Based on the risk assessment, the anticipated financial effects resulting from a sustained increase in temperatures are primarily associated with higher electricity consumption required to operate refrigeration systems.

For greater details on the financial impacts, see the IFRS Sustainability report through the following link.





Resilience Assessment

The assessment performed by Chedraui incorporates this risk into a climate scenario assessment that considers NDC (~2.5°C) and Current Policies (~3.2°C) projections, enabling an evaluation of how the intensity of the risk changes under different global warming scenarios. Under this approach, rising temperatures represent a chronic physical risk whose relevance persists across all scenarios analyzed, although its potential magnitude increases as the severity of projected warming intensifies.

We have assessed the mitigation potential of our current operational measures, particularly those related to the installation of doors on refrigerated display cases and the implementation of control and automation systems. This approach enables us to evaluate the sensitivity of energy consumption regarding rising temperatures and provides a methodological basis for assessing the Company's operational resilience under more adverse climate conditions.

The results of this assessment indicate that, over the medium term, current strategies are able to mitigate a portion of the inherent risk, whereas over the long term their relative mitigation capability declines. This suggests that the measures implemented help partially reduce operational and financial exposure over intermediate time horizons, but over the long term they become insufficient to offset the expected increase in the severity of the risk under prolonged warming conditions.

In this regard, the analysis shows that our current resilience to this risk is partial. The measures implemented strengthen our operational adaptation capability in the short and medium term, but do not eliminate a significant portion of the residual exposure over the long term. Chedraui's resilience depends not only on its operational capacities, but also on its financial strength to absorb impacts associated with higher energy costs or additional investments.

Risk: Operational Disruption due to extreme weather events (hurricanes and flooding)

For Chedraui, the occurrence of extreme weather events, including hurricanes and flooding, represents an acute physical risk associated with climate change. This risk may affect our ability to operate our assets on a continuous basis, particularly in locations with greater exposure to severe weather events.

The occurrence of this risk could disrupt the operations of stores, distribution centers, and offices, as well as affect the integrity of physical assets and the availability of inventory. It may also impact the continuity of the value chain, including restricted access to facilities, logistics disruptions, reduced workforce availability, and risks for the safety of our staff.

In this context, extreme weather events may result in temporary operational disruptions and affect our operating performance, particularly in geographic areas facing greater exposure to these types of events.

Based on climate scenario analysis, Chedraui considers that this risk could take place in the short, medium and long term. (See definition of time periods on page 65).



Effects on the Business Model and Value Chain

The occurrence of extreme weather events may affect Chedraui's business model by disrupting stores, distribution centers, and office operations, as well as impacting the availability and conditions of the assets required to maintain business continuity. The Company relies on continuous operations and inventory availability to serve its customers, and therefore, these events may directly affect its operational capacity in exposed locations.

Across the value chain, these events may disrupt key activities such as sourcing, distribution, and logistics, including interruptions in transportation routes, impacts on suppliers, and restricted access to facilities. They may also affect workforce availability and customer access, particularly in regions with greater exposure to extreme weather events.

Based on the climate scenario assessment, Chedraui has determined that a certain amount of its assets are exposed to these risks. Approximately 16% of operating units throughout the states of Quintana Roo, Yucatan, Oaxaca, Guerrero, Jalisco, Sinaloa, Nayarit, and Baja California Sur face tropical cyclones, whereas almost 2% of assets located in Mexico City, Yucatan, and Quintana Roo are in considerable danger of flooding due to excessive rainfall.

In recent years, our Chedraui USA operations have not recorded effects related to these types of events, primarily because of the geographic location of the states in which we operate.

Current effects

As of the reporting date, Chedraui has not identified material impacts from extreme weather events that have significantly affected stores, distribution centers, or offices. There have been isolated disruptions, such as temporary power outages and restricted access to facilities, all of which have been effectively managed through the Company's Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP).

Expected long-term effects

Extreme weather events may be reflected in:

- Temporary interruption of store, distribution center, and office operations
- Reduced inventory availability and supply chain disruptions
- Limited access to facilities for staff and customers
- Possible issues in physical assets and operating infrastructure
- Activation of emergency response and business continuity mechanisms

Effects on Strategy and Decision-Making

Chedraui's strategy for mitigating the impacts of extreme weather events combines risk-transfer mechanisms through insurance coverage with implementation of operational and adaptation measures aimed at strengthening the resilience of its operations.

In particular, insurance policies provide significant coverage against material damage to assets resulting from hydrometeorological events, helping mitigate Chedraui's exposure to the occurrence of these types of risks.

The Group has also strengthened its internal capabilities to anticipate, manage, and respond effectively to extreme weather events. These capabilities are intended to minimize operational disruptions and support business continuity through a continuous assessment and enhancement of its Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), with emphasis on response readiness and recovery effectiveness.

Chedraui maintains comprehensive climate-risk preparedness measures, including continuous weather monitoring, pre-event, real-time, and post-event response protocols, and business continuity plans covering a range of climate-related scenarios, including hurricanes and flooding. These plans are reviewed and updated regularly to reflect evolving risk assessments and strengthen the resilience of the Company's operations.

Current and Planned Direct Efforts

As part of the implementation of this strategy, we carry out initiatives aimed at strengthening our response capacity to extreme weather events, including regular execution of crisis simulation exercises in coordination with our store operations teams, and by establishing resilient communication mechanisms in locations with higher levels of exposure.

These actions are considered in our decision-making processes, particularly regarding business continuity, risk management, and assessment of exposure to extreme weather events across different regions.

In this context, Chedraui may adjust its risk transfer mechanisms and strengthen its monitoring and response capabilities based on the evolution of the frequency and severity of these events.



Current financial effects

During the period covered in this report, Chedraui found no major financial impacts resulting from extreme weather conditions that would require specific recognition or disclosure in our financial statements. Potential damage to assets is covered by existing insurance policies, which thereby limit direct financial exposure for the Company when these types of events take place.

Long-term financial effects

In the short, medium, and long term, the financial effects associated with extreme weather events could materialize primarily through changes in the cost of the Company's insurance coverage.

In particular, an increase in the frequency and severity of hydrometeorological events could result in:

- Higher insurance premiums related to the coverage of assets exposed to these risks
- Adjustments to deductibles, coverage limits, or policy terms; and
- Changes in policy renewal conditions, depending on the risk profile of the insured assets.

In this context, any potential increase could be reflected in the income statements through higher insurance expenses, as well as in operating cash flows.

For greater details on the financial impacts, see the IFRS Sustainability Report through the following **link**.

Resilience Assessment

The Company's resilience to risks associated with extreme climate events depends on its ability to anticipate, respond to, and recover from the impacts caused by tropical cyclones and flooding, particularly in locations with greater geographic exposure to these types of events.

In this context, we consider that our resilience to this risk is supported by a combination of risk transfer mechanisms and business continuity systems. In particular, the Company maintains insurance coverage that provides substantial protection against damage and disruptions associated with hydrometeorological events, which significantly strengthens the financial resilience of the business in the event of these types of risks.

In addition, liquidity management, access to financing, and insurance coverage strengthen our resilience by providing resources for asset recovery, business continuity, and the implementation of adaptation measures should such events materialize.

Chedraui considers that its current strategy provides a solid base for managing this risk and increase the resilience of its operations.



Metrics and Goals

Scope 1 and Scope 2 greenhouse gas emissions enable the Company to monitor climate performance and assess the relationship between operational growth, energy consumption, and the mitigation measures implemented.



Scope 1 Emissions

The increase in Scope 1 emissions in Mexico is attributable to the Company's organic growth strategy, while the decrease in USA operations reflects the consolidation of five distribution centers in California into the new RCDC, which was fully completed by mid-2025. This consolidation provided logistics cost efficiencies, as well as reductions in the use of refrigerants and fuels, and their related costs.

Mexico	Units	2025	2024	2023
Natural gas	tCO_2e	4,804	4,381	4,485
LP Gas	tCO_2e	24,034	24,125	23,814
Gasoline	tCO_2e	695	693	813
Diesel	tCO_2e	3,502	3,038	2,676
Refrigeration	tCO_2e	158,465	47,495	104,071
Total	**tCO_2e**	**191,500**	**79,731**	**135,859**

USA	Units	2025	2024	2023
Natural gas	tCO_2e	22,231	22,299	22,634
Gasoline	tCO_2e	6,338	-	-
Diesel	tCO_2e	270	-	-
Coolants	tCO_2e	100,220	120,039	
Total	**tCO_2e**	**129,060**	**142,338**	**22,634**

Consolidated	Units	2025	2024	2023
Total	**tCO_2e**	**320,560**	**222,069**	**158,493**

*In 2024 and 2023, some business lines in Mexico and the U.S. are not included.

Scope 2 Emissions

On the other hand, market-based Scope 2 emissions totaled 286,925 tCO_2e, a level significantly lower than the location-based estimate; this difference reflects the effectiveness of the renewable energy agreements in Mexico. **Overall, Chedraui reported 174,899 tCO_2e of avoided emissions through the use of renewable energy in 2025.** This demonstrates that PPAs and the incorporation of clean energy sources continue being important tools in managing exposure to energy costs, reducing indirect emissions, and strengthening operational resilience to climate-related risks.

Location-Based Emissions

Mexico	Units	2025	2024	2023
Public power grid	tCO_2e	108,903	96,161	86,132
Wind energy (PPA)	tCO_2e	173,181	170,108	173,250
Solar energy	tCO_2e	-	-	-
Total	**tCO_2e**	**282,084**	**266,269**	**259,381**

USA	Units	2025	2024	2023
Public power grid	tCO_2e	178,022	176,837	173,618
Solar energy	tCO_2e	-	-	-
Total	**tCO_2e**	**178,022**	**176,837**	**173,618**

Consolidated	Units	2025	2024	2023
Total	**tCO_2e**	**460,105**	**443,106**	**432,999**

Metrics	Unit	2025	2024	2023
Avoided emissions from the use of renewable energy sources	tCO_2e	174,899	178,224	176,395

Metrics	Unit	2025	2024	2023
Emission intensity: Mexico	ton CO_2e/m^2	0.27	0.21	0.25
Emission intensity: USA	ton CO_2e/m^2	0.36	0.37	0.23
Consolidated emission intensity	**ton CO_2e/m^2**	**0.30**	**0.27**	**0.24**

Market-Based Emissions

Mexico	Unit	2025	2024	2023
Public power grid	tCO_2e	108,903	96,161	86,132
Wind energy (PPA)	tCO_2e	-		
Solar energy	tCO_2e	-		
Total	**tCO_2e**	**108,903**	**96,161**	**86,132**



USA	Unit	2025	2024	2023
Public power grid	tCO_2e	178,022	176,837	173,618
Solar energy	tCO_2e	-	-	-
Total	**tCO_2e**	**178,022**	**176,837**	**173,618**

Consolidated	Unit	2025	2024	2023
Total	**tCO_2e**	**286,925**	**272,998**	**259,749**

Water

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



Risk: Increased operating costs due to limited access to drinking water as a result of water scarcity

The increase in water access costs resulting from water scarcity represents a chronic physical climate-related risk for Chedraui, arising from declining potable water availability and increasing pressure on water resources in certain regions. This risk may affect our ability to maintain continuity of our store operations, particularly in locations experiencing high levels of water scarcity.

The materialization of this risk could result in having limited access to potable water required for store operations, distribution centers, and other facilities operations. It may also affect various parts of the value chain, including activities that depend on water for operations, cleaning, services, and facility maintenance.

Based on the climate scenario assessment, we believe this risk may materialize over the long term, with varying levels of exposure and intensity depending on regional and local conditions.

Effects on the Business Model and Value Chain

Continuous and sufficient access to drinking water is a critical operational input for the operation of Chedraui's stores and distribution centers. In this context, the business model may be affected when water supply in certain regions is insufficient or intermittent, requiring it to be sourced through alternative means to maintain operations.

Regions such as Sinaloa, Chihuahua, Coahuila, Mexico City, Baja California Norte, Baja California Sur, and California experience higher levels of water scarcity and, therefore, have greater exposure to this risk, particularly when the public water supply does not consistently meet operational needs during business hours. In these cases, operations may depend on alternative water supply mechanisms, increasing operational complexity and the management of water resources.

Across the value chain, issues in water availability may also place pressure on suppliers, local communities, and public utilities, intensifying competition for water resources and raising operational vulnerability in the regions mentioned above.

Current Effects

As of the reporting date, Chedraui has not identified major effects caused by water issues that could considerably affect the operation of its stores, distribution centers, or other facilities. Intermittent water supply has nonetheless been observed in certain locations, and this situation has been managed through alternative supply sources, without experiencing any major interruption in operations.

Anticipated Effects

In the long term, increased cases of water scarcity could:

- Cause interruptions or limited water availability in certain locations.
- Increase dependence on alternative water supply sources to conduct operations.
- Require adjustments to the operational management of water consumption in stores and distribution centers.
- Increase operational complexity in regions experiencing considerable pressure on water resources.
- Intensify pressures across the value chain, particularly on suppliers and local service providers that depend on this resource.

Effects on Strategy and Decision-Making

Water shortage risks may influence Chedraui's strategy, especially regarding business continuity and the assessment of regional exposure in places experiencing high pressure on water resources.

In this regard, water availability may become a significant factor in strategic decisions, including the prioritization of investments, the evaluation of operational viability in certain locations, and the planning of alternative water supply mechanisms.

Additionally, water shortage issues could influence decisions regarding geographic expansion and resource allocation, as water availability becomes an increasingly important factor affecting operational feasibility in certain regions.

Current and planned direct efforts

Chedraui has incorporated water availability considerations when assessing the feasibility of certain locations, as well as the use of alternative water supply sources to ensure business continuity in areas with limited or intermittent water availability.

In this context, Chedraui has implemented measures aimed at managing supply constraints and optimizing water use. These measures include scheduled water deliveries by tanker trucks to stores that do not receive water from municipal distribution networks, or to address extraordinary supply disruptions. Additionally, the Group has implemented water conservation protocols across operations, along with internal awareness campaigns promoting the efficient use of water resources.

While these actions do not eliminate Chedraui's exposure to water shortage risks, they strengthen its ability to maintain business continuity in regions facing greater pressure on water availability and contribute to more efficient water resource management within the current operating framework.

Financial Effects

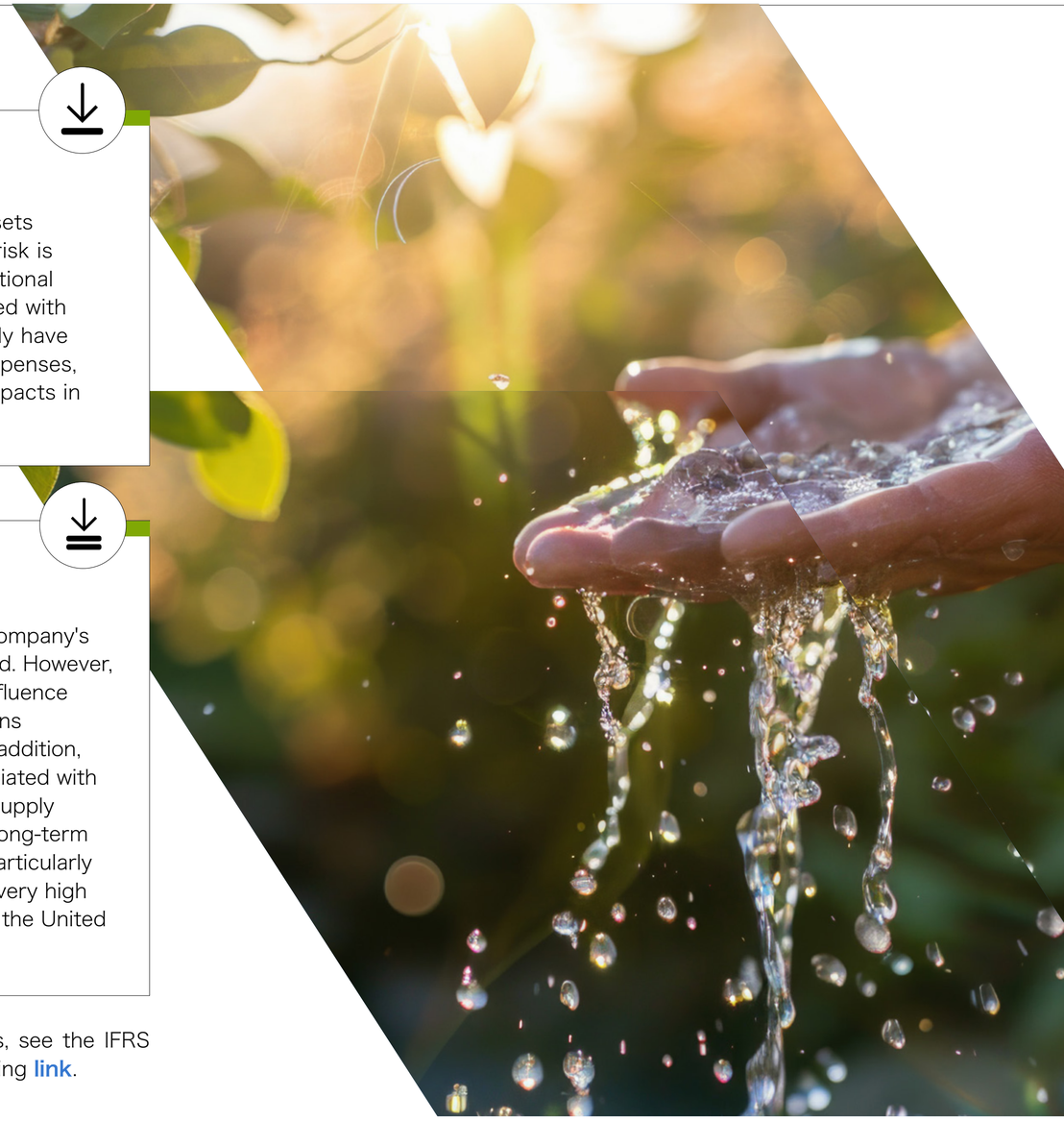
Current financial effects

In 2025, no material impacts on assets or liabilities were observed, as this risk is primarily manifested through operational water consumption. Costs associated with water consumption and water supply have remained stable within operating expenses, and we do not expect significant impacts in the short term.

Long-term financial effects

No material direct impacts on the Company's financial position have been identified. However, water availability conditions could influence future operational decisions in regions experiencing high water scarcity. In addition, increased operating expenses associated with sourcing water through alternative supply sources could lead to a cumulative long-term reduction in operating cash flows, particularly in regions with moderate, high, and very high levels of water stress in Mexico and the United States.

For greater details on financial impacts, see the IFRS Sustainability Report through the following **link**.



Resilience Assessment of Grupo Chedraui

Chedraui's resilience to water-related risks depends on its ability to maintain business continuity under conditions of reduced water availability and to adapt its operations to increasing pressure on water resources.

Currently, our operational resilience to this risk is primarily supported through alternative water supply mechanisms and measures aimed at improving water use efficiency. We have scheduled water deliveries by tanker trucks to address water shortages or extraordinary supply interruptions, in addition to implementing complementary water management measures, including water conservation protocols, water efficiency awareness campaigns, water reuse through treatment plants, and the installation of rainwater collection systems at select locations. These actions demonstrate that the current response strategy is focused on maintaining operations at exposed locations and partially reducing the operational vulnerability associated with water-related risks.

In this context, Grupo Chedraui's resilience will largely depend on our ability to expand and strengthen the adaptation measures currently under development, combined with our financial strength. Additionally, the Company's operational resilience is strengthened through liquidity management, access to financing, and the ability to respond efficiently and maintain business continuity.



Metrics and Targets

Water consumption by source enables Chedraui to monitor its operational dependence on water supply and assess the need for efficiency measures, monitoring, and alternative water sources in regions experiencing water scarcity. The data shows that, although most water consumption comes from municipal water networks, the use of tanker trucks in Mexico underscores the importance of strengthening water conservation, reuse, rainwater harvesting, and water monitoring initiatives, particularly in anticipation of future scenarios involving greater pressure on water resources.

Water Consumption Chedraui Mexico (m^3)

		2025	2024	2023
Municipal Supply	Stores	1,463,012	1,474,000	1,449,000
	DCs	40,469	10,262	10,493
	Offices	4,823	4,436	3,758
Proprietary wells and concessions	DCs	79,494	75,925	65,403
External sources (water pipes)	Stores	487,652	458,520	-
	Offices	80	1,600	720
Total		**2,075,530**	**2,024,743**	**1,529,374**



Water Consumption Chedraui USA (m^3)

	2025	2024	2023
Municipal supply	1,948,088	1,980,976	1,855,819
Total	**1,948,088**	**1,980,976**	**1,855,819**

Consolidated (m^3)

	2025	2024	2023
Municipal Supply	3,456,392	3,469,674	3,319,070
Proprietary wells and concessions	79,494	75,925	65,403
External sources (water pipes)	487,732	460,120	720
Total	**4,023,618**	**4,005,719**	**3,385,193**

Materials and Circularity

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



Managing materials and waste is a key component of Chedraui's sustainability strategy, recognizing the impact that packaging, material consumption, and waste disposal processes can have across its operations and value chain.

In this context, the Company promotes initiatives to strengthen circular economy practices by encouraging the reduction, reuse, recycling, and recovery of materials across its operations. These actions seek to contribute to more efficient resource management, reduce environmental impacts, and address growing regulatory and market expectations regarding sustainability.



Potential Risks

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

In response to evolving regulatory requirements in Mexico and the USA as well as increasingly greater market demand for sustainable alternatives, our organization works to try to anticipate risks related to higher costs in the use of recyclable and compostable packaging. These conditions will require ongoing reviews of operational processes to ensure regulatory compliance without compromising business productivity or operational efficiency.

Potential Opportunities:

Reduced packing and packaging costs through long-term supplies with producers who have circular economy strategies

The Company plans to strengthen strategic partnerships with suppliers committed to responsible practices, seeking to secure access to sustainable materials under competitive, long-term conditions. This collaboration will help optimize costs, enhance the supply chain, and strengthen the Company's positioning in an increasingly environmentally standards-focused environment.

Efficient Waste Management

Additionally, the Company seeks to continue promoting waste recovery and valuation initiatives aimed at reducing waste management costs while generating economic benefits through the reuse and recovery of materials. These actions will strengthen the Company's competitiveness and support progress with its corporate commitments to sustainability and environmental performance.



Mitigation Strategy

The Company will continue strengthening its comprehensive materials and circularity strategy, focusing on enhancing waste prevention, reuse, and proper management across all operations. These initiatives will be aimed at not only minimizing environmental impacts, but also at improving operational efficiency, optimizing costs, and strengthening the Company's brand perception among consumers and stakeholders who are increasingly committed to sustainability.

As part of this strategy, and in connection with the potential opportunity to increase revenue and reduce costs through enhanced waste management initiatives, the Company plans to strengthen efforts aimed at diverting waste from final disposal sites by promoting reuse, recycling, and material recovery programs. Through these practices, the Company seeks to increase the value generated from resource recovery while creating new business opportunities linked to sustainable solutions and circular economy models.

In line with these efforts, the Company continues implementing material recovery and recycling programs across its stores and distribution centers. Key initiatives include expanding recycling programs for cardboard, plastics, and other recoverable materials, as well as boosting the collection and proper disposal of special waste through authorized service providers.

Also, the Company continues to promote recovery programs for technological consumables, facilitating their reintegration as raw materials for new production processes and contributing to the advancement of circular economy models.

Over the medium term, the Company expects to increase supply chain efficiency through improved waste management, seeking to reduce operating costs and enhance the customer experience. These actions will also support continued compliance with regulatory and environmental expectations across the various markets in which the Company operates.

In response to the potential increase in packaging costs resulting from new regulations requiring the use of recyclable or compostable materials, the Company will continue working to reduce the environmental impact associated with packaging by evaluating and incorporating alternatives with lower environmental footprints. To support this effort, the organization plans to continue strengthening and diversifying strategic partnerships with suppliers aligned with its corporate sustainability objectives.

In its USA operations, the Company will strengthen compliance with regulatory programs related to the management of special waste while expanding training programs for employees responsible for its handling. At the same time, it will promote initiatives to recover organic waste through innovative solutions that transform food waste into valuable resources, such as renewable energy, fertilizers, dog food, and reusable water.

Grupo Chedraui will also continue advancing the replacement of conventional materials with lower-impact alternatives, prioritizing reusable, recyclable, or compostable options across various operational processes. Through these actions, the Company seeks to build a more efficient, resilient operation aligned with its long-term sustainability commitment.

Metrics and Targets

Materials Used in Operations (metric tons)

Consolidated	2025	2024	2023
Total weight of virgin plastic	1,532,858	1,068,651	1,025,399
Total weight of recycled plastic	536,874	307,836	303,076
Total weight of Styrofoam	196,237	247,419	303,978
Total weight of aluminum	3,748	4,545	3,567
Total weight of cardboard	40,886	53,115	47,667
Weight of recycled cardboard*	257	6,456	2,888
Total weight of paper	81,336	91,310	157,222
Weight of recycled paper*	77	27	22
Total weight of other materials	1.37		

Inorganic Waste (metric tons)

Chedraui USA	2025	2024	2023
Recycled waste	42,831	19,362	20,972
Waste sent to landfills	16,777	65,885	49,629

* The data correspond to Chedraui USA.

Organic Waste (metric tons)

Chedraui USA	2025	2024	2023
Recycled waste	11,462	1,149	1,075
Donated waste	2,648	29.25	9.82

As mentioned earlier, in 2025, Chedraui USA consolidated five distribution centers into the Rancho Cucamonga Distribution Center (RCDC) in California, which expanded the scope of measurement and strengthened the traceability of waste generated compared to previous years. In addition, operations in the United States have more advanced monitoring processes, driven in part by local regulatory requirements.

Program to replace UNICEL trays with PET trays, beginning in 2023 at our operations in Mexico.

Year	Goal
2025	50%
2030	100%



Natural Capital

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

Natural capital is an essential element for Chedraui's operations and for the well-being of the communities where it operates. The responsible management of natural resources is critical to mitigating environmental impacts and contributing to the balance and preservation of ecosystems.



Natural Capital Impact

GRI 304-1a. ii

Chedraui has an extensive geographic presence, with a total of 1,720,765 m² of retail space; 224,864.72 m² of distribution centers; and 6,685.78 m² of office space in Mexico. In the USA the Company operates 12,986,854 ft² of retail space; 1,803,119 ft² of distribution centers; and 99,908 ft² of office space. Given the scale of its operations, the Company recognizes its potential impacts on the natural environment.

In response, the Company promotes the integration of conservation initiatives with economic and social development, prioritizing responsible land use and the adoption of cleaner technologies across its operations.

Mitigation Strategy

In 2025, the Company continued to implement initiatives aimed at mitigating environmental impacts, including actions to incorporate green infrastructure into expansion projects and preserve existing flora on the properties where it operates. In addition, the Company adapts its operations to the conditions of local ecosystems.

Beyond these initiatives, the Company encourages the efficient use of sustainable materials and lower-impact packaging for select private-label products, contributing to more responsible resource management. Within its real estate operations, the Company incorporates sustainable construction criteria when assessing environmental, urban development, traffic, and civil protection impacts to ensure regulatory compliance and reduce the environmental footprint of its projects.

We maintain a sustainability approach based on four strategic priorities, with defined short, medium, and long-term goals, reinforcing our commitment to environmental stewardship and responsible management of natural capital.

Chedraui also recognizes that its impacts on natural capital are not limited to its direct operations but may also occur throughout its value chain, particularly in activities related to the production and sourcing of merchandise. To help mitigate these impacts, the Company promotes responsible sourcing practices, encourages the use of materials and packaging with lower environmental impacts, and works with suppliers to improve resource efficiency and environmental performance. These actions are intended to progressively reduce its impact on ecosystems, contribute to the conservation of natural capital, and strengthen the environmental resilience of the supply chain.

Through our Sustainability Policy, we have adopted responsible practices, including the use of cleaner energy sources, efficient waste management, and the implementation of packaging containing recycled materials. These initiatives help mitigate the environmental impact associated with our operations while supporting environmental conservation and balanced long-term development.

In addition, we have an Environmental Risk Prevention Policy aimed at minimizing impacts on the environment and ensuring compliance with applicable environmental regulations across all facilities.

Reforestation with Drones

Since 2019, Chedraui has developed a reforestation project through the use of drones in different regions of the country, such as Oaxaca, Veracruz, and the State of Mexico. This initiative is part of our actions to contribute to ecosystem restoration, address deforestation, and support climate-change mitigation.

In 2025, through our drone reforestation campaign, 141.8 hectares were reforested in the states of Veracruz and Puebla. From 2019 to 2025, a total of 541.8 hectares have been reforested.

Hectares Reforested (2019-2025)

Year	Region	Site	Hectares
2019	Oaxaca	Santa Ana Zegache	40
2019	Veracruz	San Juan del Monte	69.5
2022	State of Mexico	Santa María Mazatla	85
2023	Veracruz	Perote	103
2024	Veracruz	Perote	102.5
2025	Puebla	Santa Rita Tlahuapan	20.6
2025	Veracruz	Perote	121.2
Total			**541.8**

These figures reflect Grupo Chedraui's commitment to reforestation and environmental conservation across various regions of Mexico.

Metrics and Goals

a) Operational sites located within or adjacent to protected areas (304-1a) or areas of high biodiversity value.

Identifying operational sites located near protected natural areas enables Chedraui to assess its potential exposure to sensitive ecosystems and strengthen the proactive management of impacts on natural capital.

Stores, distribution centers, and offices located within 20 km of a protected natural area	Chedraui Rancho Viejo, in Cancun, Quintana Roo, near a natural well or sinkhole
Stores, distribution centers, and offices in the United States located within 20 km of a protected natural area	225 stores, 3 distribution centers, and 2 offices

These results highlight the importance of maintaining environmental assessment criteria, regulatory compliance, and preventive measures in the operation and expansion of assets, particularly in regions located near areas of high ecological value.

b. Significant impact on biodiversity caused by activities and products

Monitoring the significant impact on biodiversity enables Chedraui to assess whether its activities generate direct effects such as habitat transformation, the introduction of invasive species, pollution, or disruptions to ecological processes. In 2025, the Company did not conduct any activities that could contaminate natural habitats, reduce species populations, introduce invasive species, or abruptly alter ecological processes beyond their natural range.

c. Protected or restored habitats

Restoration and reforestation initiatives reflect Chedraui's commitment to the conservation of natural capital and the recovery of ecosystems in the regions where it operates.

Initiatives in Mexico	Company's Response
Trees planted during reforestation campaigns (304-3a)	400 with traditional methods 60 with the use of drones
Reforestation area	2,703 m^2
Employees who participated in a reforestation campaign	65 in traditional reforestation in Chiapas Another campaign with the use of drones in Veracruz
Total area of reforestation	1,025,000 m^2 with drones 2,703 m^2 with traditional reforestation methods
Total area for habitats and restored protected areas	1 habitat in Veracruz: 1,025,000 m^2 (102.5 hectares) 1 habitat in Chiapas: 0.2703 hectares
Species Benefited	Chiapas: 15 species Veracruz: 3 species



7 Social

In a retail company such as Chedraui, where customer interaction is a core component of the business, having committed, skilled, and responsible employees is essential to our operations. We firmly believe that our workforce of 82,780 employees across our operations in Mexico and the United States as of year-end 2025 represents a fundamental driver of our long-term strategic objectives.



Talent Management

GRI 2-7, 2-8, 2-30, 202-2, 401-2, 401-3, 404-3
SASB: FB-FR-310a.2, CG-MR-330a.1

Talent management at Chedraui is a key strategic priority focused on attracting, developing, and retaining qualified talent to strengthen organizational performance and maintain the Company's competitive position. This approach encompasses a broad range of processes and initiatives, including recruitment, training, career development, and competitive compensation and benefits programs.

The Company prioritizes the implementation of innovative practices that align individual goals with corporate strategy, fostering an engaged, productive workforce that supports the long-term sustainability and success of the business.

During 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2. The purpose of this assessment is to determine which risks and opportunities could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

As part of this process, the potential risks and opportunities identified through the double materiality assessment presented in this chapter will serve as a starting point for determining relevance under the IFRS Sustainability Disclosure Standards framework. However, the risks and opportunities ultimately identified as material to the Company may differ as a result of the IFRS-based assessment process.

The following opportunities and impacts were identified within the material topic of Talent Management across the Company's operations:

Potential Risk: Increased Operating Expenses Resulting from Labor Regulatory Changes

The increase in operating expenses resulting from various labor-related regulatory changes implemented in recent years, and those expected to continue in the coming years, creates operational and financial challenges. These changes may reduce resources available for investments, new hiring, and maintenance activities, among others. In addition, the Company may be required to implement efficiency measures to absorb changes in workforce structures and potential adjustments to employee schedules while maintaining the same level of customer service, operational flexibility, and organic growth. As a result, the Company may reduce workforce expansion plans or increase the use of technology and automation to offset rising labor costs and support its short-, medium-, and long-term strategic growth objectives.







Furthermore, the Company expects increases in expenses related to training, consulting services, workforce administration, employee benefits, and other labor-related costs, without a corresponding proportional increase in revenue. Consequently, profitability and operating margins could be adversely affected, particularly given the labor-intensive nature of the retail industry.

Potential Opportunity: Cost Reduction Through Workforce Scheduling and Process Optimization

The Company has conducted and continues to perform analyses aimed at optimizing employee scheduling and operational activities to improve store efficiency. These efforts help determine the appropriate staffing levels required across different areas and formats, enabling faster and more efficient execution of store operations. In addition, these initiatives facilitate employee mobility across areas, stores, and geographic regions while promoting the transfer and retention of knowledge and experience throughout the organization.

These efforts also contribute to optimizing talent development and training processes, reducing dependence on external training programs, promoting internal hiring and growth opportunities, and strengthening employee retention.

In the USA, the consolidation of five distribution centers into a single California-based distribution facility enabled the Company to centralize a significant portion of its product distribution network. This initiative improved workforce efficiency while enhancing employee training by providing comprehensive development programs within a centralized operating environment, resulting in a more effective distribution network and a highly skilled workforce.

Potential Community Impact: Chedraui Provides Training and Educational Opportunities for Employees

The Company promotes workforce development through training programs designed to strengthen employee capabilities and encourage responsible business practices. These investments contribute to improved operational performance, professional growth, and the development of a sustainable organizational culture.

Mitigation Strategy

Regulatory changes in labor matters have affected, and are expected to continue affecting, Chedraui's cost structure and operations. As a result, the Company may need to implement additional strategies to mitigate rising labor costs, including workforce scheduling adjustments, reduced reliance on incremental hiring, and increased investments in technology and automation to maintain current service levels, product availability, distribution efficiency, customer service standards, and operational continuity across stores, distribution centers, and corporate offices.

Rising labor costs without corresponding improvements in productivity, automation, or operational redesign could result in higher payroll expenses, pressure on profit margins, increased workforce scheduling complexity, and potential impacts on customer experience. This risk is closely linked to the Company's commitment to maintain competitive working conditions, benefits that exceed legal requirements, and effective training and retention programs, all of which are key components of Chedraui's talent management strategy.

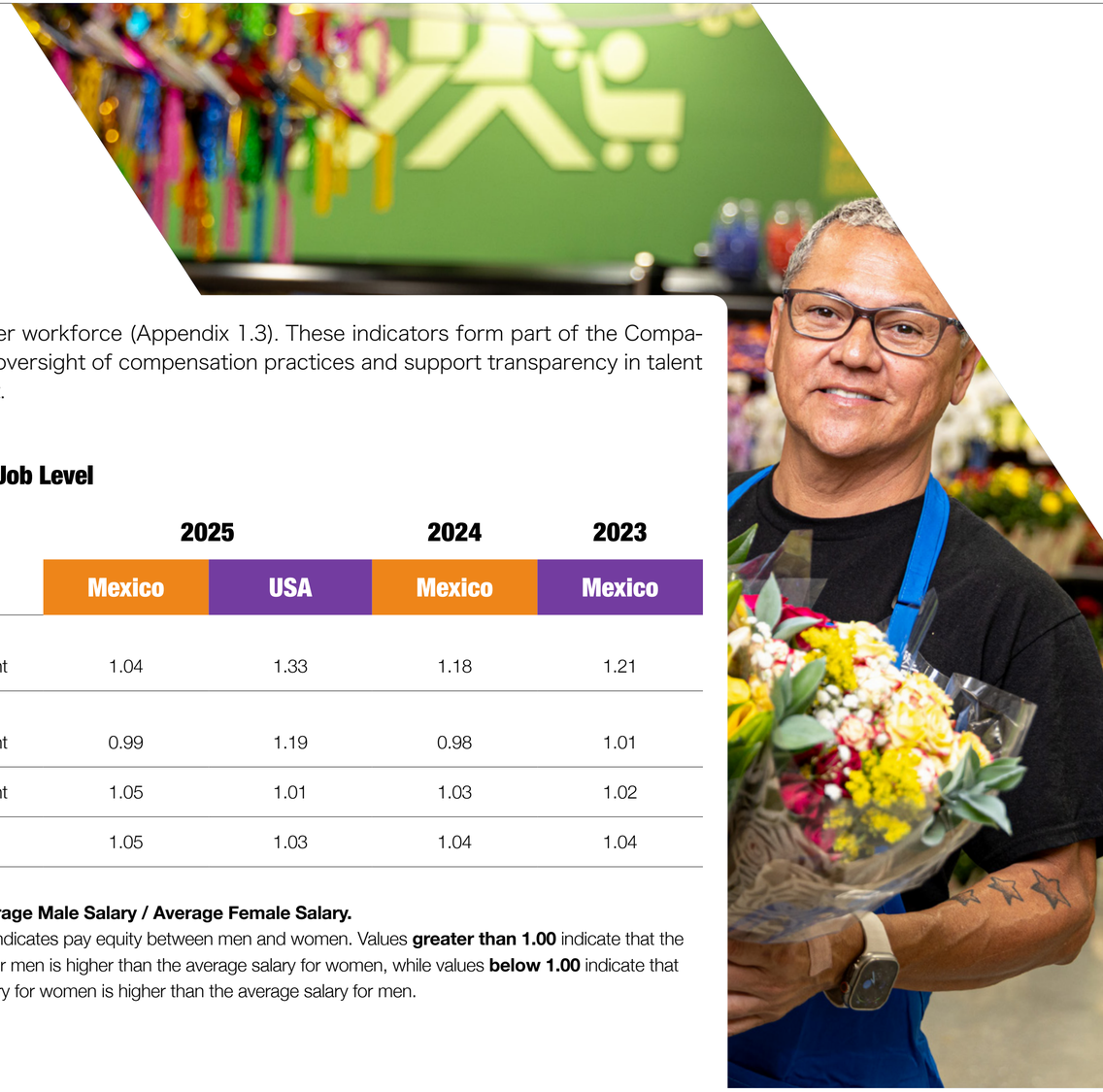
Relevant Metrics

Wages and Compensation

In 2025, entry-level wages in Mexico remained above the statutory minimum wage in both the Northern Border Free Zone (ZLFN) and the General Minimum Wage Zone (ZSMG). This reflects the Company's commitment to maintain compensation practices that provide earnings above legal minimum requirements, representing a significant effort considering the minimum wage increases that have outpaced inflation in recent years. This metric demonstrates Chedraui's commitment to offering competitive compensation programs that are regularly reviewed against labor market benchmarks.

Within Chedraui USA, most employees earn wages above the applicable state minimum wage in the locations where the Company operates. In addition, employees receive benefits that meet, and in some cases exceed, applicable legal requirements.

The Company continuously monitors a range of compensation-related indicators, including wage trends by job level and gender, as well as compensation benchmarking against key industry competitors. Chedraui also tracks the compensation of the highest-paid individual in the organization and compares annual increases in that compensation to the average increases granted to the broader workforce (Appendix 1.3). These indicators form part of the Company's internal oversight of compensation practices and support transparency in talent management.



Pay Gap by Job Level

	2025		2024	2023
Level	**Mexico**	**USA**	**Mexico**	**Mexico**
Executive Management	1.04	1.33	1.18	1.21
Deputy Management	0.99	1.19	0.98	1.01
Management	1.05	1.01	1.03	1.02
Staff	1.05	1.03	1.04	1.04

Pay Gap = Average Male Salary / Average Female Salary.
A value of **1.00** indicates pay equity between men and women. Values **greater than 1.00** indicate that the average salary for men is higher than the average salary for women, while values **below 1.00** indicate that the average salary for women is higher than the average salary for men.

In 2025, most employees in both Mexico and the USA were employed under permanent contracts, reflecting a stable workforce that supports operational continuity and the Company's long-term growth objectives.

Chedraui also monitors indicators related to collective bargaining and employee access to labor protections. As of year-end 2025, 47% of employees were covered by collective bargaining agreements. In addition, employment conditions for non-unionized employees are designed to align with the principles and standards established in the applicable collective bargaining agreements.

Employee benefits and welfare programs complement Chedraui's overall compensation strategy, strengthening employees' value proposition, talent retention efforts, and workforce well-being. The Company supports its compensation policies with benefits designed to provide competitive working conditions and supports the quality of life balance of its employees.

The Company also monitors employee access to benefits that go beyond those required by the labor regulations of the countries in which it operates, including life insurance, major medical insurance, disability insurance (in the USA), paid maternity, paternity, marriage, bereavement, adoption, birthday, and other leave benefits, as well as savings fund programs (in Mexico). These benefits form part of the Company's efforts to promote employee well-being and support work-life balance. The following table presents information on parental leave, disaggregated by gender and country. For additional information regarding employee benefits, please refer to Appendix 1.

Parental Leave for Employees

Parental Leave Indicator	Country	2025			2024			2023		
		Men	Women	Other	Men	Women	Other	Men	Women	Other
Employees eligible for parental leave	Mexico	29,405	27,386		27,920	25,764		26,245	23,802	
	USA	12,791	13,149	50	12,934	13,501	79	12,716	12,698	89
Employees who took parental leave	Mexico							28	604	
	USA	0	215	2	4	229		11	74	
Rate of employees taking the leave			100%			100%			100%	



Employee Compensation

We strive to provide our employees with competitive compensation while promoting gender pay equity, ensuring that women and men performing equivalent roles with comparable responsibilities receive equal pay. Our wage levels exceed the minimum requirements established by applicable laws.

To support this commitment, the Group maintains a Compensation Policy that governs all aspects of employee compensation. As part of our compensation management practices, we regularly benchmark our compensation packages against market standards to ensure that we remain competitive in attracting and retaining talent.

In addition, through our salary competitiveness index, we conduct annual compensation surveys to ensure appropriate salary adjustments. These initiatives are designed to reduce employee turnover.

Talent Development

GRI 2-7, GRI 401-1, GRI 404-1, GRI 404-2

Employee Development Plans to Support Career Growth within Chedraui and Enhance Operational Productivity

The Company maintains programs designed to support talent development and succession planning:

1

- **Back Up Program:** Focused on preparing employees to assume strategic positions in the future.

2

- **Star Talent Program:** Designed for high-performing employees to accelerate their professional growth.

3

- **ITADI Program (Talent Identification and Comprehensive Development):** Focused on assessing competencies through tools such as psychometric evaluations, 270-degree feedback, and training follow-up. Based on the results, improvement plans and variable compensation schemes are established.

These programs are intended to strengthen capabilities, improve performance, and support business continuity through committed and qualified employees with the potential to grow within the Company. This is particularly relevant given the Company's medium-term organic growth strategy.

As part of this strategy, Chedraui conducts periodic performance and professional development evaluations to identify strengths, areas for improvement, and employees with the potential to assume new responsibilities within the organization.

Regular performance and professional development evaluations are a key tool for monitoring employee growth, identifying opportunities for improvement, determining the appropriate training courses tailored to specific development needs, and aligning individual objectives with business priorities. Chedraui uses performance evaluations as part of its talent planning, development, and retention strategy.



Number of Employees Receiving Regular Performance and Professional Development Reviews

		2025				2024				2023			
Job Level	**Country**	**Men**	**Avg. (M)**	**Women**	**Avg. (W)**	**Men**	**Avg. (M)**	**Women**	**Avg. (W)**	**Men**	**Avg. (M)**	**Women**	**Avg. (W)**
Executive Management	MX	20	105%	3	100%	14	78%	3	100%	13	76%	4	100%
	USA	13	45%	6	75%	15	54%	2	25%	11		2	
Deputy Management	MX	44	100%	12	100%	32	76%	11	100%	26	62%	7	78%
	USA	92	90%	50	91%	38	41%	14	27%	32		11	
Management	MX	642	100%	262	100%	604	95%	239	95%	489	82%	174	78%
	USA	353	83%	173	87%	246	62%	160	84%	262		144	
Staff	MX	667	2%	610	2%	3,904	14%	3,469	14%	3,944	15%	3,393	14%
	USA	353	3%	333	3%	295	2%	328	3%	235		226	
Total	MX	1,373	5%	887	3%	4,554	16%	3,722	14%	4,472	17%	3,578	15%
	USA	811	6%	562	4%	594	5%	504	4%	540		383	



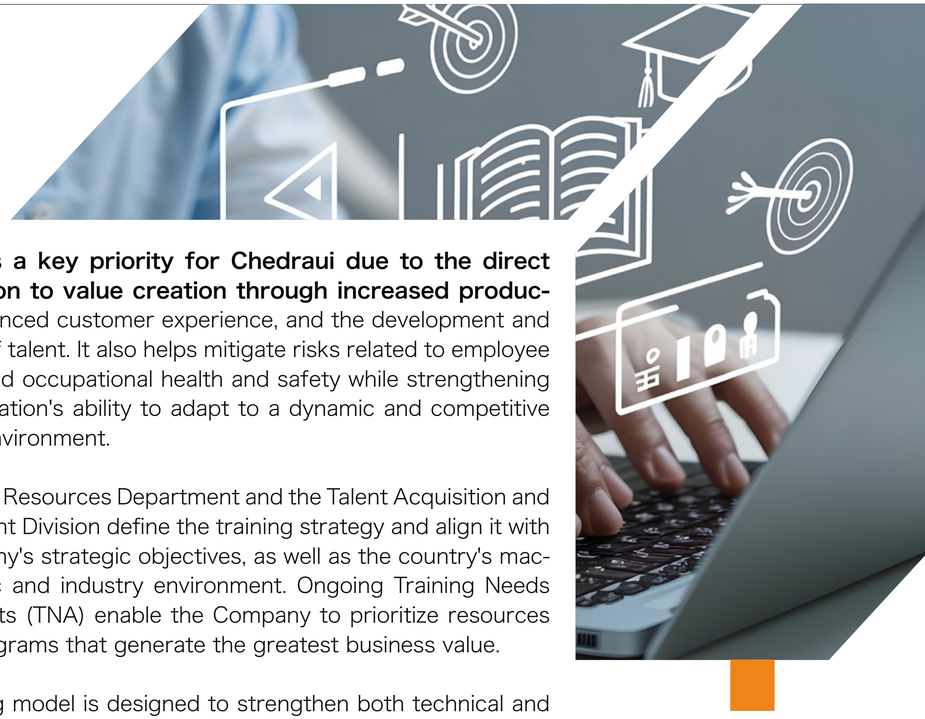
Leadership and Development Programs

As a complement to its performance evaluation and development processes, the Company promotes initiatives aimed at strengthening leadership capabilities at the management level, supporting succession planning among leaders, and fostering employees' professional growth.

In line with value creation and cultural transformation efforts, the Company implemented a specialized leadership development program for department managers and store managers, with a focus on improving store operational efficiency. Launched in 2025, the program has been delivered through in-person training sessions and will continue to expand throughout 2026 to reach additional regions, contributing to the development of effective leadership aligned with the Company's strategic objectives. This program, together with a broad range of webinars offered by the Company, has helped foster, develop, and strengthen the Group's culture, leadership capabilities, and management skills.

In addition, Chedraui maintains targeted development plans for high-performing employees seeking to advance into new roles through its Succession Planning Program (Replacement Grids) and Star Talent Program. These initiatives strengthen internal mobility and support talent continuity in key positions across the organization.

Chedraui Provides Training and Educational Opportunities for Its Employees



Training

GRI 205-2

We promote continuous learning and skills development across the Group by providing professional and personal growth opportunities for all employees through a variety of training programs and specialized courses. Training is tailored to employees' roles, business needs, and the development of competencies required for specific roles.

Chedraui's training strategy is built on three fundamental pillars:

1

- **E-learning Courses:** These form the foundation of sustainable talent development and are available on an ongoing basis. Dedicated learning spaces and equipment are provided in stores to support employee training during working hours, ensuring accessibility and inclusion. Employees at Supercitos complete their training through an assigned base store.

2

- **In-person and Online Courses and Workshops:** These programs address specific technical needs and emphasize practical application to maximize knowledge transfer and on-the-job performance.

3

- **Webinars:** This scalable training format addresses the geographic dispersion of the workforce while reinforcing technical competencies, interpersonal skills, and strategic topics related to organizational culture and sustainability, including corporate ethics, respectful workplace practices, diversity and inclusion, transparency, etc.

Among the primary objectives of strengthening the Company's training programs are:

- Maintaining or increasing participation levels in training programs.
- Continuing to strengthen initiatives focused on employee health, wellness, and safety.
- Expanding the coverage of health and safety programs across stores.
- Implementing disease prevention and early detection campaigns.
- Reducing workplace accident rates and associated lost-time incidents.
- Expanding the content available in the e-learning course library, particularly in management (communication, leadership, innovation, and analytical skills).

Training is a key priority for Chedraui due to the direct contribution to value creation through increased productivity, enhanced customer experience, and the development and retention of talent. It also helps mitigate risks related to employee turnover and occupational health and safety while strengthening the organization's ability to adapt to a dynamic and competitive business environment.

The Human Resources Department and the Talent Acquisition and Development Division define the training strategy and align it with the Company's strategic objectives, as well as the country's macroeconomic and industry environment. Ongoing Training Needs Assessments (TNA) enable the Company to prioritize resources toward programs that generate the greatest business value.

The training model is designed to strengthen both technical and behavioral competencies required for effective job performance. Each position has a specialized training plan consisting of a portfolio of courses focused on specific commercial and operational competencies. These plans include defined completion timelines that promote discipline and continuous follow-up. Course content is updated regularly to reflect evolving processes and the introduction of new product and service lines. Training content is developed internally, ensuring strategic alignment and deep integration with the Company's business operations.

Courses offered through Universidad Chedraui serve as the documentary basis for certification and regulatory compliance with Mexico's Ministry of Labor and Social Welfare (STPS) and in-

corporate formal mechanisms for assessing learning outcomes and the effective application of knowledge in the workplace.

Within store operations, enhancing the customer experience is another strategic priority. This is supported through both in-person and online training, as well as the development of service models and follow-up routines that help ensure consistency and quality in customer service.

In addition, **Chedraui maintains the "Walking and Learning" (*"Caminando y Conociendo"*) program, which focuses on the effective integration of employees into key areas.** The program includes structured guidance on specific topics and is based on direct mentorship, whereby area managers support newly hired employees to facilitate their operational and cultural integration. This initiative is designed to familiarize employees with the Company's values, knowledge, and business strategy while promoting an inclusive and productive work environment.

To ensure the quality and relevance of training content, the Company collaborates with internal subject matter experts from various business functions, as well as academic institutions and specialized consultants. These partnerships support continuous content updates and alignment with leading international practices.

At Chedraui USA, learning management is conducted through CYou, the Company's corporate learning platform based on the Cornerstone OnDemand Learning Management System (LMS), a provider with whom the organization has maintained a relationship for more than ten years. CYou centralizes all employee training activities for Chedraui USA, providing a single platform for course assignment, tracking, and recordkeeping. While certain training content is developed by specialized external providers, all training is administered and documented through the platform, enabling a standardized learning experience, effective competency tracking, and consolidated reporting of training hours across U.S. operations.

During 2025, the Company increased its internal training hours compared to previous years, reaching 894 thousand training hours across its operations in Mexico and the USA, representing a 17.2% increase compared to the prior year. Training activities were primarily focused on safety, ethics, ESG-related topics, and other programs designed to strengthen both technical and transferable competencies, supporting the continuous development of employees. For additional information regarding training hours delivered through Universidad Chedraui and CYou, please refer to Appendix 2.5.

Total Training Hours for Chedraui Employees in Mexico and the United States

	2025	2024	2023
Total Training Hours	894,000	763,580	746,982

The following table presents the distribution of training hours by training topic, gender, and country. Detailed information on training hours by organizational level, as well as information regarding employees trained on Company policies, is available in Appendix 2.1.

Number of Internal Training Hours by Employees (GRI 404-1)

		2025		2024		2023	
Topic	**Country**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Safety	MX	70,973	79,626	49,101	57,931	51,561	60,573
	USA	21,173	14,921	22,359	20,220	12,939	11,788
Ethics	MX	56,787	60,108	62,735	69,449	53,863	59,324
	USA	6,139	5,303	9,015	8,839	19,873	16,679
ESG	MX	6,792	6,321	3,023	2,675	4,311	3,874
	USA	5,767	4,295	291	189	3,784	2,964
Other Courses	MX	186,412	178,261	170,499	165,275	157,550	149,633
	USA	87,451	103,672	57,000	64,979	65,486	72,781
Total	**MX**	**320,963**	**324,317**	**285,358**	**295,330**	**267,284**	**273,405**
	USA	**120,530**	**128,191**	**88,666**	**94,227**	**102,082**	**104,211**

The variations observed between 2023, 2024, and 2025 in safety training hours in the United States were driven by several factors, the most significant being the transition of operations from five distribution centers to the Regional Consolidation Distribution Center (RCDC) in California. This transition resulted in increased hiring from the second quarter of 2024 through the second quarter of 2025, when the transition process was completed. The majority of safety training is delivered as part of the onboarding process for new employees. Additionally, at the beginning of 2025, the onboarding program was redesigned to maintain the same training content while requiring fewer training hours. Finally, the transition to the RCDC increased male participation in safety training activities, as the workforce supporting this operation is predominantly male.

Compared to 2024, the average number of training hours completed by male employees increased from 10.19 hours to 10.46 hours in 2025. The average number of training hours completed by female employees went from 11.42 hours to 11.22 hours, remaining above the average recorded for male employees. For additional information regarding the breakdown of average training hours by gender, please refer to Appendix 2.3.

Universidad Chedraui

Within the operations in Mexico, **employee training has been conducted primarily through Universidad Chedraui, implemented in 2007. The program is supported by a Learning Management System** (LMS), a digital platform that allows the organization, administration, and delivery of educational content and online courses, facilitating the standardization, scalability, and measurement of strategic competency development across the organization. Universidad Chedraui has played a key role in the training and development of our employees, continuously evolving to meet the needs of new generations. For several years, the platform has included a mobile application designed to make learning more accessible and convenient.

During 2025, Universidad Chedraui recorded 574,387 employee training hours as of year-end, representing a 9.8% increase compared to the previous year and accounting for 89% of the total employee training hours in Mexico. This strategy represents a tangible contribution to the Social pillar of ESG, supporting the sustainable management and development of talent across the organization.

Investment in Universidad Chedraui

Investment in Universidad Chedraui's training programs reflects the Company's commitment to strengthening employees' technical, operational, and management skills through digital tools and learning systems that promote standardized knowledge. In 2025, investment in Universidad Chedraui totaled $4,482,103.20 pesos, supporting the continued enhancement of the Company's continuous learning model.

Complementing the training provided through Universidad Chedraui, the Company also incorporates specialized programs delivered by third-party providers to strengthen technical knowledge and specific competencies required across various business functions. In 2025, investment in these programs amounted to $1,151,019.00 pesos, representing an increase of 23.2% compared to 2024. This investment underscores the Company's commitment to employees' professional development through a comprehensive training offering that combines internal resources with specialized external education.

As previously stated, Chedraui USA operates a comprehensive learning platform known as CYou, powered by Cornerstone OnDemand, which has been in operation for the past ten years. While external providers may develop certain training content, all employee training and learning activities within Chedraui USA are delivered through this platform. Investment in CYou totaled $2,764,280.58 pesos in 2025, remaining similar to the level reported in 2024.

The Company maintains a robust policy framework designed to strengthen human capital management and ensure alignment with its corporate strategy and ESG principles:



- **Recruitment, Assessment, and Selection Policy:** Establishes guidelines for identifying, evaluating, and recruiting candidates that align with business priorities, ensuring objective and competency-based hiring processes.
- **Compensation and Benefits Policy:** Defines compensation strategies aimed at ensuring competitive and equitable pay, promoting gender equality, and providing fair compensation that reflects the value of each employee's contribution to the Company.
- **Employee Hiring Policy:** Regulates the hiring process for new and rehired employees to support the timely and effective filling of vacant positions.
- **Code of Ethics:** Establishes the principles that guide organizational conduct, promoting transparency, accountability, and ethical decision-making at all levels of the Company.
- **Diversity and Inclusion Policy:** Promotes an inclusive workplace culture that fosters equal opportunity, respect, and appreciation for diversity.
- **Human Rights Policy:** Reinforces the Company's commitment to respecting and promoting human rights throughout its value chain, including employees, customers, suppliers, and communities, as an integral component of its sustainability strategy.

At least annually, Chedraui conducts training and awareness initiatives related to these policies and other topics considered material to the organization, to strengthen employees' understanding and use of these principles across all organizational levels. These efforts reinforce individual responsibilities, prevent conduct that is inconsistent with corporate values and principles, and promote a culture of ethics, integrity, and compliance throughout the organization. For a detailed breakdown of this information, please refer to Appendices 2.1, 2.2 and 2.4.

Chedraui Employs a Large Number of Individuals from Local Communities

Talent Acquisition

Chedraui's talent acquisition strategy focuses on identifying competencies aligned with business needs from the earliest stages of the recruitment process. To achieve this, skill-based tests are used, and the company has partnerships with several educational institutions that support talent recruitment with strong growth potential. In addition, digital platforms such as LinkedIn and Instagram are used to enhance recruitment efforts.

During 2025, the Company migrated its corporate talent acquisition processes to the SuccessFactors platform, which went live in early 2026. This platform will enable comprehensive and centralized management of all Talent Acquisition processes within the Human Resources Department.

As a result of this strategy, Chedraui maintains a diverse wor force across organizational levels and monitors workfor composition by job level, country, and gender. This inform tion supports workforce planning efforts and helps identi opportunities to strengthen diversity, inclusion, and talent d velopment initiatives.

For Chedraui, providing tools that support communicatic and engagement between the Company and its employe is a priority. **Since 2021**, Chedraui Mexico **has conducte employee satisfaction surveys**, which in recent years **hav been completed on a bimonthly basis, to identify oppo tunities** for improvement in areas such as leadership, workir conditions, and sense of belonging, among others. These su veys are instrumental in aiding the Group to understand th evolving needs of its workforce and, most importantly, in cr ating channels to address the diverse needs and perceptior that exist across its operations throughout Mexico.

Key Employee Satisfaction Survey Highlights:

- In 2025, between 18,000 and 19,000 employees participated in the survey every two months.
- Survey results are shared with executive teams at both corporate offices and stores to enable actions tailored to the needs of each location.
- The survey includes a question based on the Employee Net Promoter Score (eNPS) methodology, which continued to achieve favorable results.

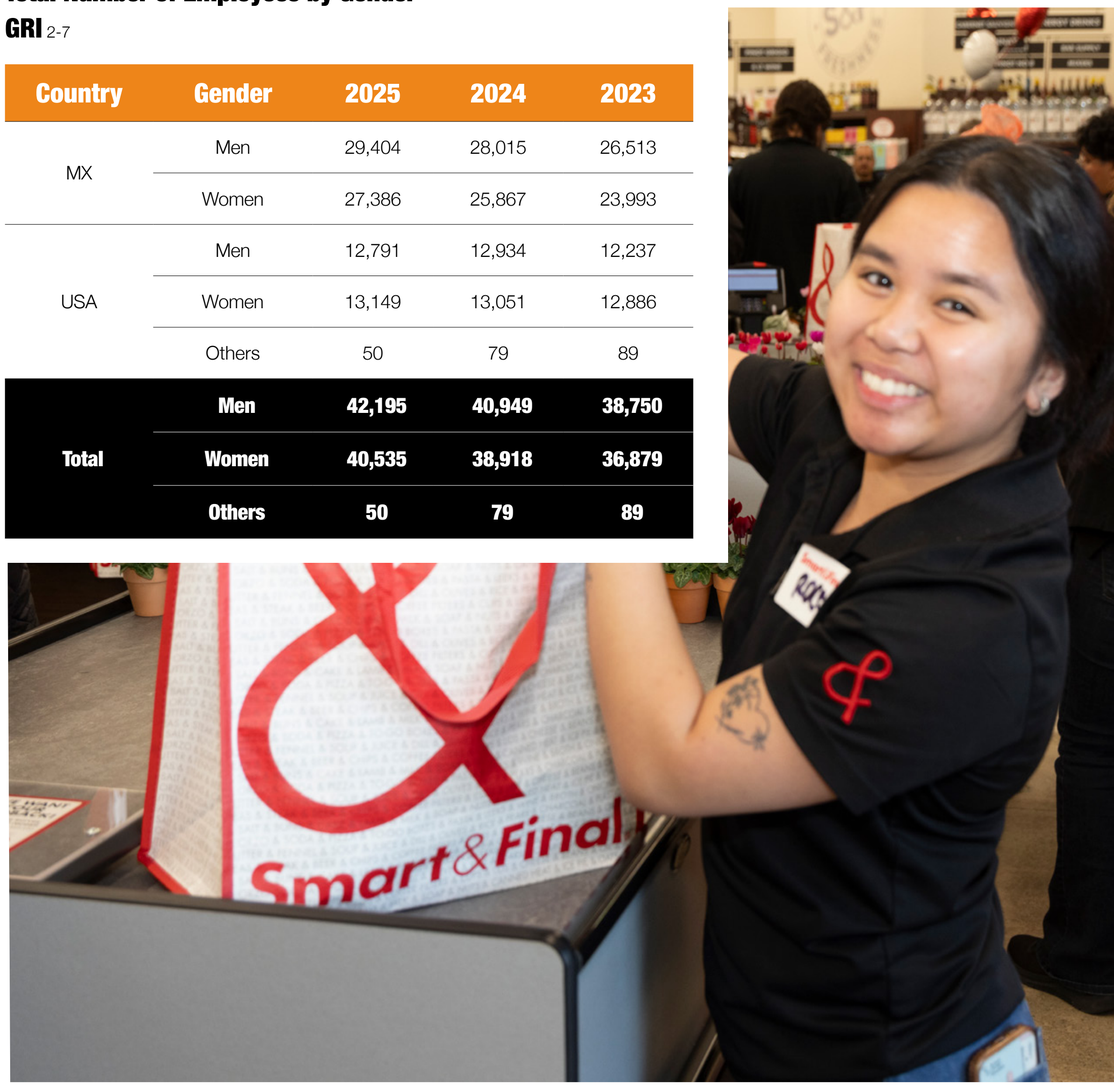
NPS result in 2025 was 68.1, with 22% of employees surveyed.

At Chedraui USA, an employee satisfaction survey will be launched beginning this year, replicating the model implemented in Mexico.

Total Number of Employees by Gender

GRI 2-7

Country	Gender	2025	2024	2023
MX	Men	29,404	28,015	26,513
	Women	27,386	25,867	23,993
USA	Men	12,791	12,934	12,237
	Women	13,149	13,051	12,886
	Others	50	79	89
Total	**Men**	**42,195**	**40,949**	**38,750**
	Women	**40,535**	**38,918**	**36,879**
	Others	**50**	**79**	**89**



Total Number of Employees by Job Level

GRI 2-7

Level	Country	2025 Men	2025 Women	2025 Other	2024 Men	2024 Women	2024 Other	2023 Men	2023 Women	2023 Other
Executive Directors	MX	19	3		18	3		17	4	
	USA	29	8		28	8				
Deputy Directors	MX	44	12		42	11		42	9	
	USA	102	55		93	52				
Managers	MX	642	262		639	251		593	223	
	USA	423	200		399	190				
Staff	MX	28,699	27,109		27,316	25,602		25,861	23,756	
	USA	12,237	12,886	50	12,414	12,801	79			89
Total	**MX**	**29,404**	**27,386**		**28,015**	**25,867**		**26,513**	**23,992**	
	USA	**12,791**	**13,149**	**50**	**12,934**	**13,051**	**79**	**12,714**	**12,698**	**89**

In addition to its direct workforce, Chedraui relies on external personnel who contribute to the daily operations of its stores and distribution centers, including security, cleaning services personnel, and supplier merchandisers. The management of these workers is carried out under guidelines and controls designed to promote responsible labor practices. Outsourced security personnel receive training on human rights to promote security and loss-prevention activities that are conducted in accordance with principles of respect, integrity, and dignity. During 2025, 100% of security personnel in Mexico and the United States received this training. Details regarding the composition of non-employee workers are presented in Appendix 3.1, while methodological information and metrics related to security personnel training are included in Appendix 6.1.

During 2025, the Company completed 56,760 hires across Mexico and the United States. Of these, 79% were external hires, and 21% were internal hires, reflecting a strategy focused on attracting local external talent to support the opening of new stores in the various cities where the Company operates.



Employee Turnover

A breakdown of turnover by type provides a more detailed understanding of the reasons employees leave the organization and helps guide specific actions related to retention and appropriate management of executives and staff. This metric complements overall turnover monitoring and enables Chedraui to identify opportunities to strengthen employee retention through training, benefits, recognition programs, workplace culture initiatives, and professional development opportunities. For additional information regarding turnover by age group, please refer to Appendix 4.1 and 5.1.

Voluntary and Involuntary Turnover

Type of Turnover	Country	2025 Men	2025 Women	2025 Other	2025 Rate	2024 Men	2024 Women	2024 Other	2024 Rate	2023 Men	2023 Women	2023 Other	2023 Rate
Voluntary Turnover	MX	6,566	5,817		21.8%	7,286	6,397		25.4%	6,580	6,198		25.3%
	USA	5,180	4,487	39	37.3%					5,403	4,936	58	40.8%
Involuntary Turnover	MX	11,136	7,024		32.0%	10,203	7,023		32.0%	8,298	5,610		27.5%
	USA	1,015	674	6	6.5%					2,066	2,276	43	17.2%
Total	**MX**	**17,702**	**12,841**		**53.8%**	**17,489**	**13,420**		**57.4%**	**14,878**	**11,808**		**52.8%**
	USA	**6,195**	**5,161**	**45**	**43.9%**	**7,093**	**6,282**	**66**	**51.6%**	**7,469**	**7,212**	**101**	**58.0%**

In Mexico, the total employee turnover rate was 53.8% in 2025, representing a decrease from 57.4% in 2024. By turnover type, the voluntary turnover rate declined from 25.4% in 2024 to 21.8% in 2025, while the involuntary turnover rate remained stable at 32.0%. **In the United States, the total employee turnover rate was 43.9% in 2025**, consisting of a voluntary turnover rate of 37.3% and an involuntary turnover rate of 6.5%.

Employee turnover is a key indicator used to evaluate the effectiveness of Chedraui's talent acquisition, retention, and development strategies, as well as to identify opportunities to enhance the employee experience. This metric enables the Company to monitor workforce stability and reinforces the importance of training, benefits, employee recognition, and professional development initiatives designed to strengthen employee engagement and retention.

The following indicators present the evolution of Chedraui's workforce, including workforce composition by contract type, country, and gender, as well as information regarding hiring, workforce separations, and talent acquisition practices. Collectively, this data provides insight into the Company's organizational structure, workforce dynamics, and commitment to attracting, retaining, and developing talent in alignment with its operational and growth objectives.

Total Number of Employees at Year-End by Category:

		2025				2024				2023			
Category	**Country**	**Men**	**Women**	**Other**	**Total**	**Men**	**Women**	**Other**	**Total**	**Men**	**Women**	**Other**	**Total**
Permanent Employees	MX	28,528	26,105		54,633	27,143	24,733		51,876	25,070	22,258		47,328
	USA	12,791	13,149	50	25,990	12,934	13,051	79	26,064	12,714	12,698	89	25,412
Temporary Employees	MX	876	1,281		2,157	873	1,134		2,007	1,443	1,735		3,178
	USA					1			1	2			2
Full-Time Employees	MX	29,058	26,098		55,156	27,668	24,552		52,220	26,069	22,580		48,649
	USA	5,088	5,130	16	10,234	5,221	5,335	25	10,581				
Part-Time Employees	MX	346	1,288		1,634	348	1,315		1,663	444	1,413		1,857
	USA	7,703	8,019	34	15,756	6,841	8,581	54	15,476				

For additional information regarding employee termination by gender and organizational level, as well as a detailed breakdown of employee terminations, please refer to Appendices 5.1 and 5.2.

As a labor-intensive business, effective talent acquisition is a key success factor. Monitoring new hires by age group and gender provides insight into Chedraui's ability to attract a diverse workforce and respond to the operational needs resulting from business growth. This metric demonstrates that Chedraui's talent acquisition strategy maintains a broad approach, aligned with the Company's operational, expansion, and workforce renewal needs. For additional information regarding hiring trends, please refer to Appendix 5.

The hiring of senior executives from local communities provides insight into Chedraui's ability to strengthen the connection between its leadership team and the markets in which it operates, while also supporting the development of talent with knowledge of the local environment. For additional information regarding the hiring of senior executives from local communities, please refer to Appendix 5.3.



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



Material Topic Description

As a company with extensive operations, the health and safety of our employees is a top priority. Through our materiality assessment, we seek to continuously identify and manage potential risks and opportunities related to occupational health and safety, to strengthen working conditions across the organization.

During 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2. The purpose of this assessment is to determine which risks and opportunities could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

As part of this process, the potential risks and opportunities identified through the double materiality assessment presented in this chapter will serve as a starting point for determining relevance under the IFRS Sustainability Disclosure Standards framework. However, the risks and opportunities ultimately identified as material for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report as a result of the application of the assessment and materiality criteria established under those standards.

Potential Risk:

Temporary Store Closures Due to Non-Compliance with Local Environmental or Labor Regulations:
The continuity of our operations may be affected by temporary suspensions resulting from non-compliance with applicable environmental and/or labor regulations. Therefore, ensuring adherence to regulatory requirements is essential to maintaining compliance and supporting responsible business operations.

Occupational Safety Performance

At Chedraui, occupational health and safety policies are designed to cover all employees across our worksites. However, the scope and application of these policies may vary depending on the nature of the work performed, their hierarchy, and the type of employment relationship.

- Store, Distribution Center, and Corporate Office Employees: All employees have access to occupational health and safety measures, risk prevention training, and emergency response protocols.
- Health and Safety Personnel: Receive specialized training and oversee compliance with health and safety regulations at each worksite.
- On-Site Suppliers and Contractors: Are required to comply with the Company's safety guidelines while working on Company premises.

In addition, the Company is required to comply with applicable labor regulations in the countries where it operates. In Mexico, these include, among others, the Federal Labor Law (LFT), applicable Official Mexican Standards (NOMs), and the Federal Occupational Safety and Health Regulation. In the United States, the Company complies with both state and federal occupational health and safety regulations, including Cal/OSHA, Federal OSHA, and state regulations governing hazardous substances, among others. Training programs are implemented based on these regulatory requirements. The Company also conducts monthly safety assessments, weekly safety briefings, periodic safety awareness activities, and quarterly training meetings to review and update employee training programs.

Chedraui's occupational health and safety management model includes:

1. Facility inspections and maintenance.
2. Training and awareness programs designed to promote a culture of safety.
3. Regulatory compliance management and safety audits.
4. Management of personal protective equipment and safety systems.
5. Performance monitoring and continuous improvement.



The Company continuously monitors occupational health and safety indicators, including the number of workplace incidents, lost work hours due to workplace injuries, and the Lost Time Injury Frequency Rate (LTIFR). This monitoring supports preventive actions, helps identify opportunities for improvement, and promotes a safe working environment for employees.

During 2025, the Company continued to monitor the reach of its health, safety, and wellness initiatives across all levels of the organization. In Mexico, these initiatives achieved 100% coverage among employees at the Executive Management, Senior Management, and Management levels. In the United States, coverage reached 45% at the Executive Management level, 90% at the Senior Management level, and 83% at the Management level. In addition, initiatives targeting Staff-level employees continued in both countries as part of the Company's efforts to promote safe and healthy working environments. For additional information regarding the results of these initiatives by organizational level, country, and gender, please refer to Appendix 6.3.

During 2025, no work-related fatalities were recorded in either Mexico or the United States. Furthermore, the fatality rate resulting from work-related injuries remained zero throughout all three reporting years. For additional information regarding occupational health and workplace incidents, please refer to Appendix 6.2.

Lost Time Injury Frequency Rate (LTIFR)

	2025		2024		2023	
	Mexico	USA	Mexico	USA	Mexico	USA
Number of Workplace Incidents	1,308	1,725	1,861	1,671	1,671	1,414
Number of Fatalities Resulting from Workplace Incidents	0	0	0	0	0	0
Lost Hours Due to Workplace Incidents	174,784	298,329	162,984	510,861	129,976	450,558
Lost Time Injury Frequency Rate (LTIFR)	11.78	8.89	16.76	8.62	15.05	7.30

Lost Time Injury Frequency Rate (LTIFR) = (Number of Lost Time Injuries (LTIs) × Multiplication Factor) / Total Hours Worked by All Employees During the Reporting Period.

The multiplication factor used is 1,000,000 hours for Mexico and 200,000 hours for the United States.

Current Actions:

Chedraui facilitates employee access to healthcare and medical services through the following initiatives:

1

- **Access to IMSS:** All formally employed workers are enrolled in the Mexican Social Security Institute (IMSS), providing access to medical care, hospitalization, and prescription medications in accordance with applicable regulations.

2

- **On-Site Medical Services:** Selected stores have in-house medical personnel available to provide primary care to employees in the event of illness or injury, as well as guidance regarding appropriate follow-up care.

3

- **Partnerships with Healthcare Institutions:** The Company maintains agreements with private clinics and hospitals to facilitate access to medical consultations and treatment in the event of incidents. In addition, health campaigns are conducted, including vaccination drives, medical checkups, and chronic disease prevention initiatives.

4

- **Psychological and Nutritional Support:** Employees have access to psychological and nutritional counseling services aimed at promoting well-being and improving quality of life.

5

- **Medical Insurance Coverage:** Depending on job level and employment type, certain employees are eligible for supplemental health insurance that includes both general and specialized medical care.

6

- **Health and Wellness Programs:** The Company promotes health awareness campaigns, vaccination initiatives, and preventive medical screenings at its facilities, with support from IMSS and other healthcare institutions.



Potential Impact:

Chedraui Protects the Health and Safety of Its Employees

At Grupo Chedraui, we implement health campaigns and preventive programs designed to improve the quality of life of our employees. We also promote safe work practices in areas with greater exposure to occupational risks and provide ongoing training through Universidad Chedraui.

In the event of workplace incidents, investigations are conducted through the Safety and Hygiene Committee, which coordinates the appropriate course of action with the relevant areas.

Similarly, each operational area works closely with Civil Protection authorities to strengthen risk prevention efforts. Workplace safety is a fundamental principle of our Code of Ethics, and through the Safety and Hygiene Committee, the Company ensures that employees are provided with the personal protective equipment (PPE) required for their specific job functions.

It is important to note that 31,601 non-employee workers whose work or workplace is under the Company's control are covered by the occupational health and safety management system.

Mitigation Strategy

As part of our health and safety initiatives, training through Universidad Chedraui and CYou platforms plays a fundamental role in strengthening employees' capabilities through continuous learning programs across different levels of the organization.

During 2025, the Company enhanced training content focused on operational safety through specialized courses covering various areas of the business, including:

- **Accident prevention through lockout procedures**
- **Safety in warehouses, receiving areas, and produce departments**
- **Tortilla production area safety**
- **Bakery area safety**
- **Sales floor, decoration, and visual merchandising safety**
- **Meat and seafood department safety**
- **Maintenance area safety**

In addition, the Company continued implementing internal policies aimed at strengthening safety management, including Policy 120-8000, which is structured around four key pillars:



1. **Leadership**
2. **People**
3. **Processes, focused on risk and accident prevention**
4. **Structure, related to case monitoring and response**

Occupational Health and Safety Policies

These pillars integrate various components focused on occupational risk management and the implementation of preventive measures, promoting an organizational culture centered on safety and accountability.

The Company has also prioritized actions related to material topics with potential financial impacts, including:

1. Environmental and labor regulatory compliance
2. Organizational well-being
3. Operational productivity

	CHEDRAUI MEXICO	CHEDRAUI USA
Occupational Health and Safety Management Model	• We maintain safe facilities through supervision and preventive maintenance. • We provide training programs to strengthen the culture of safety. • We manage personal protective equipment (PPE) and protection systems. • We conduct periodic audits and monitor key performance indicators to drive continuous improvement.	• We maintain documented safety processes in our distribution centers and stores through operational records and online learning platforms. • We operate in accordance with Cal/OSHA and Federal OSHA requirements to ensure regulatory compliance.
Safety Culture	• We comply with Mexico's Federal Labor Law and applicable Official Mexican Standards (NOMs), including NOM-030-STPS-2009, NOM-002-STPS-2010, and NOM-019-STPS-2011. • We also require suppliers and contractors to comply with our safety guidelines.	• We promote safe practices through ongoing training and communication with employees and all leaders in store operations. • We require all employees to acknowledge and sign the Company's General Safety Rules.
Training and Development	• We conduct monthly safety meetings and weekly start-of-shift sessions to communicate preventive information. • We provide annual training on the safe operation of material-handling equipment and leverage technology-based tools for competency development. • We maintain disciplinary measures to reinforce compliance with safety requirements.	• We conduct monthly safety assessments, weekly safety briefings, and quarterly training programs. • We review audit results to identify improvement opportunities and strengthen regulatory compliance.
Incident Investigation	• We use the QRSEC system to investigate workplace incidents, document events, analyze root causes, and monitor corrective and preventive actions.	• All workplace incidents are reviewed and investigated by the Safety and Loss Prevention team to identify root causes and prevent recurrence.



In addition, Chedraui maintains the **"Chedraui Te Escucha"** (**chedraui-teescucha@tipsanonimos.com**) reporting channel for violations of the Code of Ethics and other Company policies. For **Chedraui USA** employees have access to the Anonymous Employee Hotline at (888) 483-2657. Suppliers and customers may submit reports through (800) 894-0511 ext. 7901 or via email at **customer.relations@smartandfinal.com.**

The Company monitors the effectiveness of its remediation processes through a case management system with internal review targets designed to ensure timely resolution of reported matters. Cases are expected to be addressed within seven days of receipt and are reviewed quarterly by the Audit and Corporate Practices Committee (CAPS), which evaluates cases and sanctions to ensure prompt investigation and resolution, as well as the implementation of mitigation plans aimed at reducing future reports.

For any violation of the Code of Ethics, monthly meetings are held to review reported cases and define corrective actions. Directors and the Audit and Corporate Practices Committee (CAPS) establish action plans to reduce ethical non-compliance, and awareness campaigns are conducted with business partners regarding potential corruption-related risks and cases.

In 2025, Chedraui Mexico recorded reports related to ethics and compliance matters, with integrity-related cases (311 reports) and conflicts of interest (249 reports) accounting for the majority of reported incidents. Of these, 57% of conflict-of-interest cases and 23% of integrity-related cases were substantiated. Regarding **corruption and bribery,** 53 cases were reported, of which only four were confirmed, indicating a low occurrence rate. **Legal compliance, transparency, and human rights** matters recorded minimal activity, with only one case reported in each category and no confirmed violations. Sanctions applied in substantiated cases are consistent with internal guidelines established by the relevant committees and Executive Management, ensuring that similar cases receive consistent disciplinary actions.

At Chedraui USA, the ethics reporting hotline is administered by an independent third party. During 2025, efforts were underway to implement a process similar to, and aligned with, the framework used in Mexico.



Community Relations

GRI 203-1, GRI 413-1
SASB: FB-FR-270a.1, FB-FR-270a.2



Material topic description

Chedraui operates across diverse regions where local communities play a critical role in supporting our business activities. We recognize that business performance is closely linked to the social environment in which we operate, and we strive to maintain relationships that create value both for the Company and for the communities we serve.

In that sense, we promote initiatives aimed at strengthening social and economic development in the areas where we operate, integrating these efforts into our sustainability strategy. During 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2. The purpose of this assessment is to determine which risks and opportunities could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

As part of this process, the potential risks and opportunities identified through the double materiality assessment presented in this chapter will serve as a starting point for determining relevance under the IFRS Sustainability Disclosure Standards framework. However, the risks and opportunities ultimately identified as material for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report.

Potential Risks:

Temporary Store Closures Due to Conflicts with Local Communities
Inadequate management of relationships with the communities in which we operate may affect business operations, including potential disruptions to store operations. Maintaining ongoing dialogue and trusted relationships with local stakeholders is therefore essential across both our Mexico and U.S. operations.

Potential Impacts:

Participation in Community Initiatives Focused on Food Security and Access to Water
The implementation of community programs addressing priority social needs helps strengthen relationships with local communities, generates positive impacts, and contributes to long-term operational stability.

Chedraui Donates Food to Food Banks and Organizations Serving Low-Income Communities
These initiatives help address basic needs in vulnerable communities while strengthening the Company's relationship with its social environment.

Chedraui Leads Multiple Social Development Programs Through Its Employees and Foundations
Through these initiatives, the Company contributes to social development and promotes the active involvement of its employees and its charitable foundation, strengthening its role as a valued community partner in the locations where it operates.

Mitigation Strategy

Strengthening relationships with local communities is a key component of business continuity and growth. A positive reputation within the community supports acceptance of our operations, while ineffective community engagement could present challenges to the development of future projects.

Strong community relationships also contribute to supply chain stability and access to local talent, both of which are essential to our operations.

In this context, we maintain collaborative relationships with labor organizations based on dialogue and mutual respect, promoting appropriate working conditions for our employees.

To advance these initiatives, we operate through Fundación Chedraui in Mexico and the Smart & Final Foundation in the USA, which serve as the primary channels for our community investment and social impact programs.

Partnerships and Alliances

Participation in industry associations and organizations is part of our strategy to strengthen collaboration with key stakeholders and contribute to initiatives that support economic, social, and environmental development.

Among the main organizations with which we collaborate are:

- **National Association of Self-Service and Department Stores (ANTAD),** where David Monroy Vargas serves as a delegate on the Human Resources Committee, and Ignacio González Quirasco serves as a member of the Sustainability Committee.
  2025 Contribution: $2,219,305.00 pesos

- **Zero Mexico**, where Ignacio González Quirasco participates as a member of its network of board directors and senior executives.
  2025 Contribution: $3,300.00 pesos.

- **Mexican Association of Real Estate Developers (ADI).**
  2025 Contribution: $244,125.00 pesos.

- **UN Global Compact Network Mexico (United Nations Global Compact)**
  Contribution (biannual): $18,000.00 pesos (covering 2025 and 2026)

- **Mexican Business Coordinating Council (CCE)**

- **GS1 Global Standards**

These partnerships enable us to strengthen our capabilities, share best practices, and contribute to the development of the sectors in which we operate.

It is important to note that the Company does not make contributions or donations to political parties or political actors in the countries where it operates.

Fundación Chedraui

Fundación Chedraui is a non-profit organization whose mission is to contribute to the development of Mexican communities through active engagement in education, health, and social well-being. **The Foundation carries out its activities through the following core pillars.**

FUNDACIÓN CHEDRAUI ayudamos de corazón

Education:
We support educational institutions through in-kind donations and scholarships for outstanding students. We also promote secondary and vocational education initiatives such as the Liceo de Artes y Oficios (School of Arts and Trades), aimed at expanding access to quality education and creating greater opportunities for workforce development.

The Liceo operates three campuses located in Veracruz, Villahermosa, and Xalapa, offering high school programs, technical career tracks, and intensive courses. In addition, both in-person and online learning formats are available, enabling young people and adults throughout the country to access quality educational opportunities. These programs help participants continue their education, obtain employment, improve their career prospects, or start and expand their own businesses. For additional information, please visit: **https://www.liceodeartesyoficios.org/**

Health:
We collaborate with hospitals, clinics, and specialized organizations to improve access to healthcare for individuals facing illnesses or medical conditions and who lack sufficient resources to obtain quality medical services.

Organizations supported by the Foundation include: “Federico Gómez” Children's Hospital of Mexico in Mexico City; AHTECA (Ayúdame Hermano, Tengo Cáncer) in Xalapa, Veracruz, which provides support to children and families affected by cancer; Patronato Pro-Asistencia Pública de Veracruz, which supports Dr. Luis F. Nachón Civil Hospital in Xalapa, Veracruz; Fundación Casa Nueva, an organization that provides treatment and support services for individuals struggling with addiction in Xalapa, Veracruz; and Instituto Down Xalapa.

For more information, please visit: **https://fundacionchedraui.org/**

Food Security:
At Chedraui stores, in collaboration with our employees, we separate and donate food products that, while no longer meeting sales standards, remain fit for consumption. These products are distributed to organizations such as Food Banks of Mexico (Bancos de Alimentos de México), Fundación Emmanuel, local Caritas organizations, and other authorized charitable institutions.

In **2025**, Chedraui stores donated $183,777,665 pesos **worth of food, equivalent to 3,374.3 metric tons**, to food banks and other authorized charitable organizations.

Our food donation policy includes the donation of perishable and non-perishable products that remain in good condition and have not been sold, directing them to organizations that support low-income Mexican families. Through these efforts, we seek to help reduce food insecurity and improve nutrition among vulnerable populations.

Additionally, through our corporate volunteer program, employees sort food products suitable for consumption for subsequent donation to 45 nonprofit organizations. These activities expand the social reach of our support and strengthen relationships with organizations serving a wide range of community needs.

Social Assistance:
We collaborate with organizations dedicated to promoting universal values and supporting the holistic development of individuals, providing assistance through in-kind donations. These contributions include personal hygiene products, cleaning supplies, medical supplies, medications, school supplies, household appliances, and toys.

Support for Communities Affected by Natural Disasters
In response to natural disasters, the Foundation provides immediate assistance through customer fundraising campaigns and in-kind donations intended to address basic needs and support the recovery of affected communities.

As part of these efforts, during 2025 the Foundation provided $7,913,297 pesos in in-kind donations to support individuals affected by flooding in the cities of Poza Rica and Alamo, located in northern Veracruz.

During 2025, Fundación Chedraui implemented community support programs through both monetary and in-kind donations. In total, the Foundation carried out 6 monetary donation programs and 5 in-kind donation initiatives. Key monetary donation initiatives included: Checkout donation campaigns (round-up campaigns), Donations to the Liceo de Artes y Oficios, Direct Foundation donations, AHTECA donation boxes, Donations from Liceo students, and Instant lottery fundraising initiatives In-kind donation programs included food baskets and support provided to organizations such as AHTECA, Casa Nueva, Niño Xalapeño, and Caritas Xalapa.

Total donations made by Fundación Chedraui during 2025 amounted to $54,983,467 pesos. In addition, round-up donation campaigns conducted across Chedraui stores generated $8,613,020 pesos in support for charitable causes.

Through these initiatives, Chedraui Mexico strengthened the Foundation's core pillars, food bank donations, customer round-up campaigns, and other community support programs, generating a positive impact on health, education, and social well-being across Mexico.



Smart & Final Foundation

The Smart & Final Charitable Foundation positively impacts the communities it serves across the United States through a variety of philanthropic initiatives. The Foundation's efforts are guided by the following core focus areas:

Smart & Final CHARITABLE FOUNDATION

Health and Wellness

Education

Youth Sports and Development

Hunger Relief

Disaster Relief

These efforts are delivered through three primary channels of philanthropy:

Corporate

Employees

Customers

Our mission:
The Smart & Final Foundation's mission is to enhance the well-being of the communities it serves by supporting initiatives that improve quality of life and foster community development. Its efforts are primarily focused on health and wellness, education, youth sports and development, hunger relief, and disaster response.

Corporate Philanthropy:
As part of its commitment to corporate social responsibility, the Smart & Final Foundation supports initiatives aimed at addressing food insecurity through the recovery and redistribution of food that might otherwise go to waste.

Through partnerships with organizations such as Feeding America, Food Finders, and other nonprofit organizations, the Foundation facilitates food donations to food banks, community pantries, and charitable organizations.

During 2025, in partnership with the Feeding America network, the Foundation donated 2,630 metric tons of food, helping provide approximately 4.8 million meals to families and individuals experiencing food insecurity across California, Arizona, and Nevada.

Employee Philanthropy:
Smart & Final employees have the opportunity to participate in charitable giving programs through payroll deductions, with the flexibility to manage their contributions directly.

These contributions support assistance requests submitted by nonprofit organizations through an internal grant management system.

During 2025, the Smart & Final Charitable Foundation distributed approximately US$ 2.3 million through cash donations, product donations, and gift cards.

Employee Volunteering:
Employees also contribute through corporate volunteer programs, dedicating their time to support a variety of community initiatives.

During 2025, employees contributed more than 2,000 volunteer hours, participating in activities that supported local communities and nonprofit organizations.

Social Impact and Donations:
Thanks to the combined support of employees, customers, and suppliers, US$ 3,5 million was donated through charitable initiatives during 2025, benefiting 2,184 nonprofit organizations.

Of the total donated, US$ 2.4 million consisted of cash donations, product donations, and gift cards, while USD 1.1 million was raised through in-store campaigns and other fundraising initiatives.

Featured Programs and Initiatives:

City of Hope – Kids 4 Hope
Through the Kids 4 Hope campaign, US$ 360,000 was raised for City of Hope. The funds support programs focused on the care, research, and treatment of children with cancer and other serious illnesses.

American Red Cross:
During 2025, fundraising campaigns raised US$ 21,000 for the American Red Cross, supporting community assistance and emergency response initiatives.

American Heart Association:
Employees participated in fundraising and awareness initiatives focused on cardiovascular health. The Foundation donated US$ 17,000 to support the organization's programs.

Caterina's Club / PastaThon:
In partnership with Caterina's Club and KFI Talk Radio, Smart & Final stores conduct fundraising campaigns in which all proceeds are donated directly to the organization.

During 2025, these efforts raised US$ 398,000 for PastaThon, an initiative dedicated to providing meals to children experiencing food insecurity.

In addition, during Giving Tuesday, employees participated in food collection efforts for the PastaThon program, helping provide thousands of meals each week to children facing food insecurity.

Olive Crest
During 2025, fundraising campaigns raised US$ 325,000 for Olive Crest. These funds support programs that assist children and families affected by neglect, abuse, or social vulnerability.

	Amount Donated (US$)
Smart & Final Foundation Social Investment	$3,503,610
Olive Crest: Support for children affected by neglect and abuse	$325,000
City of Hope / Kids 4 Hope: Support for children with cancer	$360,000
Caterina's Club / PastaThon: Child nutrition and meal programs	$398,000
American Heart Association: Cardiovascular health research and education	$17,000
Total donated	**More than $3.5 million**





Sustainable Development Goals

FUNDACIÓN CHEDRAUI

Fundación Chedraui remains committed to the United Nations Global Compact, contributing to the advancement of its Ten Principles and the Sustainable Development Goals (SDGs). Through our initiatives, we strive to create a positive impact on the communities where we operate.

The following sections highlight the key priorities, initiatives, and results associated with the SDGs to which we contribute most actively:

1 NO POVERTY

End poverty in all its forms everywhere.

Initiatives:
We support organizations that provide social assistance and educational opportunities to vulnerable families and youth. Through Liceo de Artes y Oficios, A.C., we provide scholarships for high school education, technical programs, and intensive training courses.

Results:
Total graduates from the three Liceo campuses from 1987 to 2025: 89,132, including 64,175 women and 24,957 men, and total graduates in 2025: 10,252 students. Female graduates represented 73% (7,484) of total graduates in 2025, while male graduates represented 27% (2,768).

The number of graduates increased 19.5% in 2025 compared to 2024.

2 ZERO HUNGER

End hunger and promote food security.

Initiatives:
Food donation program operated through Chedraui stores in partnership with food banks and other charitable organizations.

Results:
During 2025, food donations totaled $183,777,665 pesos, benefiting more than 566,000 individuals through the donation of 3,374.367 metric tons of food.

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all ages.

Initiatives:
Support hospitals, clinics, and specialized healthcare institutions, as well as promote health campaigns for all employees.

Results:
Vaccination, prevention, and health fair programs implemented throughout the year.

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Initiatives:
Operation of the Liceo de Artes y Oficios across its campuses, as well as educational support programs for employees.

Results:
10,252 graduates from Liceo in 2025.
(7,484 women and 2,768 men)

Women: 73%
Men: 27%

Total beneficiaries from 1987 through 2025: 89,132 students. A total of 24,581 hours of high school-level education were provided.

The number of graduates increased 19.5% compared to 2024.

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls.

Initiatives:
Implementation of diversity and inclusion policies, promotion of equal opportunity practices, and participation in international initiatives.

Results:
Female workforce representation: 49%
Male workforce representation: 51%

6 CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.

Initiatives:
Water conservation programs, water consumption monitoring, and awareness campaigns.

Results:
Water consumption in 2025: 4,023,618 m³

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Initiatives:
Human capital development, continuous training programs, and competitive employment conditions.

Results:
894,000 training hours in 2025
89,553 employees trained

10 REDUCED INEQUALITIES

Reduce inequalities within and among countries.

Initiatives:
Promotion of domestic suppliers and strengthening local value chains.

Results:
Supplier Code of Conduct compliance maintained throughout the supply chain.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable production and consumption patterns.

Initiatives:
Promotion of recycling, reuse of materials, and responsible resource consumption.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Initiatives:
Carbon footprint reduction, use of renewable energy, and environmental awareness programs.

Results:
During 2025, approximately 3.2K printers were installed, generating approximately 1.22K metric tons of CO_2e.

Of these, approximately 2.6K printers operated under a Carbon Neutral Program, offsetting approximately 1K metric tons of CO_2e during the year.

Out of a total fleet of 3,238 printers, 2,589 were enrolled in the Carbon Neutral Program, contributing significantly to reducing environmental impacts. A significant portion of the 1.22K metric tons of CO_2e generated is expected to be offset through this program.

Additionally, in Mexico, 63% of operational energy consumption came from renewable energy sources, and solar energy consumption increased 29.8% in 2025. These initiatives helped avoid approximately 174,899 tCO_2e during the year.

14 LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Initiatives:
Promotion of responsible fishing practices and the sustainable sourcing of seafood products.

Results:
Continued implementation of sustainable purchasing policies for seafood products.

15 LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.

Initiatives:
Reforestation and environmental conservation programs.

Results:
In 2025, our drone-based reforestation program restored 141.8 hectares in the states of Veracruz and Puebla. Since the launch of the reforestation program in 2019 through 2025, a total of 541.8 hectares have been restored across Veracruz, State of Mexico, Oaxaca, and Puebla.

16 PEACE, JUSTICE, AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions.

Initiatives:
Promote just, peaceful, and inclusive societies.

Results:
Employees receive training on the Code of Ethics, ensuring both awareness and acknowledgment of the policy.
Average training hours per employee on this topic totaled 4.86 hours in 2024.

17 PARTNERSHIPS FOR THE GOALS

Ensure sustainable production and consumption patterns.

Initiatives:
Promote collaboration to advance sustainable development objectives and strengthen community partnerships.

Results:

ROUND-UP CAMPAIGNS

During 2025, we supported twelve nonprofit organizations, as well as individuals affected by a natural disaster in the State of Veracruz, raising a total contribution of $8,613,020 pesos.

1. Ver bien para aprender mejor (Vision care for students.)
2. Fundación Casa Nueva (Addiction recovery and rehabilitation)
3. Caritas Mexicana (Social support for vulnerable populations)
4. Alimentos a compartir (Food and nutrition assistance)
5. Xalapa Fire Department
6. Fundación Gilberto Veracruz (Disaster relief)
7. Banco de Alimentos de Xalapa (Hunger relief)
8. Educadores Integrales (Educational support)
9. Chapultepec Zoo in Mexico City
10. Fundación Cáncer de Mama (FUCAM), (Breast cancer support services)
11. Saving our Sharks
12. Casa del Niño Xalapeño (Youth support services)
13. Individuals affected by the October 2025 floods in Poza Rica and Alamo, Veracruz

Additionally, we carried out several urban improvement projects with a total investment of $9,214,276 pesos during 2025.

Total social investment generated through Grupo Chedraui's various initiatives amounted to $289,167,149 pesos in 2025.

Grupo Chedraui Corporate Policies

Sustainability Policies

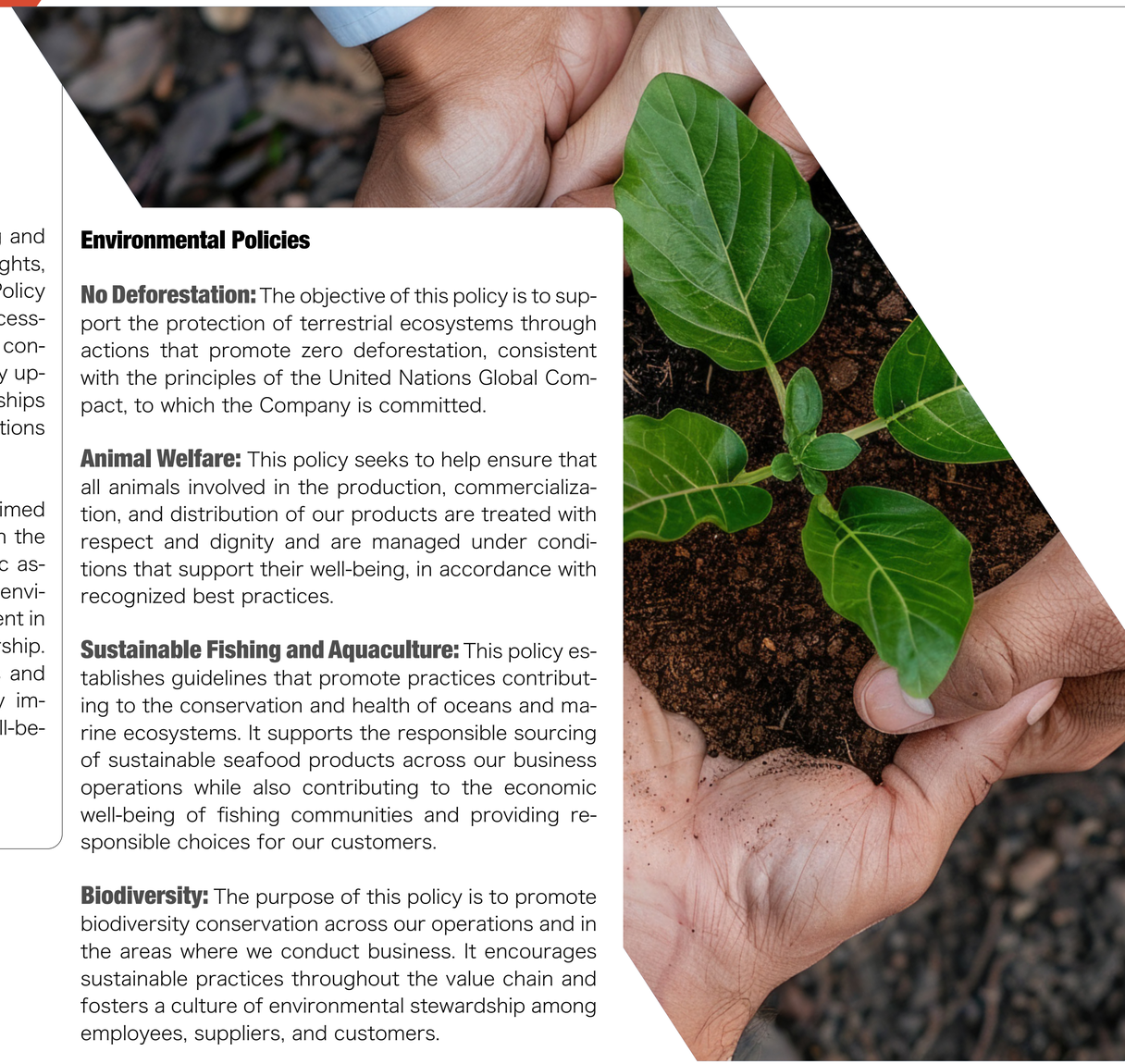
Among the Company's core policies that help govern and strengthen its relationship with local communities are the following:

Merchandise Donations to Charitable Organizations: We maintain a merchandise donation policy designed to help reduce food insecurity and improve nutrition among underserved populations. Priority is given to the donation of food and other products to organizations that support low-income Mexican families, including food banks and local nonprofit organizations. This policy reflects Chedraui's commitment to supporting the communities where it operates by ensuring that surplus products are redirected to benefit those most in need.

Sustainability: Chedraui's Sustainability Policy is designed to mitigate the environmental impacts of our operations and promote responsible business practices. Through this policy, we seek to reduce our carbon footprint, manage water resources efficiently, and promote recycling and circular economy initiatives. These efforts not only benefit the environment but also contribute to improving the quality of life in the communities we serve by fostering a cleaner and more sustainable environment.

Human Rights: We are committed to respecting and promoting human rights, including children's rights, throughout our operations. Our Human Rights Policy incorporates these principles into business processes and encourages open communication so that concerns may be raised without fear of retaliation. By upholding human rights, we strengthen our relationships with communities and help ensure that our operations contribute positively to social well-being.

Psychosocial Risk Prevention: This policy is aimed at identifying and mitigating psychosocial risks in the workplace in accordance with NOM-035. Periodic assessments are conducted to evaluate the work environment and identify opportunities for improvement in areas such as workload management and leadership. The policy seeks to enhance working conditions and promote a healthy work environment, positively impacting communities by supporting employee well-being and personal development.



Environmental Policies

No Deforestation: The objective of this policy is to support the protection of terrestrial ecosystems through actions that promote zero deforestation, consistent with the principles of the United Nations Global Compact, to which the Company is committed.

Animal Welfare: This policy seeks to help ensure that all animals involved in the production, commercialization, and distribution of our products are treated with respect and dignity and are managed under conditions that support their well-being, in accordance with recognized best practices.

Sustainable Fishing and Aquaculture: This policy establishes guidelines that promote practices contributing to the conservation and health of oceans and marine ecosystems. It supports the responsible sourcing of sustainable seafood products across our business operations while also contributing to the economic well-being of fishing communities and providing responsible choices for our customers.

Biodiversity: The purpose of this policy is to promote biodiversity conservation across our operations and in the areas where we conduct business. It encourages sustainable practices throughout the value chain and fosters a culture of environmental stewardship among employees, suppliers, and customers.

Metrics and Targets

The following table presents the most significant donation amounts made by Chedraui Mexico:

	2025	2024	2023
Food Bank donations through Chedraui Stores (MXN Pesos)	$ 183,777,665	$ 197,852,400	$ 258,864,773

GRI 417-2a. i

As part of its commitment to the community, the Company conducted its **Round-Up Campaign**, through which **$8,613,020** pesos were raised to support social programs and community initiatives.



In addition to monetary and in-kind donations, Fundación Chedraui provided training and educational programs through the Foundation and the Liceo de Artes y Oficios network:

	2025		2024		2023	
	Men	Women	Men	Women	Men	Women
Training Hours	6,637	17,944	7,587	15,173	1,073	2,796
Individuals Trained	2,768	7,484	2,488	6,091	2,332	6,077
Average	2.74	2.03	3.04	2.49	0.46	0.46

Investment in Training Programs provides by Fundación Chedraui (Pesos)

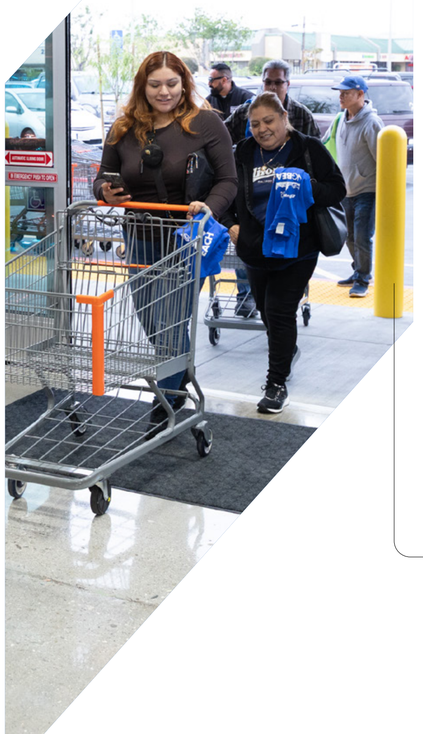
2025	Investment per training hour	2024	Investment per training hour	2023	Investment per training hour
$412,010	$16.76	$121,274	$5.30	$216,726	$56.01



Customer Engagement and Brand Management

GRI 417
SASB: FB-FR-270a.1, FB-FR-270a.2





Customer Engagement and Brand Management

Material Topic Description

In 2025, customer engagement and effective brand management continued to be key components of Chedraui's strategy. Customer satisfaction remains a critical indicator that drives loyalty and growth through a value proposition designed to meet consumers' evolving expectations. In addition, as discussed previously, the management and privacy of customer data are fundamental priorities, with clear regulatory requirements that must be followed in each of the countries where we operate.

In 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2, to determine those that could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

The risks and opportunities ultimately identified as material for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report as a result of the assessment and materiality criteria established under those standards.

Potential Risk:

The Need to Adjust Marketing Strategies and Customer Data Monitoring Practices Due to Changes in Data Privacy Regulations

The evolving regulatory landscape surrounding data protection presents an ongoing challenge that requires the continuous adaptation of marketing strategies and customer data management practices. Effective compliance with these requirements helps ensure regulatory adherence, strengthen consumer trust, and promote the responsible handling of customer information.

Potential impacts:

Effective Management of Customer Personal Data.

Chedraui builds consumer trust by understanding customer preferences and delivering value through its loyalty program.

Analyzing customer preferences enables the Company to develop more personalized offers and more effective loyalty programs, enhancing the customer experience and strengthening long-term relationships built on trust.

Strategy

Chedraui has advanced the automation of business processes through tools such as Robotic Process Automation (RPA), improving efficiency and reducing errors in logistics and administrative operations, particularly within distribution centers. In addition, the Procurement area leverages analytics solutions to optimize inventory management, costs, and pricing decisions.

Through Universidad Chedraui, the Company promotes training in digital tools, including Enterprise Resource Planning (ERP) systems, as well as analytical, innovation, leadership, and communication skills, facilitating the adoption of data analytics and artificial intelligence across the organization.

The “Mi Chedraui” Loyalty Program, in place since 2016, continues to serve as a key customer engagement platform, with a single-channel approach across multiple points of interaction.

To safeguard customer privacy, the Company maintains robust procedures that reinforce its commitment to security and transparency. Chedraui monitors every stage of the data lifecycle, including the collection, storage, and disposal of personal information; provides employees with training on responsible data management practices; and conducts periodic internal audits aligned with applicable regulations.

Chedraui's Personal Data Management and Protection Policy (AUINT-01-PO00) is reviewed every two years and updated by the Company's Internal Audit department. **In Mexico, compliance with ARCO Rights is mandatory.** ARCO is the Spanish acronym for the rights of Access, Rectification, Cancellation, and Objection, which enable individuals to protect and control the use of their personal data. During 2025, there were no confirmed incidents involving customer privacy breaches or data leaks in either Mexico or the USA.



Metrics and Targets

During 2025, Chedraui Mexico recorded two cases of non-compliance with laws and regulations, compared to three cases reported in 2024. As a result of these, two fines were imposed, which were not considered financially material to the organization, as each was below US$30,000. In addition, no non-monetary sanctions were imposed in connection with these instances of non-compliance.

With respect to competition laws, no cases related to anti-competitive practices were identified during 2025. Accordingly, no fines, non-monetary sanctions, or other enforcement actions were imposed in connection with such matters.

Regarding marketing communications, two instances of regulatory non-compliance were recorded in 2025, resulting in fines. These fines were associated with promotional campaigns conducted in 2019 and were not considered financially material to the organization.

At Chedraui USA, no material cases related to regulatory non-compliance, anti-competitive behavior, or marketing and communications practices were identified during the last three years. Consequently, no fines, non-monetary sanctions, or non-compliance with voluntary codes were reported during the period.

Diversity and Equal Opportunity GRI 405-2

Material Topic Description

In 2025, Chedraui continued its commitment to maintaining a workplace free from discrimination and fostering the equitable development of all employees. The Company promotes practices that ensure equal access to career advancement opportunities and employee benefits, strengthening an inclusive workplace culture.

Gender equity remains a priority and is supported by the Group's Code of Ethics and Gender Diversity, Equality and Inclusion Employment Opportunity Policy, which guides decision-making and ensures that compensation practices are based on objective criteria such as job profile, experience, education, and career progression.

During 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2, to determine those that could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

As part of this process, the potential risks and opportunities identified through the double materiality assessment presented in this chapter will serve as a starting point for determining relevance under the IFRS Sustainability Disclosure Standards framework. However, the risks and opportunities ultimately identified as material for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report as a result of the assessment and materiality criteria established under those standards.

Potential Impact:

Chedraui provides fair recruitment and development opportunities for all employees.
The Company promotes fair access to employment opportunities and is committed to ensuring that all employees, regardless of gender, age, or ethnicity, have access to professional development opportunities within the organization and can work in an inclusive environment. These efforts help strengthen workforce productivity, improve operational efficiency, and generate positive social impacts in the communities where we operate.





Mitigation Strategy

Inclusion is embedded in the Company's talent acquisition and selection processes, ensuring hiring decisions are made based on principles of fairness and equal opportunity and are free from gender bias. The Company also maintains specific guidelines designed to prevent conflicts of interest throughout these processes.

The Code of Ethics establishes the standards expected of all employees, promotes recognition of performance, and encourages training aimed at preventing and minimizing inappropriate conduct that could negatively affect the work environment.

The Company promotes a culture of respect and maintains a zero-tolerance approach toward discrimination involving employees, job candidates, customers, investors, suppliers, or any other stakeholder group. In cases of non-compliance, appropriate disciplinary measures are applied. To strengthen awareness and understanding of these principles, the Company periodically conducts: Awareness campaigns, Reinforces its Diversity, Equality and Inclusion Employment Opportunity Policy, Code of Ethics, and other related policies.

The Group maintains a strong stance against gender-based violence and actively promotes safe and inclusive workplaces.

As part of these efforts, Chedraui participates in UN Women's Empowerment Principles (WEPs) framework, achieving a 67% score and improving its performance by 4% compared to the previous assessment period.

Policies

Chedraui operates under a Code of Ethics that promotes equal opportunity and fair compensation based on objective criteria. The Company also has a Workplace Diversity and Inclusion Committee, which promotes a culture of respect, professionalism, fairness, and impartial treatment throughout the organization.

In addition, Chedraui maintains a publicly available Diversity, Inclusion, and Equality Employment Opportunity Policy (1500-0022), which establishes the principles for ensuring fair employment opportunities and promoting diversity and inclusion across its operations. The policy is approved by the Diversity Committee, CAPS, and the Board of Directors, which establish guidelines to promote diversity, equity, and inclusion throughout the Company's operations.

In Mexico, as previously stated, Chedraui has conducted employee satisfaction surveys since 2021, with surveys administered on a bimonthly basis in recent years. These surveys assess various aspects of the organization, including leadership, working conditions, and sense of belonging, while also helping identify opportunities to improve the employee experience. In addition, the Labor Relations department conducts case-specific assessments in response to reports received through the Company's reporting channels or to address identified instances of workplace mistreatment.

At Chedraui USA, an Employee Engagement Survey is currently used to monitor workplace climate and employee perceptions across its operations. The survey process is ongoing, and 2025 represents the baseline year for measurement.

Metrics and Targets

The distribution of employees by age group and gender provides insight into the generational diversity of Chedraui's workforce and its alignment with the Company's inclusion, fair development, and talent acquisition strategies. The data indicates that Chedraui maintains a diverse workforce in terms of both age and gender, supporting its commitment to equal opportunity and the promotion of an inclusive workplace.

The following metric enables the Company to monitor workforce composition and supports diversity and inclusion initiatives designed to ensure fair hiring, promotions, and professional development processes.

Employees at Year-End

		2025			2024			2023		
Age Group	**Country**	**Men**	**Women**	**Other**	**Men**	**Women**	**Other**	**Men**	**Women**	**Other**
< 30 years old	MX	12,829	8,726		12,553	8,779		12,219	8,724	
	USA	5,045	4,259	28	5,111	4,182	39			38
Between 30 and 50 years old	MX	13,036	14,936		12,307	13,944		11,624	12,734	
	USA	4,641	5,346	12	4,601	5,347	24			31
> 50 years old	MX	3,539	3,724		3,155	3,144		2,670	2,535	
	USA	3,105	3,544	10	3,222	3,522	16			20
Total	**MX**	**29,404**	**27,386**		**28,015**	**25,867**		**26,513**	**23,993**	
	USA	**12,791**	**13,149**	**50**	**12,934**	**13,051**	**79**			**89**

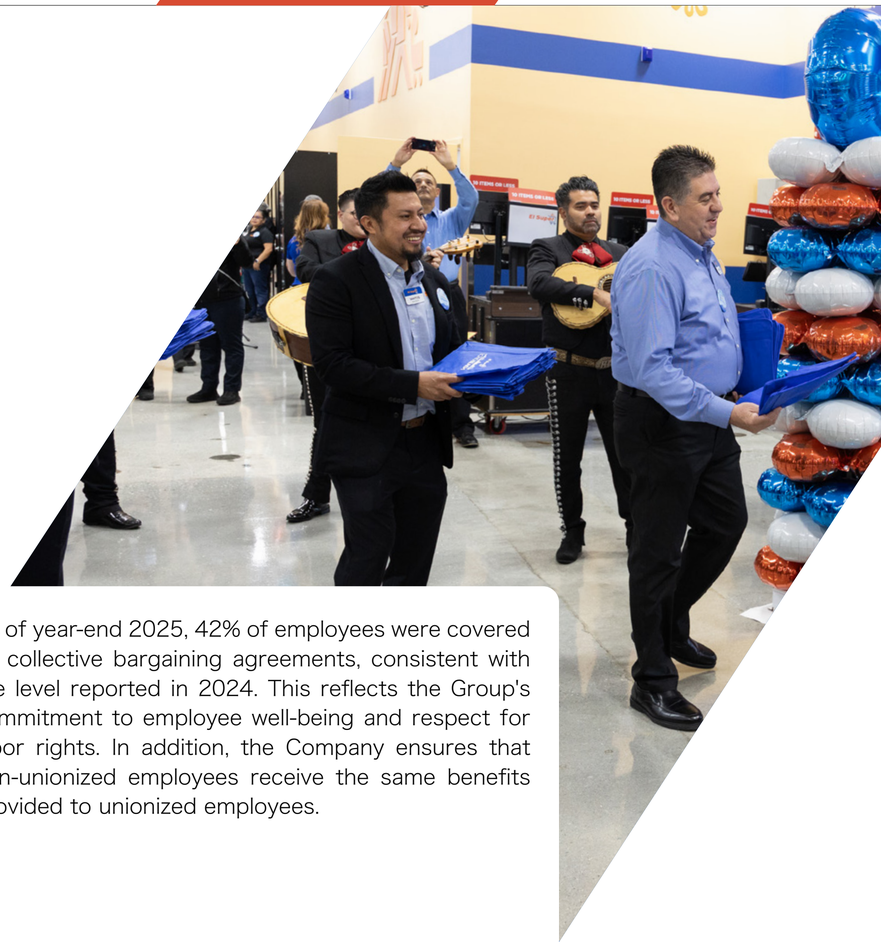
Total Number of Employees at Year-End by Organizational Level:

		2025			2024			2023		
Level	**Country**	**Men**	**Women**	**Other**	**Men**	**Women**	**Other**	**Men**	**Women**	**Other**
Executive Management	MX	19	3		18	3		17	4	
	USA	29	8		28	8				
Deputy Management	MX	44	12		42	11		42	9	
	USA	102	55		93	52				
Management	MX	642	262		639	251		593	223	
	USA	423	200		399	190				
Staff	MX	28,699	27,109		27,316	25,602		25,861	23,756	
	USA	12,237	12,886	50	12,414	12,801	79			89
Total	**MX**	**29,404**	**27,386**		**28,015**	**25,867**		**26,513**	**23,992**	
	USA	**12,791**	**13,149**	**50**	**12,934**	**13,051**	**79**	**12,714**	**12,698**	**89**

The identification of workers who are not direct employees also provides a more comprehensive understanding of the workforce supporting Chedraui's operations, including outsourced services, supplier merchandisers, and in-store support personnel. This information highlights the importance of maintaining appropriate controls, guidelines, and responsible management practices for third-party workers. For Chedraui, freedom of association and collective bargaining are fundamental rights guaranteed throughout its operations in Mexico and the United States.

Number of Non-Employee Workers at Year-End

		2025		2024		2023	
Type of Worker	**Country**	**Personnel under this type of contract**	**Personnel Departures**	**Personnel under this type of contract**	**Personnel Departures**	**Personnel under this type of contract**	**Personnel Departures**
Outsourced Security Personnel	Mexico	286	1,030	1,316	0	2,202	0
	USA	372		461		83	
Outsourced Cleaning Personnel	Mexico	338	537	875	383	1,258	68
	USA	167					
Supplier Merchandisers	Mexico	25,326		24,908		22,566	974
Volunteer Baggers (Senior Citizens)	Mexico	6,509	113	6,335	92	6,427	130
Volunteer Baggers (Minors)	Mexico	298	108	406	54	460	67
Others (Loaders, Cardboard Recyclers, etc.)	USA	93					
Total	**Mexico**	**32,757**	**1,788**	**33,840**	**529**	**32,913**	**1,239**
	USA	**632**		**461**		**83**	



As of year-end 2025, 42% of employees were covered by collective bargaining agreements, consistent with the level reported in 2024. This reflects the Group's commitment to employee well-being and respect for labor rights. In addition, the Company ensures that non-unionized employees receive the same benefits provided to unionized employees.

Human Rights GRI 406-1, 410-1



Material Topic Description

Chedraui recognizes the importance of managing the human rights impacts associated with its operations, particularly given the scale of its supply chain and retail operations. This approach is closely linked to maintaining a reliable operation and supply chain that ensures product availability and supports customer satisfaction.

Managing this topic remains a priority across both operations and the supply chain, promoting ethical conduct, regulatory compliance, and appropriate working conditions among employees and suppliers.

During 2026, the Company will conduct a process to identify, prioritize, and assess sustainability-related risks and opportunities in accordance with the requirements of IFRS S1 and IFRS S2, to determine those that could reasonably be expected to affect the Company's prospects over the short, medium, and long term.

As part of this process, the potential risks and opportunities identified through the double materiality assessment presented in this chapter will serve as a starting point for determining relevance under the IFRS Sustainability Disclosure Standards framework. However, the risks and opportunities ultimately identified as material for disclosure purposes under IFRS S1 and IFRS S2 may differ from those presented in this voluntary report.

Potential Impact:

Chedraui conducts health, safety, labor practices, and human rights audits of its suppliers:
For private-label products in Mexico, the Company conducts SMETA audits covering health and safety, labor conditions, and human rights practices within its supplier network. These audits help verify compliance with established standards, strengthen the supply chain, and support operations that are aligned with sustainability principles and respect for fundamental human rights.

All other suppliers are expected to know, adhere to, and align their practices with the standards established in the Company's Code of Ethics, and a significant number of suppliers have signed and adhered to the Supplier Code of Conduct. During 2026, the Company will work to redesign and standardize the requirements that suppliers must meet in order to remain part of the Group's supply chain.





Mitigation Strategy

In 2025, Chedraui continued to strengthen its commitment to human rights through corporate policies and internal processes communicated through the Code of Ethics, Human Rights Policy, and various internal and external communication initiatives that establish standards of conduct for employees and suppliers.

Compliance with and awareness of these principles are the responsibility of the entire organization, with oversight provided by the Human Resources and Internal Audit areas to help ensure their effective implementation. The Company also maintains reporting channels through which employees, customers, suppliers, and other stakeholders may report any violations of the policies described above.

Policies

The Company has a Human Rights Policy that establishes principles aimed at promoting respect for and protection of human rights across all stakeholder groups (employees, customers, suppliers, and communities; among others).

Within the procurement process, supplier selection considers commercial and operational criteria, together with compliance with established standards. These requirements include adherence to the Company's Code of Ethics and adherence to the Supplier Code of Conduct, which is mandatory for new suppliers. Existing suppliers are in the process of adopting, with significant progress already achieved in Mexico. In the United States, the Company also complies with applicable state human rights regulations in the jurisdictions where it operates, including, among others, the Unruh Civil Rights Act and the Texas Commission on Human Rights Act (TCHRA).

In addition, the Group implements the following actions:

- Verifies that suppliers are formally established and comply with applicable labor, occupational health and safety, and environmental regulations (the latter applies to private-label suppliers).
- Reviews contracts to help ensure regulatory compliance and the maintenance of required certifications.
- Provides training to employees and outsourced security personnel on compliance matters and the Company's Human Rights Policy.
- Communicates the availability of reporting channels to customers, suppliers, and other stakeholders in both Mexico and the United States.
- Monitors and follows up on reports related to potential violations of the Human Rights Policy and the Group's Code of Ethics.

These practices help strengthen a responsible supply chain aligned with ethical standards and regulatory requirements.

Metrics and Targets

The total number of suppliers illustrates the scale of Chedraui's supply chain and highlights the importance of maintaining effective human rights management, assessment, and monitoring mechanisms. Given the size of this supplier base, the Company's Human Rights Policy, Code of Ethics, Supplier Code of Conduct, and supplier audit programs, particularly those applicable to private-label suppliers, serve as key tools for strengthening a responsible supply chain, mitigating labor and regulatory risks, and promoting practices aligned with Chedraui's ethical standards.

Number of Suppliers

Country	Format	Suppliers
Mexico	All formats	2,855
USA	Smart & Final*	2,288
	El Super/Fiesta*	2,384

* The total number of suppliers in the U.S. is 3,100, taking into account suppliers shared across Smart & Final and El Super/Fiesta operations.

In addition, the Internal Audit and Human Resources departments monitor and investigate any reports related to potential violations of the Company's Human Rights Policy or Code of Ethics. When a violation is confirmed, the corresponding corrective or disciplinary measures are applied in accordance with established internal procedures.



8 Governance

Supply Chain Management

GRI 416-1

Description of risks, opportunities, and impacts

Supply chain management is a material element for Chedraui's operations as it is fundamental to ensuring product availability in our stores and complying with our value proposition for our customers. By maintaining an efficient and resilient supply chain, we are able to guarantee the right assortment in all our formats.





The following relevant risks, opportunities and impacts were identified through the double materiality analysis:

Risks:

Reduced product availability due to supplier non-compliance with new regulations: Supplier noncompliance can disrupt product supply, affecting availability, the overall customer experience, and business performance.

Increased costs or delays in building new stores due to tariffs applied to imported parts and equipment: Variations in tariffs may have a direct impact on construction costs and project execution periods, affecting expansion plans and the profitability of new investments.

Increased costs of goods sold due to taxes on imported items: Changes in imported product taxes may lead to increased procurement costs, affecting margins and placing pressure on final prices for consumers.

Reduced revenue due to sanctions enforced on suppliers who do not comply with environmental and labor legislation: Non-compliance with environmental or labor standards by suppliers may result in sanctions or interruptions in the supply chain, forcing the search for alternatives under less efficient conditions.





Opportunities:

Integration of artificial intelligence and data analysis technologies to improve replenishment and customer monitoring:
The use of analytical tools enables us to anticipate demand, optimize inventory levels, and enhance product availability so as to contribute to a better experience for customers and greater operating efficiency.

Better supply stability by monitoring supplier compliance with environmental and labor standards:
Adherence to standards in the supply chain helps reduce operational risks and strengthens relationships with suppliers, ensuring greater supply continuity.

Greater routing efficiency and lower transportation costs through distribution center integration:
Centralizing logistics operations allows for optimized routes, shorter delivery times, and reduced transportation costs, resulting in operational efficiencies.

Increased procurement capabilities and supplier participation as a result of the incorporation of business lines and supply networks:
Integrated operations enable better negotiation power, broaden product offerings, and reinforce collaboration with strategic suppliers.



Impact:

Chedraui purchases agricultural and livestock products from local suppliers, thus creating economic benefits:
By purchasing products from local suppliers, Chedraui drives regional economic development, helps develop small and medium-sized producers, and contributes to value creation in the communities where the Company operates.

Mitigation Strategy

Supply chain management is based on suppliers' compliance with standards aligned with our values and with applicable regulations in the countries where they operate.

Non-compliance with regulations by suppliers may affect business continuity, resulting in supply disruptions, impacts on logistics operations, and the need to find new suppliers, which may result in higher costs and operational adjustments.

Likewise, inadequate supply chain management may affect how the Company is perceived in terms of sustainability and responsibility, influencing the trust of customers and other stakeholders.

Supplier adaptation to new regulations, including environmental and labor criteria and compliance with the Code of Conduct, is a key factor in ensuring supply stability and avoiding regulatory and operational risks.

Tariffs may have an impact on product procurement and infrastructure investment, as well as expansion plans and return on investment regarding construction equipment. In the case of imported products, costs may be affected, thus requiring adjustments to commercial strategies.

Strategies such as supplier diversification and continuous monitoring of their performance have been implemented to mitigate these risks, further reducing dependence on specific markets and improving supply chain resilience.

Furthermore, the use of data analysis technologies allows for better demand planning, optimized replenishment processes, and reduced product shortages.

The integration of operations and supply networks also helps generate synergies, improve logistics efficiency, and strengthen coordination with suppliers, which has a positive impact on costs and competitiveness.

Additionally, purchasing from local suppliers facilitates product traceability, promotes sustainable practices, and allows for a more agile response to market needs.

To strengthen control over the supply chain, suppliers must comply with agreements that include labor-related clauses and sign documents regarding conflicts of interest and the Code of Conduct.

We use technological tools such as geolocation systems and route optimization models, which help improve transportation efficiency and reduce operating costs.

Corporate Policies and Responsible Parties

Grupo Chedraui's Supplier Code of Conduct is the policy that primarily governs Supply Chain Management. This code defines the ethical guidelines and behavior that must be followed by our suppliers to reinforce a business environment based on integrity and transparency.

The code establishes a zero-tolerance policy toward corruption and requires compliance with applicable laws, as well as the adoption of responsible social and environmental practices.

To ensure compliance with these principles, periodic audits and inspections are carried out, allowing for monitoring of established standards and promoting a supply chain aligned with responsible and sustainable practices.

The main policies applicable to this topic are: procurement of goods and services, sustainability, environmental risk prevention, prevention of money laundering, and fraud detection.

The policies that reinforce our Supplier Code of Conduct include:

Purchase of Goods and Services:
It establishes a framework for the efficient and ethical procurement of goods and services. This policy guarantees that all transactions are conducted in keeping with the Company's quality standards, ensuring that suppliers meet social responsibility and environmental expectations.

Sustainability:
It is fundamental to the proper integration of sustainable practices in all supply chain operations. We promote the reduction of environmental impacts and foster social responsibility in all our supplier relations. The policy guides the implementation of strategies that minimize the use of natural resources and optimize energy efficiency to reinforce a more sustainable business model.

Prevention of Money Laundering and Fraud Detection:
Through this policy, we implement strict controls and audit procedures aimed at preventing illicit activities that compromise both our supply chain and our reputation, thus reinforcing our commitment to integrity and legality in all our commercial transactions.

Integrity and Transparency:
To establish a commitment by all company employees to act ethically and transparently toward the company's stakeholders: board members, shareholders, business partners, customers, carriers, public entities, and society at large; and to establish rules for conducting business in a socially responsible manner, adhering to a zero-tolerance policy toward acts that violate the company's organizational principles.

Conflicts of Interest:
This policy establishes the standards and guidelines to identify, prevent, and manage situations where these conflicts may affect employee performance and relations with third parties.

Additionally, at Chedraui Mexico, all suppliers are required to sign the Chedraui Code of Conduct. In Chedraui USA, in addition to the Supplier Code of Conduct, suppliers are requested to sign a statement assuming responsibility for all matters related to the sale of their products.

Metrics and Goals

The number of SKUs handled by the company is a reflection of the range of assortment that Chedraui offers its customers in each format and market. These metrics allow for monitoring the capability of each supply chain to maintain product availability and adapt offerings to local preferences. It also helps monitor the mitigation strategy, since maintaining a broad and stable portfolio requires reliable suppliers, efficient replenishment processes, demand planning, and a logistics network that is resilient to potential disruptions.

Products (SKUs) offered in the last three years

Segment	2025	2024	2023
Tiendas Chedraui	64,500	75,400	73,500
Súper Chedraui	25,900	29,000	30,100
Súper Che	10,200	10,300	11,000
Supercito	2,300	2,800	2,700
Tiendas Arteli	7,600	8,100	7,400
Chedraui USA (El Super, Fiesta, Smart & Final)	50,900	48,100	48,700
Total	**161,400**	**173,700**	**173,400**



Cybersecurity

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



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. Proper management of these risks is crucial for maintaining Chedraui's reputation, strictly safeguarding customer data, and preventing intrusion into our internal systems, which could lead to negative impacts in the short, medium, and/or long term. The double materiality analysis conducted in 2024 helped to identify risks and opportunities.

In 2026, the Company will identify, prioritize, and assess sustainability-related risks and opportunities as per the guidelines set forth under IFRS S1 and IFRS S2. The purpose is to determine those that could reasonably affect the Company's outlook in the short, medium, and long-term.

The risks and opportunities identified as relevant for disclosure, as per IFRS S1 and IFRS S2, may differ from those presented in this voluntary report, stemming from the evaluation criteria used and the materiality established under these standards.

Potential Risks

Increased costs due to cyberattacks:
These attacks may lead to additional costs that vary in importance for the Company, should they materialize. They include increased expenses needed to remedy security breaches; additional security measures implemented; and the loss of income due to interrupted operations.

Cybersecurity threats:
These threats are increasingly complex and frequent, thus requiring constant surveillance and rapid adjustment to changing and new tactics that may potentially develop.

Potential Opportunities

Investment in cybersecurity infrastructure:
Investments made in advanced cybersecurity technology, such as AI to detect threats and automated response systems, which may significantly increase the ability of the Company to prevent, detect, and mitigate possible cyberattacks. This not only protects Company assets, but it also improves operating efficiency.

Protection of data centers and IT infrastructure by migrating to the cloud:
The security of data stored in the cloud can be improved by adopting robust cloud security practices and identity management solutions. It can also facilitate operational scalability and flexibility, thus enabling the Company to respond more rapidly to complexities and constant changes in market demand.

Equal development opportunities regarding IT and AI are provided for all Chedraui employees:
This practice not only helps attract and retain talent from different areas but also drives innovation and productivity throughout the Company.

Mitigation Strategy

Cybersecurity risks affect the business model, value chain, and customer relations, as they could disrupt operations and affect the ability of our business to maintain service continuity by jeopardizing the integrity of information relevant to operations, such as supply chain management, relationships with other service providers, interactions with customers through apps, customer data management, as well as potentially affecting store transactions and digital operations. This growing risk impacts financial and operational processes, including customer data security and transaction integrity.

In 2025, the Information Technology Department undertook the mission to reinforce information security strategies; this was done by strengthening and aligning certain controls and processes in keeping with best practices based on frameworks and international certifications, such as PCI DSS (Payment Card Industry Data Security Standard), ISO-27001:2022, and NIST (National Institute of Standards and Technology).



Chedraui follows a robust cybersecurity strategy that is based on international frameworks such as NIST, which entails the following actions:



1

- **IDENTIFY:** Governance and organization; Strategy, Metrics, and Reports; Policies and Standards; Security Architecture; Asset management; Third-Party Management; and Privacy.

2

- **PROTECT:** Awareness and Training; Data Protection; Host Security; Identity Access Management; Network Security; IT Operations; and Software and App Security.

3

- **DETECT:** Security Monitoring; Threat Information; Policies and Standards; and Vulnerability Identification and Remediation.

4

- **RESPOND:** Responding to security incidents.

5

- **RECOVER:** Business Continuity Plan (BCP) / Disaster Recovery Plan (DRP).

In addition, we have established ourselves as one of the first organizations to obtain PCI DSS certification under version 4.0.1, demonstrating our commitment to full compliance with the new requirements established by the PCI DSS standard through controls designed to protect cardholder data and/or sensitive authentication data during storage, processing, or transmission. This strengthens our position as a leading Company, enhances our reputation among customers, reduces the likelihood of cyberattacks and cyber fraud, and significantly reduces the costs that may arise in the event of incidents.



A project aimed at restructuring and updating policies and procedures related to supply chain processes was also carried out, in keeping with ISO 9001 and ISO 10013 standards for Quality Management. It was conducted together with the areas involved, through interviews with those responsible for directly executing the tasks; this resulted in greater detail on the activities carried out and the rules for executing them. A global map of the current processes was also developed, which allows us to identify productivity improvements and associated risks.

Our internal information security policy is updated every year (or when necessary for risk-related reasons) to include guidelines established under international standards and frameworks, processes, and procedures that must be followed to protect customers, supplier, and employee data.

During 2025, we worked to strengthen the separation of duties in various areas of the organization by implementing security strategies in our systems in accordance with best practices; analyzing the responsibilities of each position, and confirming the appropriate access rights that the system uses to determine relevant business results.

We have also improved the actions and procedures conducted by our Security Operations Center, with the purpose of having all activities performed in a more productive and efficient manner. An Information Security Management System was implemented to continue strengthening our Security processes through an even more structured framework of policies, controls, and procedures, to protect the confidentiality, integrity, and availability of our organization's data in accordance with the ISO 27001:2022 standard.

Corporate Policies

In order to fulfill its responsibilities, the Board of Directors relies on the CAPS (Audit and Corporate Practices Committee) to analyze and follow up on the most relevant matters for the Company. Thus, in terms of information security, the Information Technology Department, which reports to the Chief Administration and Finance Officer, informs the CAPS and the Board of Directors at least once or twice a year of the main changes, challenges, or risks related to the Company's cybersecurity and information technology strategy.



To ensure Chedraui's operations continue without any material incidents that could compromise the information of our customers and suppliers or the company's operations, we will continue to strengthen the NIST (National Institute of Standards and Technology) framework for cybersecurity risk management. We conduct phishing simulations, monitor intrusion attempts, and ensure data integrity through dashboards. These processes help protect sensitive data and maintain operational security. This includes regular audits conducted by the Internal and External Auditors, PCI DSS recertification, and additional strategic measures to protect data and maintain the integrity of the systems we need for our operations.

Metrics and Goals

Performance is monitored through the use of KPIs (Key Performance Indicators), such as app availability and security, metrics on intrusion attempts, results of internal phishing tests, among others. The goal is to help assess cybersecurity effectiveness. Completion rates of different training courses in cybersecurity are tracked, as well as the successful containment of cyberattacks, among others. This ensures alignment with global standards regarding cybersecurity and employee development in these areas.

Future plans include reinforcing cybersecurity defenses, increasing the speed of incident response capabilities, and continuing to adapt and monitor global cybersecurity trends to strengthen risk management.

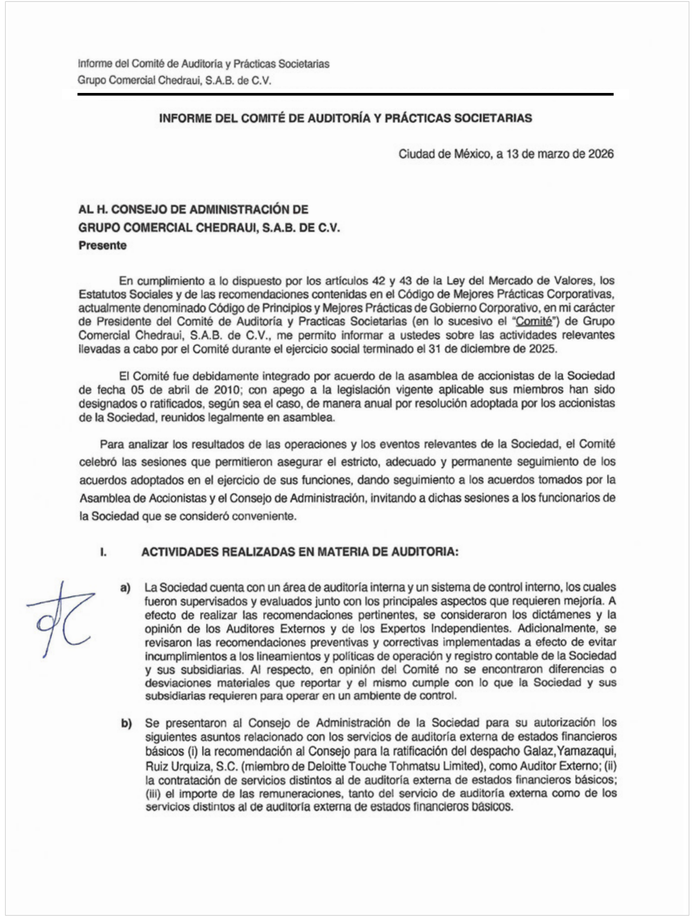
In 2025, 100% of employees received training in cybersecurity, as well as other subjects related to IT. In addition, a variety of information on the most relevant cybersecurity topics was shared through all of Chedraui's internal communication channels; more comprehensive communication strategies were developed; and exercises were performed on specific topics related to cybersecurity incidents. An average of one webinar per month was held in order to address these matters and reinforce expertise.



Investments made in training programs offered by Chedraui University (IT).

		Investment 2025	Investment 2024	Investment 2023
University	SABA (US$)	$256,560	$256,560	$194,043
Design	AURA (MXN)	$189,793	$189,793	$220,160

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



INFORME DEL COMITÉ DE AUDITORÍA Y PRÁCTICAS SOCIETARIAS

Ciudad de México, a 13 de marzo de 2026

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 2025.

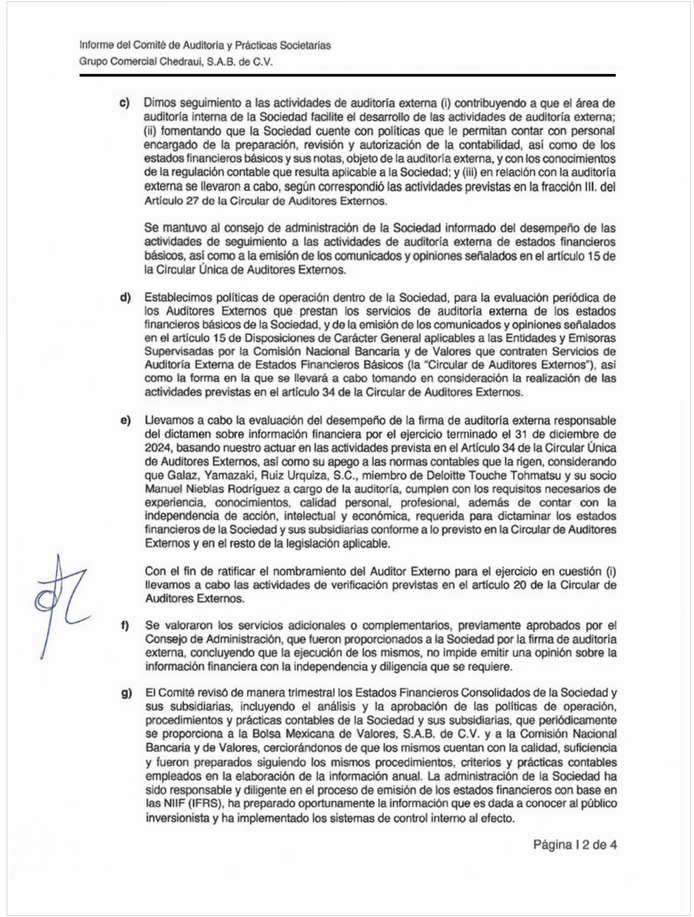
El Comité fue debidamente integrado por acuerdo de la asamblea de accionistas de la Sociedad de fecha 05 de abril de 2010; con apego a la legislación vigente aplicable sus miembros han sido designados o ratificados, según sea el caso, de manera anual por resolución adoptada por los accionistas de la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



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 impide 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 2025 se aprobó una modificación a políticas contables para el periodo en cuestión y fue la relativa a la valuación de Propiedades de Inversión que pasó del modelo de valor razonable al modelo de costo.

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 2025, dictaminados por los Auditores Externos de la Sociedad.

j) El Comité verificó, en conjunto 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 2025, 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



9 Sustainability Index and Standards

Sustainability Index and Standards

Chapter Number	Chapter	Section	GRI Standard	GRI Release	SASB Indicators
0	About This Report	About This Report	GRI 2-1, GRI 2-2, GRI 2-3		
1	Message from the CEO	Message from the CEO	GRI 2-22	GRI 2-22a	
2	About Chedraui	About Chedraui	GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-6, GRI 2-23	GRI 2-1d, GRI 2-2a, GRI 2-6a, GRI 2-23a	
2.1	Relevant Figures for Grupo Chedraui	Relevant Figures for Grupo Chedraui			
2.2	Business Strategy	Business Strategy	GRI 414-2	GRI 414-2	
2.3	Technology and Information Security	Technology and Information Security	GRI 3-3, GRI 418-1	GRI 3-3a, GRI 418-1a.i	SASB: CG-MR-230a.1, CG-MR-230a.2, FB-FR-230a.1
2.4	Responsible Sourcing	Responsible Sourcing	GRI 2-6	GRI 2-6b.i, GRI 2-6b.ii	
2.5	Chedraui Mexico				
2.6	Chedraui USA				
2.7	Chedraui Values	Chedraui Values	GRI 2-1, GRI 2-23, GRI 2-24	GRI 2-1d, GRI 2-23a, GRI 2-24a	
2.8	Logistics and Distribution				
2.9	Corporate Governance	Corporate Governance	GRI 2-9, 2-10, 2-11, 2-12	GRI 2-9a, 2-9b, 2-10a 2-10b, 2-11a, 2-12a-c	
2.10	Compensation	Compensation	GRI 2-19, GRI 2-20	GRI 2-19a-b, GRI 2-20a-c	
2.11	Integrity and Transparency				

Chapter Number	Chapter	Section	GRI Standard	GRI Release	SASB Indicators
3	**Financial Performance**	Financial Performance	GRI 201-1	GRI 201-1a	
3.1	Chedraui Mexico				
3.2	Chedraui USA				
3.3	Financing				
4	**Sustainability Strategy**				
4.1	Chedraui's Sustainability Strategy	Chedraui's Sustainability Strategy	GRI 2-22, GRI 2-23	GRI 2-22a, GRI 2-23a	
4.2	Governance	Governance	GRI 2-12, GRI 2-13, GRI 2-14	GRI 2-12a, GRI 2-13a, GRI 2-14a	
4.3	Double Materiality Analysis	Double Materiality Analysis	GRI 3-1, GRI 3-2	GRI 3-1a, GRI 3-2a	
5	**Risk Management and Assessment**	Risk Management and Assessment	GRI 2-12, GRI 2-13	GRI 2-12a, GRI 2-12b, GRI 2-12c, GRI 2-13a, GRI 2-13b	
5.1	Sustainability-Related Risk Management	Sustainability-Related Risk Management	GRI 201-2	GRI 201-2a.i, GRI 201-2a.ii, GRI 201-2a.iii, GRI 201-2a.iv	
6	**Environmental**				
6.1.1	Efficient Energy Use	Description of Material Subject	GRI 3-3	GRI 3-3a	SASB: FB-FR-110a, FB-FR-130a, CG-MR-130a.1
6.1.2	Efficient Energy Use	Mitigation Strategy	GRI 3-3	GRI 3-3c	
6.1.3	Efficient Energy Use	Policies	GRI 3-3	GRI 3-3d.i	
6.1.4	Efficient Energy Use	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	Description of Material Subject	GRI 201-2, GRI 3-3	GRI 3-3a	
6.2.2	Climate Change	Mitigation Strategy	GRI 3-3	GRI 3-3c	

Chapter Number	Chapter	Section	GRI Standard	GRI Release	SASB Indicators
6.2.3	Climate Change	Policies	GRI 3-3, GRI 201-2	GRI 3-3d.i, GRI 201-2a.ii, GRI 201-2a.iv	
6.2.4	Climate Change	Metrics and Goals	GRI 305-1, GRI 305-2, GRI 3-3, GRI 303-1, GRI 303-3, GRI 303-5	GRI 305-1c.i, GRI 305-1d.i, GRI 305-1d.ii, GRI 305-2a.i, GRI 305-2d.ii GRI 303-1a.i, GRI 303-1c.i, GRI 303-3a.ii, GRI 303-3a.v, GRI 303-3c.i, GRI 303-5a.i	FB-FR-110b.1, FB-FR-110b.2, FB-FR-110b.3
6.3.1	Water	Description of Material Subject	GRI 3-3	GRI 3-3a	
6.3.2	Water	Mitigation Strategy	GRI 3-3	GRI 3-3c	
6.3.3	Water	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	
6.4.1	Materials and Circularity	Description of Material Subject	GRI 3-3	GRI 3-3a	FB-FR-430a.4
6.4.2	Materials and Circularity	Mitigation Strategy	GRI 3-3	GRI 3-3c	
6.4.3	Materials and Circularity	Policies	GRI 3-3	GRI 3-3d.i	
6.4.4	Materials and Circularity	Metrics and Goals	GRI 306-3, GRI 306-4	GRI 306-3a, GRI 306-4a, GRI 306-4b.i	SASB: FB-FR-430a.4 CG-MR-410a.3
6.5.1	Natural Capital	Description of Material Subject	GRI 3-3	GRI 3-3a	
6.5.2	Natural Capital	Mitigation Strategy	GRI 3-3	GRI 3-3c	
6.5.3	Natural Capital	Policies	GRI 3-3	GRI 3-3d.i	
6.5.4	Natural Capital	Metrics and Goals	GRI 304-1, GRI 304-3	GRI 304-1a.i, GRI 304-1a.iii, GRI 304-3a.i, GRI 304-3c.i	FB-FR-430a.3

Chapter Number	Chapter	Section	GRI Standard	GRI Release	SASB Indicators
7	**Social**				
7.1.1	Talent Management	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.1.2	Talent Management	Mitigation Strategy	GRI 3-3	GRI 3-3c	
7.1.3	Talent Management	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	FB-FR-310a.2, CG-MR-330a.1
7.2.1	Talent Management	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.2.2	Talent Management	Mitigation Strategy	GRI 3-3, GRI 404	GRI 3-3c, GRI 3-3d.i, GRI 404-2a-b	
7.2.3	Talent Management	Metrics and Goals	GRI 2-7 404, GRI 401	GRI 401-1a, GRI 401-1b, GRI 404-1a	
7.3.1	Occupational Health and Safety	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.3.2	Occupational Health and Safety	Mitigation Strategy	GRI 3-3	GRI 3-3c	
7.3.3	Occupational Health and Safety	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
7.4.1	Community Relations	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.4.2	Community Relations	Mitigation Strategy	GRI 3-3	GRI 3-3c	
7.4.3	Community Relations	Metrics and Goals	GRI 203-1, GRI 413-1	GRI 203-1a, GRI 413-1a	FB-FR-270a.1, FB-FR-270a.2
7.5	Sustainable Development Goals	Link to Initiatives and Results of Sustainable Development Goals			
7.6.1	Customer Relations and Brand Management	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.6.2	Customer Relations and Brand Management	Mitigation Strategy	GRI 3-3	GRI 3-3c	

Chapter Number	Chapter	Section	GRI Standard	GRI Release	SASB Indicators
7.6.3	Customer Relations and Brand Management	Metrics and Goals Related to Subject	GRI 417	GRI 417-2a.i, GRI 417-2a.ii, GRI 417-2a.iii, GRI 417-2b.i	FB-FR-270a.1, FB-FR-270a.2
7.7.1	Diversity and Equal Opportunities	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.7.2	Diversity and Equal Opportunities	Strategy and Actions Taken in the Subject	GRI 3-3	GRI 3-3c	
7.7.3	Diversity and Equal Opportunities	Policies	GRI 3-3	GRI 3-3d.i	
7.7.4	Diversity and Equal Opportunities	Metrics and Goals	GRI 405-2	GRI 405-2a	
7.8.1	Human Rights	Description of Material Subject	GRI 3-3	GRI 3-3a	
7.8.2	Human Rights	Mitigation Strategy	GRI 3-3	GRI 3-3c	
7.8.3	Human Rights	Metrics and Goals	GRI 406-1, GRI 410-1	GRI 406-1a, GRI 406-1b.1, GRI 410-1a	
8	**Governance**				
8.1.1	Supply Chain Management	Description of Risks, Opportunities and Impacts	GRI 3-3	GRI 3-3a	
8.1.2	Supply Chain Management	Mitigation Strategy	GRI 3-3	GRI 3-3c	
8.1.3	Supply Chain Management	Policies and Responsible Parties	GRI 3-3	GRI 3-3d.i	
8.1.4	Supply Chain Management	Metrics and Goals Related to Subject	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	Cybersecurity	Mitigation Strategy	GRI 3-3	GRI 3-3c	
8.2.3	Cybersecurity	Policies	GRI 3-3	GRI 3-3d.i	
8.2.4	Cybersecurity	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

Appendix 1: Wages, compensations, and Benefits

1.1 Provide the total number of employees at the close of each year that receive the following additional benefits:

		2025		2024		2023	
Benefit	**Country**	**Total Employees**	**Proportion of Total**	**Total Employees**	**Proportion of Total**	**Total Employees**	**Proportion of Total**
Life Insurance	MX	56,790	100%	53,883	100%	50,506	100%
	USA	8,544	32%	14,066	54%	0	0
Major Medical Expenses	MX	2,225	3%	2,169	4%	2,026	3%
	USA	4,982	19%	6,877	26%	0	0
Disability Insurance	MX	0	0	0	0	0	0
	USA	7,647	29%	10,817	41%	0	0
Paid Maternity/Paternity Leave	MX	56,790	100%	53,883	100%	50,506	100%
	USA	25,990	100%	26,064	100%	0	0
Savings Fund	MX	31,513	55%	31,616	59%	30,201	60%
	USA	N/A		N/A		N/A	

It should be noted that the variations in benefit coverage in the U.S. between 2024 and 2025 are due to an update of historical life insurance data, an increase in voluntary opt-outs from major medical insurance, and stabilization of the workforce at the Rancho Cucamonga Distribution Center. In addition, in 2025, disability insurance at Smart & Final was no longer automatically provided and instead required voluntary enrollment by employees.

1.2 Total Unionized Personnel at the Close of the Year

	2025			2024			2023		
Country	Total Employees	Unionized	%	Total Employees	Unionized	%	Total Employees	Unionized	%
Mexico	56,790	33,856	59%	53,684	30,965	57%	50,047	28,971	57%
USA	25,990	668	2%	26,064	701	2%			

It is worth noting that in both Mexico and the United States, the working conditions of non-unionized employees consider the provisions and standards set forth in the applicable collective bargaining agreements. This practice helps maintain consistent and equitable labor standards within the organization, promoting working conditions that are aligned with those that benefit employees represented by unions.

1.3 Percentage difference regarding total annual compensation for the highest paid person in the organization, and average total annual compensation for all employees (excluding CEO)

Country	2025	2024	2023
Mexico	48.45%	49.69%	52.75%
USA	32.33%		

Appendix 2: Training

2.1 Employee levels who have received training in Company policies

		2025		2024		2023	
Level	**Country**	**Employees Trained**	**Rate**	**Employees Trained**	**Rate**	**Employees Trained**	**Rate**
Directors (Chief Officers, Corporate Executives)	MX	17	73%	16	76%	14	66%
	USA	1	2%	1	2%	0	
Asst. Directors, (Corp. and Regional)	MX	57	101%	57	107%	42	82%
	USA	12	8%	14	10%	9	
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Managers)	MX	935	103%	960	107%	781	95%
	USA	10	1%	12	2%	10	
Staff	MX	64,102	114%	65,593	123%	57,989	116%
	USA	12,298	48%	11,213	44%	8,180	
Total	**MX**	**65,111**	**114%**	**66,626**	**123%**	**58,826**	**116%**
	USA	**12,321**	**47%**	**11,240**	**43%**	**8,199**	

2.2 Total in-house training hours for employees at the end of the year, by gender and by occupational category

		2025		2024		2023	
Level	**Country**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Directors (Chief Officers, Corporate Executives)	MX	150	25	72	24	121	82
	USA	114	35	189	3	153	41
Asst. Directors, (Corp. and Regional)	MX	474	127	307	78	639	147
	USA	1,107	1,287	248	537	785	103
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Managers)	MX	9,007	3,668	7,360	2,684	7,478	3,579
	USA	9,025	4,110	3,660	1,851	6,905	3,970
Staff	MX	311,333	320,497	277,618	292,543	259,046	269,596
	USA	110,284	122,759	84,769	91,835	94,239	100,097
Total	**MX**	**320,963**	**324,317**	**285,358**	**295,330**	**267,284**	**273,405**
	USA	**120,530**	**128,191**	**88,866**	**94,227**	**102,082**	**104,211**

2.3 Average training hours by gender

Type of Training Courses	Male	Average Male	Female	Average Female	Total Hours	Average of Total
Security	92,146	2.18	94,546	2.34	186,692	2.26
Ethics	62,926	1.49	65,411	1.62	128,337	1.56
ESG	12,558	0.30	10,616	0.26	23,174	0.28
Others	273,863	6.49	281,932	6.99	555,795	6.73
Total	**441,492**	**10.46**	**452,507**	**11.22**	**893,999**	**10.83**

2.4 Employees who have attended anticorruption-related training

		2025		2024		2023	
Level	**Country**	**Employees Trained**	**Rate**	**Employees Trained**	**Rate**	**Employees Trained**	**Rate**
Directors (Chief Officers, Corporate Executives)	MX	17	73%	16	76%	14	66%
	USA	1	2%	1	2%		
Asst. Directors, (Corp. and Regional)	MX	57	101%	57	107%	42	82%
	USA	12	8%	14	10%	9	
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Managers)	MX	940	103%	958	107%	781	95%
	USA	10	1%	12	2%	10	
Staff	MX	62,989	112%	65,524	123%	57,989	116%
	USA	12,298	48%	11,213	44%	8,180	
Total	**MX**	**64,003**	**112%**	**66,555**	**123%**	**58,826**	**116%**
	USA	**12,321**	**47%**	**11,240**	**43%**	**8,199**	

2.5 Employees training hours through Chedraui University and CYou at the close of each year, by gender and by occupational category, for the last three years. GRI 404-1

		2025				2024				2023			
Level	**Country**	**Male**	**Average**	**Female**	**Average**	**Male**	**Average**	**Female**	**Average**	**Male**	**Average**	**Female**	**Average**
Director	MX	138.0	7.3	23.0	7.7	64.0	3.8	23.0	5.6	115.0	6.8	81.0	20.3
	USA	113.9	3.9	35.0	4.4	64.0	2.3	3.3	0.4	153.5		40.9	
Asst. Director	MX	446.0	10.1	119.0	9.9	288.0	6.9	73.0	8.1	624.0	14.9	144.0	16.0
	USA	1,106.9	10.9	1,287.5	23.4	288.0	3.1	536.8	10.3	784.6		103.3	
Managers and Asst. Managers	MX	8,592.0	13.4	3,498.0	13.4	7,069.0	11.9	2,570.0	11.5	7,271.0	12.3	3,501.0	15.7
	USA	9,025.2	21.3	4,109.7	20.5	7,069.0	17.7	1,851.3	9.7	6,905.4		3,969.9	
Staff	MX	276,032.0	9.6	285,539.0	10.5	248,975.0	9.6	264,022.0	11.1	237,332.0	9.2	248,103.0	10.4
	USA	110,283.7	9.0	122,758.5	9.5	248,975.0	20.1	91,835.3	7.2	94,238.7		100,097.3	
Total	**MX**	**285,208.0**	**40.4**	**289,179.0**	**41.5**	**256,396.0**	**32.2**	**266,688.0**	**36.5**	**245,342.0**	**43.1**	**251,829.0**	**62.4**
	USA	**120,529.6**	**45.2**	**128,190.7**	**57.9**	**256,396.0**	**43.2**	**94,226.7**	**27.7**	**102,082.1**		**104,211.5**	

2.6 Employees informed on anticorruption policies

		2025			2024			2023		
Level	**Country**	**Total Employees**	**Total Employees Trained**	**Rate**	**Total Employees**	**Total Employees Trained**	**Rate**	**Total Employees**	**Total Employees Trained**	**Rate**
Director	MX	23	17	74%	21	16	76%	21	14	67%
	USA	35	35	100%	36	36	100%	124	124	100%
Asst. Director	MX	56	57	102%	53	57	108%	51	42	82%
	USA	136	136	100%	138	138	100%	N/A	N/A	N/A
Manager	MX	904	931	103%	890	958	108%	817	781	96%
	USA	591	591	100%	589	589	100%	1,339	1,339	100%
Staff	MX	55,808	62,490	112%	52,918	65,524	124%	49,617	57,989	117%
	USA	25,296	25,296	100%	25,294	25,294	100%	24,560	24,560	100%
Total	**MX**	**56,791**	**63,495**	**112%**	**53,882**	**66,555**	**124%**	**50,506**	**58,826**	**116%**
	USA	**26,058**	**26,058**	**100%**	**26,057**	**26,057**	**100%**	**26,023**	**26,023**	**100%**

Appendix 3: Talent Attraction

3.1 Non-Employee Workers. GRI 2-8

		2025		2024		2023	
Type of Worker	**Country**	**Personnel w/this type of contract**	**Personnel Deletions**	**Personnel w/this type of contract**	**Personnel Deletions**	**Personnel w/this type of contract**	**Personnel Deletions**
Outsourced Surveillance	MX	286	1,030	1,316	0	2,202	0
	USA	372		461		83	
Outsourced Janitorial	MX	338	537	875	383	1,258	68
	USA	167					
Supplier Promotors	MX	25,326		24,908		22,566	974
Voluntary Baggers (Senior citizens)	MX	6,509	113	6,335	92	6,427	130
Voluntary Baggers (Minors)	MX	298	108	406	54	460	67
Others (Stockers, Cardboard Collectors)	USA	93					
Total	**MX**	**32,757**	**1,788**	**33,840**	**529**	**32,913**	**1,239**
	USA	**632**		**461**		**83**	

Appendix 4: Personnel Turnover

4.1 Personnel Turnover by Age Group

		2025				2024			2023		
Age	**Country**	**Male**	**Female**	**Other**	**Rate**	**Male**	**Female**	**Rate**	**Male**	**Female**	**Rate**
< 30	MX	10,791	6,516		30%	11,225	7,202	32%	9,956	6,818	29%
	USA	3,141	2,485	17	21%	3,627	3,102	25%	0	0	0
Between 30 and 50	MX	6,022	5,497		20%	5,377	5,351	18%	4,252	4,421	15%
	USA	2,224	1,948	20	16%	2,384	2,343	18%	0	0	0
> 50	MX	902	838		3%	887	867	3%	670	568	2%
	USA	830	728	8	6%	1,082	837	7%	0	0	0
Total	**MX**	**17,715**	**12,851**		**53%**	**17,489**	**13,420**	**54%**	**14,878**	**11,807**	**47%**
	USA	**6,195**	**5,161**	**45**	**43%**	**7,093**	**6,282**	**51%**	**0**	**0**	**0**
Rate	**MX**	**31%**	**22%**			**30%**	**23%**		**26%**	**20%**	
	USA	**23%**	**19%**			**27%**	**24%**		**0**	**0**	

Appendix 5: Dismissals and Hires

5.1 Number of employees, hires, and dismissals

	2025			2024			2023		
Country	Employees at the close of the year	No. of hires	Dismissals	Employees at the close of the year	No. of hires	Dismissals	Employees at the close of the year	No. of hires	Dismissals
MX	56,790	33,473	30,566	53,883	34,393	30,909	50,506	30,835	26,686
USA	25,990	11,546	11,401	26,064	12,659	13,441			

5.2 Number of external and internal hires (2025)

	Country	Total No. of hires	% of hires
External hires	MX	33,473	74%
	USA	11,546	100%
Internal hires	MX	11,741	26%
	USA		
Total	**MX**	**45,214**	
	USA	**11,546**	



5.3 Senior executives hired from the local communities

		2025		2024		2023	
Level	**Country**	**Total Executives**	**Proportion**	**Total Executives**	**Proportion**	**Total Executives**	**Proportion**
Directors (Chief Officers, Corporate Executives)	MX	2	9%	0	0	0	0
	USA	37	100%	36	100%	0	0
Asst. Directors, (Corp. and Regional)	MX	3	5%	7	13%	0	0
	USA	157	100%	145	100%	0	0
Managers and Asst. Managers (Corp. Manager, Zone Manager, Store Manager, Buyers, and Asst. Managers)	MX	53	5%	85	9%	55	6%
	USA	623	100%	589	100%	0	0
Total	**MX**	**58**	**0.10%**	**92**	**0.17%**	**55**	**0.10%**
	USA	**817**	**3%**	**770**	**2%**	**0**	**0**

5.4 New Hires by Age and Gender

		2025				2024			2023		
Age Group	**Country**	**Male**	**Female**	**Other**	**Rate**	**Male**	**Female**	**Rate**	**Male**	**Female**	**Rate**
< 30	MX	12,098	7,393		34%	12,375	7,960	35%	11,436	8,018	34%
	USA	3,452	2,839	8	24%	3,722	3,086	31%	1,642		
Between 30 and 50	MX	6,196	6,116		21%	5,832	6,444	21%	4,896	5,285	17%
	USA	2,131	1,948	5	15%	2,308	2,251	17%	862		
> 50	MX	817	853		2%	861	321	3%	656	544	2%
	USA	602	559	2	4%	651	589	4%	352		
Total	**MX**	**19,111**	**14,362**		**58%**	**19,068**	**14,725**	**60%**	**16,988**	**13,847**	**54%**
	USA	**6,185**	**5,346**	**15**	**44%**	**6,681**	**5,926**	**52%**	**2,856**		

Appendix 6: Occupational Health and Safety

6.1 Members of security personnel who have been trained in human rights policies enforced by Chedraui, or in specific security procedures. GRI 410-1a

Description	Country	2025	2024	2023
Total security personnel	MX	4,545	4,437	3,725
	USA	17	17	16
Security personnel who have been trained in human rights	MX	6,369	5,975	4,680
	USA	17	17	16
Percentage of personnel trained	MX	140%	135%	126%
	USA	100%	100%	100%

Note on Methodology Used: Percentages above 100 are due to personnel turnover recorded during the reported period. As a result, the number of people trained may be higher than those in the location or of personnel considered the base number for the calculation.

6.2 No. of On-the-Job Incidents

		2025		2024		2023	
Incidents for all Employees	**Country**	**No. of Employee-Involved Incidents**	**Rate**	**No. of Employee-Involved Incidents**	**Rate**	**No. of Employee-Involved Incidents**	**Rate**
Fatality due to on-the-job accident	MX	0	0	0	0	0	0
	USA	0	0	0	0	0	0
Injuries from on-the-job accident with major consequences (not including fatalities)	MX	5	4.50	20	1.80	17	1.53
	USA	1,092	1.41	1,284	1.66	987	1.31
Injuries from recordable on-the-job accidents	MX	1,308	1.17	1,861	1.68	1,671	1.51
	USA	1,725	2.22	1,671	2.16	1,414	1.88

Independent Verification

AuditaRSE

Independent Verification Statement

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

AuditaRSE, at the request of Grupo Comercial Chedraui, S.A.B. de C.V. (Chedraui), has conducted an independent verification of its 2025 Integrated Annual Report related to its sustainability.

Scope

The verification was based on a review of the content and performance indicators presented in the report regarding Environmental, Social, and Governance (ESG) topics. The content of the report and the opinions expressed therein are the responsibility of Chedraui.

Our work consisted of providing an independent and objective opinion on the reliability of the information contained in the report by obtaining sufficient and appropriate evidence.

The verification followed ISAE 3000, the AA1000 Accountability Standard, and the Global Reporting Initiative (GRI) Standards under the “in accordance” reporting option. It also considered the Sustainability Accounting Standards Board (SASB) Standards relevant to the Group’s business sectors, along with the United Nations Global Compact Principles and Sustainable Development Goals (SDGs).

Verification Process

The verification included the following activities:

- Validation and analysis of the aspects described in the report.
- Interviews with the team responsible for preparing the report to validate supporting evidence and gain an understanding of the management approach and maturity of the related programs.
- Review of samples of information presented in the report through:
  - Validation of internal and external evidence supporting the information disclosed.
  - Review of the systems, processes, and procedures used to collect, consolidate, and report the data presented.
  - Review of the Group's websites and other publicly available sources referring to specific data and topics included in the report.
  - Verification of the consistency of the information presented with respect to the previous report and follow-up on relevant programs and performance indicators.

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AuditaRSE

Within the review process, the GRI Standards identified through the Materiality Assessment, together with other Standards reflected in the report's content, were reviewed, as well as compliance with the Sustainability Accounting Standards Board (SASB) for the sectors “Food Retailers and Distributors” and “Multiline and Specialty Retailers and Distributors”, having determined that the following standards below were met:

GRI STANDARDS					
1	2-17	201-2	302-1	306-4	404-3
2	2-18	201-3	302-3	306-5	405-1
2-1	2-19	202-1	302-4	308-1	405-2
2-2	2-20	202-2	302-5	308-2	406-1
2-3	2-21	203-1	303-1	401-1	407-1
2-4	2-22	203-2	303-2	401-2	408-1
2-5	2-23	204-1	303-3	401-3	409-1
2-6	2-24	205-1	303-4	403-1	410-1
2-7	2-25	205-2	303-5	403-2	413-1
2-8	2-26	205-3	304-1	403-3	413-2
2-9	2-27	206-1	304-3	403-4	414-1
2-10	2-28	207-1	305-1	403-5	414-2
2-11	2-29	207-2	305-2	403-6	416-1
2-12	2-30	207-3	305-4	403-7	416-2
2-13	3-1	207-4	305-5	403-8	417-1
2-14	3-2	301-1	306-1	403-9	417-2
2-15	3-3	301-2	306-2	404-1	417-3
2-16	201-1	301-3	306-3	404-2	418-1

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

Conclusions

Based on the work performed, we observed improvements in the Group's sustainability reporting process, particularly the incorporation of the IFRS S1 and IFRS S2 Sustainability Disclosure Standards related to climate-related risks and opportunities, which further strengthen transparency and respond to the evolving information needs of the Group's stakeholders.

As no evidence was identified indicating material discrepancies or inconsistencies in the information presented, we conclude that the **2025 Integrated Annual Report of Grupo Comercial Chedraui, S.A.B. de C.V.** fairly and reliably presents the Company's performance during the reporting period in accordance with the GRI Standards, while also incorporating the applicable SASB Standards, the United Nations Global Compact Principles, and the United Nations Sustainable Development Goals (SDGs).

Mexico City, October 2nd, 2026.

C.P. Guillermo Suárez Soriano
AuditaRSE

AuditaRSE
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Consolidated Financial Statements

for the Years Ended December 31, 2025, 2024, 2023
and January 1, 2023, and Independent Auditor's Report
Dated March 13, 2026.

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, 2025, 2024 (restated), 2023 (restated) and January 1, 2023 (restated), and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years ended December 31, 2025, 2024 (restated) and 2023 (restated), and the notes to the consolidated financial statements, including the 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, 2025, 2024 (restated), 2023 (restated) and January 1, 2023 (restated), and its consolidated financial performance and cash flows for the years ended December 31, 2025, 2024 (restated) and 2023 (restated), in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

Basis of the opinion

We conducted our audits in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Responsibilities of Independent Auditors in Relation to 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.

Emphasis paragraph

As mentioned in Note 3 to the consolidated financial statements, the Entity has made the decision to change the accounting policy for the valuation of investment properties from the fair value model to the cost model, based on the provisions of International Accounting Standard 40 "Investment Properties" ("IAS 40"). This change became effective as of January 1, 2025 and with retrospective effect to January 1, 2023 in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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

As mentioned in the Emphasis Paragraph section, effective January 1, 2025, Management changed the valuation of investment property from the fair value model to the cost model based on the provisions of IAS 40. Consequently, as of 2025, the Entity has identified investment properties as cash-generating units, on which a study is carried out each year as established in IAS 36 Impairment of Assets ("IAS 36"), in which it calculates discounted future cash flows or, if necessary, hires independent adjusters to conduct appraisals to determine if the value of assets has deteriorated. Based on the foregoing, there is a risk that management's statements and assertions regarding the decision to change the accounting policy for the valuation of investment properties are unreasonable, and there is a risk that in impairment calculations, the determination of the assumptions used by management to calculate future cash flows, as well as the value of the appraisal determined by independent experts, if any, are not reasonable based on current conditions and those foreseeable in the future.

Our audit procedures to cover this risk included the following:

The analysis of the statements and assertions of the Management regarding the decision to change the accounting policy for the valuation of investment properties based on the provisions of IAS 40, as well as the performance of control and substantive tests on the financial calculations that were used to determine the existence of impairment in the investment properties, of which we verify the reasonableness of the income and expenses used to determine the discounted future cash flows; likewise, we verify the arithmetic accuracy of the same, and we evaluate the assumptions used by the Entity to determine them, verifying their adherence to the budgets approved by the Board of Directors. In addition, we evaluate the reasonableness of the discount rate used, determined by an independent expert, for which we rely on our specialists. The results of our audit procedures were reasonable.

Notes 3 and 14 to the consolidated financial statements include the Entity's disclosures of investment properties.

Information other than the Consolidated Financial Statements and the report of the independent Auditor

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 in 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 ISAs, 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.

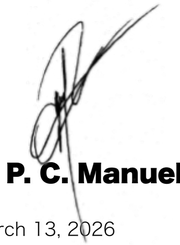
- Obtain sufficient and appropriate audit evidence related to the financial information of the entities and business activities within the Entity to express an opinion on the accompanying consolidated financial statements. We are responsible for the direction, supervision, and performance of the group 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.
Affiliate of a member firm of Deloitte Touche Tohmatsu Limited



C. P. C. Manuel Nieblas Rodríguez

March 13, 2026
Mexico City, Mexico

Grupo Comercial Chedraui, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2025, 2024, 2023, and January 1, 2023 | (In thousands of Mexican pesos)

Assets	Notes	2025	2024 (Restated)	2023 (Restated)	January 1, 2023 (Restated)
Current assets:					
Cash and cash equivalents	7	$ 14,640,162	$ 13,657,483	$ 13,695,971	$ 11,565,501
Accounts and notes receivable - Net	8	1,938,353	2,145,792	1,759,344	1,989,668
Recoverable taxes	9	3,057,249	3,273,696	3,149,224	2,092,357
Accounts receivable from related parties	29	111,907	136,010	77,518	59,753
Derivative financial instruments	10 and 23	-	75,565	-	-
Inventories	11	23,430,115	24,360,213	20,773,755	21,039,486
Prepayments		1,448,861	1,218,524	858,924	948,122
Total current assets		44,626,647	44,867,283	40,314,736	37,694,887
Non-current assets:					
Property and equipment - Net	12	52,857,052	51,773,894	43,762,927	43,009,813
Right of use assets - Net	13	40,962,984	45,908,264	33,045,943	38,323,995
Investment properties - Net	14	7,598,393	7,493,384	7,200,136	6,979,044
Investment in associates and joint ventures	15	1,033,541	1,036,145	952,624	967,301
Other assets and intangibles - Net	16	11,655,850	12,461,270	10,170,530	11,626,088
Derivative financial instruments	10 and 23	7,363		145,222	267,870
Deferred income tax asset	31	1,623,580	948,931	449,080	362,645
Total non-current assets		115,738,763	119,621,888	95,726,462	101,536,756
Total assets		$ 160,365,410	$ 164,489,171	$ 136,041,198	$ 139,231,643

Equity and liabilities	Notes	2025	2024 (Restated)	2023 (Restated)	January 1, 2023 (Restated)
Current liabilities:					
Borrowings	20	$ 530,018	$ 1,220,111	$ -	$ -
Accounts and notes payable to suppliers	18	33,320,443	33,891,584	31,194,316	29,749,085
Factoring Corporativo, S.A. de C.V. – related party	18 and 19	450,440	424,133	628,644	903,125
Current portion of lease liabilities	21	2,925,974	2,751,002	2,177,782	2,329,019
Current tax liabilities		1,215,827	1,237,872	1,367,698	1,379,757
Accrued expenses and other liabilities		10,022,555	11,516,621	8,510,917	8,772,987
Total current liabilities		48,465,257	51,041,323	43,879,357	43,133,973
Non-current liabilities:					
Borrowings	20	7,186,680	8,107,320	8,142,667	12,681,782
Employee benefits	22	2,028,250	1,478,473	2,030,222	2,292,467
Deferred income tax liability	31	479,260	427,082	287,467	884,662
Lease liabilities	21	46,631,683	51,615,600	36,913,629	41,622,043
Other liabilities		3,225,616	2,538,983	1,952,602	2,264,542
Total non-current liabilities		59,551,489	64,167,458	49,326,587	59,745,496
Total liabilities		108,016,746	115,208,781	93,205,944	102,879,469
Stockholders' equity:					
Capital stock	24	252,120	252,120	252,120	252,120
Additional paid-in capital	24	4,022,510	4,023,724	3,818,466	3,798,788
Retained earnings	26	47,329,874	42,064,807	37,498,575	31,016,319
Remeasurement of defined benefit obligations	25	(275,115)	1,299,370	534,042	389,661
Effects of foreign operations translation	25	317,126	879,168	139,869	424,176
Effect of recognizing the valuation of derivative instruments	25	4,915	50,372	97,223	177,766
Equity attributable to owners of the Entity		51,651,430	48,569,561	42,340,295	36,058,830
Non-controlling interest	27	697,234	710,829	494,959	293,344
Total stockholders' equity		52,348,664	49,280,390	42,835,254	36,352,174
Total equity and liabilities		$ 160,365,410	$ 164,489,171	$ 136,041,198	$ 139,231,643

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, 2025, 2024, and 2023 | (In thousands of Mexican pesos, except earnings per share which is presented in pesos)

	Notes	2025	2024 (Restated)	2023 (Restated)
Revenue:				
Net sales		$ 295,313,649	$ 281,761,525	$ 263,057,724
Cost of Sales		224,978,161	216,667,684	201,790,575
Gross profit		70,335,488	65,093,841	61,267,149
Operating expenses:				
Wages and employee benefits		31,974,760	28,783,866	25,917,302
Professional services		3,511,068	3,407,310	2,701,465
Marketing expenses		2,431,731	2,406,141	2,208,613
Maintenance		2,533,644	2,240,032	2,080,869
Energy		3,990,236	3,696,076	3,407,304
Depreciation and amortization		9,631,817	8,742,053	7,720,455
Other expenses - net		1,164,330	791,633	1,551,610
Total operating expenses		55,237,586	50,067,111	45,587,618
Operating profit		15,097,902	15,026,730	15,679,531
Interest expense		(3,846,889)	(3,935,719)	(3,231,693)
Interest income		669,537	768,931	564,812
Exchange gain – Net		25,837	42,084	57,450
Other financial expenses		(2,537,216)	(2,196,250)	(2,108,177)
		(5,688,731)	(5,320,954)	(4,717,608)
Share of profit in associates and joint ventures		99,450	65,612	75,034
Profit before tax		9,508,621	9,771,388	11,036,957
Income taxes	31	2,888,576	2,982,451	3,166,254
Consolidated profit for the year		$ 6,620,045	$ 6,788,937	$ 7,870,703

	Notes	2025	2024 (Restated)	2023 (Restated)
Controlling interest		$ 6,535,090	$ 6,690,533	$ 7,621,935
Non-controlling interest	27	84,955	98,404	248,768
Consolidated profit for the year		$ 6,620,045	$ 6,788,937	$ 7,870,703
Other comprehensive income, net of income taxes:				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligations		$ (495,593)	$ 820,087	$ 154,218
Items that may be reclassified subsequently to profit or loss:				
Effects of foreign operations translation		(621,247)	817,174	(315,971)
Effect of recognizing the valuation of derivative instruments		(50,244)	(51,788)	(89,746)
Total comprehensive income for the year		$ 5,452,961	$ 8,374,410	$ 7,619,204
Controlling interest		$ 5,465,963	$ 8,148,309	$ 7,401,466
Non-controlling interest	27	(13,002)	226,101	217,738
Total consolidated comprehensive income for the year		$ 5,452,961	$ 8,374,410	$ 7,619,204
Basic and diluted earnings per share	28	$ 6.80	$ 6.97	$ 7.94
Weighted average shares outstanding		960,878,967	960,105,925	959,521,408

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, 2025, 2024, and 2023 | (In thousands of Mexican pesos)

		Stockholders' 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 as of January 1, 2023 (Restated)		$ 252,120	$ 3,798,788	$ 31,016,319	$ 389,661	$ 424,176	$ 177,766	$ 293,344	$ 36,352,174
Dividends paid	24	-	-	(897,592)	-	-	-	-	(897,592)
Comprehensive income for the year	25	-	-	7,621,935	144,381	(284,307)	(80,543)	217,738	7,619,204
Repurchase of shares, net	26	-	19,678	(217,653)	-	-	-	-	(197,975)
Other	26 and 27	-	-	(24,434)	-	-	-	(16,123)	(40,557)
Balance as of December 31, 2023 (Restated)		252,120	3,818,466	37,498,575	534,042	139,869	97,223	494,959	42,835,254
Dividends paid	24	-	-	(2,138,358)	-	-	-	-	(2,138,358)
Comprehensive income for the year	25	-	-	6,690,533	765,328	739,299	(46,851)	226,101	8,374,410
Repurchase of shares, net	26	-	205,258	142,192	-	-	-	-	347,450
Other	26 and 27	-	-	(128,135)	-	-	-	(10,231)	(138,366)
Balance as of December 31, 2024 (Restated)		252,120	4,023,724	42,064,807	1,299,370	879,168	50,372	710,829	49,280,390
Dividends paid	24	-	-	(2,138,738)	-	-	-	-	(2,138,738)
Comprehensive income for the year	25	-	-	6,535,090	(461,628)	(562,042)	(45,457)	(13,002)	5,452,961
Repurchase of shares, net	26	-	(1,214)	(210,089)	-	-	-	-	(211,303)
Pension plan transfer		-	-	1,112,857	(1,112,857)	-	-	-	-
Other	26 and 27	-	-	(34,053)	-	-	-	(593)	(34,646)
Balance as of December 31, 2025		$ 252,120	$ 4,022,510	$ 47,329,874	$ (275,115)	$ 317,126	$ 4,915	$ 697,234	$ 52,348,664

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, 2025, 2024, and 2023 | (In thousands of Mexican pesos)

	2025	2024 (Restated)	2023 (Restated)
Cash flows from operating activities:			
Profit before income tax	$ 9,508,621	$ 9,771,388	$ 11,036,957
Adjustments for:			
Depreciation, depreciation of right-of-use assets and amortization	9,631,817	8,742,053	7,720,455
Other asset movements - mainly unrealized exchange fluctuations	(392,957)	497,999	(233,532)
(Gain) loss on disposal of property and equipment	(190,488)	(208,582)	24,929
Interest income	(669,537)	(768,931)	(564,812)
Measurement of derivative financial instruments	14,164	51,815	7,961
Interest expense	3,846,889	3,935,719	3,231,693
	21,748,509	22,021,461	21,223,651
Operating cash flows before movements in working capital:			
(Increase) decrease in:			
Accounts and notes receivables	22,465	(234,902)	52,082
Recoverable tax	153,279	(77,082)	(1,085,074)
Inventories	(238,457)	(2,007,431)	(815,454)
Share of profit in associates and joint ventures	(99,450)	(65,612)	(75,034)
Other assets	(751,939)	(1,121,257)	9,860
Increase (decrease) in:			
Accounts and notes payable to suppliers	621,293	1,135,496	2,079,439
Other accounts payable	(247,822)	2,157,477	471,623
Tax on income actually paid	(3,040,023)	(3,350,193)	(3,882,197)
Benefit obligations	73,002	122,995	7,064
Net cash generated by operating activities	18,240,857	18,580,952	17,985,960

	2025	2024 (Restated)	2023 (Restated)
Investing activities:			
Business acquisition	-	-	(8,465)
Acquisition of property, equipment and investment property	(8,220,617)	(11,273,178)	(7,278,084)
Proceeds from disposal of property and equipment	129,520	338,074	334,584
Acquisition of other assets	(328,266)	(180,772)	(213,159)
Dividends from joint ventures	1,950	181,814	-
Interest received	669,537	768,931	564,812
Net cash used in investing activities	(7,747,876)	(10,165,131)	(6,600,312)
Financing activities:			
Repayments of borrowings	(551,542)	(9,769,320)	(2,922,575)
Cash obtained from borrowings	-	9,327,431	-
Interest payments	(3,846,889)	(3,935,719)	(3,231,693)
Dividends paid	(2,138,738)	(2,138,358)	(897,592)
Lease liability payments	(2,512,475)	(2,456,920)	(1,715,785)
Other stock movements	(132,605)	(10,320)	(71,588)
Premium on sale of shares	(1,214)	205,258	19,678
Proceeds from sale of treasury shares	208,908	787,511	458,489
Repurchase of treasury shares	(418,996)	(645,319)	(676,142)
Net cash used in financing activities	(9,393,551)	(8,635,756)	(9,037,208)
Net (decrease) increase in cash and cash equivalents	1,099,430	(219,935)	2,348,440
Effects of exchange rate changes on the balances of cash held in foreign currencies	(116,751)	181,447	(217,970)
Cash and cash equivalents at the beginning of the year	13,657,483	13,695,971	11,565,501
Cash and cash equivalents at end of year	$ 14,640,162	$ 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, 2025, 2024, and 2023 | (In thousands of Mexican pesos)

1. Activities

Grupo Comercial Chedraui, S.A.B. de C.V. and Subsidiaries (the Entity, the Group or Chedraui) are engaged in the operation of self-service and real estate companies, they specialize in the sale of electronic goods, perishables, clothing, groceries and general merchandise.

Grupo Comercial Chedraui, S.A.B. de C.V. is domiciled at Constituyentes No. 1150, Col. Lomas Altas, Miguel Hidalgo, C.P. 11950 Mexico City, and conducts its business primarily in Mexico and the United States of America.

The financial statements are presented in thousands of Mexican pesos and are rounded to the nearest monetary unit.

2. Important events

New distribution center in the United States of America.

In mid-2024, the subsidiary Chedraui USA, Inc., began operations of a new distribution center of more than 130 thousand square meters in Rancho Cucamonga, California (RCDC), United States of America, which will serve the stores of the El Super and Smart & Final formats. The RCDC replaces five pre-existing distribution centers and involved an investment of $123 million dollars.

At the end of the second quarter of 2025, the transition to the new distribution center was successfully completed, with which significant benefits are expected to be reflected as improvements within the gross margin; for example, the Entity expects savings in freight, greater productivity in the handling of goods, reduction of inventories stored in the RCDC and better purchasing conditions with suppliers for delivering in a single place, instead of doing it in several.

3. Changes in accounting policies

As of January 1, 2025, the Entity's Management decided to change its accounting policy for the valuation of investment properties from the fair value model to the cost model.

The decision was made primarily for the following reasons:

1. Provide users of your financial information (investors, analysts, etc.) with consolidated financial statements with reliable and relevant information.

2. Provide greater comparability with information reported by other market participants with similar operations that use the cost model in the valuation of their Investment Properties.

This change, retrospectively, mainly required a reduction in the value of Investment Properties in the consolidated statements of financial position as of December 31, 2024, December 31, 2023 and January 1, 2023, a reduction in the accumulated results due to the reversal of net capital gains, the recognition of the depreciation effects of investment properties and the corresponding effects on deferred income taxes. The change does not change consolidated cash flows.

The following table summarizes the impact of changes in accounting policies on the Entity's consolidated financial statements.

	As of December 31, 2024			As of December 31, 2023			At the beginning of 2023		
	Restated	Effect of change in accounting policy[1]	Originally reported	Restated	Effect of change in accounting policy [1]	Originally reported	Restated	Effect of change in accounting policy [1]	Originally reported
Total Current Assets	$ 44,867,283	$ -	$ 44,867,283	$ 40,314,736	$ -	$ 40,314,736	$ 37,694,887	$ -	$ 37,694,887
Investment Properties	7,493,384	(4,384,089)	11,877,473	7,200,136	(4,375,091)	11,575,227	6,979,044	(4,315,020)	11,294,064
Deferred Income Tax	948,931	605,913	343,018	449,080	178,678	270,402	362,645	107,991	254,654
Other long-term assets	111,179,573	-	111,179,573	88,077,246	-	88,077,246	94,195,067	-	94,195,067
Total assets	164,489,171	(3,778,176)	168,267,347	136,041,198	(4,196,413)	140,237,611	139,231,643	(4,207,029)	143,438,672
Total current liabilities	51,041,323	-	51,041,323	43,879,357	(34,454)	43,913,811	43,133,973	(7,185)	43,141,158
Deferred Income Tax	427,082	(709,315)	1,136,397	287,467	(1,123,513)	1,410,980	884,662	(1,184,359)	2,069,021
Other long-term liabilities	63,740,376	-	63,740,376	49,039,120	-	49,039,120	58,860,834	-	58,860,834
Total long-term liabilities	115,208,781	(709,315)	115,918,096	93,205,944	(1,157,967)	94,363,911	102,879,469	(1,191,544)	104,071,013
Total Liabilities	115,208,781	(709,315)	115,918,096	93,205,944	(1,157,967)	94,363,911	102,879,469	(1,191,544)	104,071,013
Share capital	252,120	-	252,120	252,120	-	252,120	252,120	-	252,120
Retained earnings	42,064,807	(3,067,183)	45,131,990	37,498,575	(3,038,446)	40,537,021	31,016,319	(3,015,485)	34,031,804
Other capital items	6,252,634	-	6,252,634	4,589,600	-	4,589,600	4,790,391	-	4,790,391
Controlling Interest	48,569,561	(3,067,183)	51,636,744	42,340,295	(3,038,446)	45,378,741	36,058,830	(3,015,485)	39,074,315
Non-controlling interest	710,829	(1,678)	712,507	494,959	-	494,959	293,344	-	293,344
Total stockholders' equity	49,280,390	(3,068,861)	52,349,251	42,835,254	(3,038,446)	45,873,700	36,352,174	(3,015,485)	39,367,659
Total	$ 164,489,171	$ (3,778,176)	$ 168,267,347	$ 136,041,198	$ (4,196,413)	$ 140,237,611	$ 139,231,643	$ (4,207,029)	$ 143,438,672

[1] It includes the cumulative effect of capital gains/losses on investment properties, the recognition of depreciation for the year and the recognition of deferred tax.

4. Adoption of new and revised International Financial Reporting Standards

a. *IFRS Accounting Standards issued that are not yet effective*

As of the date of authorization of these consolidated financial statements, the Entity has not applied the following new and revised IFRS Accounting standards that have been issued, but are not yet effective.

Amendment to IFRS 9 and IFRS 7	Changes to the classification and measurement of financial instruments
Amendments to IFRS 9 and IFRS 7	Contracts that refer to nature-dependent electricity
IFRS 18	Presentation and disclosure in the financial statements
IFRS 19	Non-Publicly Held Subsidiaries: Disclosures

The Entity's management does not expect the adoption of the above standards to have a material impact on the Entity's consolidated financial statements in future periods, except as follows:

Amendments to IFRS 9 and 7 - amendments to the Classification and Measurement of Financial Instruments

The amendments made to the Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7) are as follows:

- ***Derecognition of a financial liability settled by electronic transfer***

  The amendments allow an entity to consider as settled (and derecognize) a financial liability (or part thereof) that is settled by an electronic payment system, before the settlement date, if certain criteria are met. If an institution chooses to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

- ***Classification of financial assets***

  Contractual terms that are consistent with a basic loan agreement.

  The amendments provide guidance on how an entity should assess whether the contractual cash flows of a financial asset are compatible with a core loan agreement. This is intended to help the entity apply the requirements for assessing the characteristics of contractual cash flows to financial assets with characteristics linked to environmental, social and governance (ESG) factors.

  Assets with "non-recourse" characteristics

  The amendments broaden the description of the term "non-recourse", in particular, by specifying that a financial asset has "non-recourse" characteristics if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specific assets.

  Contractually linked instruments.

  The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that, in this type of instrument, a prioritization of payments to holders of financial assets using multiple contractually linked instruments (tranches) is established through a cascading payment structure, which generates concentrations of credit risk and a disproportionate distribution of losses among the holders of the different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria for transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to the instruments in the underlying portfolio may include financial instruments that are not within the scope of the classification requirements.

- ***Information to be disclosed***

  Investments in equity instruments designated at fair value through profit or loss (FVTOCI).

  The requirements of IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the gain or loss at fair value related to the investments derecognized in the period and the gain or loss at fair value related to the investments held at the end of the period.

  Contractual clauses that could change the timing or amount of contractual cash flows.

  The amendments require an entity to disclose contractual terms that could alter the timing or amount of contractual cash flows upon the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in the basic risks and costs of borrowing. The requirements apply to each financial asset class measured at amortized cost or fair value through comprehensive income (FVTOCI) and to each financial liability class measured at amortized cost.

  The amendments enter into force for annual periods beginning on or after 1 January 2026, allowing for early application. If an entity chooses to apply these amendments to an earlier period, it must:

  - Apply all amendments simultaneously and disclose this fact; or
  - Apply only the amendments to the classification of financial assets for that prior period and disclose this fact.

Amendments should be applied retroactively, in accordance with IAS 8, with specific exceptions.

The entity anticipates that the application of these amendments could have an impact on the group's consolidated financial statements in future periods.

Amendments to IFRS 9 and IFRS 7 - Contracts Referring to Electricity from Renewable Sources

- ***Amendments to IFRS 9 Financial Instruments***

  The following amendments affect the requirements of IFRS 9:

  - The own use requirements of IFRS 9 are amended to include factors that an entity must consider when applying section 2.4 of IFRS 9 to contracts for the purchase and receipt of renewable electricity whose source of production depends on nature;
  - The hedge accounting requirements of IFRS 9 are amended to allow an entity using a renewable electricity contract, dependent on nature, with specific characteristics as a hedging instrument:

    - designate a variable volume of planned electricity transactions as the item covered if the specified criteria are met;

    - Measure the hedged item using the same volume assumptions as those used for the hedging instrument.

- ***Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Non-Publicly Disclosed Subsidiaries: Disclosures***
  IFRS 7 and 19 were amended to introduce disclosure requirements on nature-dependent electricity supply contracts with specific characteristics.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2026, allowing for early implementation. Amendments to the own-use exemption should be applied retroactively in accordance with IAS 8, using the facts and circumstances existing at the date of the initial application. Amendments to the hedge accounting requirements will apply prospectively to the new designated hedge relationships as of the date of initial application.

  The entity does not anticipate that the application of these amendments could have an impact on the Entity's consolidated financial statements in future periods.

IFRS 18 Presentation of Disclosures in the Financial Statements

IFRS 18 replaces IAS 1, keeping many of the requirements of IAS 1 unchanged and supplementing them with new requirements. In addition, some paragraphs of IAS 1 have been moved to IAS 8 and IFRS 7. In addition, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements for:

- Present specific categories and subtotals defined in the profit and loss statement.
- Provide information on management-defined performance measures (MPMs) in the notes to the consolidated financial statements.
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting years beginning on or after January 1, 2027, with early application permitted. Amendments to IAS 7 and IAS 33, as well as amendments to revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transitional provisions.

The Entity's management does not anticipate that the application of these modifications may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Non-Publicly Disclosed Subsidiaries: Disclosures

IFRS 19 allows an eligible subsidiary (defined as a subsidiary that has no public liability and has an ultimate or intermediate parent that prepares publicly available consolidated financial statements that comply with IFRS Accounting Standards) to provide reduced information when applying IFRS Accounting Standards in its consolidated financial statements.

The new rule is effective for notice periods beginning on or after January 1, 2027, and early enforcement is permitted.

The Entity's management does not expect IFRS 19 to be applied for purposes of the group's consolidated financial statements.

5. Significant accounting policies

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS released by the IASB.

b. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which are measured at fair value at the end of each 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 liability, the Entity considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value for measurement and/or disclosure purposes of 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 the net realized value under IAS 2 Inventories or the 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*

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 for consolidation of financial statements*

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.

When 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 interests even if this results in 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 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 sum 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 interest. 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 joint venture.

Changes in the Entity's Holdings in Existing Subsidiaries

Subsidiaries listed below are companies incorporated and operating in Mexico, except for Chedraui USA, Inc., which is registered and has 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	% share	Activity
Tiendas Chedraui, S. A. de C.V.	99.91%	A chain of 683 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: 183 Tiendas Chedraui, 35 Tiendas Chedraui Selecto, 72 Super Chedraui, 13 Super Chedraui Selecto, 8 Super Che, 324 Supercito, 11 Supercito Selecto and 37 stores under the commercial name of Arteli.
Real estate division	100%	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 70 stores located in the south of the USA, that operate under the commercial name El Super; 60 stores located in Texas, USA, that operate under the commercial name of Fiesta Mart; 254 stores under the name of Smart & Final that operate in the south of the USA; and 17 stores in a Joint Venture under the commercial name of Smart & Final that operate in the Northeast of Mexico.
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.
Supervision and Maintenance of Real Estate, 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 shopping centers.

e. *Details 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	
		2025	2024	**2025**	2024	**2025**	2024
Chedraui USA, Inc.	United States of America	9.53%	9.53%	$ 67,393	$ 86,165	$ 616,907	$ 644,269

(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 Chedraui USA, Inc.'s financial information before intercompany eliminations is detailed below (*):

	2025	2024	2023	January 1, 2023
Current assets	$ 13,086,344	$ 14,362,908	$ 10,598,785	$ 12,409,027
Non-current assets	56,788,751	66,605,289	46,971,024	55,548,025
Current liabilities	16,370,819	20,506,426	13,143,490	14,987,559
Non-current liabilities	46,944,904	53,613,667	39,795,464	50,467,896
Equity attributable to controlling interest	5,203,761	5,298,195	1,915,181	(752,228)
Non-controlling interest	549,514	558,105	201,744	-
Income	154,716,647	148,798,753	139,301,103	-
Costs, expenses and taxes	153,910,550	147,806,952	136,787,174	-
Net income of the year	806,097	991,800	2,513,929	-
Net income profit of the year to owners of the equity of the Entity	738,704	905,635	2,274,352	-
Net income profit of the year to non-controlling interest	67,393	86,165	239,577	-
Net income of the year	806,097	991,800	2,513,929	-
Net cash flow from operating activities	9,872,464	12,255,209	10,112,197	-
Net cash flow from investing activities	(2,404,773)	(6,008,032)	(2,822,191)	-
Net cash flows from financing activities	(5,324,437)	(5,219,050)	(6,381,724)	-
Net increase in cash flow	2,143,253	1,028,127	908,281	-

(*) The functional currency of this subsidiary is the U.S. dollar, which, as of December 31, 2025, 2024, 2023 and January 1, 2023, was equivalent to $17.96, $20.26, $16.89 and $20.58 pesos per dollar, respectively.

f. *Cash and cash equivalents*

In the consolidated statements of financial position, cash and bank balances include cash (e.g., cash on hand and demand deposits) and cash equivalents. Cash Equivalents are short-term (usually with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and that are subject to non-significant risks or changes in value. Cash Equivalents are held for the purpose of meeting short-term cash obligations rather than being invested for other purposes.

g. *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.

h. *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.

i. *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 outstanding amount.

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 specific 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 the 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).

ii. *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 (e.g., 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 forms 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 "financial income - interest income" line item.

iii. *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.

iv. *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 of the reporting date.

(i) Credit-impaired financial asset

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 guaranteed 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 reviews 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 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 borrower;
b). a breach of a 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 the lifetime ECL are no longer met, the Entity measures the loss allowance at an amount equal to the 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.

v. 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.

i. 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 Entity'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 Entity'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 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 financial liability and is included in the "other gains and losses" in 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 as described in Note 23.

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 23) 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 accumulate 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 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.

j. Derivative financial instruments

The Entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 10.

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 the legal right and intention to offset.

An embedded derivative is presented as a non-current asset or a 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.

k. 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 hedging 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 hedging 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 the 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 the 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 23 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 24.

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 the 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 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.

l. 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 realized value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

m. *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 does not depreciate.

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 value over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods 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.

n. *Investment Properties*

Investment properties are those that are held to obtain income and make up a complementary part of the self-service business; These are initially valued at acquisition cost, including the costs incurred in the transaction. After initial recognition and starting in 2025, investment properties are valued at the cost method. The impact of the change in valuation method is shown in Note 3.

The land does not depreciate.

Buildings are valued at cost minus accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized to bring the cost of the assets, less their residual value, to results over their useful lives using the straight-line method. The estimated useful life, residual value and depreciation method are reviewed at the end of each year, and the effect of any changes to the recorded estimate is recognized on a forward-looking basis.

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.

o. *Intangible assets*

1. *Intangible assets acquired in a business combination*

   Intangible assets acquired in a business combination and separately recognized from goodwill, their 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.

p. *Impairment on tangible and intangible assets excluding 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 allocations 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 cost 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 assessment 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 16).

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.

q. Goodwill

Goodwill originated from a business acquisition is recognized at cost determined at the business acquisition date (see Note 17) less accumulated impairment losses, if any.

Goodwill is not amortized, but is reviewed for impairment at least annually. 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 goodwill arising from the acquisition of an associate is described in Note 17 below.

r. Investment in associates and joint ventures

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.

s. *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 benefits, 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 of 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 interest in the acquiree prior to the acquisition date that have been previously 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.

t. *Leases*

- *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 paid 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 statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the 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 the corresponding adjustment for the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in the 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 the 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 date, 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 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 of 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.

u. *Foreign currencies*

In preparing 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 for the period in which they arise except when they arise from:

- Exchange rate differences arising from transactions related to exchange rate risk.

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.

v. *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 rate of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currency 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 the 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 revenue, costs and expenses. Translation effects are recorded in other comprehensive income (loss) within stockholders' equity.

w. *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 the plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit that is recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs 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 services cost, as well as gains and losses on curtailments and settlements).
- Net interest expenses 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 financial costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represent 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 or 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 other 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, the 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, 2025, 2024 and 2023, the 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.

x. *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 it is incurred.

   The tax currently payable is based on taxable base 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 for 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 they are expected to reverse in the foreseeable future.

   The carrying amount of deferred tax asset 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 purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amount 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 investments 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 arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

y. 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, taking into 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.

z. Liability for employee accidents

The Entity is liable for losses on claims up to 500 thousand dollars per event 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, 2025, 2024 and 2023 are approximately $1,693,876, $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.

aa. 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, 2025, 2024 and 2023 are approximately $1,625,060 and $1,109,362 and $865,558, respectively, and are recorded under other long-term liabilities.

bb. Revenue Recognition

The entity recognizes income from the following sources:

- Sales of goods and dividend income.
- Income from the lease of premises.

- *Sale of goods*

The Entity sells clothes, general merchandise, electronic goods, groceries and perishable foods, mainly as retail sales and directly to 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 on 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, evidence of this being 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 exchange the benefits. The liabilities generated by the loyalty program are determined at fair value in proportion to the patterns of rights exercised by customers. As of December 31, 2025, 2024, 2023 and January 1, 2023, a balance of $665,405, $664,334, $552,851 and $421,686 respectively, 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.

6. Critical accounting judgments and key sources of estimation uncertainty

When applying the Entity's accounting policies, as described in Note 5, 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.

b. Key sources of uncertainty in estimates

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 adjustments to the carrying amounts of assets and liabilities within the next financial year.

Determination of future flows for impairment assessment

When performing impairment tests on its long-lived assets, the Entity is required to make 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 flow using estimates of market conditions, pricing 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 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 is 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.

7. Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, 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:

	2025	2024	2023	January 1, 2023
Cash	$ 351,464	$ 370,559	$ 332,087	$ 186,024
Bank balances	3,339,108	1,678,943	2,683,400	3,055,469
Cash equivalents	10,949,590	11,607,981	10,680,484	8,324,008
	$ 14,640,162	$ 13,657,483	$ 13,695,971	$ 11,565,501

8. Accounts and notes receivables - Net

	2025	2024	2023	January 1, 2023
Customers	$ 424,256	$ 411,517	$ 534,972	$ 473,479
Expected credit losses	(24,336)	(25,259)	(26,326)	(29,943)
	399,920	386,258	508,646	443,536
Rebates receivables	936,359	1,101,427	708,443	1,058,259
Miscellaneous receivables	574,170	638,091	521,677(*)	465,020
Advance payments	6,799	1,796	1,314	3,191
Notes receivable	21,105	18,220	19,264	19,662
	$ 1,938,353	$ 2,145,792	$ 1,759,344	$ 1,989,668

(*) 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:

	2025	2024	2023	January 1, 2023
Up to 30 days	$ 11,348	$ 5,766	$ 22,387	$ 1,944
31 - 60 days	1,762	-	1,597	846
61 - 90 days	1,326	1,467	1,574	5,681
More than 90 days	31,340	27,825	28,087	20,902
Total	$ 45,776	$ 35,058	$ 53,645	$ 29,373

b. The reserve of uncollectible accounts as of December 31 is integrated as follows:

	2025	2024	2023
Balance at the beginning of the year	$ (25,259)	$ (26,326)	$ (29,943)
Reserve increases	-	(1,400)	(721)
Reserve application	923	2,467	4,338
Balance at the end of the year	$ (24,336)	$ (25,259)	$ (26,326)

9. Recoverable taxes

	2025	2024	2023	January 1, 2023
Income tax	$ 393,140	$ 701,937	$ 392,033	$ 270,027
Value added tax ("VAT")	2,324,402	2,256,479	2,297,055	1,391,277
Recoverable tax (employment subsidy)	-	-	93	367
Recoverable tax for production and services (IEPS)	339,707	315,280	460,043	430,686
Total	$ 3,057,249	$ 3,273,696	$ 3,149,224	$ 2,092,357

10. 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.

As of December 31, 2025, a Swap is maintained for a balance of $7,363 to set the SOFR (Secured Overnight Financing Rate) rate with a maturity in July 2027, a notional rate of 200 million dollars and a fixed rate of 3.20% that covers a loan contracted by a subsidiary.

As of December 31, 2024 and 2023, a Swap is maintained for a balance of $75,565 and $145,222, respectively; to set the SOFR (Secured Overnight Financing Rate) with a maturity in July 2025, a notional rate of 200 million dollars and a fixed rate of 1.409% that covers a loan contracted by a subsidiary of Grupo Comercial Chedraui.

The Entity obtains financing under different conditions, when these are at a variable rate, in order to reduce their exposure to risks of volatility in interest rates and foreign currency, the entity contracts derivative financial instruments such as interest rate swaps that convert its interest payment profile from variable to fixed, converting the foreign currency debt into local currency rate. The negotiations with derivative instruments are conducted only with institutions of recognized solvency and limits have been established for each institution. The Entity's policy is not to carry out operations for speculative purposes with derivative financial instruments.

In the case that any of the Group's subsidiaries lack the necessary conditions to contract a derivative to mitigate an exchange rate or interest rate risk, Grupo Comercial Chedraui, S. A. B. de C. V. will be the one to 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 effectiveness measurement will be carried out for 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 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 capital until the time when the effects of the forecasted transaction or firm commitment affect results. In the event that the firm commitment or forecasted 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 affects the results.

The values of derivative financial instruments are shown in Note 23.

11. Inventories

	2025	2024	2023	January 1, 2023
Finished goods	$ 22,585,857	$ 23,617,604	$ 20,083,625	$ 20,433,816
Raw materials	594,926	536,626	459,742	426,855
Production in process	78,695	56,562	56,783	24,531
Others	170,637	149,421	173,605	154,284
	$ 23,430,115	$ 24,360,213	$ 20,773,755	$ 21,039,486

12. Property and equipment - Net

	Building	Store equipment	Furniture and equipment	Transport equipment	Construction in progress	Land	Total
Cost							
Balance 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 investment properties	(321,776)	-	-	-	-	(12,117)	(333,893)
Balance 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 rate 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 investment properties	(411,699)	-	-	-	-	-	(411,699)
Balance 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
Acquisitions	3,221,870	3,436,951	394,158	14,031	738,902	206,736	8,012,648
Net effect of foreign currency exchange rate differences	(1,019,055)	(687,191)	(36,069)	(4,344)	(11,523)	(7,074)	(1,765,256)
Disposals	(188,861)	(638,326)	(120,308)	(89,048)	-	-	(1,036,543)
Transfers to investment properties	(53,777)	-	-	-	-	-	(53,777)
Other transfers	361,270	183,621	54,639	191	(752,296)	220,900	68,325
Balance as of December 31, 2025	$ 45,869,778	$ 31,173,761	$ 4,116,252	$ 335,827	$ 1,358,412	$ 7,807,906	$ 90,661,936
Depreciation							
Balance as of January 1, 2023	$ (10,855,682)	$ (12,977,232)	$ (2,320,210)	$ (253,131)	$ -	$ -	$ (26,406,255)
Depreciation expense	(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
Balance as of December 31, 2023	(12,409,219)	(14,475,957)	(2,501,185)	(279,477)	-	-	(29,665,838)
Depreciation expense	(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
Balance as of December 31, 2024	(14,147,163)	(16,409,040)	(2,772,938)	(333,504)	-	-	(33,662,645)
Depreciation expense	(1,936,450)	(2,656,184)	(441,363)	(38,778)	-	-	(5,072,775)
Transfers	51,686	(84,409)	3,281	-	-	-	(29,442)
Disposals	165,147	591,061	116,685	87,085	-	-	959,978
Balance as of December 31, 2025	$ (15,866,780)	$ (18,558,572)	$ (3,094,335)	$ (285,197)	$ -	$ -	$ (37,804,884)
Total as of January 1, 2023	$ 24,833,511	$ 10,110,630	$ 577,970	$ 136,592	$ 1,042,599	$ 6,308,511	$ 43,009,813
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
Total as of December 31, 2025	$ 30,002,998	$ 12,615,189	$ 1,021,917	$ 50,630	$ 1,358,412	$ 7,807,906	$ 52,857,052

b. The following useful lives are used in the calculation of depreciation:

	Age			
	2025	2024	2023	January 1, 2023
Buildings [2]	50	50	50	60
Improvement to lease properties	30 on average	30 on average	30 on average	30 on average
Store equipment	12 on average	12 on average	12 on average	12 on average
Furniture and fixtures	10	10	10	10
Computer equipment [1]	3	3	3	3
Vehicles	4	4	4	4
Aerial equipment	15	15	15	15

[1] Shown under the heading of furniture and equipment.
[2] Adaptations to leased properties are included in buildings and are amortized at the lowest between the life of the adaptation and the lease period.

13. Right-of-use assets - Net

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)
Revaluations	850,001	-	-	-	-	-	850,001
Exchange effect	(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)
Revaluations	453,864	-	-	-	-	-	453,864
Exchange effect	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
Acquisitions	2,455,019	-	112,449	-	38,608	-	2,606,076
Others	(25,321)	-	-	(4,744)	-	-	(30,065)
Disposals	(302,143)	(786)	(9,531)	-	-	-	(312,460)
Revaluations	673,566	-	-	-	-	-	673,566
Exchange effect	(4,377,387)	-	(30)	-	-	-	(4,377,417)
Balances as of December 31, 2025	$ 61,218,038	$ 131,685	$ 525,168	$ 803,629	$ 610,673	$ 14,012	$ 63,303,205

Right-of-use assets	Building	Store Equipment	Transportation equipment - Cars	Transportation equipment - Aircraft	Computer equipment	Intangible	Total
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 expense	(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 expense	(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)
Disposals	127,552	646	5,954	-	-	-	134,152
Depreciation expense	(3,451,676)	(362)	(81,770)	(56,138)	(49,186)	-	(3,639,132)
Balances as of December 31, 2025	$ (20,564,915)	$ (129,308)	$ (383,321)	$ (721,717)	$ (526,948)	$ (14,012)	$ (22,340,221)
Net book value:							
Total as of January 1, 2023	$ 37,928,786	$ 3,679	$ 51,987	$ 252,400	$ 87,143	$ -	$ 38,323,995
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
Total as of December 31, 2025	$ 40,653,123	$ 2,377	$ 141,847	$ 81,912	$ 83,725	$ -	$ 40,962,984

(*) The 2024 additions include the lease agreement for the new Distribution Center in Rancho Cucamonga, California, United States of America (RCDC).

a. The Entity leases various assets, including buildings and computer equipment. The average lease term is as follows:

Leased assets	Average Lease Term 2025	Average Lease Term 2024	Average Lease Term 2023	Average Lease Term January 1, 2023
Vehicles	3 years	3 years	3 years	3 years
Buildings	22 years	23 years	25 years	25 years
Airplane	10 years	10 years	10 years	10 years
Computer equipment	4 years	4 years	4 years	3 years
Various equipment (*)	7 years	7 years	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 $42,280, $31,125, and $7,549 in 2025, 2024, and 2023, respectively.

The maturity analysis of the lease liabilities is presented in Note 21.

Amounts recognized in the consolidated financial statements for leases:

	2025	2024	2023
Depreciation of lease right -of-use assets	$ 3,825,579	$ 3,525,226	$ 2,898,366
Interest accrued on lease liabilities	3,133,234	3,253,831	2,553,402
Expense related to short-term lease	164,862	161,495	112,804
Expense related to leasing of low value assets	2,389	5,464	8,683
Expense related to variable lease payments not included in the measurement of lease liabilities.	234,649	233,753	221,252

The Entity has commitments of $2,925,974, $2,751,002 and $2,177,782 as of December 31, 2025, 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 the fixed cost. The composition of the lease payments is detailed in the following table:

	2025	2024	2023	January 1, 2023
Fixed payments	$ 5,661,005	$ 5,680,386	$ 4,299,018	$ 4,813,672
Variable payments, short-term and low-value leases	401,901	400,712	342,740	262,155
Total lease payments	$ 6,062,906	$ 6,081,098	$ 4,641,758	$ 5,075,827

As of December 31, 2025, 2024, 2023 and January 1, 2023, the variable payments constitute 6.63%, 6.59%, 7.38% and 5.16% 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.

14. Investment Properties - Net

	Gallery Land	Gallery Building	Total
Investment			
Balances as of January 1, 2023	$ 2,141,070	$ 5,501,933	$ 7,643,003
Transfers of property and equipment	12,118	321,775	333,893
Balances as of December 31, 2023	2,153,188	5,823,708	7,976,896
Transfers of property and equipment	-	429,840	429,840
Disposals	-	(18,141)	(18,141)
Balances as of December 31, 2024	2,153,188	6,235,407	8,388,595
Registrations	-	207,969	207,969
Transfers of property and equipment	-	53,777	53,777
Balances as of December 31, 2025	$ 2,153,188	$ 6,497,153	$ 8,650,341
Accumulated depreciation:			
Balances as of January 1, 2023	$ -	$ (663,959)	$ (663,959)
Depreciation for the year	-	(112,801)	(112,801)
Balances as of December 31, 2023	-	(776,760)	(776,760)
Depreciation expense		(118,451)	(118,451)
Balances as of December 31, 2024	-	(895,211)	(895,211)
Acquisitions	-	(129,865)	(129,865)
Period deterioration	-	(26,287)	(26,287)
Transfers of property and equipment	-	(585)	(585)
Balances as of December 31, 2025	$ -	$ (1,051,948)	$ (1,051,948)
Total as of January 1, 2023	$ 2,141,070	$ 4,837,974	$ 6,979,044
Total as of December 31, 2023	$ 2,153,188	$ 5,046,948	$ 7,200,136
Total as of December 31, 2024	$ 2,153,188	$ 5,340,196	$ 7,493,384
Total as of December 31, 2025	$ 2,153,188	$ 5,445,205	$ 7,598,393

All the Entity's investment properties are free from third-party interests.

The Entity receives lease income from investment properties, all of which are under operating leases, amounting to $1,594,621, $1,434,940 and $1,319,317 for 2025, 2024 and 2023, respectively. Operating expenses directly related to investment properties were $616,747, $526,409 and $490,080 for 2025, 2024 and 2023, respectively.

15. Investment in associate and joint ventures

As of December 31, 2025, 2024 and 2023, the entire share in the results of associates and joint ventures for $99,450, $65,612 and $75,034, corresponds mainly 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	Joint Business and Associates Investment			
				2025	2024	2023	January 1, 2023
Smart & Final del Noroeste, S.A. de C.V. (i)	Joint venture	The Entity is engaged in the purchase and sale of groceries, food products and general merchandise.	Mexico	$ 1,003,482	$ 1,007,179	$ 952,219	$ 962,965
Others	Associate	Real Estate	Mexico	30,059	28,966	405	4,336
Total				$ 1,033,541	$ 1,036,145	$ 952,624	$ 967,301

(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:

	2025	2024	2023	January 1, 2023
Total assets	$ 1,606,992	$ 1,355,242	$ 1,221,913	$ 1,178,022
Total liabilities	785,606	678,341	432,236	608,313
Capital attributable to shareholders of the equity	$ 821,386	$ 676,901	$ 789,677	$ 569,708
Revenues	$ 3,447,238	$ 3,573,086	$ 3,068,879	
Cost of sales, operating expenses and taxes	3,254,107	3,446,197	2,918,810	
Profit for the year	193,131	126,889	150,070	
Profit in associates and joint ventures	50%	50%	50%	
Profit for the year in joint ventures	$ 96,566	$ 63,444	$ 75,035	

16. Other assets and intangibles – Net

	2025	2024	2023	January 1, 2023
Guarantee deposits	$ 525,308	$ 405,384	$ 429,021	$ 359,719
Goodwill (1) - Note 17	5,477,489	6,061,838	5,205,016	5,831,612
Advances for acquisition of property and equipment	642,864	748,865	450,739	450,567
Other non-current assets, mainly prepaid expenses	1,120,300	842,510	178,634	277,446
Other assets	$ 7,765,961	$ 8,058,597	$ 6,263,410	$ 6,919,344
Intangibles:				
Software and licenses	$ 3,941,424	$ 3,710,861	$ 3,427,549	$ 3,345,911
Accumulated software and licenses amortization	(3,270,705)	(2,969,477)	(2,606,596)	(2,215,616)
Software and licenses net	670,719	741,384	820,953	1,130,295
Arteli trademark	35,586	35,586	35,586	47,448
Fiesta Mart trademark	1,755,347	1,980,213	1,650,494	1,891,618
Smart & Final trademark	1,428,237	1,645,490	1,400,087	1,637,383
Total other and intangible assets	$ 11,655,850	$ 12,461,270	$ 10,170,530	$ 11,626,088

(1) Represents the excess of the price paid for the market value of the assets and assumed liabilities related to:

	2025	2024	2023	January 1, 2023
Cash-generating units to which goodwill is assigned:				
254 stores in California, United States of America	$ 2,684,387	$ 3,028,268	$ 2,524,042	$ 2,892,783
61 stores in Texas, United States of America	998,128	1,125,991	938,507	1,075,615
29 stores in the south of Los Angeles, United States of America	879,014	991,619	826,507	947,254
3 stores in Baja California Sur Mexico	216,026	216,026	216,026	216,026
5 stores in the center of Mexico	10,290	10,290	10,290	10,290
36 stores in Hidalgo, Tamaulipas, Veracruz and San Luis Potosí	689,644	689,644	689,644	689,644
Total	$ 5,477,489	$ 6,061,838	$ 5,205,016	$ 5,831,612

The reconciliation of intangibles is as follows:

	2025	2024	2023	January 1, 2023
Cost:				
Balance at the beginning of January	$ 3,710,861	$ 3,427,549	$ 3,345,911	$ 3,134,412
Disposals	(37,337)	(11,962)	(24,111)	(5,123)
Acquisitions	328,265	180,772	213,159	280,488
Foreign currency translation effect	(60,365)	114,502	(107,410)	(63,866)
Balance as of December 31	$ 3,941,424	$ 3,710,861	$ 3,427,549	$ 3,345,911
Amortization:				
Balance at the beginning of January	$ (2,969,477)	$ (2,606,596)	$ (2,215,616)	$ (1,829,213)
Amortization cost	(338,565)	(373,150)	(397,986)	(391,527)
Disposals	37,337	10,269	7,006	5,124
Balance as of December 31	$ (3,270,705)	$ (2,969,477)	$ (2,606,596)	$ (2,215,616)
Intangible	$ 670,719	$ 741,384	$ 820,953	$ 1,130,295

17. Goodwill

	2025	2024	2023
Cost:			
Balances at the beginning of the year	$ 6,061,838	$ 5,205,016	$ 6,052,309
Additional amounts recognized from business combinations that occurred during the year	-	-	(220,697)
Effect of differences in foreign currency exchange rates	(584,349)	856,822	(626,596)
Balances at the end of the year	$ 5,477,489	$ 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.

18. 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, 2025, 2024, 2023 and January 1, 2023, the Entity's obligation composed as follows:

	2025	2024	2023	January 1, 2023
Current	$ 15,242,805	$ 16,437,036	$ 12,015,620	$ 14,295,087
Up to 30 days	11,499,469	11,159,394	10,989,630	9,882,558
Up to 60 days	4,542,081	4,279,925	4,334,673	3,762,934
Up to 90 days	2,070,099	1,822,096	2,661,988	2,186,947
More than 90 days	416,429	617,266	1,821,049	524,684
	$ 33,770,883	$ 34,315,717	$ 31,822,960	$ 30,652,210

19. 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.

	2025	2024	2023	January 1, 2023
(*) The payable amount for which supplier have already received payment from the financing provider trade accounts	$ 450,440	$ 424,133	$ 628,644	$ 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.

20. Borrowings

	2025	2024	2023	January 1, 2023
Refinanced loan dated July 31, 2025 for 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 + 1.25%, valid for 3 years until July 31, 2027 (*).	$ 7,186,680	$ 8,107,320	$ -	$ -
Credit contracted by Chedraui USA Inc. with Bank of America, N.A., contracted on August 27, 2025, at a rate of SOFR + 1.125%.	530,018	1,003,281	-	-
Credit contracted by Chedraui USA Inc. with Bank of America, N.A., contracted on December 13, 2022, at an SOFR rate + 1.125%. Expires on December 13, 2025.	-	216,830	-	-
Syndicated credit signed on July 26, 2021 for US$620 million, 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 + 1.55%, with a validity of 5 years. During 2025, 2024 and 2022, pre-payments were made for $32.5 million dollars, $173 million dollars and $165 million dollars, respectively.	-	-	4,763,967	8,809,482
Credit refinanced on July 26, 2021 for $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 + 1.25%, with a validity of 4 years.	-	-	3,378,700	3,872,300
	7,716,698	9,327,431	8,142,667	12,681,782
Short-term debt	530,018	1,220,111	-	-
Long-term debt	$ 7,186,680	$ 8,107,320	$ 8,142,667	$ 12,681,782

(*) The secured bank loan is subject to a financial agreement that is tested quarterly on March 30, June 30, September 30, and December 31 each year. Financial agreements measure the ratio of leverage and interest coverage of the group calculated.

On December 31, 2025, 2024, 2023 and January 1, 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, 2025	Acquisitions	Others	Payments	Translation effect	Balance as of December 31, 2025
Borrowings	$ 9,327,431	$ -	$ -	$ (551,542)	$ (1,059,191)	$ 7,716,698
Lease obligations	$ 54,366,602	$ 2,638,403	$ 247,727	$ (2,512,476)	$ (5,182,599)	$ 49,557,657

	Balance as of January 1, 2024	Acquisitions	Others	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
Lease 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	Others	Payments	Translation effect	Balance as of December 31, 2023
Borrowings	$ 12,681,782	$ -	$ -	$ (2,922,575)	$ (1,616,540)	$ 8,142,667
Lease obligations	$ 43,951,062	$ 965,485	$ 540,414	$ (1,715,785)	$ (4,649,765)	$ 39,091,411

21. Lease liabilities

	2025		2024		2023		January 1, 2023	
	Liabilities	Interest	Liabilities	Interest	Liabilities	Interest	Liabilities	Interest
Maturity:								
1 year	$ 2,925,974	$ 3,141,843	$ 2,751,002	$ 3,346,484	$ 2,177,782	$ 2,372,231	$ 2,329,019	$ 2,292,354
2 years	2,662,417	2,945,367	3,024,242	3,357,783	2,292,095	2,262,117	2,315,535	2,525,488
3 years	2,303,087	2,775,346	2,709,892	3,145,557	2,534,135	2,154,613	2,462,572	2,389,301
4 years	2,796,065	2,611,463	2,328,572	2,973,158	2,308,548	1,986,516	2,690,362	2,259,806
5 years	2,848,416	2,439,543	2,896,245	2,808,758	2,034,696	1,841,761	2,535,130	2,092,941
Subsequent years	36,021,698	20,429,692	40,656,649	29,048,174	27,744,155	14,828,108	31,618,444	17,471,958
	$ 49,557,657	$ 34,343,254	$ 54,366,602	$ 44,679,914	$ 39,091,411	$ 25,445,346	$ 43,951,062	$ 29,031,848
Classified as:								
Maturity of short-term	$ 2,925,974	$ 3,141,843	$ 2,751,002	$ 3,346,484	$ 2,177,782	$ 2,372,231	$ 2,329,019	$ 2,292,354
Maturity of long-term	$ 46,631,683	$ 31,201,411	$ 51,615,600	$ 41,333,430	$ 36,913,629	$ 23,073,115	$ 41,622,043	$ 26,739,494

The Entity does not face a significant liquidity risk regarding its lease liabilities. Lease liabilities are monitored through the Entity's Treasury.

22. Employee Benefits

a. *Defined contribution plans*

By law, the Company makes payments equal to 2% of its employees' total compensation in Mexico (capped) to the defined-contribution retirement savings plan established by Mexican law. The expense for this item was $186,675 in 2025, $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. During 2025, 2024 and 2023, the contribution applied was between 3,150% and 6,422%, between 3,150% and 5,331% and between 3,150% and 4,241%, respectively on the contribution base salary. The expense for this concept as of December 31, 2025, 2024 and 2023 was $361,182, $275,136 and $278,192, respectively.

The Entity makes payments to defined contribution plans in the U.S., also known as 401(k) plans, in which the Entity makes contributions to the individual accounts of its employees, in proportion to the voluntary contributions made by employees. The expense for this concept as of December 31, 2025, 2024 and 2023 was $194,508, $176,511 and $170,662, respectively.

b. *Defined Benefit Plans*

The main concepts that integrate employee benefits are:

	2025	2024	2023
Seniority premium in Mexico	$ 2,170,788	$ 1,702,054	$ 1,576,769
Smart & Final Pension Plan	-	3,015,396	4,436,109
Additional Executive Plan for Retirement (SERP)	205,828	185,804	116,851
Post-employment benefits	63,290	52,458	116,078
Other defined benefit obligation concepts	182,673	498,820	447,391
Total	$ 2,622,579	$ 5,454,532	$ 6,693,198

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 consists 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.

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 This plan was frozen for the accruing of future benefits for the majority of the Participants (the "Frozen Participants") effective June 1, 2008. During the last quarter of 2025, the plan was cancelled. The amount of other comprehensive income was reclassified to prior year results for $1,112,857.

Supplemental executive retirement plan (SERP): In Smart & Final Inc., there is a non-qualified defined benefit supplemental executive retirement plan which provides supplemental income payments for certain current executives and former corporate offices in retirement. No new participants are eligible for participation and service and compensation accrual were frozen effective January 1, 2008.

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. So only employees who retired before June 1, 2008 are still enjoying the benefits.

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, 2025, 2024 and 2023 is $526,199, $993,364 and $649,958, respectively, and is presented under the 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 estate.
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 services 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:

	2025 %	2024 %	2023 %	January 1, 2023 %
Discount of the projected benefit obligation at present value in Mexico	10.75	10.75	9.25	9.25
Discount of the projected benefit obligation at present value in the United States of America	5.03	4.73	4.73	4.95
Salary increase in Mexico	5.00	5.00	4.50	4.50
Salary increases in the United States of America	0.00	3.25	3.25	7.35
Legal Minimum Wage Increase	11.00	11.00	3.50	3.50

e. The amounts recognized in the results of these defined benefit plans are:

	2025	2024	2023
Service cost:			
Current service cost	$ 172,177	$ 196,330	$ 176,992
Transfer effect	52,301	(148,567)	-
Net interest expense	$ 188,501	191,475	168,366
Total in the Consolidated Statement of Income and Other Comprehensive Income	$ 412,979	$ 239,238	$ 345,358
Remeasurement of the net defined benefit liability:			
Actuarial loss (gain) arising from past adjustments	$ (803,089)	$ 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:

	2025	2024	2023	January 1, 2023
Defined benefit obligation	$ 2,622,579	$ 5,494,252	$ 5,116,429	$ 5,430,892
Fair value of plan assets	594,329	4,015,779	3,086,207	3,138,425
Net liability arising from defined benefit obligation	$ 2,028,250	$ 1,478,473	$ 2,030,222	$ 2,292,467

g. Changes in the present value of the defined benefit obligation:

	2025	2024	2023
Opening balance of defined benefit obligation at	$ 5,494,252	$ 5,116,429	$ 5,430,892
Exchange Effect	(84,844)	707,115	(510,108)
Adjustments to the opening balance	-	-	(116,695)
Current service cost	172,177	196,330	176,992
Interest cost	188,501	191,475	168,366
Transfer effect	52,301	(148,567)	-
Actual return on plan assets	(412,860)	360,374	390,121
Pension plan transfer	(3,450,113)	-	-
Benefits paid	(138,924)	(150,259)	(129,211)
Actuarial gains arising from past adjustments	803,089	(778,645)	(293,928)
Closing defined benefit obligation	$ 2,622,579	$ 5,494,252	$ 5,116,429

h. Movements in the fair value of plan assets in the year were as follows:

	2025	2024	2023
Opening fair value of plan assets	$ 3,389,569	$ 2,600,890	$ 2,638,398
Foreign exchange effect	(384,909)	519,577	(321,442)
Interest income on plan assets	276,764	213,381	280,483
Return on plan asset	163,353	146,989	109,656
Contribution from the employer	4,743	4,155	4,217
Contributions from employer	-	-	(116,672)
Contributions from plan participants	87,836	21,424	106,648
Pension plan transfer	(3,450,113)	-	-
Administrative expenses	(24,830)	(36,706)	(42,622)
Benefits paid	(62,399)	(80,141)	(57,776)
Closing fair value of plan assets	14	3,389,569	2,600,890
Insurance policy reserve fund	594,315	626,210	485,317
Final fair value of plan assets	$ 594,329	$ 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 the 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 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 is 100 basis points lower, the defined benefit obligation would have increased by $139,162.

If the U.S. discount rate had been 50 basis points lower, the defined benefit obligation would have increase by $32,823.

If the increase in the expected salary in Mexico increases by 100 basis points, the defined benefit obligation would decrease by $96,558.

If the life expectancy in Mexico had increases by one year, for both men and women, the defined benefit obligation would have increased by $962.

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 can be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligations has 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 were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior years.

23. 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 a going concern while maximizing the return to shareholders through the optimization of the debt and equity balances. The Entity's overall strategy has remained unchanged from 2024.

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 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 20 offset by cash and cash equivalents) and equity of the Entity (comprising issued capital, reserves and retained earnings as detailed in Note 24).

The Entity is not subject to any externally imposed capital requirements.

The Entity's Board of Directors reviews the capital structure of the Entity on a quarterly basis.

1. Debt ratio

The gearing ratio at the end of the reporting period was as follows

	2025	2024	2023	January 1, 2023
Debt	$ 7,716,698	$ 9,327,431	$ 8,142,667	$ 12,681,782
Cash and cash equivalents	14,640,162	13,657,483	13,695,971	11,565,501
Total (assets) liabilities	$ (6,923,464)	$ (4,330,052)	$ (5,553,304)	$ 1,116,281
Total of equity (ii)	$ 52,348,664	$ 49,280,390	$ 42,835,254	$ 36,352,174
Net debt to equity ratio	(13.23)%	(8.79%)	(12.24%)	2.86%

(i) Debt is defined as short- and long-term borrowings, as described in Note 20.
(ii) The Equity includes non-controlling interests.

b. *Financial instruments categories*

	2025	2024	2023	January 1, 2023
Financial assets:				
Cash and cash equivalents	$ 14,640,162	$ 13,657,483	$ 13,695,971	$ 11,565,501
Borrowings and receivables:				
Accounts and notes receivable	$ 1,938,353	$ 2,145,792	$ 1,759,344	$ 1,989,668
Current accounts receivable from related parties	111,907	136,010	77,518	59,753
Guarantee deposits (**)	525,309	405,384	429,021	359,720
Long-term derivative financial instruments	7,363	75,565	145,222	267,870
Financial liabilities:				
At amortized cost:				
Accounts and notes payable to suppliers and related parties	$ 33,770,883	$ 34,315,717	$ 31,822,960	$ 30,652,210
Other accounts payables (*)	8,598,870	10,268,009	7,661,123	7,866,092
Borrowings	7,716,698	9,327,431	8,142,667	12,681,782
Lease obligations	49,557,657	54,366,602	39,091,411	43,951,062

(*) 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 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:

	2025	2024	2023	January 1, 2023
Assets	825,364	792,522	673,042	698,370
Liabilities	(3,398,328)	(3,578,975)	(3,046,317)	(3,241,819)
Net liabilities in U.S. dollars	(2,572,964)	(2,786,453)	(2,373,275)	$ (2,543,449)
Year-end exchange rate ($ per 1 dollar)	$ 17.97	$ 20.27	$ 16.89	$ 19.36

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:

	2025	2024	2023	January 1, 2023
Assets	29,795	18,389	13,996	14,820
Liabilities	(32,537)	(32,587)	(29,050)	(32,858)
Net liabilities in U.S. dollars	(2,742)	(14,198)	(15,054)	(18,038)
Year-end exchange rate ($ per 1 dollar)	$ 17.97	$ 20.27	$ 16.89	$ 19.36

Approximately 2.66%, 2.30%, 1.76% and 2.06% of goods inventories were imported by the Entity in 2025, 2024, 2023 and January 1, 2023, respectively.

Transactions in thousands of U.S. dollars as of December 31, 2025, 2024 and 2023 include import purchases for $193,584, $140,349 and $116,056, respectively.

f. *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 change in the exchange rate would result in an adjustment of $9,582, $57,552 and $50,859 for the years ended December 31, 2025, 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.

g. *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 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 of 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 assuming on the basis that the liability amount remains in effect at the close of the period.

  Management evaluates 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 by $44,914, $51,631, $50,846 and $44,402 as of December 31, 2025, 2024, 2023 and January 1, 2023, respectively. If such a situation arises, 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.

h. *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, 2025, 2024, 2023 and January 1, 2023 amounts to $2,607,264, $2,788,009, $2,437,431 and $2,706,954, respectively.

i. 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 of $(3,838,610), $(6,174,040), $(3,564,621) and $(5,439,086) as of December 31, 2025, 2024, 2023 and January 1, 2023, respectively; however, this situation does not represent a material risk to the ongoing business since the Entity generates cash flows derived from its operation each year that are used to meet its obligations of $18,413,208, $18,206,905, $17,973,541 and $18,535,545 during 2025, 2024, 2023 and January 1, 2023. Likewise, as of December 31, 2025, there are credit lines available for $6,300,000, as well as a current program of Stock Certificates of up to $10,000,000.

- Interest rate and liquidity risk tables

The following tables as of December 31, 2025, 2024, 2023 and January 1, 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 or 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.

2025	One year	Two years	Three years	More than three years	Total
Financial Assets (**)	$ (17,223,094)	$ -	$ -	$ -	$ (17,223,094)
Borrowings	834,734	7,364,430	-	-	8,199,164
Other creditors	6,656,010	-	-	-	6,656,010
Accounts and notes payable to suppliers and affiliated companies	33,770,883	-	-	-	33,770,883
Lease obligations	6,067,817	5,607,784	5,078,434	67,146,878	83,900,913
Total	$ 30,106,350	$ 12,972,214	$ 5,078,434	$ 67,146,878	$ 115,303,876

(*) The TIIE rate is 7.34%, LIBOR 5.15% for interest projection plus spread of each credit.
(**) Includes cash, accounts receivable and security deposits.

2024	One year later	Two years	Three years	More than three years	Total
Financial Assets (**)	$ (16,420,234)	$ -	$ -	$ -	$ (16,420,234)
Borrowings	417,527	417,527	8,350,877	-	9,185,931
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	$ 32,374,426	$ 6,799,552	$ 14,206,326	$ 80,711,558	$ 134,091,862

(*) The TIIE rate 10.24%, LIBOR 5.15% for the interest projection plus spread of each credit.
(**) Includes cash, accounts receivable and security deposits.

2023	One year later	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 documents 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

(*) The TIIE rate is 11.47%, LIBOR 5.46% for the interest projection plus spread of each credit.
(**) Includes cash, accounts receivable and security deposits.

January 1, 2023	One year later	Two years	Three years	More than three years	Total
Financial Assets (**)	$ (14,242,512)	$ -	$ -	$ -	$ (14,242,512)
Borrowings	774,266	774,266	774,266	13,790,338	16,113,136
Other creditors	5,788,288	-	-	-	5,788,288
Accounts and documents payable to suppliers and affiliated companies	30,652,210	-	-	-	30,652,210
Lease obligations	4,621,373	4,841,023	4,851,873	58,668,641	72,982,910
Total	$ 27,593,625	$ 5,615,289	$ 5,626,139	$ 72,458,979	$ 111,294,032

(*) The TIIE rate is 10.76%, LIBOR 3.4% for the interest projection plus spread of each credit.
(**) Includes Cash, accounts receivable and security deposits.

The following tables as of December 31, 2025, 2024, 2023 and January 1, 2023 presents 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.

2025	Less than 1 year	More than 1 year and less than 5	More than 5 years	Total
Derivative financial instruments	$ -	$ (7,363)	$ -	$ (7,363)

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)

January 1, 2023	Less than 1 year	More than 1 year and less than 5	More than 5 years	Total
Derivative financial instruments	$ (6,048)	$ (9,578)	$ -	$ (15,626)

j. Fair value of financial instruments

1. Fair value of financial instruments recorded at amortized cost

The entity's management believes that the book values of the financial assets and liabilities recognized at amortized cost in the consolidated financial statements, approximate to fair value.

	2025	2024	2023	January 1, 2023
Financial assets:				
Accounts and notes receivable – net	$ 1,938,353	$ 2,145,792	$ 1,759,344	$ 1,989,668
Current accounts receivable related parties	111,907	136,010	77,518	59,753
Deposits in guarantee (**)	525,309	405,384	429,021	359,720
Financial liabilities:				
Accounts and documents payable to suppliers and affiliated companies	$ 33,770,883	$ 34,315,717	$ 31,822,960	$ 30,652,210
Other creditors - short-term (*)	8,598,870	10,268,009	7,661,123	7,866,092
Borrowings	530,018	1,220,111	-	-
Short-term deferred revenue	45,089	144,033	144,033	149,203
Long-term bank loan	7,186,680	8,107,320	8,142,667	12,681,782

(*) Balance included in the statement of financial position in creditors and accrued 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, 2025:

Type of derivative contract or value	Notional amount	Reference variable	Fair value	Amount due by year	Collateral
SOFR Rate Swap	USD 200 million	28-day SOFR	$ 7,363	200 million in 2025	The line of credit or limit is for $27 million dollars. As of December 31, 2025, no collateral was placed for these derivatives.
		Total	$ 7,363		

As of December 31, 2024:

Type of derivative contract or value	Notional amount	Reference variable	Fair value	Amount due by year	Collateral
SOFR Rate Swap	USD 200 million	28-day SOFR	$ 75,565	200 million in 2025	The line of credit or limit is for $27 million dollars. As of December 31, 2024, no collateral was placed for these derivatives.
		Total	$ 75,565		

As of December 31, 2023:

Type of derivative contract or value	Notional amount	Reference variable	Fair value	Amount due by year	Collateral
SOFR Rate Swap	USD 200 million	28-day SOFR	$ 145,222	200 million in 2025	The line of credit or limit is for $27 million dollars. As of December 31, 2023, no collateral was placed for these derivatives.
		Total	$ 145,222		

As of January 1, 2023:

Type of derivative contract or value	Notional amount	Reference variable	Fair value	Amount due by year	Collateral
SOFR Rate Swap	USD 200 million	28-day SOFR	$ 267,870	200 million in 2025	The line of credit or limit is for $27 million dollars. As of January 1, 2023, no collateral was placed for these derivatives.
		Total	$ 267,870		

24. Stockholders' equity

Common stock as of December 31, 2025, 2024, 2023 and January 1, 2023, is made up of 963,917,211 no -par value common shares. Fixed capital shares have no right of withdrawal and variable capital may not exceed ten times the fixed capital.

a. At the Ordinary Shareholders' Meeting held on April 7, 2025, the payment of the following cash dividends to the Entity's shareholders was approved for each of the Entity's free-of-charge and outstanding shares on the date of payment of the dividend. The payment was made against the net tax profit account of the Entity, through S.D. Indeval, S.A. de C.V., Institution for the Deposit of Securities. The dividend amounts are as follows:

	Payment Date	Amount per Share (in pesos)	Dividend decreed
Dividend 1	April 22, 2025	1.0446	$ 1,007,000
Dividend 2	November 25, 2025	0.5913	570,000
Dividend 3	December 18, 2025	0.5913	570,000
Total approved dividends			$ 2,147,000

b. At the Ordinary Shareholders' Meeting held on April 5, 2024, the payment of the following cash dividends to the Entity's shareholders was approved for each free and outstanding share of the Entity on the date of payment of the dividend. The payment was made against the net tax profit account of the Entity, through S.D. Indeval, S.A. de C.V., Institution for the Deposit of Securities. The dividend amounts are as follows:

	Payment Date	Amount per Share (in pesos)	Dividend decreed
Dividend 1	April 16, 2024	1.1889	$ 1,146,000
Dividend 2	November 27, 2024	0.5187	500,000
Dividend 3	December 18, 2024	0.5187	500,000
Total approved dividends			$ 2,146,000

c. At the Ordinary Shareholders' Meeting held on April 10, 2023, the payment of cash dividends to the shareholders of the Entity in the amount of $0.9333 (zero pesos, nine, three, three, three cents) for each free and outstanding share of the Company on the date of payment of the dividend was approved. The payment was made against the net tax profit account of the Entity, through S.D. Indeval, S.A. de C.V., Institution for the Deposit of Securities, the amount of the dividend paid was $899,600.

d. Retained earnings include the legal reserve. In accordance with the General Law of Commercial Companies, at least 5% of the net profits for the year must be set aside to form the legal reserve, until its amount amounts to 20% of the share capital at nominal value. The legal reserve may be capitalized, but it should not be distributed unless the company is dissolved, and it should be reconstituted when it decreases for any reason. As of December 31, 2025, 2024, 2023 and January 1, 2023, its amount at face value amounts to $36,687.

e. The distribution of stockholders' equity, except for the updated amounts of the capital stock contributed and the retained earnings for tax purposes, will cause income tax payable by the Entity at the rate in force at the time of distribution. The tax paid on such distribution may be credited against the income tax of the year in which the dividend tax is paid and in the two immediately following years, against the tax of the year and the provisional payments thereof.

f. The balance of the tax income account as of December 31 are:

	2025	2024	2023	January 1, 2023
Contributed capital account (CUCA)	$ 9,507,756	$ 9,169,405	$ 8,759,245	$ 8,369,239
Net tax profit account (CUFIN)	$ 26,552,767	$ 21,910,413	$ 20,634,562	$ 20,093,433

g. Capital risk management.

The Entity manages its capital to ensure that it will continue as a going concern, while maximizing stockholders' 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 its 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 U.S. dollars and from 2012 for an amount of $10 million U.S. dollars. The agreement does not require the sale of the 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.

25. Other comprehensive income

	2025	2024	2023	January 1, 2023
Effects of foreign operations translation	$ 317,126	$ 879,168	$ 139,869	$ 424,176
Effect of recognizing the valuation of derivative instruments	4,915	50,372	97,223	177,766
Remeasurement of defined benefit obligations, net of deferred taxes	(275,115)	1,299,370	534,042	389,661
Total	$ 46,926	$ 2,228,910	$ 771,134	$ 991,603

a. Cumulative translation adjustment

	2025	2024	2023
Balance at the beginning of the year	$ 879,168	$ 139,869	$ 424,176
Exchange differences on translation of foreign operations' net assets	(562,042)	739,299	(284,307)
Balance at end of the year	$ 317,126	$ 879,168	$ 139,869

b. Effect for financial instruments measurement

	2025	2024	2023
Balance at the beginning of the year	$ 50,372	$ 97,223	$ 177,766
Net loss for financial instruments measurement	(64,936)	(66,931)	(115,061)
Income taxes related to valuation of derivative instruments	19,479	20,080	34,518
Balance at the end of the year	$ 4,915	$ 50,372	$ 97,223

c. Remeasurement of defined benefit obligations

	2025	2024	2023
Balance at the beginning of the year	$ 1,299,370	$ 534,042	$ 389,661
Remeasurement of defined benefit obligations	(803,089)	778,645	293,928
Pension plan transfer	(1,112,857)	-	-
Income taxes related to remeasurement of defined benefit obligations	341,461	(13,317)	(149,547)
Balance at end of the year	$ (275,115)	$ 1,299,370	$ 534,042

26. Retained earnings

	2025	2024	2023
Balance at beginning of the year	$ 42,064,807	$ 37,498,575	$ 31,016,319
Net income attributable to owners of the Entity	6,535,090	6,690,533	7,621,935
Dividends paid	(2,138,738)	(2,138,358)	(897,592)
Resale of shares, net	(210,089)	142,192	(217,653)
Pension plan transfer in the United States of America	1,112,857	-	-
Other movements	(34,053)	(128,135)	(24,434)
Balance at end of the year	$ 47,329,874	$ 42,064,807	$ 37,498,575

27. Non-controlling interest

	2025	2024	2023
Balance at beginning of year	$ 710,829	$ 494,959	$ 293,344
Comprehensive income:			
Participation in comprehensive income	84,955	98,404	248,768
Effect on foreign operation translation	(59,201)	77,876	(31,663)
Financial Instruments	(4,788)	(4,935)	(9,203)
Remediation of labor obligations	(33,968)	54,758	9,836
	(13,002)	226,103	217,738
Other capital movements:			
Premium on share sale	-	11,977	(11,976)
Retained earnings from prior years	(593)	(22,210)	10,478
Minority Capital	-	-	(14,625)
	(593)	(10,233)	(16,123)
Balance at end of the year	$ 697,234	$ 710,829	$ 494,959

28. Earnings per share

	2025 Mexican pesos per share	2024 Mexican pesos per share	2023 Mexican pesos per share
Basic and diluted earnings per share	$ 6.80	$ 6.97	$ 7.94

The income and weighted average numbers of ordinary shares used in calculating basic and diluted earnings per share are as follows:

	2025	2024	2023
Net income attributable to owners of the Entity	$ 6,535,090	$ 6,690,533	$ 7,621,935
Weighted average number of ordinary shares for the purposes of basic earnings per share	960,878,967	960,105,924	959,521,408
Treasury stock at the end of the period	4,171,376	2,464,621	2,464,621

29. 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:

	2025	2024	2023
Administrative revenue	$ 11,134	$ 9,540	$ 6,458
Revenue from the Sale of Merchandise	871	-	-
Rental revenue	93	47	-
Financial portal revenue	3,720	4,200	5,050
Revenue from the Sale of Concrete	-	6,102	1,247
Lease expenses	(45,492)	(42,058)	(37,404)
Advertising expenses	(16,584)	(17,127)	(22,778)

b. Balances receivable from related parties are as follows:

	2025	2024	2023	January 1, 2023
Smart & Final del Noroeste, S.A de C.V.	$ 26,776	$ 38,277	$ -	$ 28,558
Others	1,139	-	-	764
Other (mainly officers)	83,992	97,733	77,518	30,431
Total	$ 111,907	$ 136,010	$ 77,518	$ 59,753

c. Compensation paid to management and other key members of management during the year was as follows:

	2025	2024	2023
Direct benefits	$ 1,237,395	$ 1,183,815	$ 948,635
Variable benefits	767,584	633,229	736,294
	$ 2,004,979	$ 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.

30. 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:

	2025	2024	2023	January 1, 2023
No more than one year	$ 1,128,556	$ 1,063,608	$ 1,016,589	$ 910,115
More than 1 year and no more than 5 years	1,825,599	1,813,706	1,795,854	1,555,519
More than 5 years	535,659	659,958	668,568	529,633
	$ 3,489,814	$ 3,537,272	$ 3,481,011	$ 2,995,267

31. Income tax

The Entity is subject to ISR. According to the Income Tax Law, the rate for 2025, 2024 and 2023 was 30%, without foreseen changes for subsequent 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, 2025, 2024 and 2023 were $3,040,023, $3,350,193 and $3,882,197, which are presented within operating activities in the statement of cash flows.

Chedraui USA, Inc., is subject to a federal income tax of 21% for 2025, 2024, and 2023, with no change foreseen for subsequent years; however, the state taxes of California, Texas, New Mexico, Nevada and Arizona (location with presence of their stores) represent; on average, an additional rate of 9%, 9.1% and 6.4% for 2025, 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 was (2.8%), (3.9%) and (1.9%) for 2025, 2024 and 2023, respectively.

Income taxes for the year ended December 31, are as follows:

	2025	2024	2023	January 1, 2023
ISR expense:				
Incurred	$ 3,357,912	$ 3,396,270	$ 3,637,432	$ 3,183,469
Deferred	(469,336)	(413,819)	(471,178)	(655,160)
	$ 2,888,576	$ 2,982,451	$ 3,166,254	$ 2,528,309

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:

	2025	2024	2023	January 1, 2023
Legal rate	30%	30%	30%	30%
Effects of inflation	(3%)	(3%)	(3%)	(3%)
Non-deductable items	4%	4%	3%	3%
Differences in statutory rates in other jurisdictions	0%	(1%)	(2%)	(2%)
Others	(1)%	1%	1%	1%
Effective rate	30%	31%	29%	29%

b. The main items that give rise to the deferred ISR liability are:

	2025	2024	2023	January 1, 2023
Deferred ISR assets:				
Effect of tax loss carryforward	$ 14,322	$ 67,780	$ 81,227	$ 157,901
Allowance for doubtful accounts	6,930	6,904	7,199	7,639
Inventories	(16,473)	24,089	69,293	144,453
Accrued expenses	2,179,410	1,940,671	1,346,242	1,651,795
Deferred ISR assets	$ 2,184,189	$ 2,039,444	$ 1,503,961	$ 1,961,788
Deferred ISR liability:				
Other assets	$ (423,747)	$ (235,137)	$ (214,779)	$ (225,975)
Property, equipment and rights of use	(616,122)	(1,282,458)	(1,127,569)	(2,257,830)
Deferred ISR liability	$ (1,039,869)	$ (1,517,595)	$ (1,342,348)	$ (2,483,805)
Total net assets (liabilities)	$ 1,144,320	$ 521,849	$ 161,613	$ (522,017)
Presentation in the statement of financial position:				
Deferred tax assets	$ 1,623,580	$ 948,931	$ 449,080	$ 362,645
Deferred tax liabilities	(479,260)	(427,082)	(287,467)	(884,662)
Total net assets (liabilities)	$ 1,144,320	$ 521,849	$ 161,613	$ (522,017)

As of December 31, 2025, 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 updated tax losses pending amortization in Mexico for which a deferred income tax asset and a tax credit have already been recognized, respectively, can be recovered by meeting certain requirements. The expiration years and their updated amounts as of December 31, 2025, are:

Expiration year	Tax los carryforwards
2036	511
Total	$ 511

As of December 31, 2025 and 2024, there is an asset for net operating losses related to our operations in the United States of America for $15,250 and $150,674, 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 IAS 12.

32. Contingencies

a. The Entity is involved in many lawsuits and claims arising in the normal course of its operations, which are not expected to have material effect in its financial position and future results of operations.

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, 2025, a study is being carried out with an independent specialist to ensure that transactions with related parties were carried out at market value, which will be concluded during the first half of 2026.

c. The entity, as well as its assets, is not subject, with the exception of what is stated in the preceding paragraphs, to any legal action other than those that are routine and inherent to its business.

33. Reportable segments

IFRS 8 requires the classification of segments of operation identified based on internal reports about components on 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 assess their performance.

The Entity's main business is the sale of electronic goods, groceries, and general goods in its stores, as well as operation real property.

a. Analytical information by operating segment:

	Revenue (*)		
Segments	2025	2024	2023
Domestic supermarket	$ 140,597,002	$ 132,962,773	$ 123,756,621
United States of America supermarkets	154,716,647	148,798,752	139,301,103
Consolidated	$ 295,313,649	$ 281,761,525	$ 263,057,724

* There are no individual clients that have contributed 10% or more to the Entity's revenues for 2025, 2024 and 2023.

	Operating Profit		
Segments	2025	2024	2023
Domestic supermarkets	$ 9,878,032	$ 9,461,083	$ 8,698,131
United States of America supermarkets	5,219,870	5,565,647	6,981,400
Consolidated	$ 15,097,902	$ 15,026,730	$ 15,679,531

	Total Assets			
Segments	2025	2024	2023	January 1, 2023
Domestic supermarkets	$ 73,997,353	$ 67,113,463	$ 60,932,413	$ 57,902,886
United States of America supermarkets	69,201,795	80,271,288	57,569,810	67,947,550
Non-assignable items	17,166,262	17,104,420	17,538,975	13,381,207
Consolidated	$ 160,365,410	$ 164,489,171	$ 136,041,198	$ 139,231,643

	Depreciation and amortization		
Segments	2025	2024	2023
Domestic supermarkets	$ 3,210,642	$ 2,827,283	$ 2,616,674
United States of America supermarkets	6,421,175	5,914,770	5,103,781
Consolidated	$ 9,631,817	$ 8,742,053	$ 7,720,455

	Property and equipment and Investments properties		
Segments	2025	2024	2023
Domestic supermarkets	$ 5,963,049	$ 5,304,789	$ 4,718,786
United States of America supermarkets	2,257,568	5,968,389	2,559,298
Consolidated	$ 8,220,617	$ 11,273,178	$ 7,278,084

34. Authorization of the issuance of the consolidated financial statements

The issuance of the accompanying consolidated financial statements was authorized on March 13, 2026, 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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2025

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