



CONTENTS

04

06

08

11

16

19

27

29

33

42

44

46

81

91

99

100

101

103

104

110

118



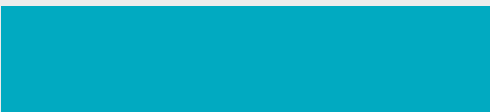
GRI 102-4,102-6, 102-16

We are a Mexico-based company group with an international footprint focused on the sale and responsible distribution of industrial raw materials. We serve more than 40 industrial sectors, including the mining, food, automotive, oil exploration and drilling, water treatment, personal and home care, cleaning and sanitization products, and metalworking sectors among others.

OUR SHARES ARE LISTED ON THE MEXICAN STOCK EXCHANGE (BMV) UNDER THE TICKER SYMBOL POCHTEC.

OUR MISSION STATEMENT

Be the distributor of raw materials and integrated comprehensive solutions preferred by customers and suppliers.



MESSAGE FROM THE CHAIRMAN

OF THE BOARD OF DIRECTORS

GRI 102-7, 102-11, 102-14, 102-15, 201: 103-1, 103-2, 103-3, 201-1

Dear shareholders,

While it is true that throughout 2021 it was not necessary to impose lockdowns as severe as in 2020, the effects of the COVID-19 pandemic were again reflected in increased freight transportation times as well as on the labor market. The impact of the pandemic on container avail-

ability, maritime routes and truck driver shortages caused severe disruptions in the supply chain, affecting delivery times, transportation costs and commodity prices.

Furthermore, along with the rapid global economic recovery, industries began to demand a large amount of energy and raw materials, resulting in an imbalance between supply and demand which led to shortages and a generalized rise in prices which had a direct impact on our business.

In the United States, consumer inflation was also affected and closed 2021 at 7.1%, its highest level in 40 years. In Mexico, the econo-

my showed great momentum during the first half of 2021. However, the international scenario of high prices also had repercussions in our country,

where annual inflation rose to 7.36%, surpassing the annualized inflation rate of 3.15% in December 2020. Consequently, the central bank decided to increase the reference rate five consecutive times, closing the year at 5.5%, thereby increasing the cost of credit.

Sales grew +42.8%, reaching \$8.938 billion pesos –a reflection of the Company's good performance in all the countries where we are present– driven by the diversification of portfolios, segments, and geographic areas that has been implemented in recent years, as well as the cross-pollination (in both directions) of the Mexican and Brazilian portfolios with the companies acquired in South America. This strategy has made it possible to cope with the challenges derived from the COVID-19 pandemic, as well as with the global impact on supply chains.

One year after the incorporation of Pochteca South America, the Group has been successfully consolidated. In 2021, South America contributed 48.7% to the increase in sales for the year. Brazil increased its sales by 33.7% as a result of the consolidation of the human talent recruited in recent years, the successful implementation of the management model, and the aforementioned diversification strategy. In Mexico, in the fourth quarter, Pochteca Materias Primas slowed its growth

CONSOLIDATED
EBITDA OF \$689
MILLION PESOS, AN
INCREASE OF +40.2%
COMPARED TO 2020,
DEMONSTRATING THE
CONSOLIDATION OF
GRUPO POCHTECA'S
EXPERIENCE AND
RESILIENCE.



rate with respect to the first three quarters of the year, mainly due to the investigation initiated by the Mexican Government's Financial Intelligence Unit (*FIU*) in October. We believe that the situation of this subsidiary should be clarified in the next 12 to 18 months, at the conclusion of the legal proceedings initiated against the block dictated by the FIU.

During the third quarter of 2021, 12 months after the closing of the acquisition, we successfully completed the integration of Pochteca South America. The addition of operations in Chile, Peru, Colombia and Argentina consolidates our presence in the main Latin American markets. With a footprint in 10 countries, we now offer one of the most complete geographic coverages in the market. Moreover, the exchange of market knowledge and complementary portfolios between Mexico, Brazil and the South American operations has resulted in sales and margin increases for both the acquired and the acquiring companies.

Gross margin grew by 260 bps to 22.4% in 2021, as a result of our strategy of pursuing product availability; this allowed us to meet customer requirements despite the uncertainty in supply chains, mainly in Asia. We also developed alternative sourcing and decided to increase our inventory security levels.

We achieved a consolidated EBITDA of \$689 million pesos, an increase of +40.2% compared to 2020, demonstrating the consolidation of Grupo Pochteca's experience and resilience, the strength derived from our deep diversification of customers, products, markets and regions, and the successful execution of our business model. In addition to the above, the experience gained through multiple acquisitions allowed us to achieve significant growth in both sales and margins in South America, which had a significant impact on the increase in sales and consolidated EBITDA compared to 2020.

The net result of non-recurring operations for \$34.4 million pesos of Coremal S.A., a subsidiary of the Group, was achieved following a favorable resolution of a tax credit by the State and ratified by the Brazilian Supreme Court of Justice (STF).

Moreover, in 2021, we managed to improve our operating profit, reaching \$505 million pesos (+56.3%) with a double-digit growth, driven both by the good performance of sales and the management of margins and inventory availability described above. However, growth was not achieved at the same rate as gross profit due to the decision to strengthen our human capital in order to boost our positioning in all the markets in which we participate.

The above included the incorporation -both in the management team and in the workforce- of collaborators that will allow us to improve our competitive position. This situation was reflected in an increase in operating expenses. Brazil's experience, however, supports our strategy of strengthening our human resources in order to achieve profitable growth in the future. We believe that expense control is an area of opportunity on which we will continue to work.

As a company, we remain focused on strengthening our profit margins. We are confident that we can develop new businesses -customized solutions- especially now that we have a strong regional offering with operations in 10 countries in the Americas. To this end, we are working towards.

- Stratifying customers as part of the commercial strategy to increase gross margin and protect working capital.
- Increasing diversification toward higher value-added and more profitable mixes, products and services. In the past, this allowed us to partially absorb the drop in oil prices.
- Maintain and improve the credit quality of the company's customer portfolio.

Preserving natural resources and caring for the environment continue to be a priority for Pochteca.

We will continue to invest in sustainable solvent recovery (SSR), making the most of the permits we have to collect and

transport hazardous materials, which we can treat and reintegrate into our customers' value chain.

In addition, driven by the conviction that has been our hallmark over the past 35 years, we have begun to implement solar panels at our six largest locations in Mexico, thereby seeking to contribute to the development of clean energy and sustainable models and to maintain consistency with our strategy.

Over the years, we have worked to instill in all our employees a culture of respect based on the Company's values and commitments, one in which health and safety prevail. In 2021, we continued to work on the integration of our culture in all countries in which we have new operations, as well as on standardizing processes and systems.

I wish to thank all our employees in Mexico, Brazil, Chile, Argentina, Peru, Colombia, Costa Rica, Guatemala, El Salvador and the United States for their unwavering support and solidarity in achieving our objectives. My gratitude also extends to our suppliers, customers and shareholders for their trust and loyalty; without them none of this would have been possible.

Armando Santacruz González
Chairman of the Board of Directors



MESSAGE FROM OUR **CHIEF EXECUTIVE OFFICER**

GRI 205, 301, 302, 305, 306, 307, 401, 403, 404, 410: 103-1, 103-2, 103-3, 102-26, 102-31, 102-34

Dear Shareholders,

In 2021, we continued to work on our sustainability strategy, thereby meeting our objectives, and always adhering to the highest standards in economic, ethics and integrity, corporate governance, employment, training, occupational health and safety, and environmental protection.

Sustainability is one of our strategic pillars, one of our competitive advantages and a fundamental part of achieving our mission of “Being the preferred distributor of raw materials and integral solutions for customers and suppliers”.

As evidence of the above, we have ratified our certification under the Integrated Responsibility Management System (SARI®), with a rating of 94.47%.

Our sustainability strategy is based on three pillars: commitment to our people and communities, commitment to our customers and suppliers, and commitment to the environment. In line with these priorities, we developed programs and initiatives to meet the needs of our stakeholders, always adhering to the highest standards and regulations of the countries in which we operate.

Commitment to our people

Our human resources strategy is based on “Excellence in Talent”; through it we work at all levels as a single integrated team to achieve sustainable development objectives, empower leaders, and develop high-performance teams.

We are an inclusive company that does not discriminate on the basis of gender, religion or social status. Currently, 35% of our workforce is made up of women. Likewise, women represent 30% of our board of directors, making us one of the few companies in Mexico with such a high percentage of participation.

We continue to apply our Flexible Schedules and Work at Home Policy, which has been key to reducing risks for our personnel and maintaining business continuity during the months of the COVID 19 pandemic.

In terms of compensation, we remain aligned with the Companies for Well-Being initiative, guaranteeing that all our employees receive a monthly income of at least \$6,500 pesos plus benefits and PTU; this figure was recently increased to \$7,000 pesos.

In 2021, we focused our training strategy on providing online courses using the Pochteca Virtual University platform. During the year, we provided more than 90,000 hours of training to 95% of our workforce through classroom and online courses, in addition to courses intended to complete high school and college level studies taught at the Pochteca Classroom at our San Juan plant.

Our priority is the health and safety of our employees, therefore we have implemented an Integrated Management Sys-

tem that contains all safety-related documentation and processes, as well as the necessary controls to comply with it.

Regarding health-related matters, we took care of the health of our employees and their families with programs such as “Pochteca and I taking care of my health”, and we implemented initiatives focused on the prevention of illnesses inside and outside the workplace, such as the *World Day for Safety and Health in the Workplace*, *World Hypertension Day* and *World Breast Cancer Day*. **We were also awarded the Safe Company distinction by the Mexican Social Security Institute.**

In addition, through our *Integra Salud Plan*, we provided medical assistance services and supported our employees with health and wellness programs.

The well-being and development of the communities in which we operate is of the utmost importance to Pochteca. With the aim of helping to prevent the spread of COVID 19, we donated cleaning and disinfection products to diverse government entities in the different states in which we operate, and we also made donations to associations and institutions on behalf of our staff in Mexico and other countries.

Commitment to our customers and suppliers

We provide comprehensive solutions to our customers through our more-than-11,700-product portfolio, and the possibility of buying the supplies they need in one place (One Stop Shop), as well as specialized outsourced 3PL logistics, environmental solutions, geographic coverage, technical advice, application development, inventory management, after-sales services and online sales.

We tend to the needs of the more than 40 industrial segments we serve in a timely and reliable manner, simplifying the procurement process and optimizing our customers’ resources, regularly evaluating their satisfaction, listening to their voice, and integrating their recommendations into our processes and value offerings.

Furthermore, during the second half of 2021, we began the implementation of our *Digital Transformation* strategy. This initiative, fundamental in current times, will allow us to provide digital means of communication and platforms to customers and suppliers in order to improve their experience and efficiency as they interact with Pochteca. The strategy includes elements that will allow us to optimize our business operating model by achieving greater efficiency, reducing costs and increasing profitability. We are transforming the way we work and are developing new digital channels to generate additional sources of income.

In order to select and develop our suppliers and improve the purchasing process and our Supplier Relationship Management (SRM), we continued to improve our COUPA tool. We also conduct biannual supplier evaluations to ensure compliance with our quality and performance standards.

Commitment to the environment

Pochteca has established the necessary controls to minimize or eliminate the environmental risks identified in our operations, thereby complying with applicable legislation in the countries in which we operate and with initiatives that contribute to environmental improvement and sustainability.

Among our key initiatives is the environmental solutions division, which in 2021 responsibly disposed of more than 11,281 tons of hazardous waste for more than 142 clients, to whom we provided advice in various areas, including the design and implementation of waste management plans and compliance with regulations.

In addition, as of 2021, we are registered as a Specialized Services and Specialized Works Provider (REPSE) with the Ministry of Labor and Social Welfare to offer waste segregation and management services at our clients’ facilities with personnel under full contract with Pochteca.

In order to increase our use of clean energy, in 2021 we continued with the project to install solar panels at 6 of our facilities, which currently include 2,170 installed modules capable of an annual generation of 1,394.66 MWh, resulting in a reduction of 589.94 tCO₂/MWh emitted into the atmosphere. In addition, we implemented measures to reduce electricity consumption at the rest of our branches.

Over the course of 2021, we were able to recover 3,981,796 liters of solvents from various industries for reuse through our Sustainable Solvent Recovery service, thus rationalizing the use of materials in favor of a circular economy.

We are grateful for the continuous support and commitment of each of our collaborators, customers and suppliers in all the projects we carry out each year.

Eugenio Gerardo Manzano Alba
Chief Executive Officer

OUR RESULTS

GRI 102-7, 201-1

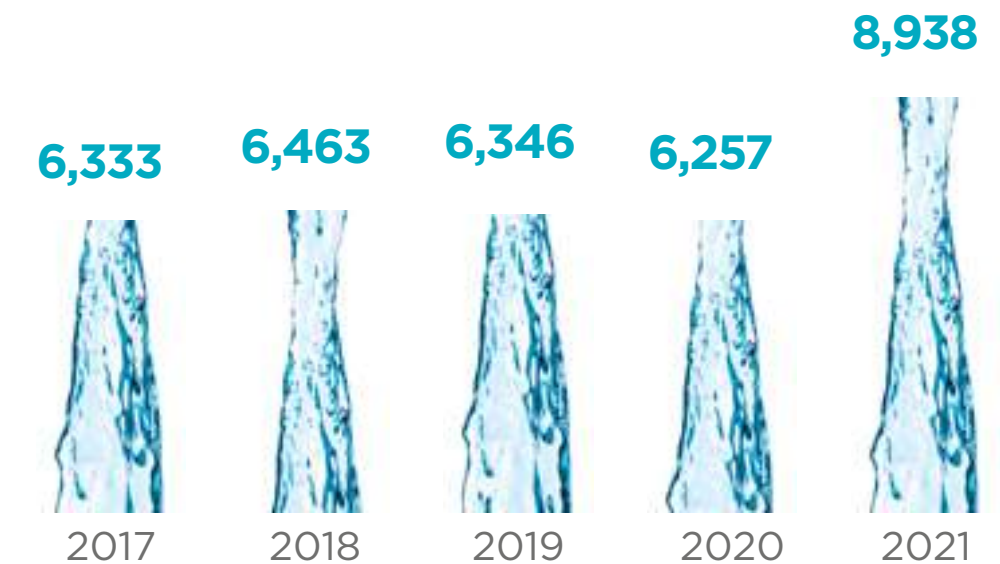
MILLION PESOS	2021	2020	(%) 2021 VS. 2020
Sales	8,938	6,257	42.8%
Gross Profit	1,998	1,238	61.3%
Gross Margin (%)	22.4%	19.8%	260pb
Acquired Business Income*	0	115	NC
Operating Profit	505	323	56.3%
Operating Margin (%)	5.7%	5.2%	50pb
Depreciation	183	168	9.1%
EBITDA	689	491	40.2%
EBITDA Margin (%)	7.7%	7.9%	-20pb
Result from non-recurring operations*	34	0	NC
Financial Expenses	(74)	(149)	-50.4%
Foreign Exchange Profit (Loss)	(82)	(15)	457.1%
Income (Loss) Before Taxes	350	160	119.2%
Net Income (Loss)	191	185	2.8%
Net Debt / EBITDA 12 M	1.42x	1.55x	
EBITDA / Interest 12 M	3.72x	3.29x	

EBITDA= operating income plus depreciation and amortization; NC= not comparable

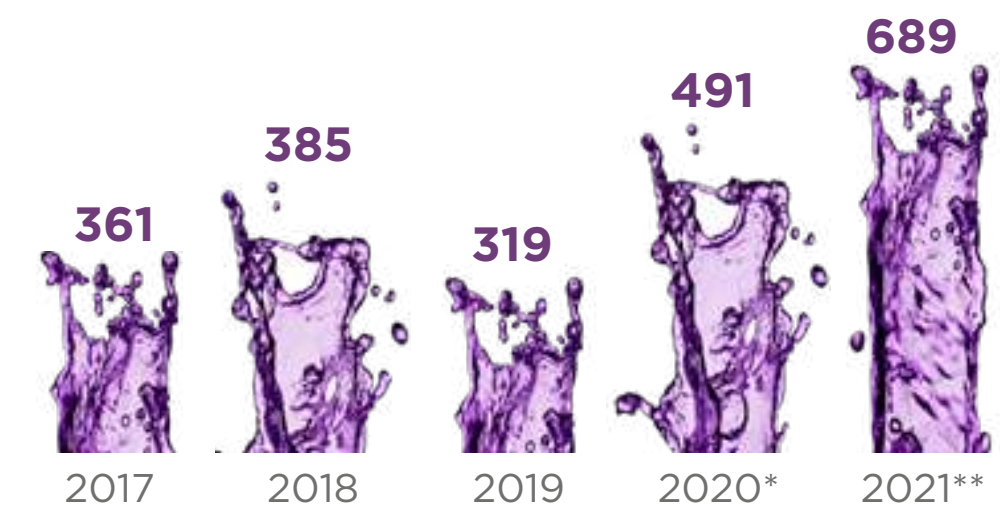
* Gain from business acquisition of \$115 million pesos.

** Result from non-recurring operations of \$34.4 million pesos. Coremal S.A., a subsidiary of the Group, obtained a favorable resolution of a tax credit from the State and ratified by the Brazilian Supreme Court of Justice (STF); however, it represented a decrease of \$15mdp in EBITDA.

SALES (MILLION PESOS)



EBITDA (MILLION PESOS)



GRI 102-7



+26,000
customers per year



49
branches



40
business segments



+ 296,000
orders



+11,700
products



+373,000
tons delivered in the year



500
cities in Mexico,
8 countries in
Latin America
and the U.S.



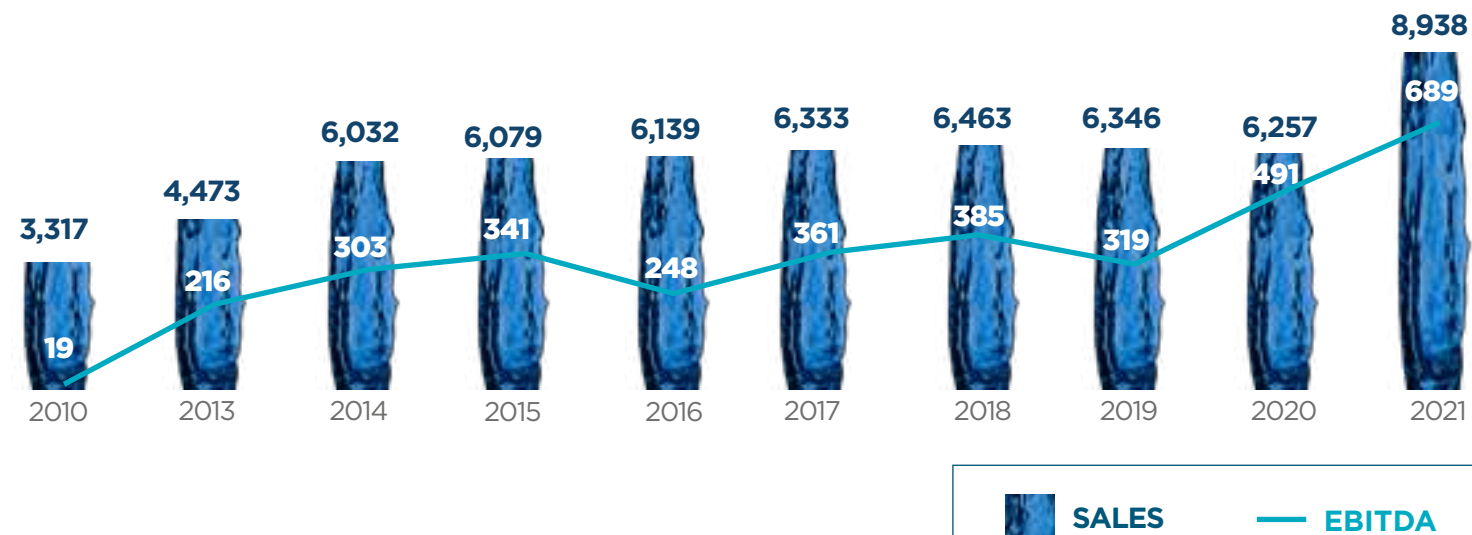
23
laboratories



+350,000 M²
of logistics capacity



+22.4
million liters
of storage
capacity





San Juan Plant, Mexico City

A SUSTAINABLE COMPANY

RT-CH-000-A

1,713 employees

90,741 hours of training

100% of commodity and service suppliers in Mexico were evaluated and considered reliable.

23% reduction in water consumption

CORPORATE GOVERNANCE

GRI 102-18, 102-19, 102-22, 102-23, 102-24, 102-26, 405-1

Our company abides by the best practices of Corporate Governance.

Our Board of Directors is composed of a maximum of 21 proprietary directors, as determined by the General Ordinary Stockholders' Meeting, responsible for appointing them, and of which at least 25% must be independent directors.

Eight of the ten proprietary directors are independent, which exceeds the legal requirement in this respect. Likewise, 30% of the board members are women. The Board of Directors also appoints a secretary who is not a member of the Board of Directors.

The Audit and Corporate Practices Committee supports the Board in its functions and meets at least four times a year to review and approve the quarterly results and the report to the Mexican Stock Exchange and the National Banking and Securities Commission. It also holds meetings with the different departments of the company to review the results.

100% OF THE BOARD
MEMBERS ARE
MEXICAN

30% WOMEN

70% MEN

Pochteca Brazil



BOARD OF DIRECTORS

Proprietary Members	Alternate Members
Armando Santacruz González (Chairman)	Federico Santacruz González
Margarita Hugues Vélez*	-
Jorge Alberto Martínez Madero*	-
Eugenio Gerardo Manzano Alba	-
Francisco Javier Moguel Gloria*	-
Francisco Javier Ruiz Galindo y Terrazas*	-
Ernesto Moya Pedrola*	-
José Antonio Vértiz Pani*	-
Yvonne Ochoa Rosellini*	-
Deborah Dana Beyda*	-

*Independent Board Members

Juan Pablo del Río Benítez
Secretary, Non-member

Almaquio Basurto Rosas
Assistant secretary, Non-member

AUDIT AND CORPORATE PRACTICES COMMITTEE

Francisco Javier Moguel Gloria (Chairman)
Francisco Javier Ruiz Galindo y Terrazas (Member)
Margarita Hugues Vélez (Member)
Juan Pablo del Río Benítez (Secretary, Non-member)



Pochteca Costa Rica

CULTURE OF LEGALITY

CODE OF ETHICS AND CONDUCT

GRI 205, 206, 405, 406, 407, 408, 409, , 418, 419: 103-1, 103-2, 103-3, 102-16 ,102-17, 102-25, 102-33, 102-41, 205-1, 205-2, 206-1, 408-1, 409-1

At Pochteca, Culture of Legality means acting in accordance with the rule of law and respecting the rules and principles that govern coexistence, such that people can live in harmony, peace and safety. This strategy was created under the guides of *México Unido contra la Delincuencia* (Mexico United Against Crime).

We have a clear commitment to equal opportunity and respect all laws, regulations, and standards applicable to our business in the various countries in which we operate.

Our Code of Ethics establishes guidelines that govern our behavior towards our internal and external stakeholders and applies to all of our subsidiaries.

Its specific rules include:

- Relationship with customers, suppliers, competitors and authorities.
- Marketing and advertising
- Occupational health and safety
- Conflict of interest
- Handling of information
- Courtesies, invitations and gifts
- Corruption
- Harassment
- Whistle-blowing
- Unfair competition

pochteca

Cultura de la legalidad
Código de ética y comportamiento

Yo hago
lo CORRECTO

pochteca materias primas

pochteca papel

pochteca Costa Rica

pochteca Guatemala

pochteca El Salvador

pochteca Argentina

pochteca Chile

pochteca Colombia

pochteca Perú

pochteca Coremal

Latam Chemicals™
A Pochteca® Group Company

Conjunto LAR de México
Una empresa de la familia Pochteca®



San Luis Plant, Mexico City

The Code is shared with employees, customers, directors and shareholders on a regular basis and is part of the Company's basic induction documents and training program.

All the information derived from the reviews of our Code is published in the "Transparency-Anti-Corruption" section of our website and is available for free consultation.

All our operations undergo periodical evaluation for anti-corruption issues. In the event of reports of illicit acts, policy breaches and/or bad practices regarding the Code of Ethics, the corporate internal audit area is alerted to validate the suspect processes, and the audit report is submitted to General Management for review.

We have implemented a Transparency toll free line through which we receive reports of Code violations which are handled by a third party in order to maintain the confidentiality and anonymity of the information. The follow-up is carried out by our Ethics Committee.

transparencia@tipsanonimos.com
Toll-free telephone line:
800 006 8477

Reports

2018 / **43**

2019 / **25**

2020 / **24**

2021 / **34**

The Code of Ethics also establishes our commitment to promote non-discrimination and free association as well as negotiation in our operations, respect the prohibition of child labor, forced labor, anti-bribery and anti-corruption policies, money laundering and the compliance assessment of human rights.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT

COMPANY	WOMEN	MEN	TOTAL
Pochteca Chile S.A.	6	10	16
Coremal Ltda.	105	100	205
Mercotrans Ltda.	5	72	77
Coremal Química	2	0	2
Pochteca Papel S.A. de C.V.	11	38	49
Pochteca Materias Primas S.A. de C.V.			
San Juan	1	64	65
San José	3	83	86
Monterrey	0	12	12
Total	133	379	512

* Central America and Brazil do not have a trade union

26%
OF COLLABORATORS COVERED BY
COLLECTIVE BARGAINING AGREEMENT



Part of the Culture of Legality is our “I do the right thing” strategy, based on the following premises:

- 1. I do the right thing.
- 2. I know the principles that govern us.
- 3. I comply with the principles that govern us.
- 4. I reject and denounce improper, violent and unsafe actions.
- 5. I am demanding of, but collaborative with the authorities.

OUR
REASON
FOR BEING

MISSION

To be the distributor of raw materials and integrated comprehensive solutions preferred by customers and suppliers

PILLARS OF
GROWTH

Operational efficiency and safe custody chain

Financial strength

Commercial excellence

Talent excellence

THE BASIS
OF OUR
CULTURE

SUSTAINABILITY AND SAFETY

Comprehensive Management System (SIG)

CONTRIBUTION TO
OUR STAKEHOLDERS

COMMITMENTS

- To our customers: Offer the best value proposition
- To our suppliers: Develop a long term relationship
- To our competitors: Professionalism and fair trade practices
- To our shareholders: Transparency and competitive return on investment
- To our collaborators: Promote their personal and professional development
- To society: Provide benefits and prevent risks

PERFORMANCE
GUIDELINES

VALUES

- **The individual.** To treat others as one wishes to be treated
- **Honesty.** To act with veracity
- **Service.** To maintain the best attitude
- **Frugality.** I temper my use of resources and my behavior

- **Responsibility.** I fulfill my commitments while prioritizing safety
- **Respect.** Treat others cordially, justly and equally
- **Commitment.** Give my best

For more information about our Code of Ethics, go to: <https://mexico.pochteca.net/wp-content/uploads/2021/05/folleto-yo-hago-lo-correcto.pdf>

ADDED VALUE

GRI 102-2


pochteca
materias primas


pochteca
papel


pochteca
Argentina


pochteca
Chile


pochteca
Colombia


pochteca
Coremal


pochteca
Costa Rica


pochteca
Guatemala


pochteca
El Salvador


pochteca
Perú

 **Latam Chemicals™**
A Pochteca® Group Company

 **Conjunto LAR
de México**
Una empresa de la familia Pochteca®

OUR BUSINESSES

Solvents and blends

Broad portfolio of formulations.

We distribute solvents and solvent blends, designed to meet high performance specifications and supply raw materials for industrial sectors such as automotive, graphic arts and coatings manufacturing, among others.

We have an extensive assortment of products such as thinner, toluene, white spirit, acetone, methanol, isopropanol, xylol and industrial alcohol, among others.

As part of our circular economy approach, we offer sustainable solvent recovery services.

5 high efficiency evaporators

1 Distillation tower

1 White room



Pochteca Paper

Distribution, conversion and commercialization of paper and cardboard products for the graphic arts, publishing, design, packaging and advertising industries; fine paper and cardboard, both domestic and imported in different varieties and qualities, as well as products and solutions for packaging.

Presence in 10 states of the Republic

1 online store

1 converting plant in Mexico City.



Chemicals

Wide variety of chemical products:

- Commodities
- Water treatment
- Industrial and home care
- Technical consulting
- Variety of presentations

Industrial sectors served: pharmacochemicals, mining, adhesives, glass, automotive, oil and gas, paints, textiles, construction, metalworking, food and beverages, agriculture, tanneries.



Conjunto LAR de México

Company dedicated to the distribution of chemicals for personal and home care industries.

4 branches

1 online store

1 sales warehouse

4 application laboratories

1 white room for packaging of specialties



Food

At Pochteca Materias Primas, we provide industry ingredients and food additives such as tartaric acid, plus logistical solutions, application techniques and prototyping of different food products for our customers.

We have a research and development center for testing meat, beverages, dairy, confectionery and bakery products.



Lubricants

Commercial agreement with Castrol for exclusive distribution and commercialization in Mexico of its industrial and lubricant products for heavy transport in the large fleet segment, as well as for other sectors.

We offer technical advice and training to meet the lubrication needs of our industrial and heavy transport customers.

Collection of used oil for its proper disposal.



Packaging

Packaging solutions for our customers.

- Industrial
- Food & Beverage
- Anti-corrosion packaging

Containers

Packaging

Wrapping film and wrapping machines.



Environmental Solutions

This division provides our clients with management and handling of their urban solid waste, special handling and hazardous waste generated, for which we have 3 main initiatives:

- Integrated Waste Management
- Waste valorization
- Hazardous waste managements



Specialized outsourced 3PL logistics

This is carried out through our subsidiary Pochteca Materias Primas.

We provide the following specialized logistics services to our customers.

- Product warehousing
- Delivery of stored product from our customers to the end user if required
- Maquilas, unloading, local delivery and consolidated freight

We have the necessary experience to transport any type of product whether hazardous, food grade or general cargo.



For more information about our Stock Market Report, go to:

<https://mexico.pochteca.net/inversionistas/reportes-anuales-bmv/>



Pochteca El Salvador

EVERYTHING IN **ONE PLACE** (ONE STOP SHOP)

GRI 102-9

We are a distributor of the best national and imported world-class industrial supplies. Our portfolio of more than 11,700 products, gives our customers the possibility to buy all the supplies they need in one place in a single visit “One Stop Shop”.

We meet the specific needs of our customers in a timely and reliable manner, streamlining their purchasing processes and optimizing their resources.

WE PROVIDE INTEGRAL
SOLUTIONS FOR ALL
OUR CUSTOMERS

1. SECURE CHAIN OF CUSTODY



Mexico ISO 9001:2015

Defines the foundation for quality management systems, continuous improvement processes and safety.



NACD

Responsible distribution: its goal is to ensure the safety of all those involved in the distribution chain and is awarded by the by the National Association of Chemical Distributors.



FSC

This certification guarantees responsible forest management. We are the 1st certified paper distribution company in Mexico placing us at the forefront of environmental care.



Integral responsibility

As a global chemical industry, requires us to take on the commitment to carry out actions focused on protecting health, safety and the environment at every stage of our supply chain.



SEDEX

Allows us to control supply chain risks through the evaluation of our operations and compliance with social responsibility principles.



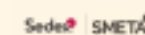
Guarantees that all employees receive a minimum gross income of 6,500 pesos per month plus benefits.



Chile

Conducta responsable

Focused on safety, health and environmental care in the supply chain.



SEDEX-SMETA

Allows companies to assess their sites and suppliers in order to understand working conditions in their supply chain.



Brazil HACCP Y DISTRIBUCIÓN RESPONSABLE

Focused on the customer, leadership, Processes, continuous improvement, and risk.



South America VDA AND QMC

Certifies compliance with the ISO 22241 Standard for AdBlue production, issued by the German Automotive Society.



Peru and Colombia
Operator económico autorizado
Issued by customs authorities certifying security in the supply chain.

2. RESPONSIBLE DISTRIBUTION

GRI 102-9

Specialized outsourced 3PL logistics

We provide specialized logistics services to our customers through our subsidiary Pochteca Materias Primas.

Marketing and distribution of raw materials outside Mexico is handled by our subsidiaries Pochteca Guatemala, Pochteca El Salvador, Pochteca Costa Rica and Coremal Pochteca, the latter serving the Brazilian market and South America with the integration of IXOM into Grupo Pochteca.

Our supply is reliable, and our distributor network is cost-effective.

We offer freight cost reduction in Mexico, Brazil, South America and Central America in all its routes, integrating consolidated general, hazardous and specialized cargo.

+350,000 m³
of logistics capacity

LOGISTICS AND PRODUCTION SERVICES

Logistics



Storage



Rental
of tanks for
liquid product
storage



Distribution
to 500 cities
in Mexico



Insurance
for goods in
warehouse



Import and
international
freight



Platform
crossing



Spur rental and
unloading of
tanker trucks



Inventory
management
and kartdex
control



Outsourced
transportation



Customer
pickup at
the counter

Productives



Material
transfer



Packaging



Blending and special
powder grinding,
inorganic chemicals
and solvents



Labeling



Dilutions,
LESS dilution



Bagging of
dry materials

3. GEOGRAPHICAL FOOTPRINT

GRI 102-6

49
BRANCHES

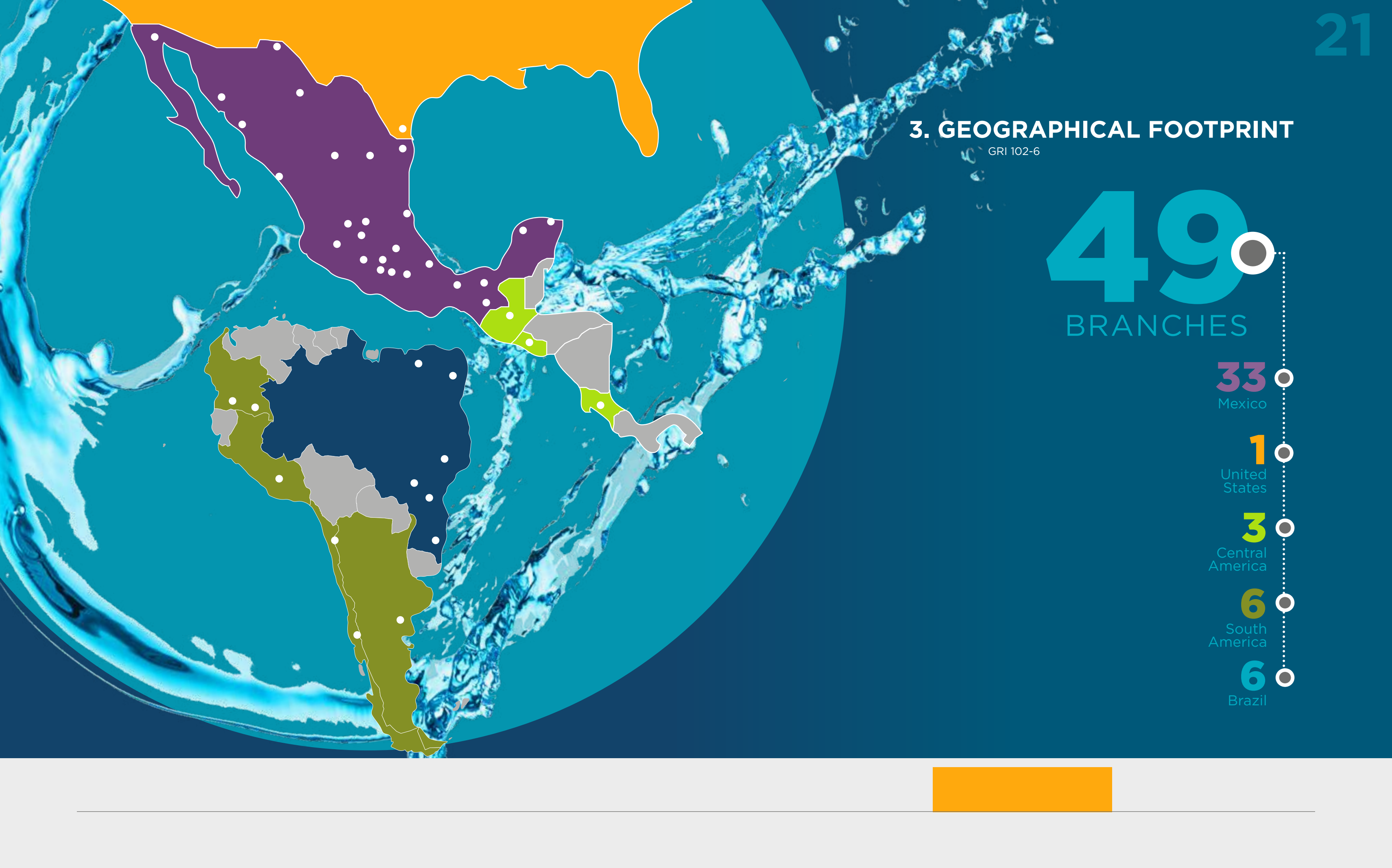
33
Mexico

1
United States

3
Central America

6
South America

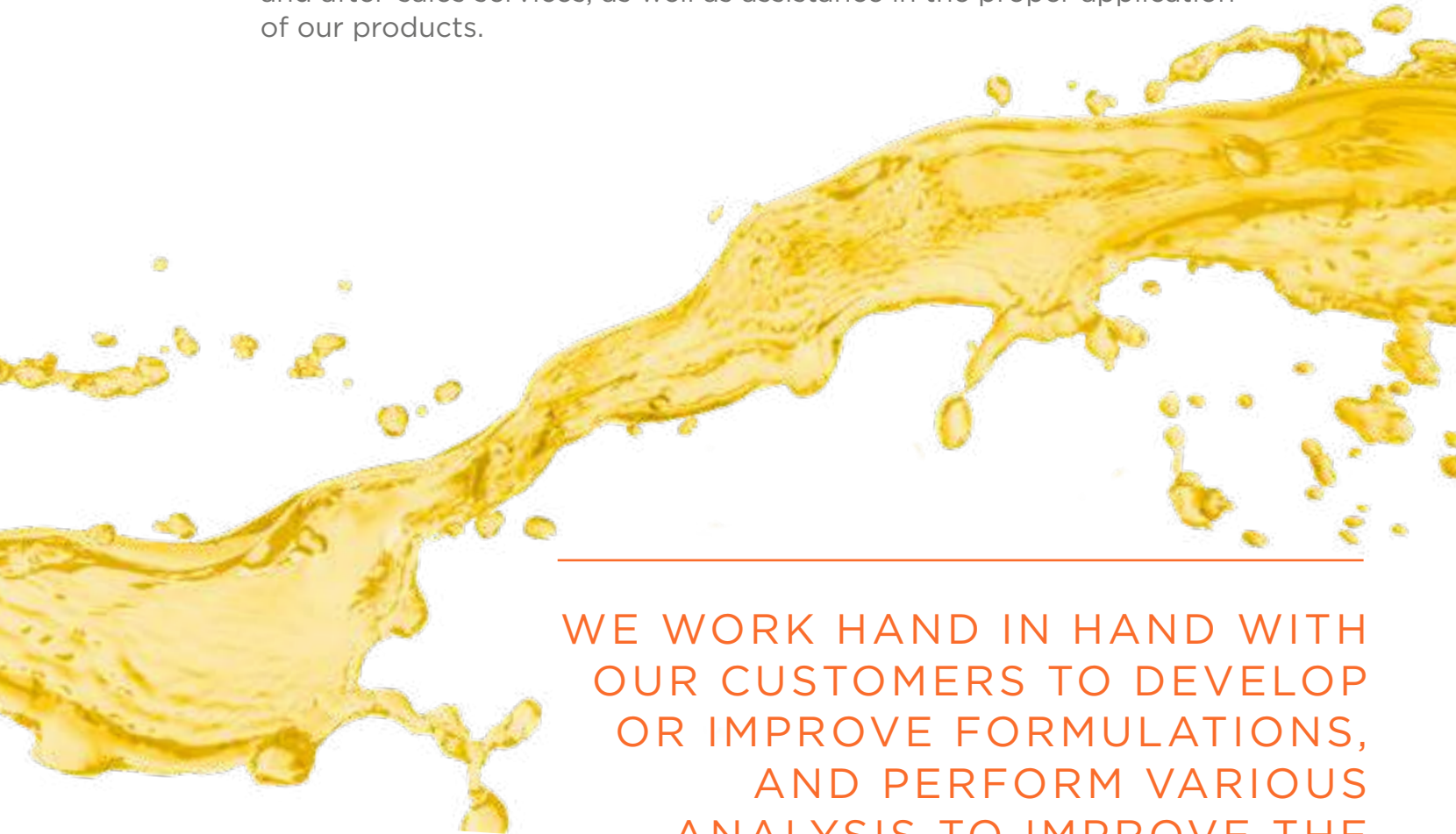
6
Brazil



4. TECHNICAL CONSULTING AND AFTER-SALES SUPPORT

GRI 102-2

With 23 laboratories, we offer our customers value-added advisory and after-sales services, as well as assistance in the proper application of our products.



WE WORK HAND IN HAND WITH
OUR CUSTOMERS TO DEVELOP
OR IMPROVE FORMULATIONS,
AND PERFORM VARIOUS
ANALYSIS TO IMPROVE THE
PERFORMANCE OF THEIR
PRODUCTS.



León Plant, Mexico City



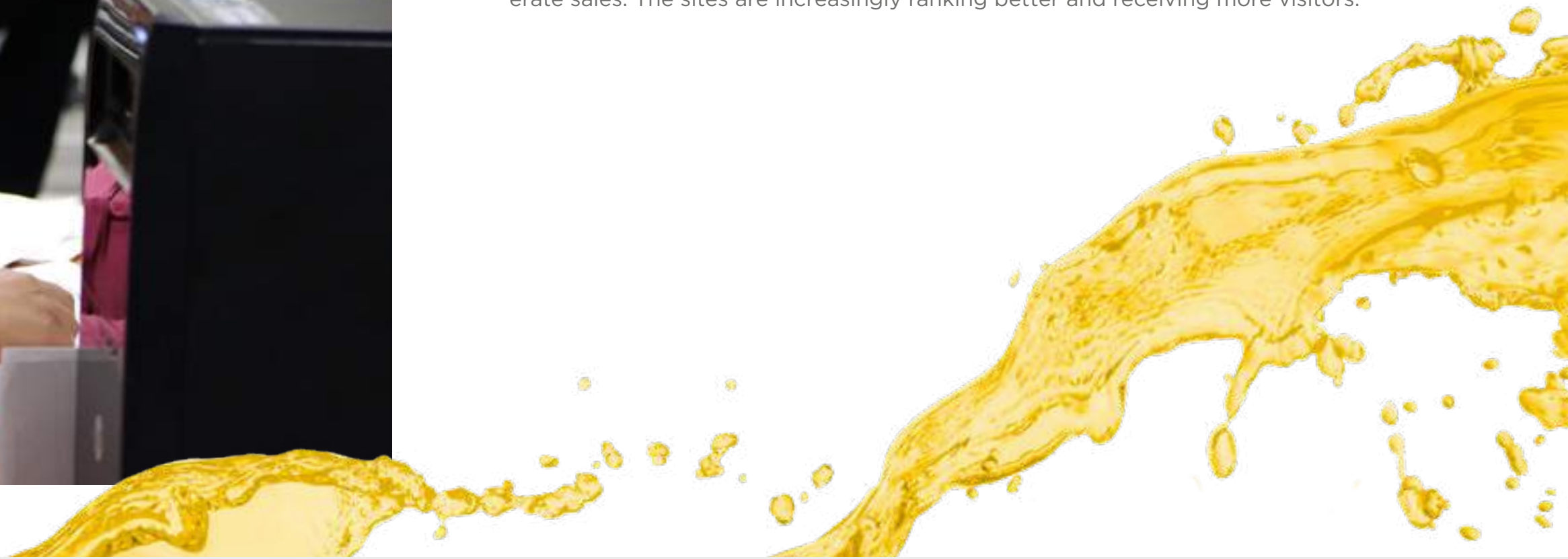
5. ONLINE SALES AND WEBSITES

We have four fully operational online stores in Mexico: *Materias Primas y Papel*, in business for one year; *Conjunto Lar*, in business for three years; and this year we launched another one in Brazil.

We have a dedicated customer service team that supports customers through live chats, chatbots and an enterprise WhatsApp.

To improve the organic positioning of our online stores we implemented a robust digital strategy, supported by social networks, paid campaigns, email marketing, content marketing and webinars.

In 2021 we launched seven websites for each of the countries in Central and South America in order to raise awareness of the company in these countries and generate sales. The sites are increasingly ranking better and receiving more visitors.



6. QUALITY AND APPLICATION DEVELOPMENT LABORATORIES

We have laboratories for developing blends, dilutions and formulations used for application development, product performance and other tests for colorants, specialty chemicals, mining, personal and home care and food.

12

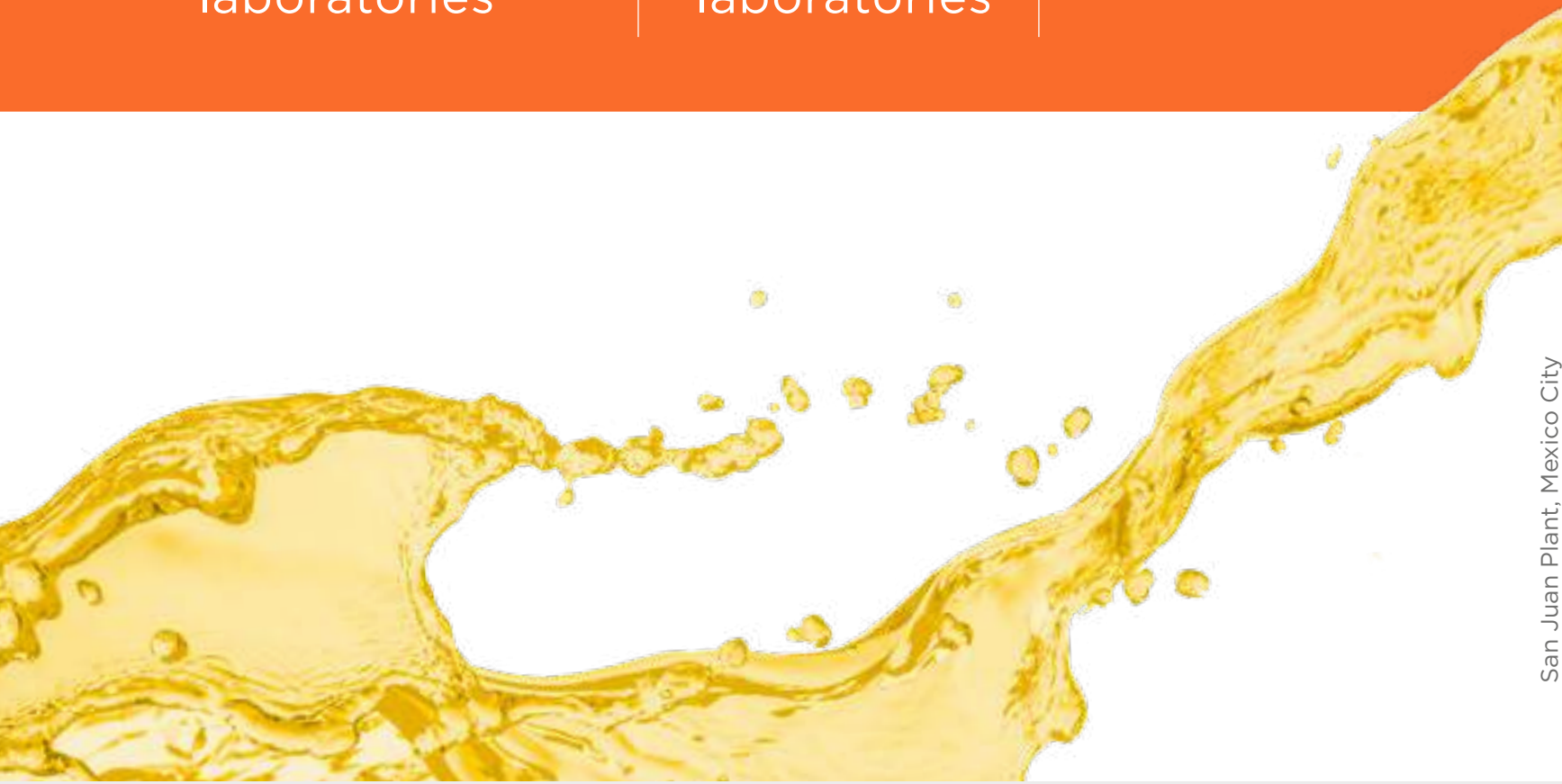
application research
and development
laboratories

6

quality
control
laboratories

5

dual-purpose
laboratories



San Juan Plant, Mexico City





San Juan Plant, Mexico City

7. ENVIRONMENTAL SOLUTIONS

GRI 306-4

Through our Environmental Solutions division (Industrial Waste) and aiming at circular economy in our operations, we provide our clients with management and handling of urban solid waste, special waste and hazardous waste generated by their processes.

As of 2021, we have the Registry of Specialized Service and Specialized Work Providers (REPSE) before the Ministry of Labor and Social Welfare. We offer specialized services at our customers' facilities, with personnel 100% contracted by Pochteca for waste segregation and management. This includes: collection, transportation, collection, storage and final disposal.



8. SUSTAINABLE SOLVENT RECOVERY (SSR).

GRI 301-2

Our SSR service allows us to optimize costs by returning materials to the value chain so that they can be used in the production of new products without compromising their quality. SSR production adds ecological quality to the industrial cycle, reduces environmental impact, increases productivity, is more efficient and competitive, and is also sustainable.

This service enables us to recover the dirty solvent generated by industries in order to clean and reuse it, rationalizing use of materials and resources and reducing costs; this is the most sustainable solution for dirty solvents.

3,981,796 liters of recovered solvent

León Plant, Mexico City



Removal: collection of dirty solvent without confinement costs, optimization of inventory and storage costs.



Analysis prior to process entry.



Distillation process of dirty solvents.



Rectification and adjustment: minimum addition of pure solvent to adjust the product to original parameters; reduction in the cost of the final product without affecting quality.

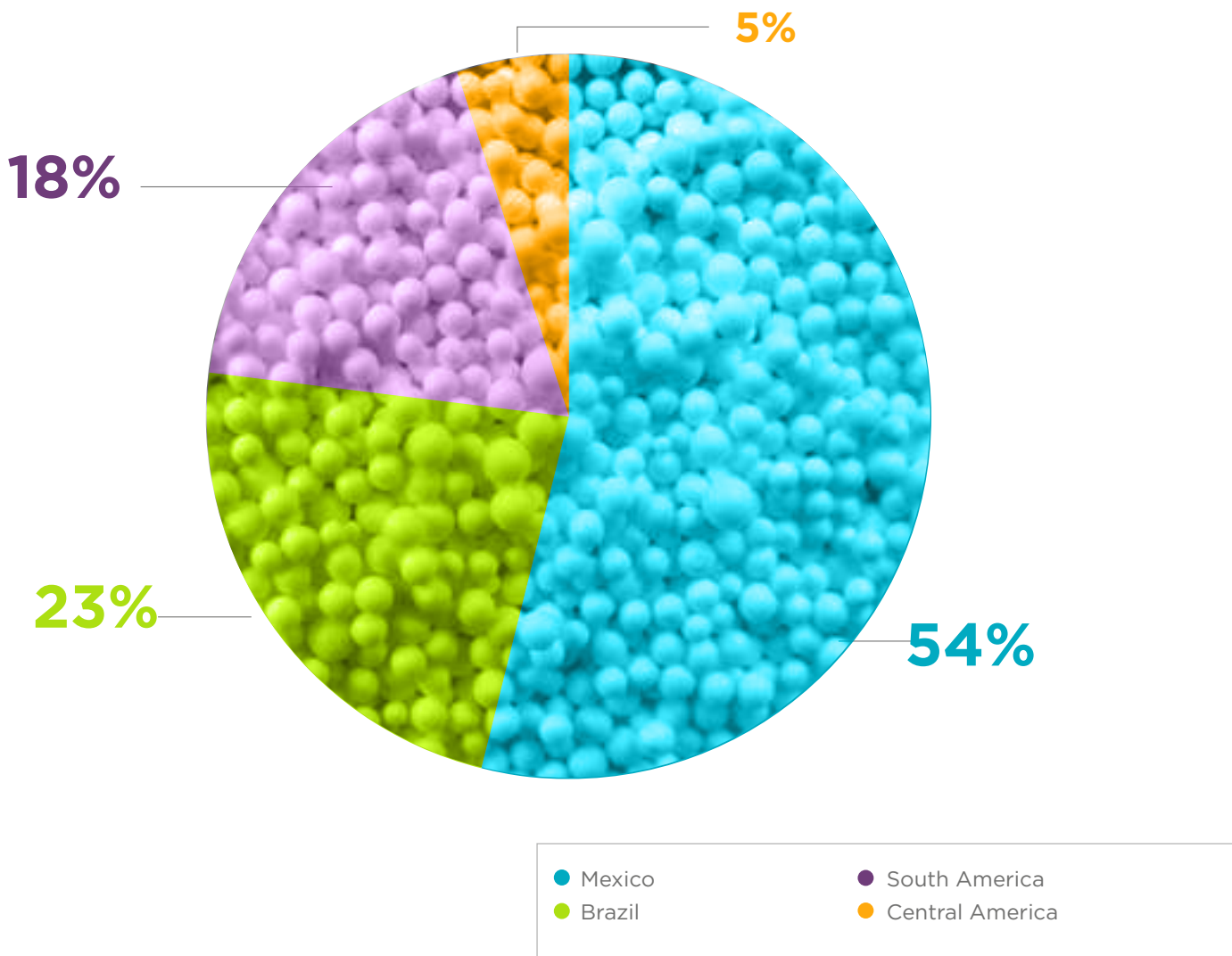


Distribution of recovered solvents.

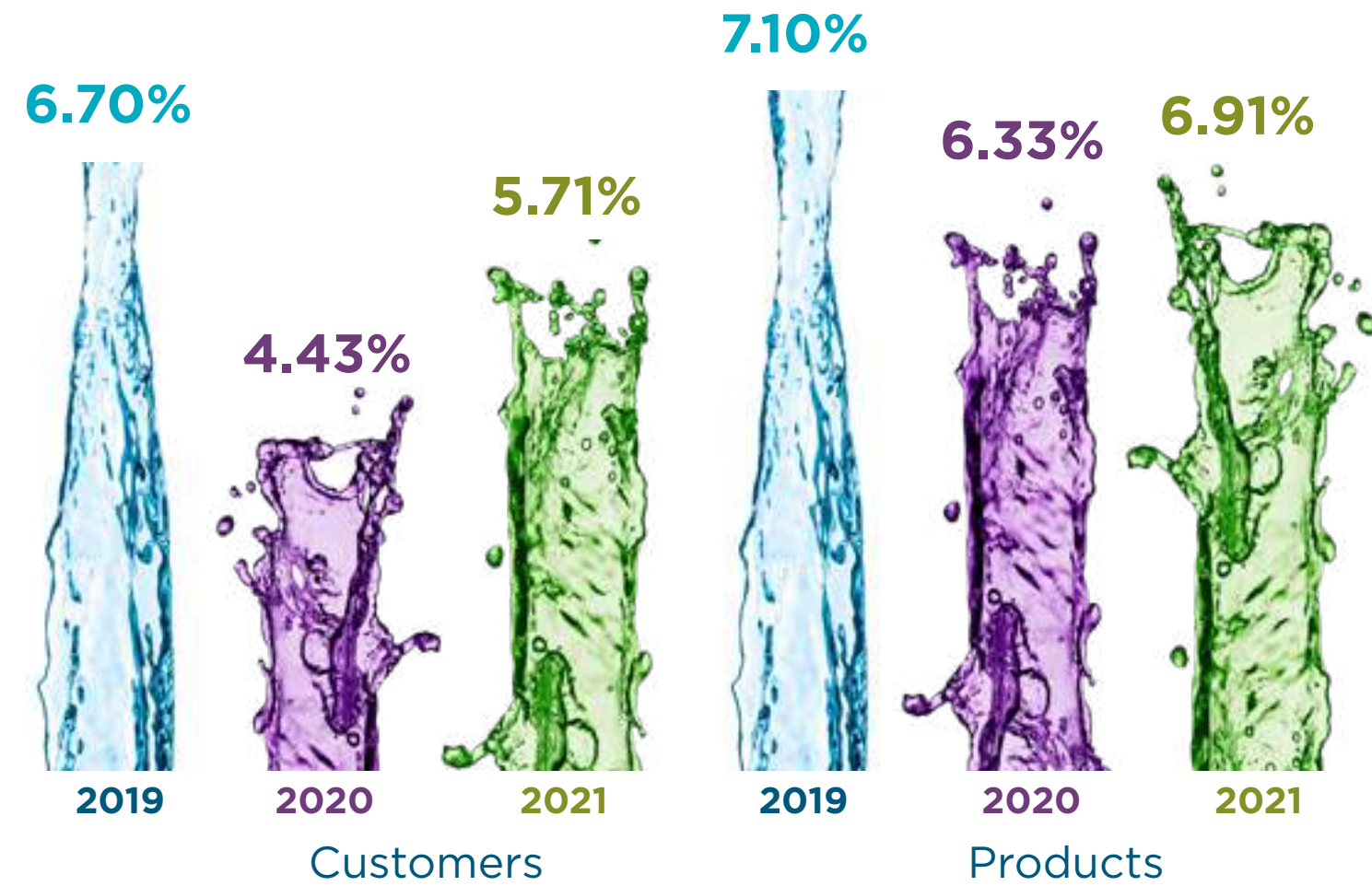
DIVERSIFICATION AND RESILIENCE

OUR DIVERSIFICATION OF PRODUCTS, REGIONS AND CUSTOMERS HAS ALLOWED US TO TRANSFORM CHALLENGES INTO GROWTH OPPORTUNITIES, MAKING POCHTECA BECOME AN INCREASINGLY RESILIENT COMPANY.

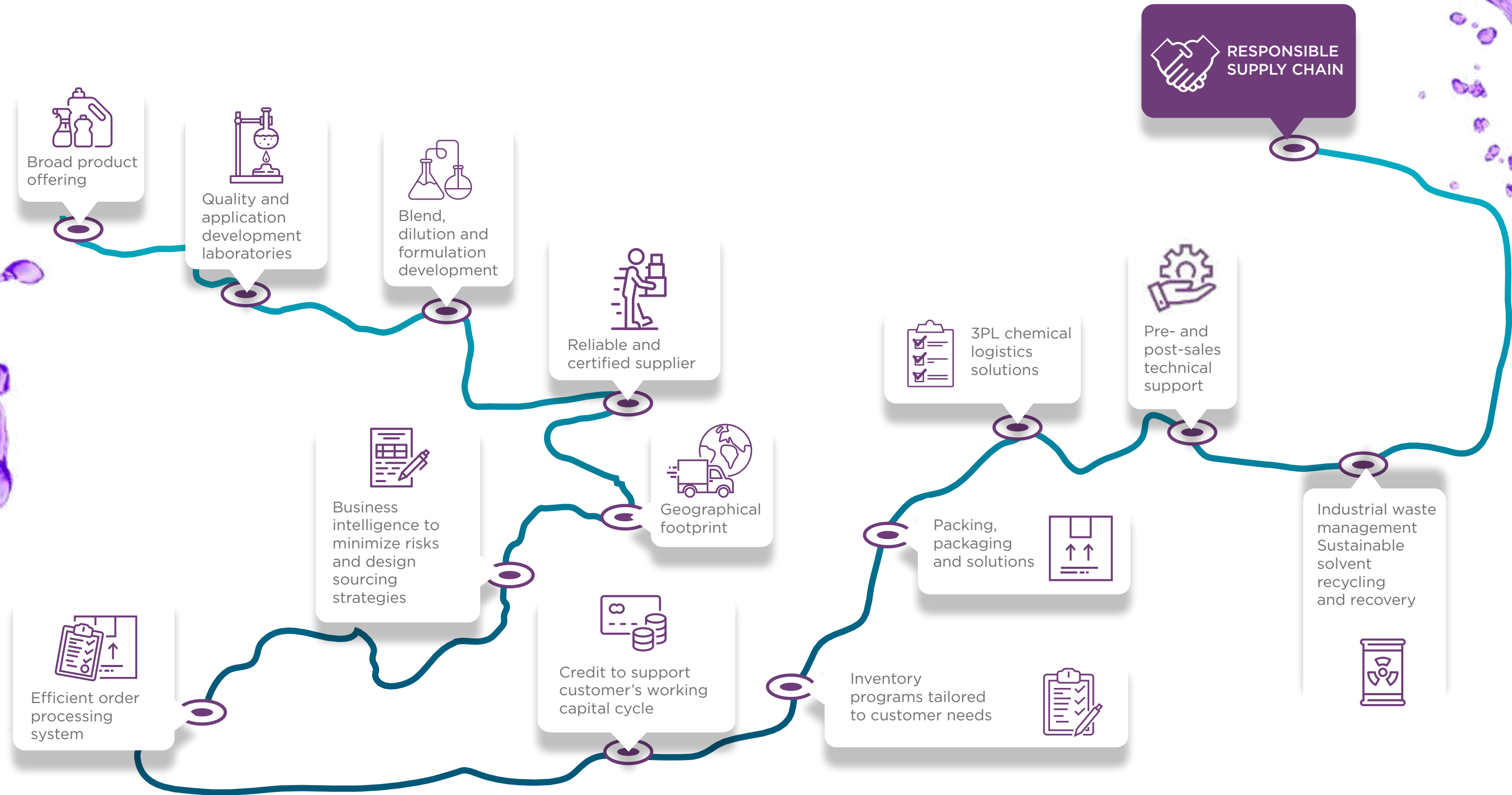
SALES BY GEOGRAPHY
(America)



TOP 5 CUSTOMERS AND PRODUCTS
(% of consolidated sales)



BUSINESS MODEL



STAKEHOLDERS

GRI 102-21, 102-40, 102-42, 102-43, 102-44

We have identified our stakeholders and our commitment to each of them by mapping the most relevant positive and negative impacts of our operations on them. We communicate with them systematically in order to identify their needs and incorporate them into the company's strategy.

CUSTOMERS

We guarantee their safety through continuous analysis and improvement of our processes, including risk assessments in the handling, regulation, and disposal of hazardous waste and materials..

To improve our customer service, we conduct an annual customer satisfaction survey in each of our businesses in Mexico and South America. We evaluate each point of contact with our customers to measure perceived value and highlight our strengths and areas for improvement. With this information we generate action plans that we implement throughout the year in order to improve our service.

At Pochteca, we are committed to fair and honest competition, and we share best practices through associations and other entities to which we belong.

BECAUSE OUR CUSTOMERS ARE THE BACKBONE OF OUR BUSINESS, WE FOCUS ON PROVIDING THEM WITH THE BEST SERVICE AND INTEGRAL SOLUTIONS.



San José Plant, Mexico City



Pochteca, Costa Rica

COLLABORATORS

In 2021 we conducted a work stress survey for employees, called *¿Está todo Bien?* in order to find out their thoughts and mood regarding how we are doing during the current “New Normalcy”. One of the main aspects we identified was the physical and mental fatigue caused by long working hours that affects the employee’s personality and self-esteem.

As a result of the findings, we implemented a series of talks aimed at improving their mood and giving them support, security and change self-management, as well as improving their quality of life. The following are some of the talks.

- “Facing the future without fear”
- “Generative dialogue”
- “Personal Finances”
- “Workshop: self-care and change management in a post-pandemic scenario”
- “Grief for the loss of a loved one”.
- “Talks with our director”,
- “Getting to know NOM 035”.
- “Reinforcement of Pochteca culture”.
- “ Learning about the outsourcing labor reform”,
- “Labor relations and how to cope with mobbing (workplace harassment)”.

COMMUNITIES

We seek the well-being of our communities and their sustainable development, by providing employment and development opportunities, and working hand in hand with various foundations and associations.

SUPPLIERS

We maintain a sustainable value chain that requires us to screen our suppliers according to well-established environmental, social and corporate governance criteria, which we assess on the basis of yearly reviews.



Guadalajara Plant, Jalisco

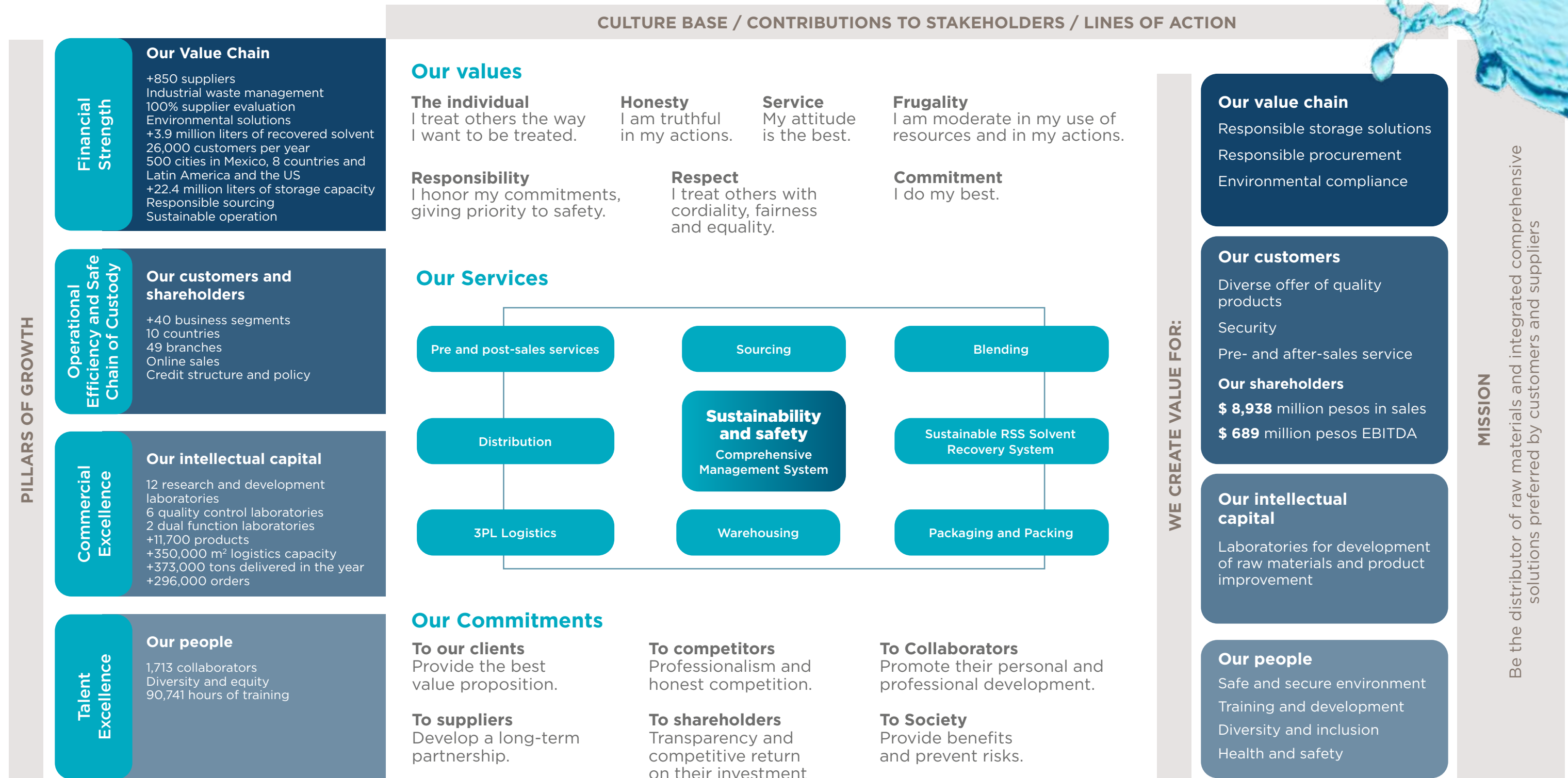


Pochteca Brazil

SHAREHOLDERS

We work to be a highly efficient, sustainable company on environmental, social and corporate governance issues in which values prevail in order to ensure the growth, profitability and return on investment of our shareholders. Our priority is compliance with regulatory requirements and adherence to legislation in the countries in which we operate.

CREATING VALUE FOR OUR STAKEHOLDERS



MATERIALITY

GRI 102-47

In 2021, we updated our 2018 Materiality Study for Mexico and for the first time we prepared the study for Colombia, Chile and Peru in order to identify the material aspects to be strengthened in Pochteca's strategy, as well as the topics to be reported in our 2021 Integrated Annual Report. Our benchmark was a comparative study between the maturity of relevant companies in the industrial sector (chemicals) and the risk characterized by the requirements established by sector and social prescribers -binding and voluntary-, on economic, social and environmental matters.

We continued working on the material issues obtained in 2018 for Brazil and Central America.

The results obtained are categorized into four quadrants:

Emerging. These are the issues that require anticipation and foresight.

Urgent. Issues that require immediate attention and monitoring.

Pervasive. Issues or aspects that can generate strengths in the medium term.

Necessary. Issues or aspects that require special attention, monitoring, review, adaptation and continuous improvement.

Relevant topics will be presented to stakeholders in 2022 through electronic surveys whose purpose will be to determine the level of importance that each of the topics has for Pochteca's stakeholders and to be able to fine-tune the relevant issues identified.









Pochteca, Costa Rica



Vallejo Plant, Mexico City

ACCORDING TO THE RISK FACTORS, THE NECESSARY TOPICS FOR MEXICO, BRAZIL, CENTRAL AMERICA AND SOUTH AMERICA ARE SHOWN BELOW.:





ECONOMIC DIMENSION

-  Operations
-  Ethics and integrity
-  Product and service development / product responsibility
-  Brand management
-  Corporate Social Responsibility
-  Corporate Social Responsibility (CSR) / Sustainability / ESG aspects
-  Customer Relationship Management
-  Risk management
-  Corporate Governance
-  Financial issues
-  Corruption, bribery and transparency
-  Money laundering / fraud prevention

SOCIAL DIMENSION

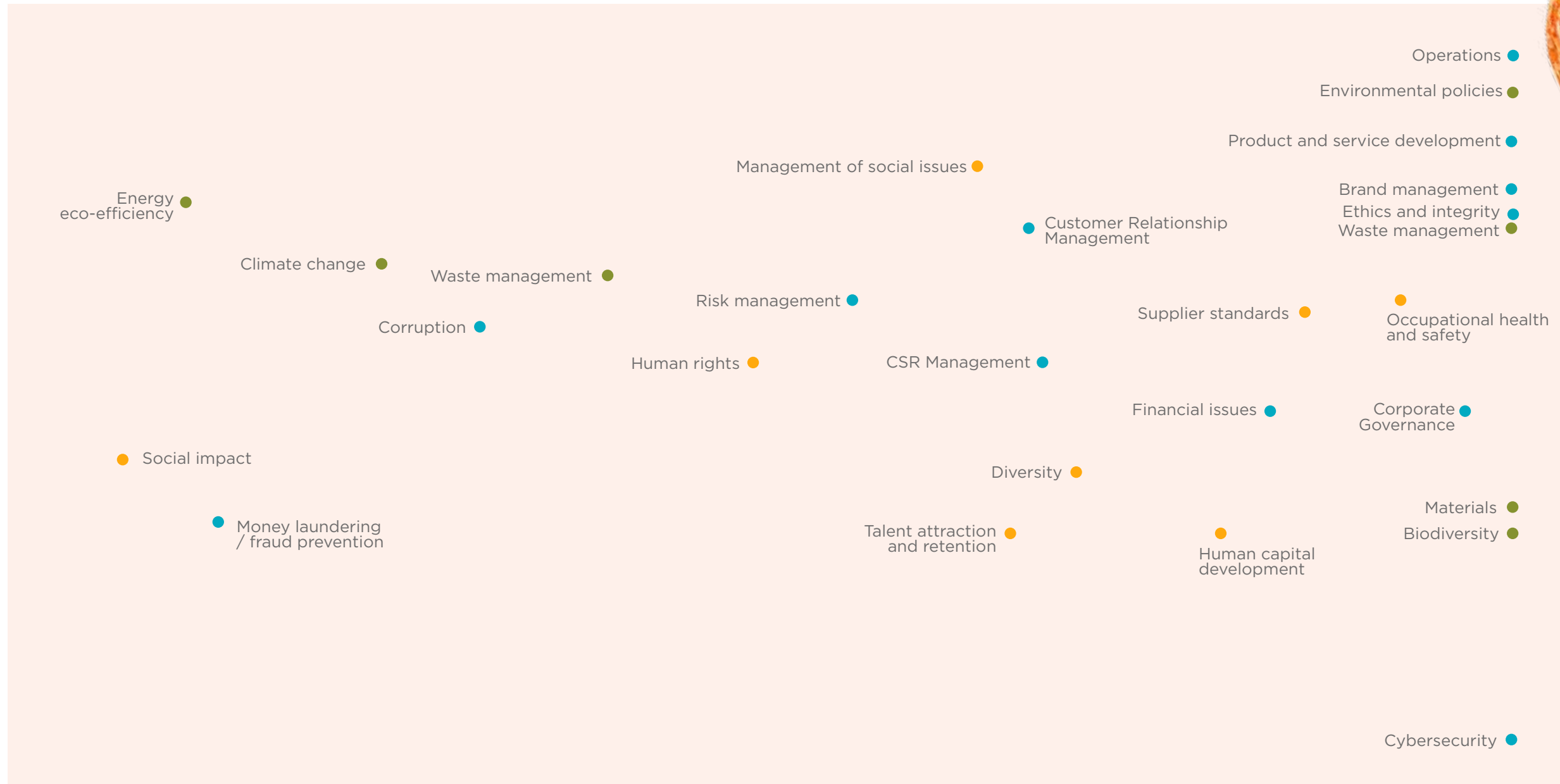
-  Management of social issues
-  Human rights
-  Supplier standards
-  Occupational health and safety
-  Diversity and equal opportunity
-  Talent attraction and retention
-  Human capital development

ENVIRONMENTAL DIMENSION

-  Environmental policies
-  Waste management
-  Materials
-  Biodiversity

MEXICO (2021)

Industry maturity + Sector risk + Social risk



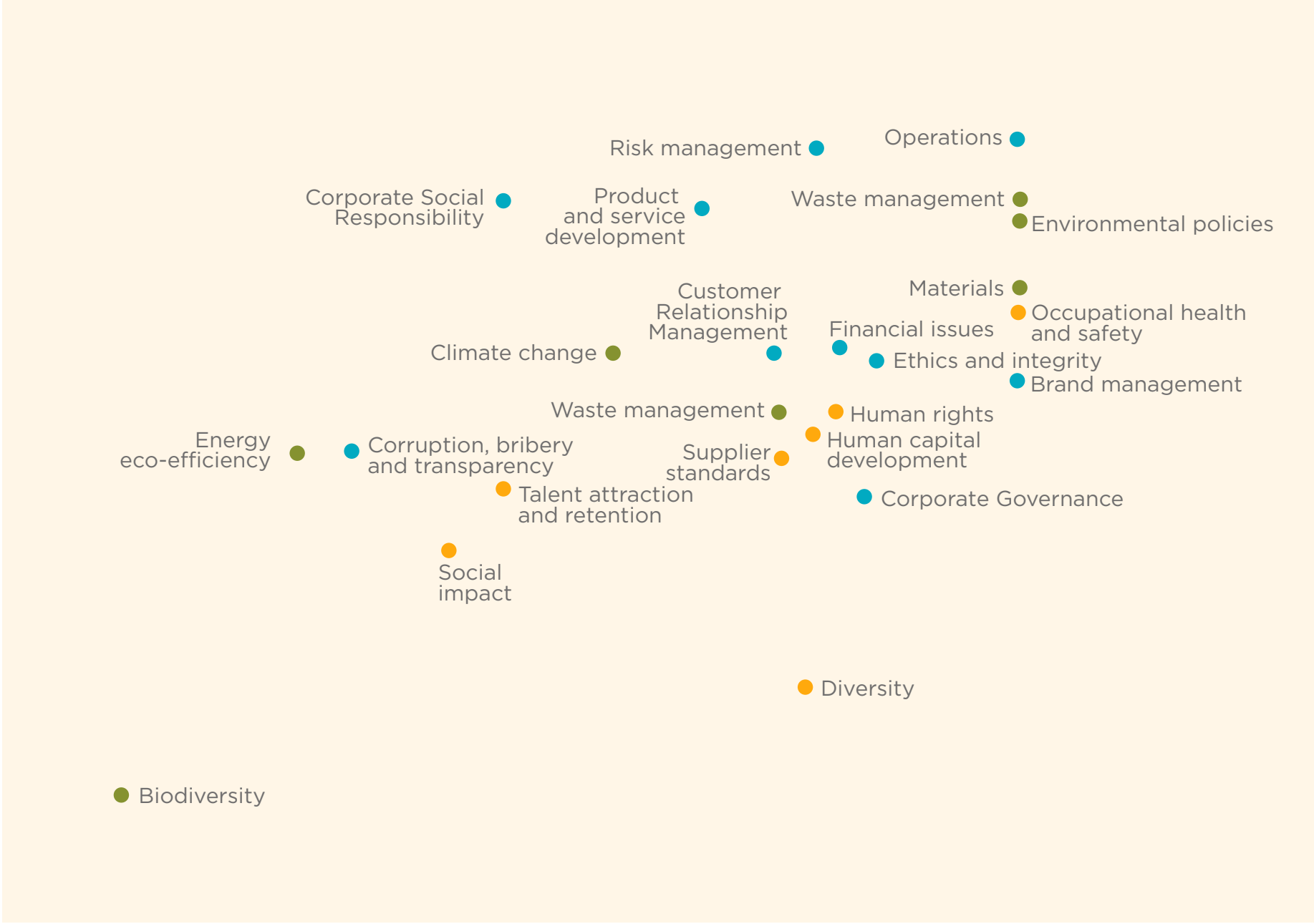
POCHTECA

● Economic Dimension ● Environmental Dimension ● Social Dimension



BRAZIL (2018)

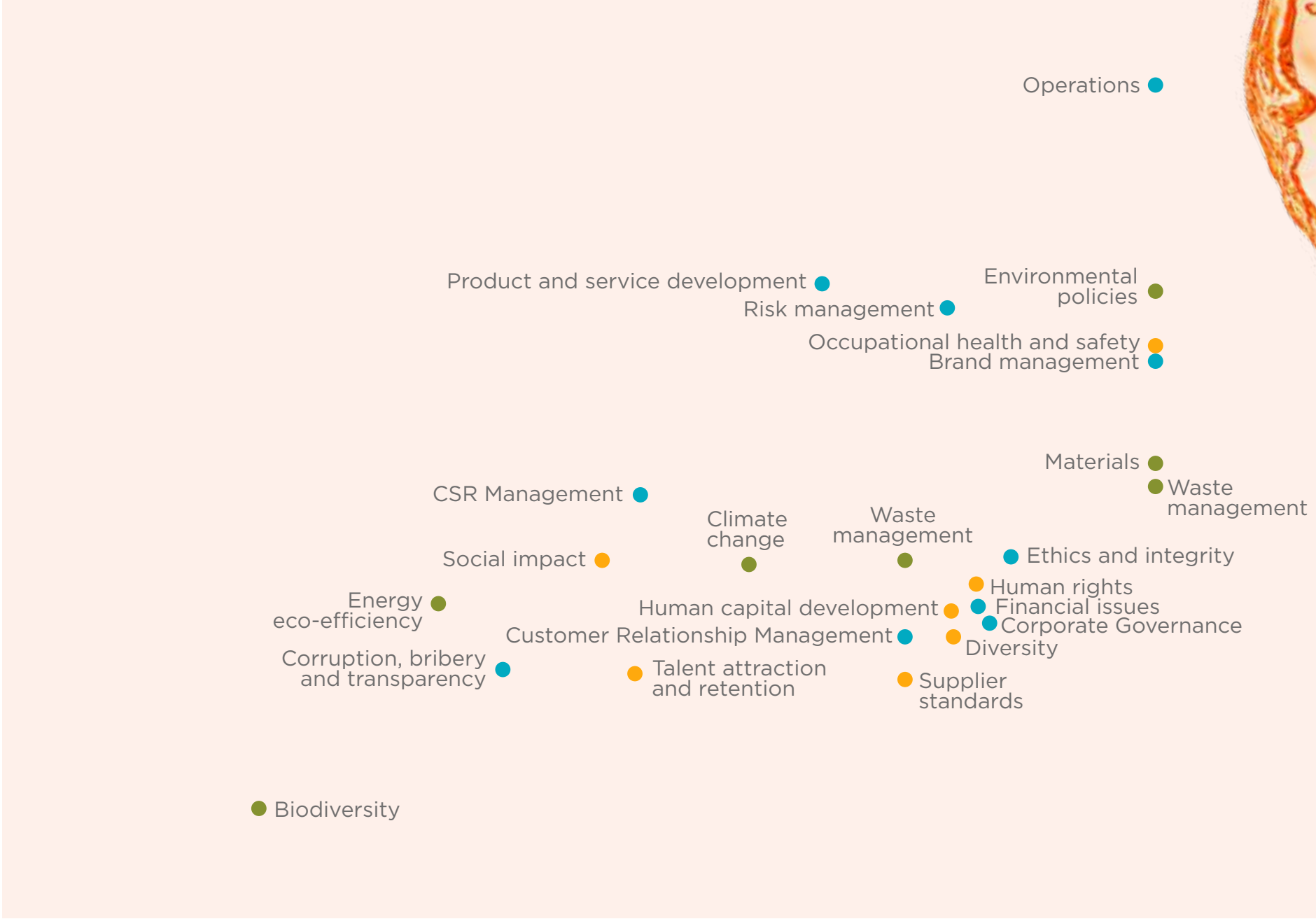
POCHTECA



● Economic Dimension ● Environmental Dimension ● Social Dimension

CENTRAL AMERICA (2018)

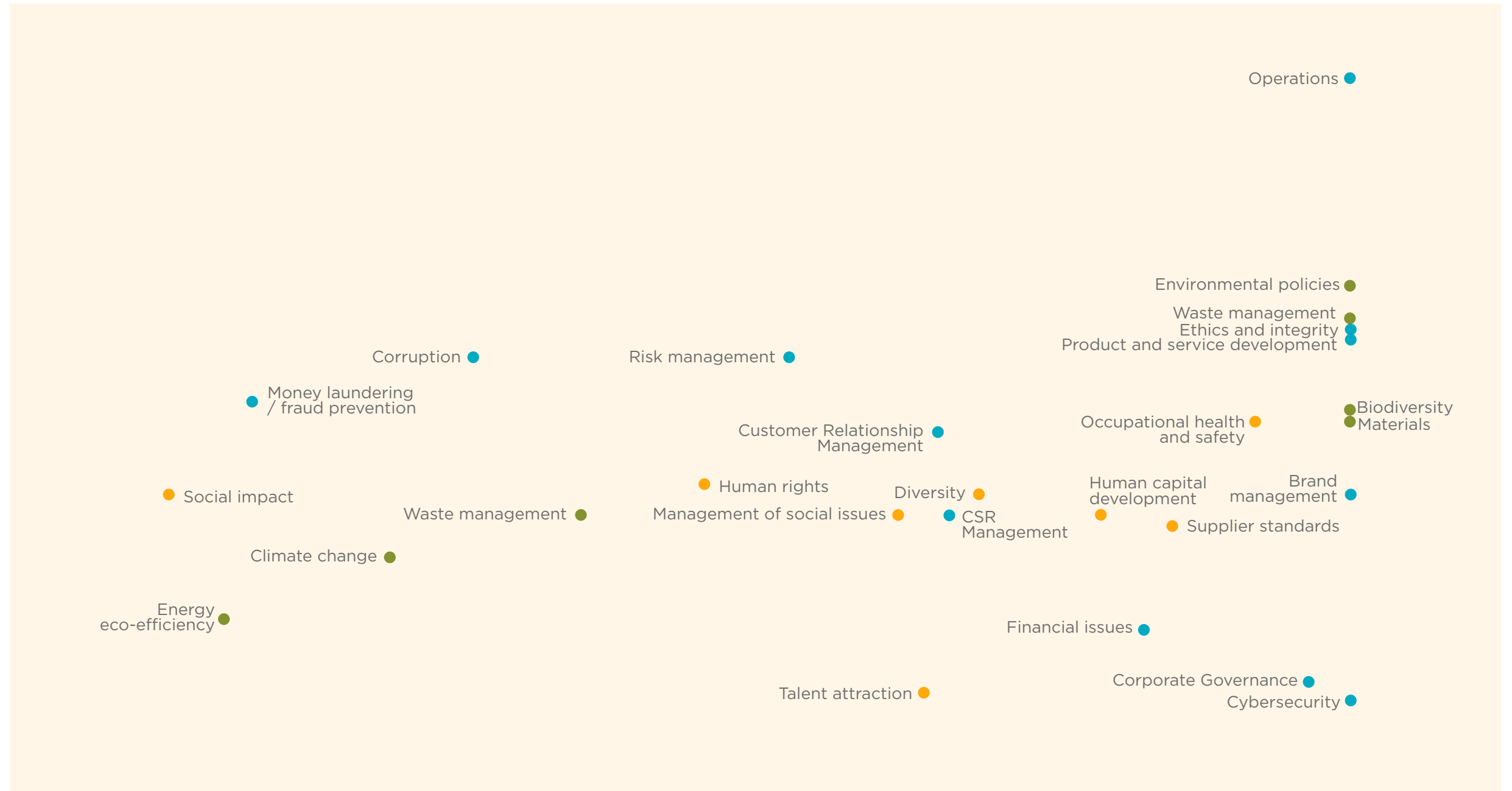
Industry maturity + Sector prescribers + Social prescribers



● Economic Dimension ● Environmental Dimension ● Social Dimension

COLOMBIA (2021)

Industry maturity + Sector risk + Social risk



POCHTECA

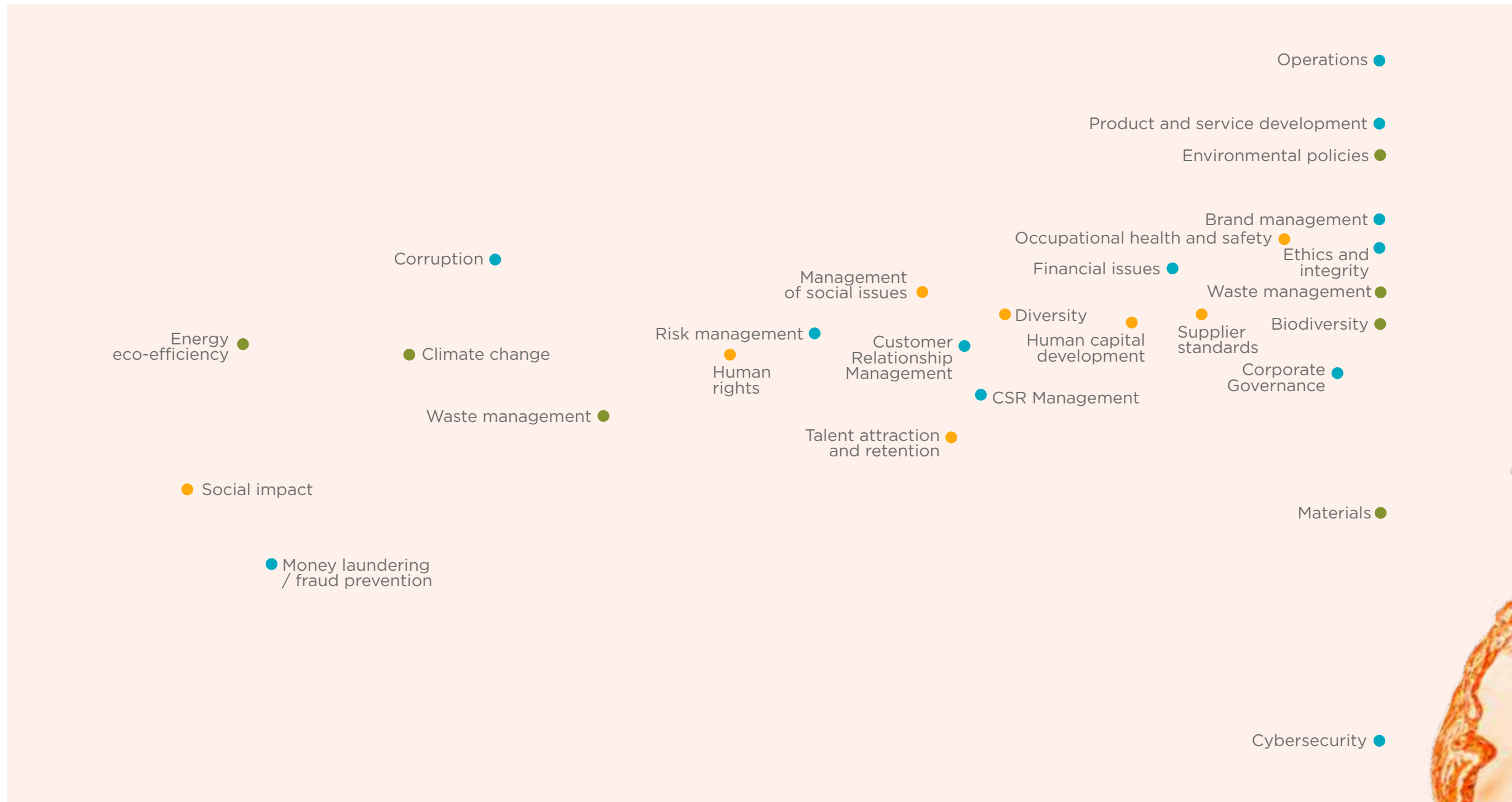
● Economic Dimension

● Environmental Dimension

● Social Dimension

CHILE (2021)

Industry maturity + Sector risk + Social risk



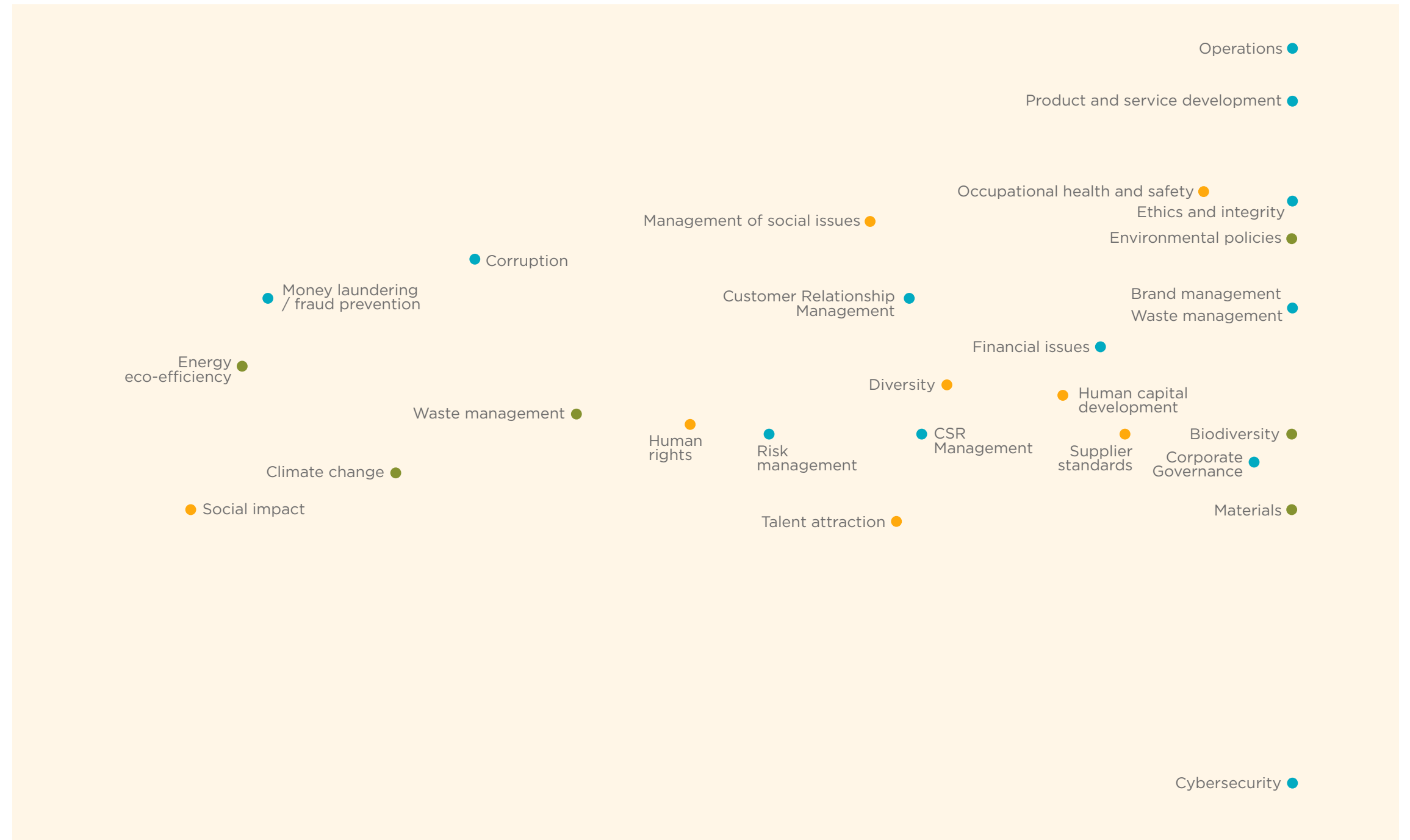
POCHTECA

● Economic Dimension ● Environmental Dimension ● Social Dimension



PERU (2021)

Industry maturity + Sector risk + Social risk



POCHTECA

● Economic Dimension

● Environmental Dimension

● Social Dimension

SUSTAINABLE DEVELOPMENT GOALS

Likewise, through the material aspects that have been included in our sustainability strategy, we have initiated our contribution to the Sustainable Development Goals (SDGs) proposed by the United Nations in its 2030 Agenda.

COMMITMENT TO OUR PEOPLE AND COMMUNITIES



- Occupational health and safety
- Diversity and equal opportunity
- Talent attraction and retention
- Human capital development
- Donations.

COMMITMENT TO OUR CUSTOMERS



- Responsible procurement
- Responsible sourcing solutions
- Safety

COMMITMENT TO THE ENVIRONMENT



- Environmental policies
- Waste management
- Materials,
- Biodiversity
- Certifications

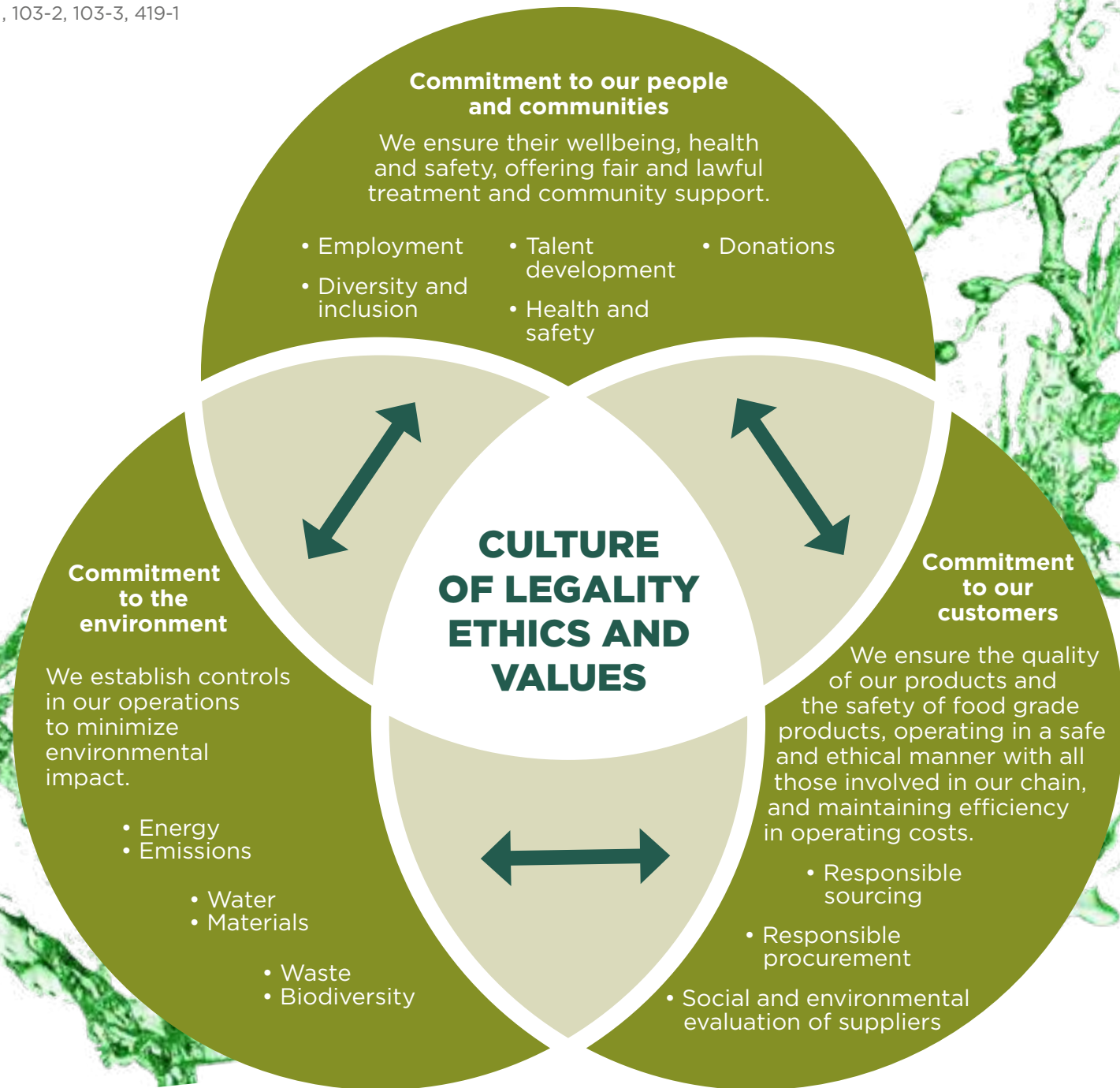
CULTURE OF LEGALITY



- Ethics and integrity
- Corruption, bribery and transparency
- Money laundering / fraud prevention.

SUSTAINABILITY STRATEGY

GRI 419: 103-1, 103-2, 103-3, 419-1



In order to comply with the commitments of the four pillars of sustainability, we voluntarily adopt certifiable social and environmental standards which allow us to incorporate best practices into our operations and monitor their compliance through external audits that help us identify deficiencies and areas of improvement on which we must work.

Mexico

ISO 9001:2015 Certification

Our three plants in the metropolitan area (San Juan, San José and Vallejo), and corporate offices remain certified, and represent more than 60% of our operation. During 2021 we had a follow-up audit to verify compliance of our operations.

Responsible Distribution NACD Certification

We undergo audits every three years to guarantee the process. In 2021 we were audited five times at our Villahermosa, Veracruz, Minatitlán, Cancún and Mérida branches, as the NACD extended the validity of the certification due to COVID-19.

2021
EVALUATION AVERAGE:
94.37%

Comprehensive Accountability Management System Certification (SARI®)

12 of our sites remain certified, showing our commitment as a Chemical Industry company to promote continuous improvement regarding health protection, safety and environmental care. Verified sites: San Juan, San José, Puebla, Toluca, Pachuca, Minatitlán, Villahermosa, Cuernavaca, Querétaro, Cancún and Mérida.

Forest Stewardship Council (FSC)

Standard that allows the sale of paper from sustainable forests. Our paper warehouse in Vallejo is audited annually by the FSC and we have also included the Cancun branch to continue adding to the value chain of our customers.

Additionally, we are part of the SMETA sustainable purchasing platform of the SEDEX Platform (Supplier Ethical Data Exchange) and TFS (Together for Sustainability) in the ECOVADIS Platform.

Brazil
ISO 9001:2015 Certification

All our five sites in Brazil remain certified, representing 100% of the certified operation.

Responsible Distribution Process

To ensure compliance with this process, the Brazil operation is audited in accordance with the standard set by the Associação Brasileira dos Distribuidores de Produtos Químicos e Petroquímicos (Associquim).

South America
ISO 9001:2015 Certification

In 2021, Pochteca Chile, Peru and Colombia remained certified.

Authorized Economic Operator Certificate (AEO)

This certificate guarantees security of the supply chain and has been awarded to us by the Peruvian and Colombian customs authorities for our operations in those countries.

Vallejo Plant, Mexico City



VDA Standard

The operations in Chile are certified by the German Automotive Society as complying with the ISO 22241 Standard for the manufacture of AdBlue.

Responsible Care Program

Awarded by ASIQUIM to the Chilean operations; oriented to safety, health and environmental care in the supply chain, in addition to complying with the requirements for the SEDEX Members Ethical Trade Audit, SMETA 6.1 for labor, health and safety, environmental and business ethics practices of the organizations.





INTEGRATED MANAGEMENT SYSTEM (IMS)



GRI 102-11, 102-15, 102-30, 403: 103-1, 103-2, 103-3, 403-8

The basis of our sustainability strategy is embodied in our Integrated Management System policy which is kept up to date by the company's culture and strategies.

Management of our operation as well as internal and external interaction, are based on the documentation of our Integrated Management System, which establishes codes, policies, regulations, manuals, procedures, instructions and records.

REDUCING RISKS IN ALL OUR OPERATIONS, IN ALL FOUR PILLARS OF SUSTAINABILITY, AND THE CONTINUOUS IMPROVEMENT OF OUR PROCESSES, REMAINS THE BASIS OF OUR INTEGRATED MANAGEMENT SYSTEM (IMS) AND ITS POLICY.

THE IMS IS CONSTANTLY BEING UPDATED FOR DIFFERENT REASONS:

- Business strategy
- Process improvements
- Requirements, complaints and claims from any of our business stakeholders
- Surveys and materiality studies
- Strengthening business ethics and integrity requirements
- Regulatory requirements
- Corrective actions

We also rely on the following feedback mechanisms to integrate this information: **commercial executives, customer service and after-sales service, social networks, mailboxes, transparency line, 800 line, website, WhatsApp and pollsters.**

The process to integrate any of these needs to our system consists of identifying the new requirements or standards to be implemented, as well as the processes involved, for which it will be necessary to define the necessary team for its implementation, which will be formed by the owners of the processes and which must be trained.

Next, we document the operation, controls and performance indicators, review and issue documents, and communicate, disseminate and train all those involved in the changes in the processes.

Finally, we conduct a review of indicators, internal and external audits. Once the above is completed, we make corrections and improvements.

WE CONTINUED TO WORK UNDER
OUR PHILOSOPHY “INTEGRAL
CUSTOMER TRANSFORMATION” (ICT),
WHICH AIMS TO INCREASE PROCESS
EFFICIENCY, REDUCE WASTE AND
IMPROVE WORKING CONDITIONS
AND TEAM COMMUNICATION, AS
WELL AS TO MEASURE OUR RESULTS,
STRENGTHENING THE COMPANY’S
SUSTAINABILITY STRATEGY.

San Juan Plant, Mexico City





San Luis Potosí Plant, Mexico City

TALENT EXCELLENCE

GRI 401, 402, 405: 103-1, 103-2, 103-3, 102-7, 402-1

Excellence in human resources management is paramount for us. We constantly strive to ensure that our employees enjoy decent working conditions, diversity and inclusion, quality of life, education and training, health and safety, and personal and professional development. To this end, we have a Human Resources Strategy based on “Excellence in Talent”.

We abide by the strictest standards in terms of hiring, salaries and benefits in all the countries where we operate, and we operate under the legislation applicable in each one of them.

In the case of operations in Mexico, and when significant changes in practices or operations that may substantially affect workers and their elected representatives are warranted, we make them one month in advance with the involvement of union representatives in their implementation at all times. The collective bargaining agreement specifies that negotiations take place in December of each year.

With regard to Brazilian operations, significant changes in practices or operations are made two weeks in advance.

1,713

COLLABORATORS

PRINCIPLES OF HUMAN RESOURCES STRATEGY

OUR VISION
“TO HAVE
OUTSTANDING
PEOPLE IN THE
BEST PLACE TO
WORK, DELIVERING
EXCEPTIONAL
AND SUSTAINABLE
RESULTS”

3 Empower leaders to take responsibility for their teams and develop high-performance teams.

2 Focused on core people issues that enable us to achieve strategic objectives, improve performance and ensure sustainability.

1 Collaborate to prioritize and maximize the Group's resources by working as a single integrated entity.

Initiatives

Talent attraction
Training
Organizational development
Recognition
Promotion of corporate culture and values

IN ORDER TO FULFILL OUR VISION, WE MUST COMPLY WITH FIVE STRATEGIC PILLARS:

Organization

Create a high-performance, efficient and agile organization.

Talent

To have better talent, strengthening our employer brand.

Leadership

Develop leaders at all levels.

Culture

A winning culture, proud of living up to our values.

Recognition

Provide fair and motivating incentives.

STAFF BY REGION AND GENDER

GRI 102-7, 102-8

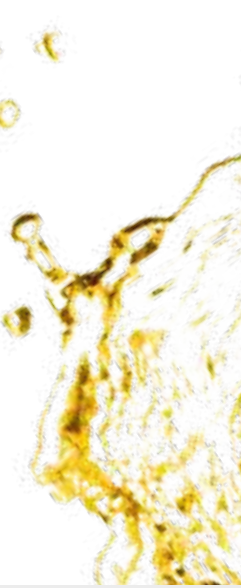
REGION	WOMEN	MEN	TOTAL
Bajio	42	110	152
Central	27	33	60
Metro	217	444	661
Northwest	17	35	52
North	39	58	97
West	16	34	50
Peninsula	12	17	29
Southeast	20	72	92
Guatemala	12	19	31
Costa Rica	7	16	23
El Salvador	8	12	20
Argentina	3	5	8
Brazil	1	-	1
Chile	26	62	88
Colombia	25	12	37
Peru	12	13	25
Brazil Coremal	112	175	287
Total	596	1117	1713



STAFF BY AGE RANGE AND GENDER

REGION	AGE RANGE	WOMEN	MEN
Bajio	<30 years old	5	24
	between 30 and 50 years old	31	65
	50 years old	6	21
Central	<30 years old	6	4
	between 30 and 50 years old	20	18
	50 years old	1	11
Metro	<30 years old	55	117
	between 30 and 50 years old	123	229
	50 years old	39	98
Northwest	<30 years old	2	5
	between 30 and 50 years old	14	24
	50 years old	1	6
North	<30 years old	12	16
	between 30 and 50 years old	24	28
	50 years old	3	14
West	<30 years old	7	15
	between 30 and 50 years old	8	16
	50 years old	1	3
Peninsula	<30 years old	4	3
	between 30 and 50 years old	8	14
Southeast	<30 years	4	17
	between 30 and 50 years old	16	39
	50 years old	-	16
Guatemala	<30 years old	3	7
	between 30 and 50 years old	9	9
	50 years old	-	3

REGION	AGE RANGE	WOMEN	MEN
Costa Rica	<30 years old	2	2
	between 30 and 50 years old	2	11
	50 years old	3	3
El Salvador	<30 years old	-	1
	between 30 and 50 years old	6	7
	50 years old	2	4
Argentina	<30 years old	1	1
	between 30 and 50 years old	1	3
	50 years old	1	1
Brazil	between 30 and 50 years old	1	-
Chile	<30 years old	4	2
	between 30 and 50 years old	17	42
	50 years old	5	18
Colombia	<30 years old	5	1
	between 30 and 50 years old	17	7
	50 years old	3	4
Peru	<30 years old	2	2
	between 30 and 50 years old	7	9
	50 years old	3	2
Brazil	<30 years old	29	22
	between 30 and 50 years old	63	115
	50 years old	20	38
Total	<30 years old	141	239
	between 30 and 50 years old	367	636
	50 years old	88	242



NEW HIRES

GRI 401-1

COUNTRY	AGE	NEW HIRES		RATE OF NEW HIRES	
		WOMEN	MEN	WOMEN	MEN
Mexico	< 30 years of age	44	145	8.24%	27.15%
	Between 30 and 50 years of age	6	71	1.12%	13.30%
	> 50 years of age	70	198	13.11%	37.08%
Brazil	< 30 years of age	15	18	19.00%	23.00%
	Between 30 and 50 years of age	8	31	10.00%	39.20%
	> 50 years of age	2	5	2.50%	6.30%
El Salvador	< 30 years of age	-	-	-	-
	Between 30 and 50 years of age	3	2	3.95%	2.63%
	> 50 years of age	1	1	1.32%	1.32%
Costa Rica	< 30 years of age	2	2	8.70%	8.70%
	Between 30 and 50 years of age	-	3	0.00%	13.04%
	> 50 years of age	-	2	0.00%	8.70%
Guatemala	< 30 years of age	1	-	9.09%	-
	Between 30 and 50 years of age	3	2	27.27%	10.00%
	> 50 years of age	-	1	-	5.00%
South America*	< 30 years of age	5	9	12.50%	22.50%
	Between 30 and 50 years of age	10	10	25.00%	25.00%
	> 50 years of age	2	4	5.00%	10.00%

* Argentina, Chile, Colombia and Peru.

TOTAL VACANCIES

COUNTRY	TOTAL VACANCIES 2021	VACANCIES FILLED BY INTERNAL CANDIDATES
Mexico	598	84
Brazil	79	12
El Salvador	5	5
Costa Rica	9	0
Guatemala	6	4
South America *	48	8

DIVERSITY AND INCLUSION

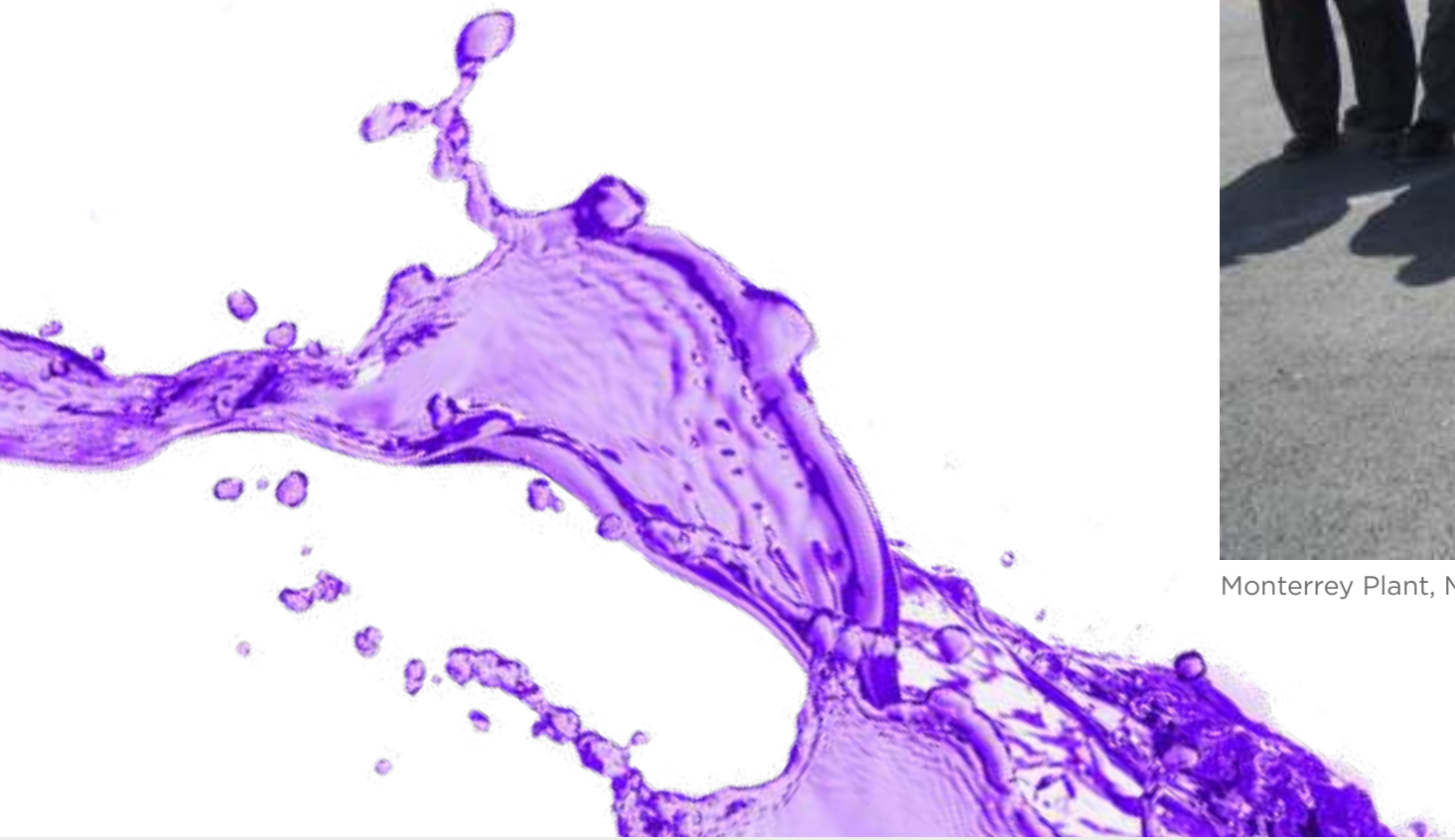
GRI 405: 103-1, 103-2, 103-3, 405-2

Pochteca does not discriminate on the basis of gender, ethnicity, religion or social status, and bases its hiring strictly on competencies, always abiding by the stipulations of company policies.

Since 2019 we have been committed to the labor inclusion project of *Fundación Unidos, A.C.*, as a result of which we have integrated people with disabilities into our workforce with the same job opportunities as the rest of our employees. Likewise, we promote internal promotion and local recruitment in all our hiring processes.



Monterrey Plant, Mexico City



SALARY RATIO
GRI 202-1

COUNTRY	MINIMUM SALARY	DAILY BASE SALARY		RATIO	
		MEN	WOMEN	MEN	WOMEN
Mexico	\$141.70	\$651.79	\$611.67	460%	432%
Brazil*	\$275.00	\$ 37.40	\$43.58	14%	16%
Guatemala	\$256.05	\$1,054.20	\$907.58	412%	354%
Costa Rica	\$337.73	\$1,296.00	\$722.57	3.84%	2.14%
El Salvador	\$249.61	\$2,078.87	\$985.77	833%	395%
Argentina**	\$219.78	\$858.50	\$708.13	391%	322%
Chile**	\$277.65	\$453.14	\$489.59	163%	176%
Colombia**	\$160.19	\$254.48	\$176.48	159%	110%
Peru**	\$160.84	\$549.98	\$518.85	342%	323%

*Daily base salary= monthly salary/30, and if it is an average of the entire base

**Local Currency



BASE SALARY RATIO MEXICO

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
ADMINISTRATIVE	AVERAGE BASE SALARY		
	Women	\$16,093.23	103%
	Men	\$17,043.07	104%
	Amount	\$16,646.82	104%
	Ratio	94%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$18,444.56	106%
	Men	\$19,306.67	102%
	Amount	\$18,947.02	104%
	Ratio	96%	
COMMERCIAL	BASE SALARY		
	Women	\$15,499.27	104%
	Men	\$ 19,507.72	108%
	Amount	\$17,001.58	107%
	Ratio	79%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$18,452.66	106%
	Men	\$21,184.40	107%
	Amount	\$19,476.47	107%
	Ratio	87%	

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
DIRECTORS AND MANAGERS	BASE SALARY		
	Women	\$52,291.47	104%
	Men	\$73,622.62	78%
	Amount	\$67,803.76	83%
	Ratio	71%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$59,785.32	104%
	Men	\$78,167.33	79%
	Amount	\$73,143.06	83%
	Ratio	76%	
OPERATIONS	BASE SALARY		
	Women	\$8,077.96	105%
	Men	\$8,065.01	102%
	Amount	\$8,066.13	103%
	Ratio	100%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ 8,735.25	105%
	Men	\$10,105.93	104%
	Amount	\$9,987.16	104%
	Ratio	86%	



BASE SALARY RATIO GUATEMALA

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
ADMINISTRATIVE	AVERAGE BASE SALARY		
	Women	\$23,274.00	3%
	Men	\$11,275.09	1%
	Amount	\$18,474.44	
	Ratio	48%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$23,953.00	3%
	Men	\$11,954.09	1%
	Amount	\$19,153.44	
	Ratio	50%	
COMMERCIAL	BASE SALARY		
	Women	\$22,790.24	7%
	Men	\$27,168.90	85%
	Amount	\$23,745.69	
	Ratio	119%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$35,910.41	23%
	Men	\$27,848.12	56%
	Amount	\$34,118.79	
	Ratio	78%	

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
DIRECTORS AND MANAGERS	BASE SALARY		
	Women	\$95,091.15	100%
	Men	\$184,748.52	17%
	Amount	\$154,862.73	2%
	Ratio	194%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$95,770.15	100%
	Men	\$185,427.52	17%
	Amount	\$155,541.73	
	Ratio	194%	
OPERATIONS	BASE SALARY		
	Women	\$8,039.93	100%
	Men	\$11,156.88	2%
	Amount	\$10,934.24	
	Ratio	139%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$8,718.93	100%
	Men	\$11,835.88	2%
	Amount	\$11,613.24	
	Ratio	136%	



BASE SALARY RATIO COSTA RICA

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
ADMINISTRATIVE	AVERAGE BASE SALARY		
	Women	\$16,610.25	100%
	Men	\$20,030.30	100%
	Amount	\$36,640.54	100%
	Ratio	121%	100%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$19,947.30	120%
	Men	\$23,596.19	118%
	Amount	\$43,543.49	119%
	Ratio	118%	98%
COMMERCIAL	BASE SALARY		
	Women	\$28,433.35	100%
	Men	\$25,559.34	100%
	Amount	\$53,992.69	100%
	Ratio	90%	100%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$56,866.70	200%
	Men	\$51,118.68	200%
	Amount	\$107,985.38	200%
	Ratio	90%	100%

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
DIRECTORS AND MANAGERS	BASE SALARY		
	Women	\$-	0%
	Men	\$100,391.89	1.00
	Amount	\$100,391.89	1.00
	Ratio	0%	0%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$-	0%
	Men	\$130,270.47	1.30
	Amount	\$130,270.47	1.30
	Ratio	0%	0%
OPERATIONS	BASE SALARY		
	Women	\$-	0%
	Men	\$12,824.49	100%
	Amount	\$12,824.49	100%
	Ratio	0%	0%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ -	0%
	Men	\$12,824.49	100%
	Amount	\$12,824.49	100%
	Ratio	0%	0%



BASE SALARY RATIO EL SALVADOR

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
ADMINISTRATIVE	AVERAGE BASE SALARY		
	Women	\$ 448.84	0%
	Men	\$ 599.80	0%
	Amount	\$ 1,108.87	
	Ratio	0.40	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ 448.84	0%
	Men	\$ 599.80	0%
	Amount	\$ 1,108.87	
	Ratio	0.40	
COMMERCIAL	BASE SALARY		
	Women	\$535.99	13%
	Men	\$1,180.83	106%
	Amount	\$1,801.69	
	Ratio	0.30	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ 928.17	79%
	Men	\$1,335.12	98%
	Amount	\$2,390.49	
	Ratio	0.39	

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
DIRECTORS AND MANAGERS	BASE SALARY		
	Women	\$1,870.18	-50%
	Men	\$5,655.33	0%
	Amount	\$7,864.35	
	Ratio	0.24	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$2,217.44	-41%
	Men	\$5,655.33	0%
	Amount	\$8,245.29	
	Ratio	0.27	
OPERATIONS	BASE SALARY		
	Women	-	-
	Men	\$464.67	56%
	Amount	\$477.61	
	Ratio	-	
	BASE SALARY + OTHER INCENTIVES		
	Women	-	-
	Men	\$500.00	52%
	Amount	\$513.92	
	Ratio	-	



BASE SALARY RATIO BRAZIL

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
ADMINISTRATIVO	AVERAGE BASE SALARY		
	Women	\$40,640.93	22%
	Men	\$15,137.22	12%
	Amount	\$13,944.54	19%
	Ratio	\$54.47	0%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$-	
	Men	\$4,596.98	2%
	Amount	\$1,149.24	2%
	Ratio	\$95.77	36%
COMERCIAL	BASE SALARY		
	Women	\$63,019.33	17%
	Men	\$48,438.74	44%
	Amount	\$27,864.52	27%
	Ratio	\$100.96	5%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$	
	Men	\$	
	Amount	\$	
	Ratio	0.00	

JOB CATEGORY	GENDER	2021(MXN)	% Δ 2021 VS 2020
DIRECTORS AND MANAGERS	BASE SALARY		
	Women	\$35,390.97	14%
	Men	\$132,764.15	30%
	Amount	\$42,038.78	26%
	Ratio	\$456.94	4%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$4,868.04	10%
	Men	\$ -	0%
	Amount	\$1,217.01	10%
	Ratio	\$304.25	10%
OPERATIONS	BASE SALARY		
	Women	\$7,382.39	6%
	Men	\$63,817.67	18%
	Amount	\$17,800.02	17%
	Ratio	\$33.97	7%
	BASE SALARY + OTHER INCENTIVES		
	Women	\$7,450.64	47%
	Men	\$75,885.14	30%
	Amount	\$20,833.94	31%
	Ratio	\$42.35	0%

1 MXN = 0.25 BRL (21/02/2022)



BASE SALARY RATIO ARGENTINA

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SUPPORT AREAS	AVERAGE BASE SALARY		
	Women	\$42,504.74	150.11%
	Men	\$70,809.37	91.74%
	Amount	\$61,374.56	116.35%
	Ratio	60.03%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$42,504.74	88.41%
	Men	\$70,809.37	39.89%
	Amount	\$61,374.56	54.41%
	Ratio	60.03%	
SALES FORCE	BASE SALARY		
	Women	\$27,105.26	0%
	Men	\$44,525.80	128.62%
	Amount	\$35,815.43	103.46%
	Ratio	60.88%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$27,105.26	0%
	Men	\$44,525.80	128.62%
	Amount	\$35,815.43	103.46%
	Ratio	60.88%	

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SENIOR MANAGEMENT	BASE SALARY		
	Women	\$ -	0%
	Men	\$83,761.70	150.09%
	Amount	\$83,761.70	150.09%
	Ratio	0.00%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ -	0%
	Men	\$83,761.70	113.29%
	Amount	\$83,761.70	113.29%
	Ratio	0.00%	



BASE SALARY RATIO CHILE

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SUPPORT AREAS	AVERAGE BASE SALARY		
	Women	\$47,664.30	92.95%
	Men	\$ 55,569.85	100.96%
	Amount	\$52,288.29	98.12%
	Ratio	85.77%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$47,664.30	53.20%
	Men	\$55,569.85	58.92%
	Amount	\$52,288.29	56.76%
	Ratio	85.77%	
SALES FORCE	BASE SALARY		
	Women	\$86,789.70	104.35%
	Men	\$102,471.37	103.01%
	Amount	\$98,550.96	103.30%
	Ratio	84.70%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$86,789.70	59.17%
	Men	\$102,471.37	57.20%
	Amount	\$ 98,550.96	57.63%
	Ratio	84.70%	

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SENIOR MANAGEMENT	BASE SALARY		
	Women	\$223,485.63	106.88%
	Men	\$257,687.92	105.03%
	Amount	\$247,915.84	105.50%
	Ratio	86.73%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$223,485.63	33.15%
	Men	\$257,687.92	35.39%
	Amount	\$247,915.84	34.78%
	Ratio	86.73%	
PRODUCTION OR WAREHOUSE OPERATORS	BASE SALARY		
	Women	\$ -	0%
	Men	\$18,176.64	112.53%
	Amount	\$18,176.64	112.53%
	Ratio	0.00%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ -	0%
	Men	\$18,176.64	88.38%
	Amount	\$18,176.64	88.38%
	Ratio	0.00%	



BASE SALARY RATIO COLOMBIA

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SUPPORT AREAS	AVERAGE BASE SALARY		
	Women	\$21,492.94	108.78%
	Men	\$19,620.07	65.20%
	Amount	\$21,000.08	97.76%
	Ratio	109.55%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$21,492.94	57.93%
	Men	\$19,620.07	33.71%
	Amount	\$21,000.08	51.70%
	Ratio	109.55%	
SALES FORCE	BASE SALARY		
	Women	\$38,758.16	114.58%
	Men	\$37,026.11	140.00%
	Amount	\$38,443.24	116.84%
	Ratio	104.68%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$38,758.16	41.34%
	Men	\$37,026.11	140.00%
	Amount	\$38,443.24	45.05%
	Ratio	104.68%	
JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SENIOR MANAGEMENT	BASE SALARY		
	Women	\$77,667.76	111.77%
	Men	\$184,999.01	143.76%
	Amount	\$149,221.93	136.96%
	Ratio	41.98%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$77,667.76	78.71%
	Men	\$184,999.01	45.28%
	Amount	\$149,221.93	48.88%
	Ratio	41.98%	
PRODUCTION OR WAREHOUSE OPERATORS	SALARIO BASE		
	Women	\$ -	0%
	Men	\$ 8,364.52	111.97%
	Amount	\$8,364.52	111.97%
	Ratio	0.00%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$ -	0%
	Men	\$8,364.52	98.31%
	Amount	\$8,364.52	98.31%
	Ratio	0.00%	



BASE SALARY RATIO PERU

JOB CATEGORY	GENDER	2021 (Local Currency)	% Δ 2021 VS 2020
SUPPORT AREAS	AVERAGE BASE SALARY		
	Women	\$34,176.35	82.98%
	Men	\$43,785.37	90.76%
	Amount	\$38,980.86	86.56%
	Ratio	78.05%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$34,176.35	48.84%
	Men	\$43,785.37	57.55%
	Amount	\$38,980.86	53.17%
	Ratio	78.05%	
SALES FORCE	BASE SALARY		
	Women	\$53,648.62	95.35%
	Men	\$60,943.59	97.22%
	Amount	\$57,628.17	96.31%
	Ratio	88.03%	
	BASE SALARY + OTHER INCENTIVES		
	Women	\$10,340.00	39.93%
	Men	\$11,746.00	64.25%
	Amount	\$11,107.00	51.27%
	Ratio	88.03%	

BENEFITS AND COMPENSATIONS

GRI 201, 401: 103-1, 103-2, 103-3, 201-3, 401-2, 401-3

Benefits and compensations for our employees are above what is required by law in the countries where we operate. We base these on individual competencies and the achievement of objectives. Among the main benefits that our employees receive are social security, life insurance, and a savings fund.

We ensure that our employees' right to maternity and paternity leave is guaranteed in accordance with the law and internal regulations. Any leaves of absence are at the employee's own discretion.

We continued to apply our Flexible Schedules and Work at Home Policy for all employees, providing all administrative personnel with the option of operating from home, or performing roles, shifts or work on a staggered schedule.

AS OF 2019 IN MEXICO WE ARE PART OF THE GROUP OF 100 COMPANIES THAT HAVE ADJUSTED THEIR EMPLOYEES' SALARIES UPWARDS WITH THE GOAL OF HAVING EVERYONE EARN AT LEAST \$6,500 PESOS PER MONTH.

BENEFITS	REGULAR STAFF					TEMPORARY PERSONNEL				
	MEXICO	BRAZIL	GUATEMALA	EL SALVADOR	COSTA RICA	SOUTH AMERICA	COSTA RICA	GUATEMALA	EL SALVADOR	MEXICO
Christmas bonus	●	Commercial area	●	●	●	●	●	●	●	●
Vacation	●	●	●	●	●	●	●	●	●	●
Vacation bonus (Additional 1/3)		●								
Vacation bonus	●	●			●	●	●			●
Savings Fund						●				
Life Insurance	●	●	●	●	●	●	●	●	●	●
Health coverage	●	●	●	●	●		●	●	●	●
Profit sharing		●								
Grocery voucher	●	Commercial area for salaries higher to R\$5 thousand				●				●
Grocery voucher	●	●			●	●	●			●
Scholarships		●								
Marriage	●	●	●	●	●	●	●	●	●	●
Maternity	●	●	●	●	●	●	●	●	●	●
Paternity	●	●	●	●	●	●	●	●	●	●
Death support	●	●				●				●
Disability coverage	●	●	●	●	●		●	●	●	●
Parking	●		●	●	●		●	●	●	●



PARENTAL LEAVE

TOTAL NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE			TOTAL NUMBER OF EMPLOYEES WHO HAVE TAKEN PARENTAL LEAVE	
	Women	Men	Women	Men
Mexico	16	-	16	-
Brazil	5	1	5	1
Guatemala	1	1	1	1
El Salvador	1	0	0	0
South America	2	3	2	3
Total	25	5	24	5

TOTAL NUMBER OF EMPLOYEES WHO HAVE RETURNED TO WORK IN THE REPORTING PERIOD FOLLOWING PARENTAL LEAVE			TOTAL NUMBER OF EMPLOYEES WHO CONTINUE TO WORK IN THE ORGANIZATION 12 MONTHS AFTER RETURNING FROM PARENTAL LEAVE	
	Women	Men	Women	Men
Mexico	11	-	11	-
Brazil	5	1	4	1
Guatemala	1	1	0	0
El Salvador	1	0	0	0
South America	2	3	2	3
Total	20	5	17	4

RETURN-TO-WORK-AFTER-PARENTAL-LEAVE RATE			RETENTION RATE OF EMPLOYEES WHO TOOK PARENTAL LEAVE	
	Women	Men	Women	Men
Mexico	69%	-	69%	-
Brazil	100%	100%	80%	100%
Guatemala	100%	100%	100%	100%
El Salvador	100%	0%	0%	0%
South America	100%	100%	100%	100%

COVID-19

Due to our adequate management of the pandemic and attention to the needs of our collaborators, for the second year we received the recognition “*Empresa Humana Solidaria*” (Humane and Solidary Company) granted by LIDERAZGO Rex, to those companies that put organizational values and solidarity to their personnel first.

pochteca Empresa Humana y Solidaria 2020

¡Participa en el concurso infantil!

Bases

1. El concurso está dirigido a los hijos de los colaboradores Pochteca.
2. Participan todas las sedes de la República Mexicana, Centroamérica y Sudamérica.
3. Habrá dos categorías para los participantes:
 - Menores de 6 años: ¿Qué haces para divertirte durante la pandemia?
 - De 7 a 12 años: Logotipo empresa Humana y Solidaria
4. Platica con tus hijos acerca de lo que es una empresa Humana y Solidaria (consulta la infografía adjunta).
5. Los participantes deberán hacer un dibujo sobre el tema de su categoría.
6. El dibujo/logotipo debe realizarse a mano en una hoja carta y el logotipo también deberá colocarse en un cubrebocas.
7. La técnica a usar es libre.
8. Enviar un dibujo por participante.
9. Al reverso de la hoja carta debes colocar:
 - Nombre del participante.
 - Título de tu dibujo (categoría menores de 6 años).
 - Edad.
 - Nombre del padre o madre.
 - Sucursal donde trabaja.
10. Envía fotografía del cubrebocas y escaneo del dibujo al correo: pochtecainforma@pochteca.net
11. Fecha límite para recepción de dibujos 15 de abril de 2021.
12. Premiación 30 de abril de 2021.

Premiación

Premios para cada categoría.

1º lugar: Laptop
2º lugar: Tablet
3º lugar: Bicicleta

El logotipo del 1er lugar (categoría 7-12 años), se imprimirá en los cubrebocas para colaboradores

Ganadores Concurso Infantil pochteca

¡MUCHAS FELICIDADES!

30 de abril de 2021

Estimados colaboradores,

Les compartimos los resultados del concurso de dibujo 2021:

Tuvimos 49 participantes en 24 de nuestras ubicaciones, incluyendo una participación activa de nuestros compañeros de Centro y Sudamérica.

Los ganadores en la categoría de menores de 6 años son:

1er lugar
Joan Uriel | Culiacán

2do lugar
Jorge Herrera | Ciudad Juárez

3er lugar
Sofía Varela | San Juan

Los ganadores en la categoría de 7 a 12 años son:

1er lugar
Adán Perina | Tacubaya

2do lugar
Ángel Hernández | San Juan

3er lugar
Diego Torres | Querétaro

Felicitamos a todos los participantes por su compromiso y gran esfuerzo. Por supuesto, agradecemos a todos los colaboradores que nos ayudan a promover nuestros valores con sus familias y sobre todo a compartir el **orgullo de pertenecer a la familia Pochteca.**



Vallejo Plant, Mexico City

TRAINING AND EVALUATION

GRI 102-12, 404: 103-1, 103-2, 103-3, 404-1, 404-2, 404-3

Our training process consists of Training Needs Detection (TND), whose results are used to determine the Annual Training Plan (ATP) for each position and specific area, helping to achieve the established objectives and performance goals.

- Organizational strategies
- Audits
- Development plans
- Changes in applicable regulations, processes and infrastructure.
- Training by position
- Distance and virtual training
- Specific training by area

In 2021 in Mexico we focused our training and course strategy mainly on the virtual and remote distance mode, consolidating our Pochteca Virtual University (UVP) platform as a fundamental tool, incorporating more materials and relying on technology such as the Teams communication system, which has allowed us to continue with the possibility of reaching different locations and people with work sessions, talks, conferences, courses and workshops.

During the year we trained personnel in different programs focused on technical and professional development based on their position, in addition to developing soft skills to help maintain the company's transversal competencies.

We also consolidated the corporate induction program for all new Pochteca employees with weekly courses run by the human resources area in which we provided them with relevant information about the company such as its mission, vision, values, culture of legality, organizational structure, benefits, data privacy, divisions and lines of business, objectives of the Integrated Management System (IMS), Code of Ethics and internal work regulations, among others.

In addition to the new entries from Central America, we had the participation of new entries in Mexico.

95%
OF STAFF WAS
TRAINED WITHIN
THE FIRST MONTH
OF HAVING JOINED
THE COMPANY

Mexico

86,893
training hours

1,686
collaborators

46,934
courses

22,215
online

24,719
on-site

Brazil

3,848
hours of
training

264
collaborators

34
half hours
of training

23
diploma and
master's
degrees

Central America

780
hours of
training

69
collaborators

118
courses

57
online

61
on-site

South America

1,428
hours of
training

144
collaborators

100%
of online
training



EVALUATION PROCESS:

1. Define and upload the year's objectives onto the platform.

2. Mid-term review to monitor adherence to the initial objectives.

3. Define actions to ensure compliance with year-end objectives.

4. Presentation of results based on scales: "Does not meet", "Meets" and "Exceeds".

In Mexico, training hours consisted of 198 educational programs related to induction, health and safety, certifications, sales, specialization by position, development of technical skills, and preventive skills such as knowledge of the COVID and safe return to work.

We continued with our *Aula Pochteca* program, through which we provide our employees with the opportunity to complete their secondary and higher education, as well as technical studies. We have achieved this through an alliance with the *Construyendo y Creciendo* association.

In order to identify the strengths and areas of opportunity among our employees and measure the effectiveness not only of the training and courses we provide, but also of the performance objectives that are set on an annual basis, we evaluate the performance of each employee to determine whether they are meeting the needs of the employees and the company.

The evaluation is done through our *Pochteca Development Platform* (DPP), for administrative personnel, and in the case of operational personnel, by forms that fulfill the same purpose.

Based on the results of this evaluation, we will generate succession and development plans for 2022, as well as continuous improvements in benefit of our employees.

Pochteca Chile

HEALTH AND SAFETY

GRI 403:103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, RT-CH-320A.1, RT-CH-320A.2

Our priority is the health and safety of our employees and their families, for they are essential to our strategy and culture. Consequently, all job profiles and their objectives consider these elements in their performance, and are also included in the objectives of the Integrated Management System (IMS).

Our IMS has 30 documents related to security and the necessary controls to comply with it. In addition, all operating procedures establish the controls defined for each activity, including the response in case of emergencies. The system is also subject to ongoing audits focused on safety, environmental protection, and compliance with applicable regulations.

We use various means to inform our collaborators about the development, implementation and evaluation of the Health and Safety Management System:

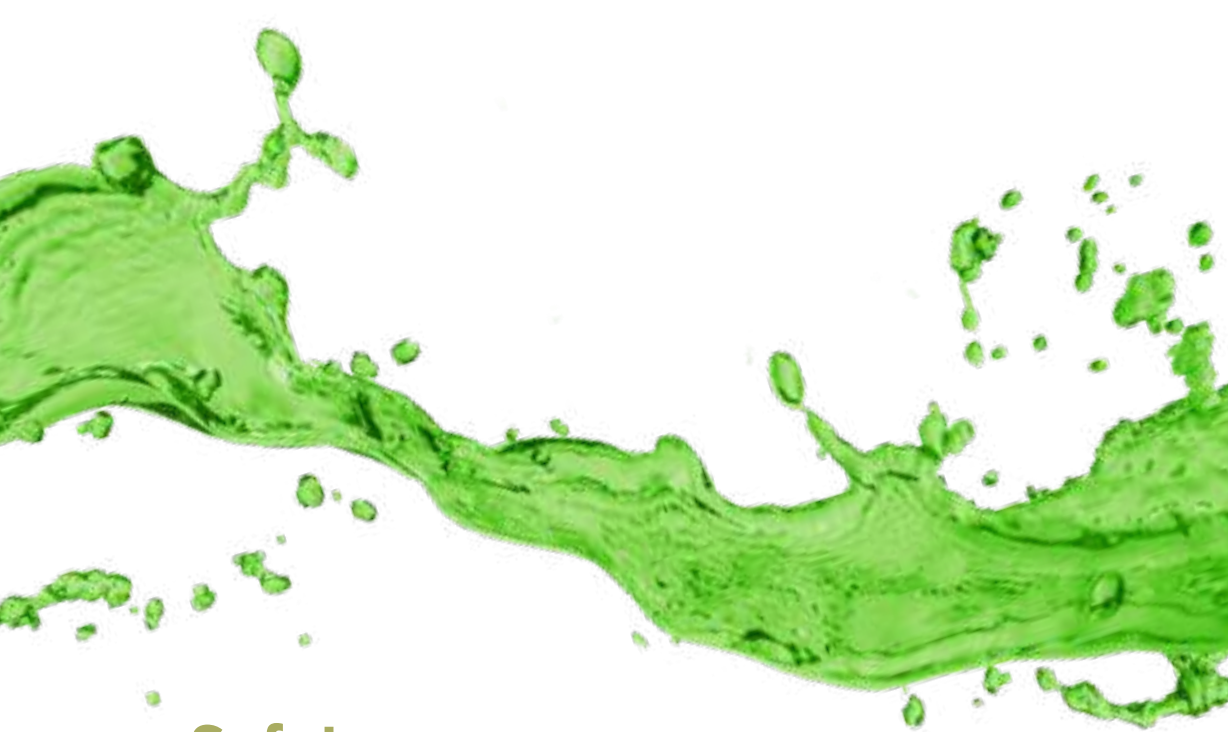
- Daily kick-off and “Safe Environment” meetings.
- Information published in the “Safe Environment” group.
- Activities involving the families of our collaborators.

In Brazil, occupational health and safety management is carried out through the RH3 System integrated with the payroll for occupational health and medicine management.

The procedures and/or work methods are published in order to make them known to all employees and, if necessary, to be revised for any necessary adjustments, under the responsibility of the heads of the areas; relevant training is also carried out.

Collaborators can and must communicate in writing and/or verbally to those in charge any work-related risks or hazards.





Safety

GRI 416: 103-1, 103-2, 103-3, 416-1, 416-2

In terms of safety, just as we do for the environment, we have a matrix of identified risks in order to provide appropriate equipment and infrastructure to minimize them, as well as the personal protective equipment required for each type of operation.

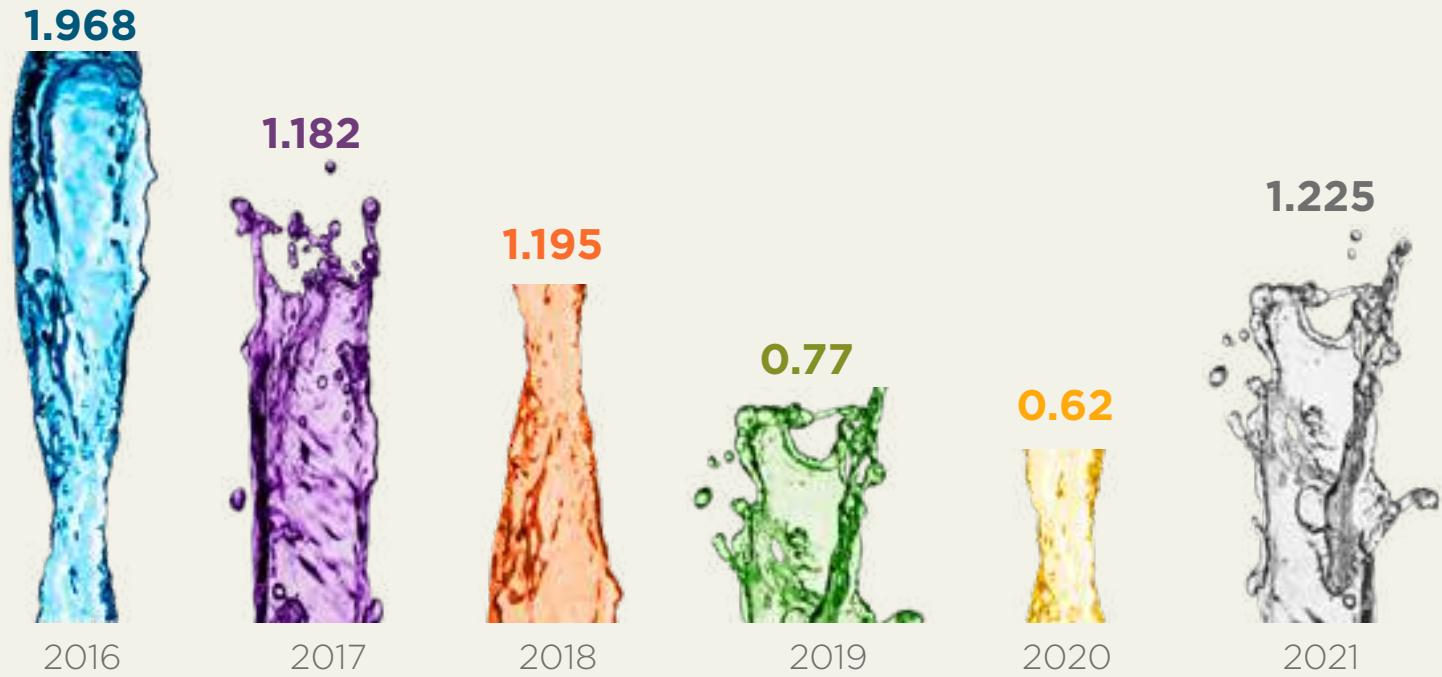
In the event of accidents, we investigate the event to determine the causes and take actions to prevent recurrence.

Mexico

We have put in place equipment, emergency protocols, training and drills, as well as liability, third-party damage and ecological damage policies that enable us to act and respond in a timely manner in the event of an eventuality.

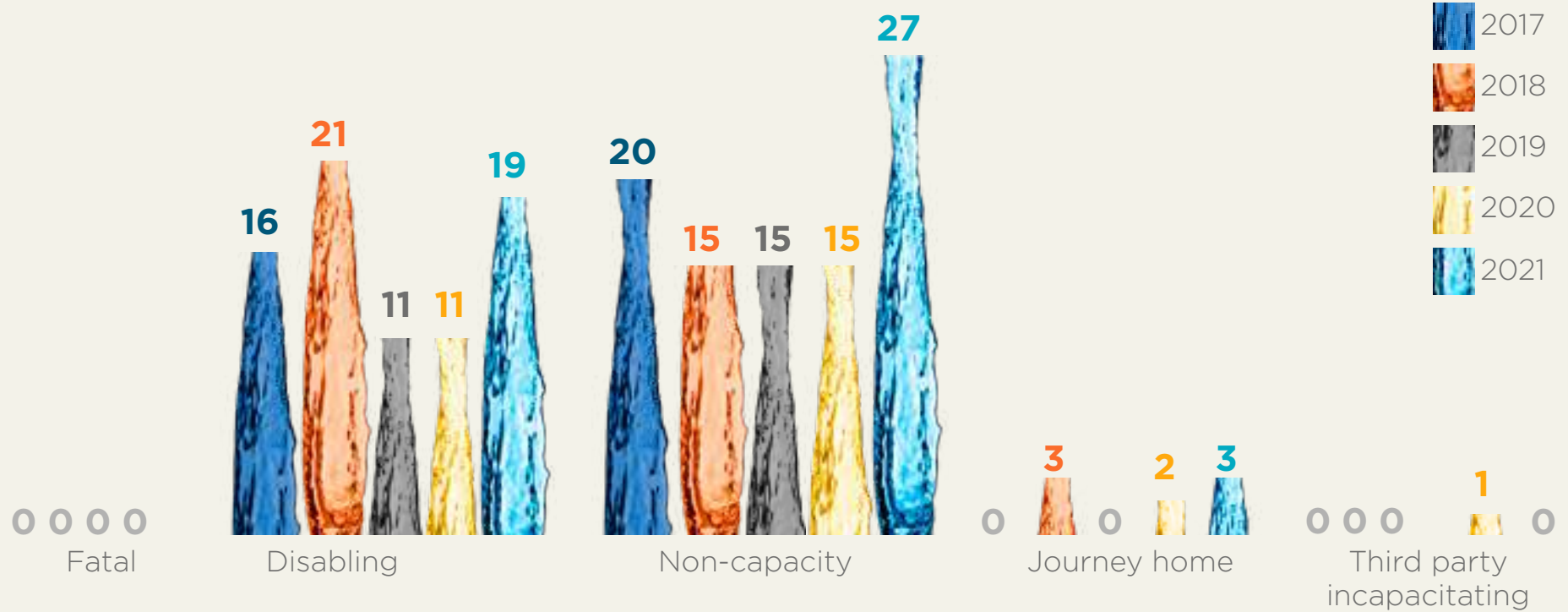
In 2021, we had 49 accidents in Mexico. Below, we show the data compared to previous years, as well as a breakdown of the number of disabling accidents:

ACCIDENT RATE

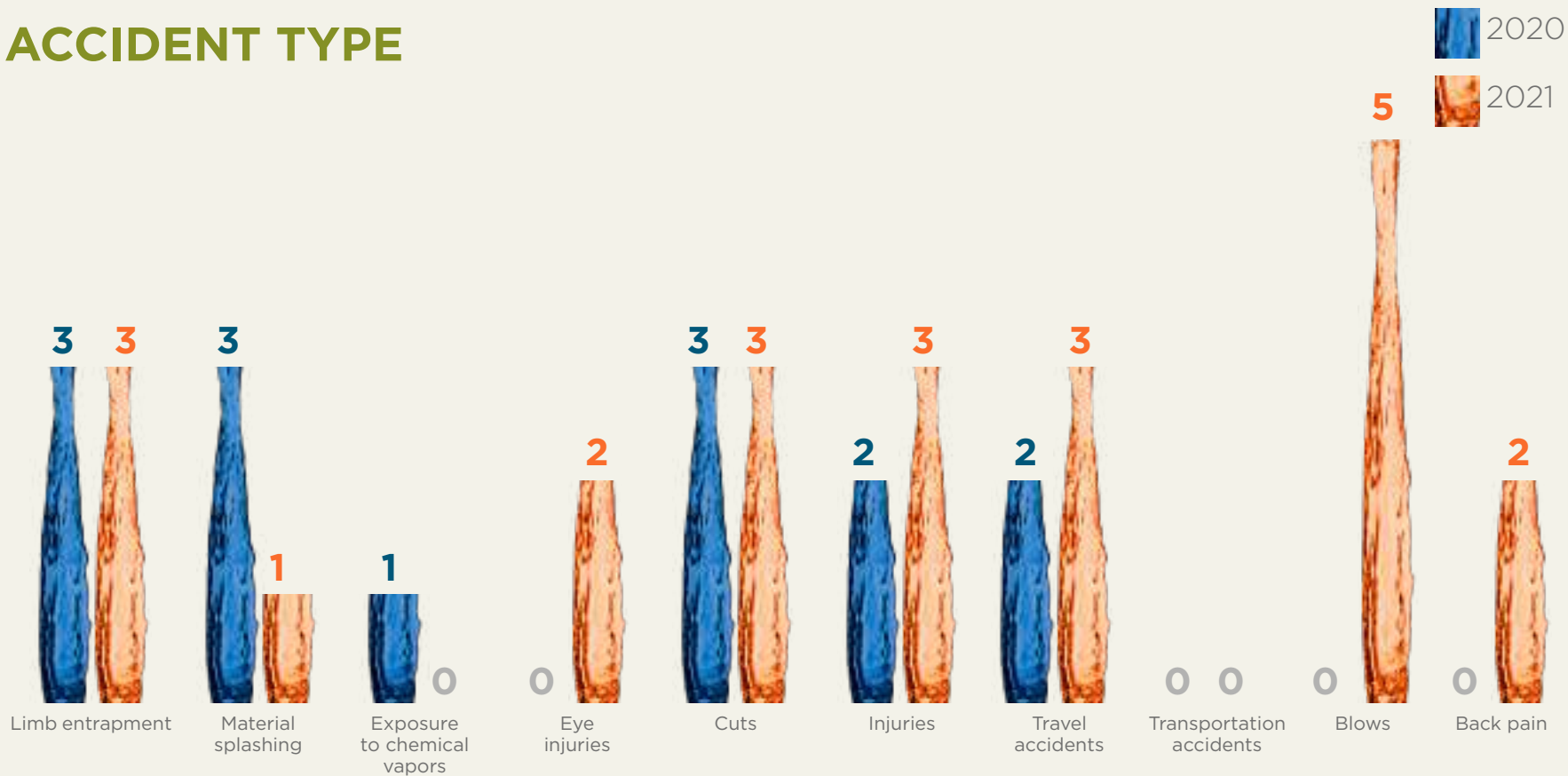


DISABLING ACCIDENTS

Number of accidents



ACCIDENT TYPE



To prevent the occurrence of security-related risks, we have an incident monitoring system denominated MASH, hosted on a reporting and tracking platform, available to each of our site managers. Using this system, we analyze security events and present the results to the board of directors on a monthly basis. Depending on the results, we hold sessions with managers to establish the necessary actions.

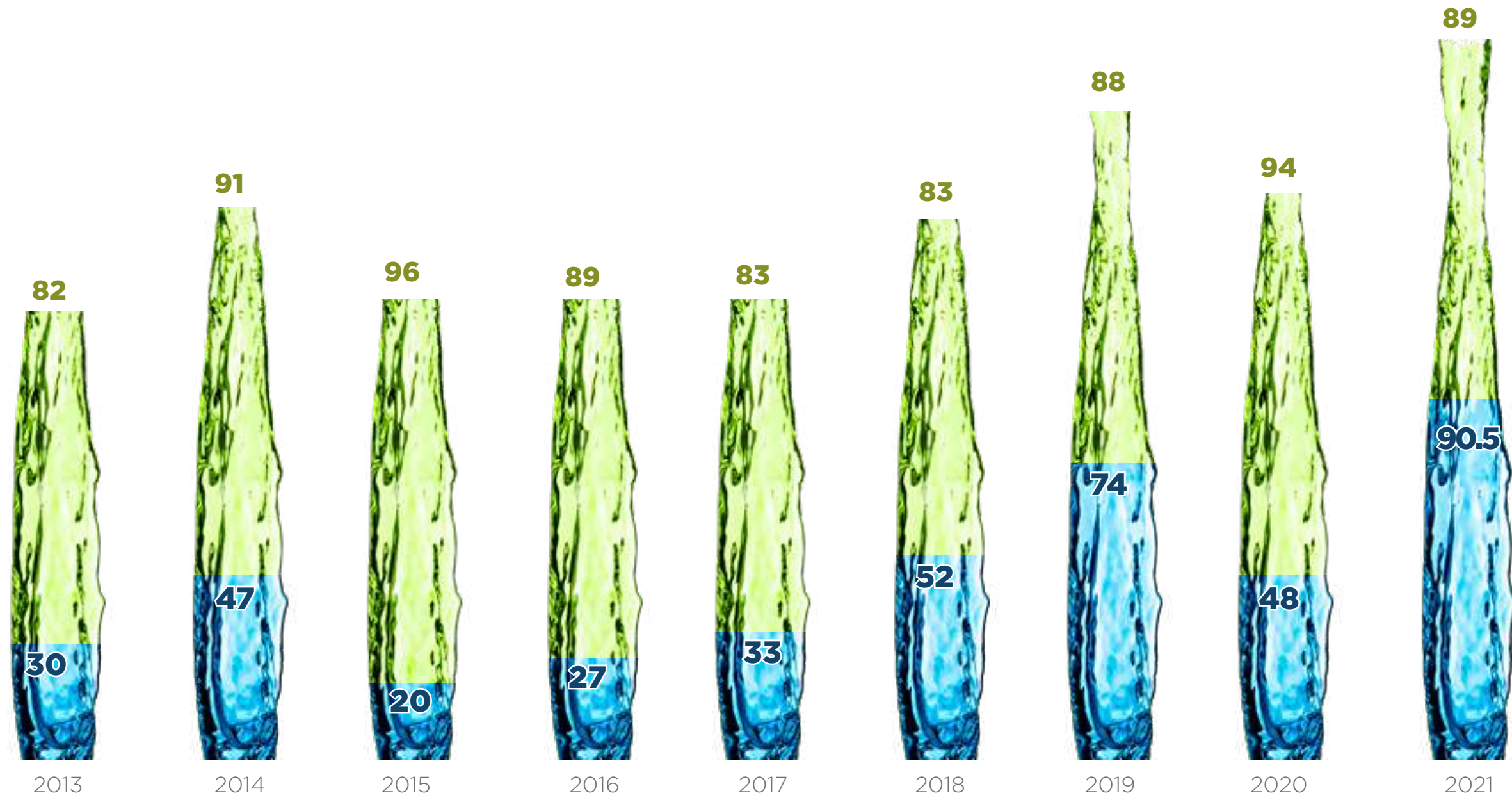
Considering the restrictions for plant visits due to the pandemic and the restrictions at national level, the audits performed were mostly virtual.



Pochteca San Juan, Mexico City

Country	Audits	Audit days
Mexico	28	20.5
Brazil	4	4
Guatemala	1	1
Costa Rica	5	5
El Salvador	4	4
Argentina	4	4
Chile	12	16
Colombia	13	25
Peru	11	11
Total	82	90.5

AUDIT EFFECTIVENESS



* Effectiveness: refers to the average result of all the audits carried out in the year.

AUDIT DAYS
% EFFECTIVENESS



Civil Protection

We also keep a channel of communication with state and federal civil protection authorities through which they verify our internal programs and carry out inspections of our facilities, in order to ensure compliance with the observations derived from these inspections. We also participate in events and drills requested by the authorities.

In Mexico, inspections by health, labor and civil protection authorities increased in order to validate compliance with health safety guidelines at the facilities we operated during the COVID-19 pandemic crisis. It is worth mentioning that our organization was deemed to be an essential industry in the supply chain.

INSPECTIONS



24
INSPECTIONS BY
THE VARIOUS
ENTITIES

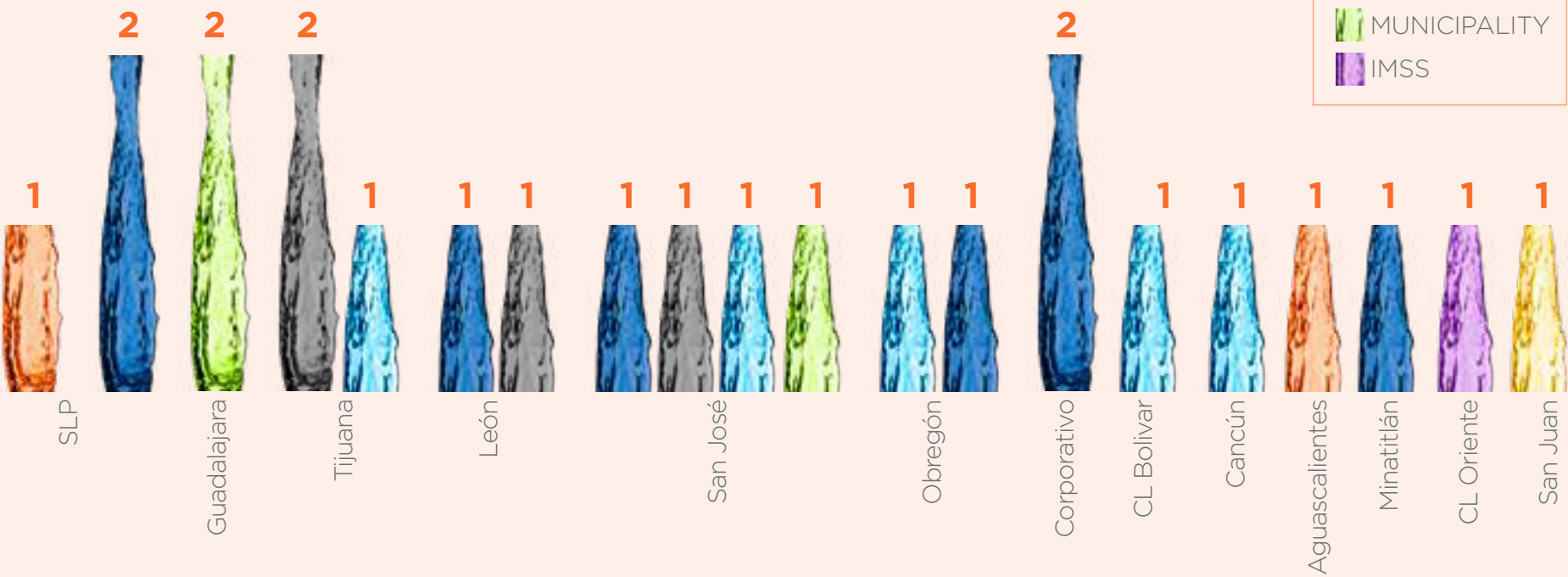
2021 INSPECTIONS PER MONTH



2021 INSPECTIONS BY ENTITY



INSPECTED BRANCHES IN 2021



BRAZIL

In the case of Brazilian operations, the identification of risks and hazards is done by the PGR (Risk Management Program), required by the government through Regulatory Norm 01. The PGR consists of the “Inventory of Risks” present in the work environment and the respective “Action Plan”, which will contain the control measures to minimize, control, eliminate the existing risks in the work environment that were identified in the inventory.

The PGR must be reviewed every two years or when circumstances described in the normative document arise.

Mexico

We manage the health of our collaborators through our “Pochteca y yo cuidando mi salud” (Pochteca and I taking care of my health) program. This program allows us to manage our monthly activities, as defined by the “Sistema Orienta-PAE” risk analysis, available 24/7 for the entire company, as well as by medical examinations for all our personnel.

It is also important to mention the benefits of the Integra Health Plan through which we provide assistance services in emergency cases, in addition to supporting our clients with health and wellness programs. Our priority is to provide trust and honesty-based timely attention.



Pochteca Costa Rica

2021 Initiatives

1. Obtained the *Empresa Segura* (Safe Company) distinction from the IMSS.
2. Standardization of safety signs and COVID protocols at 32 branches.
3. Launching of the “Let’s be responsible rather than social” campaign.
4. Support and mobilization of collaborators for vaccine application.
5. Reinforcement of campaign promoting vaccination. #GetVaccinated.
6. Training of *Healthy Return* monitors nationwide.
7. Health and environmental awareness campaigns.
8. Diverse recreational and entertainment activities for collaborators and their families
9. Communication activities on topics related to occupational health and safety on the occasion of World Physical Activity Day: World Physical Activity Day, World Day for Safety and Health at Work, World Hypertension Day, World Breast Cancer Day, Diabetes Day, and World Day of Remembrance for Traffic Accident Victims.

Psychosocial risk factors are monitored through diagnostics performed by our medical service in each work center and are as follows: risks associated with the work environment, its activity, time management, leadership and work relationships.

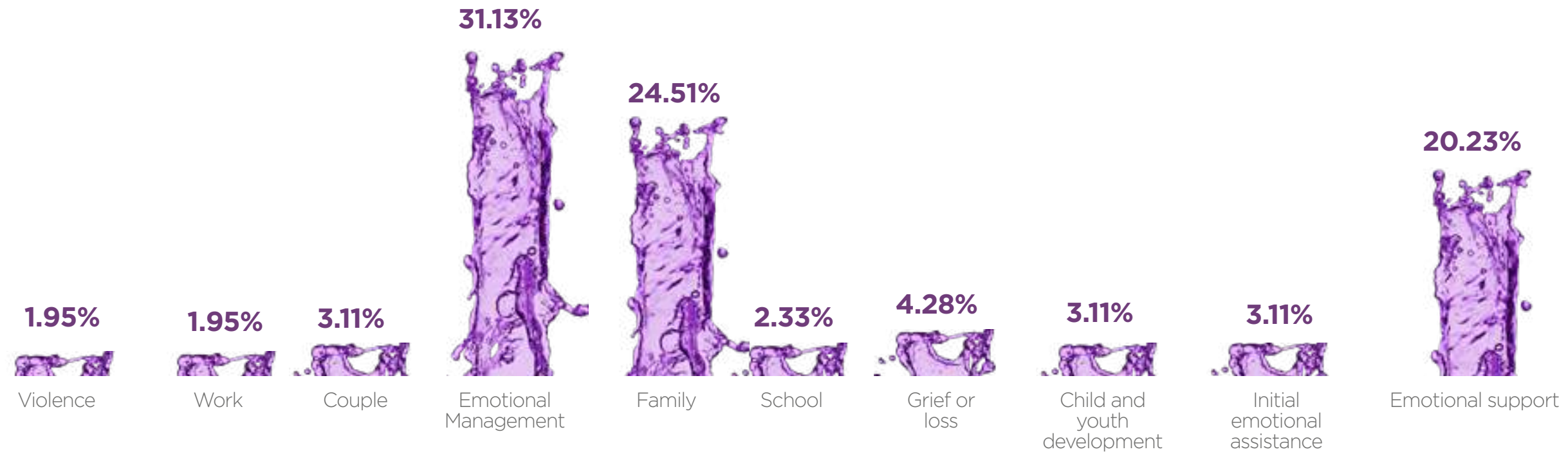
With all this information we establish the General Health Plan, which focuses on addressing various conditions identified in the general health diagnosis.

Likewise, in 2021 we continued with various actions focused on preventing the spread of COVID among our collaborators, including:

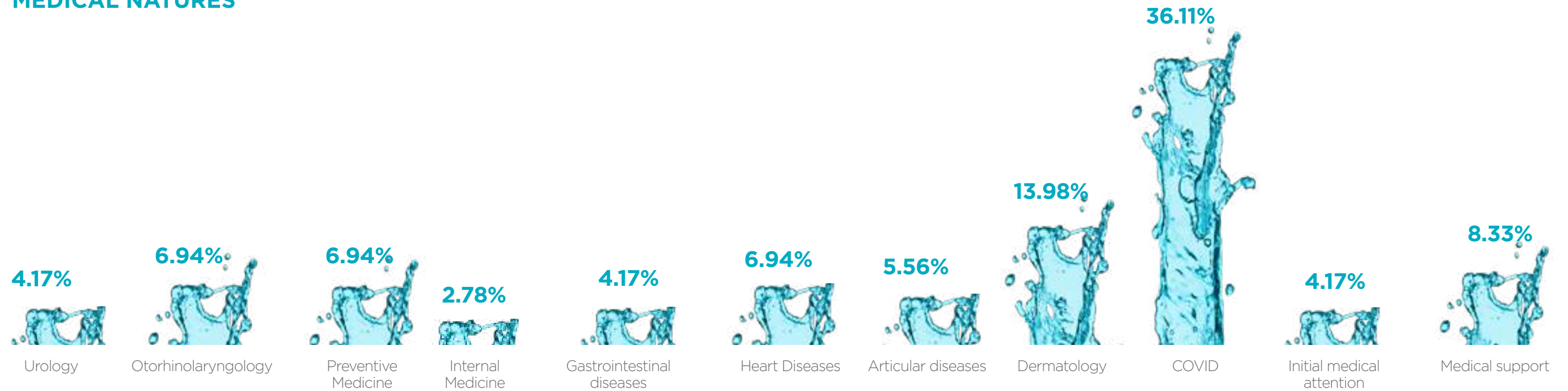
- Launching of a whistle-blowing channel designed to ensure compliance with COVID prevention standards.
- Implementation of CO2 detectors to ensure an optimal level of ventilation.
- Modification of buildings with insufficient ventilation to ensure adequate ventilation for a COVID environment.
- Support and mobilization of collaborators for vaccine application (+60 collaborators).
- Launch of campaign promoting vaccination #GetVaccinated.
- Talk with UNAM scientist “about the importance of getting vaccinated” (+97 participants).

2021 results of the PAE *General Nature Orienta System*

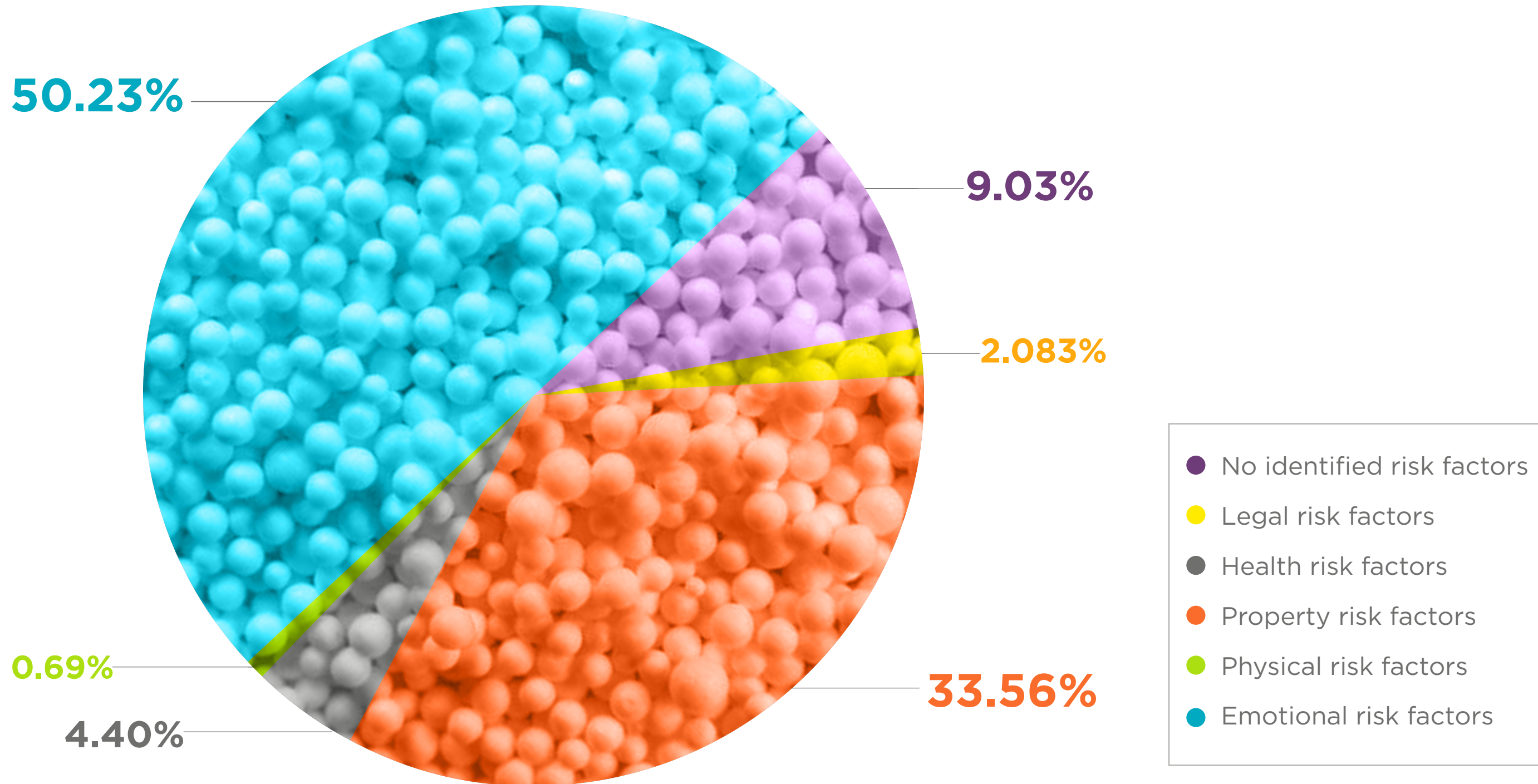
EMOTIONAL NATURES



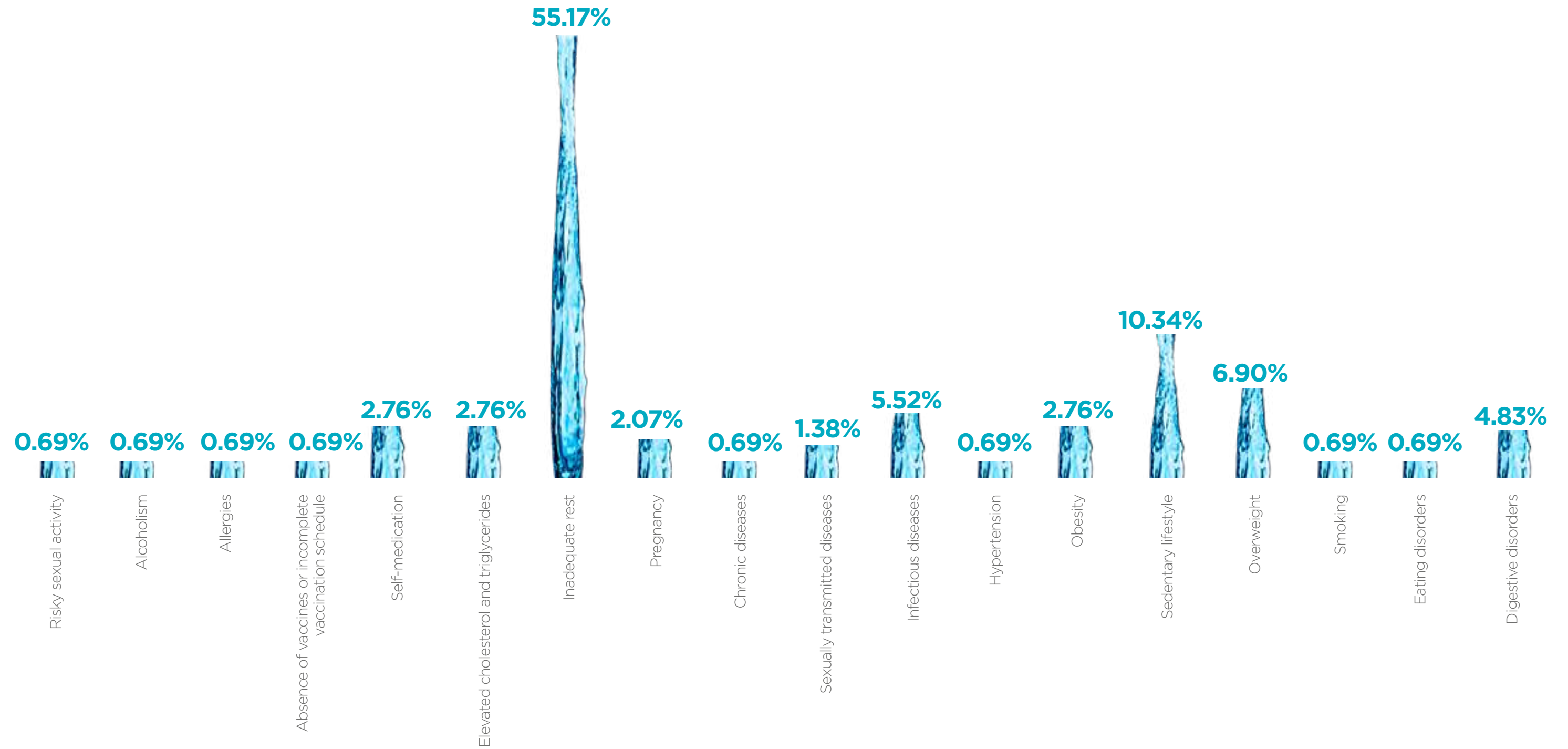
MEDICAL NATURES



Personal risk factors



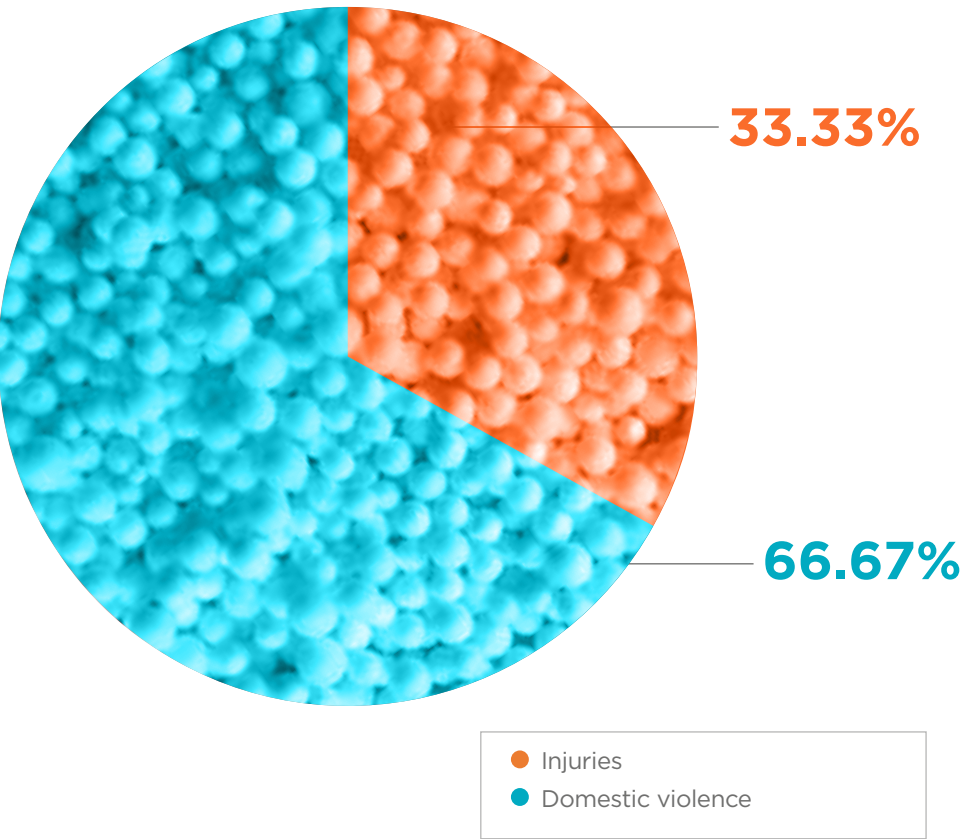
HEALTH



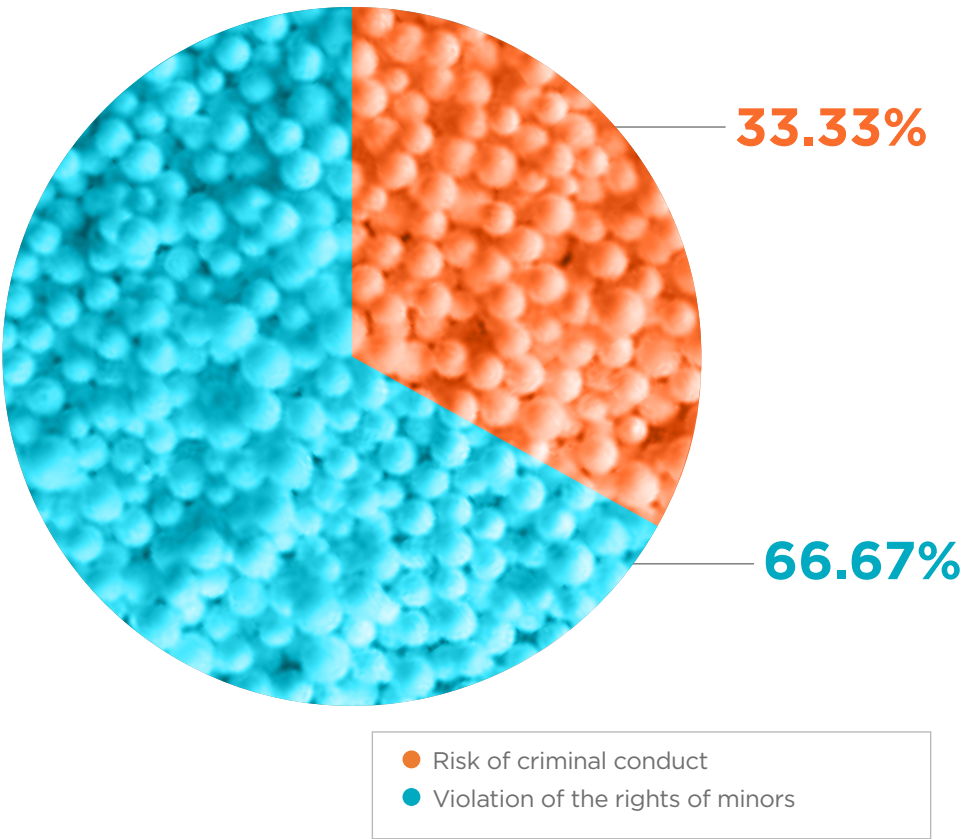
EMOTIONAL



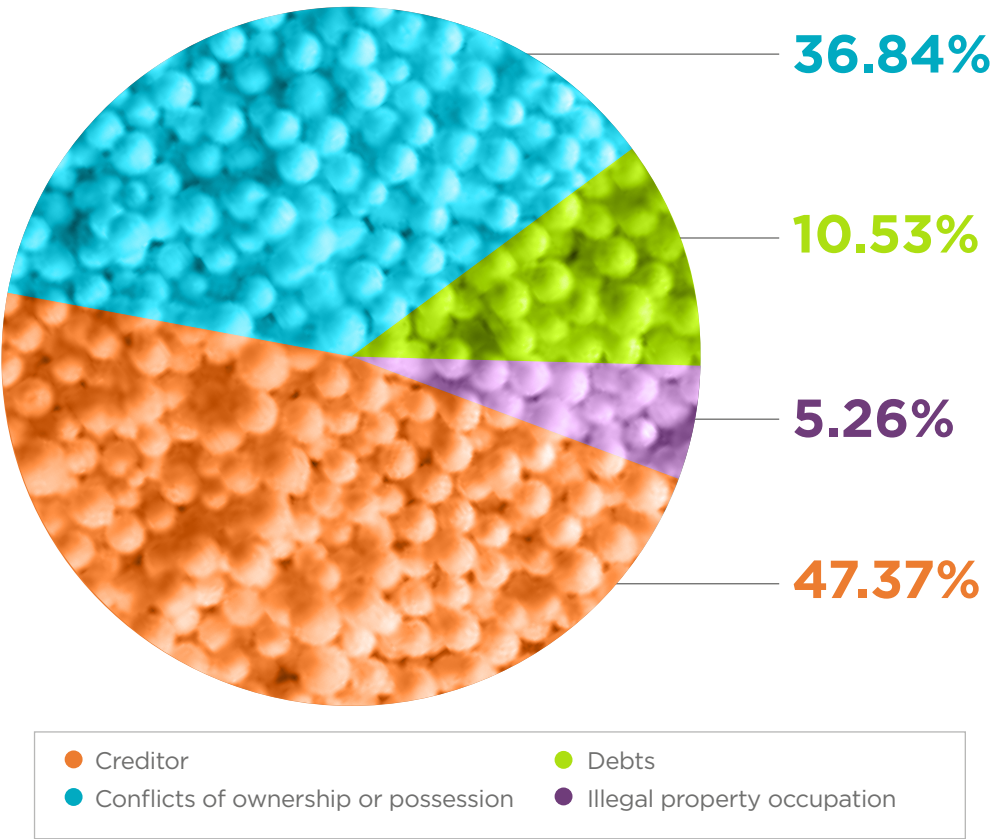
PHYSICAL



LEGAL



PATRIMONIAL



GRI 403-9, 403-10

We aim to reduce the accident rate and unsafe working conditions through our “Safe Environment” strategy. The Integral Responsibility area is responsible for ensuring that the strategy’s objectives are met:

1. Raising awareness among our collaborators.
2. Training.
3. Establishment of procedures and controls.
4. Investigation of incidents and accidents.
5. Communication of corrective actions and lessons learned.
6. Dissemination of safety performance.
7. Holding events that involve collaborators’ families.

We have implemented a communication platform called PochtecaNet, which allows us to post safe environment information. On the other hand, we share this information with customers and suppliers through training on basic safety elements and handling of materials.

WORK-RELATED ACCIDENTS

Mexico and Central America

COLLABORATORS	MEN	WOMEN
Affiliated population	941	485
Number of work-related accidents	22	0
Rate of work-related accidents	1.23	0
Number of registered accidents	22	0
Registered accident rate	1.23	0
Number of work-related fatalities	0	0
Rate of work-related fatalities	0%	0%
Number of work-related accidents with serious consequences	0	0
Rate of work-related accidents with serious consequences	0%	0%
Main types of work-related accidents that have occurred	Falls, blows, cuts, burns, etc.	
Number of days lost	467	0
Total number of hours worked	2,303,568	1,187,280



BRAZIL

In Brazil, we have a program for monitoring the health of our employees which includes an Occupational Health Certificate and the issuance of a Professional Profile and an Occupational Accident Report for all collaborators.

Also, in 2021 we conducted the Engagement Survey with the participation of all collaborators with more than three months in the company, in order to find out what facilitates and what hinders their day-to-day work in order to develop action plans to improve our work environment, to be monitored in 2022.

Initiatives 2021

- 1. Flu Vaccination Campaign through a specialized service for the immunization of our collaborators at the company's facilities.
- 2. Frequent guidance on prevention care and the importance of COVID-19 vaccination, from institutional communications to tele-direction in cases of suspected COVID-19 infection.
- 3. Talks with our Health Insurance Company on topics relevant to the physical and mental health of all collaborators in order to provide clarification and disease prevention.
- 4. Health (policyholder) and dental (policyholder and dependents) plan in accordance with the policy in force.

109
COLLABORATORS TRAINED
ON OCCUPATIONAL HEALTH
AND SAFETY ISSUES

COLLABORATORS	MEN	WOMEN
Number of work-related accidents	1	0
Rate of work-related accidents	0.34%	0
Number of registered accidents	1	0
Recorded accident rate	0.34%	0.00%
Number of work-related fatalities	0	0
Rate of work-related fatalities	0%	0%
Number of work-related accidents with serious consequences	0	0
Rate of work-related accidents with serious consequences	0%	0%
Number of days lost	242	0
Rate of days lost	0.23%	0
Total number of hours worked	984	0



Pochteca Costa Rica

VALUE FOR CUSTOMERS

GRI 102-9, 102-10

We strive for excellence in our customer service, which is why we have integrated a sustainable supply chain to help us achieve our commitment to supply and quality, both key elements for success.

Together with our customers we establish business relationships that generate mutual benefits:

- We share best operating and sales practices through advice and training on use, handling and compliance with applicable regulations for the products we supply, including advice on waste management and protocols for action in the event of an emergency.
- We evaluate their level of satisfaction and generate actions that will allow us to correct or expand our value offer.
- We review, streamline and complement our product portfolio to options that improve quality strategies, sustainability and process efficiency maintain at all times.
- We provide advice on the application and functionality of our products.

BRANCHES

33

Mexico

1

United States

3

Central America

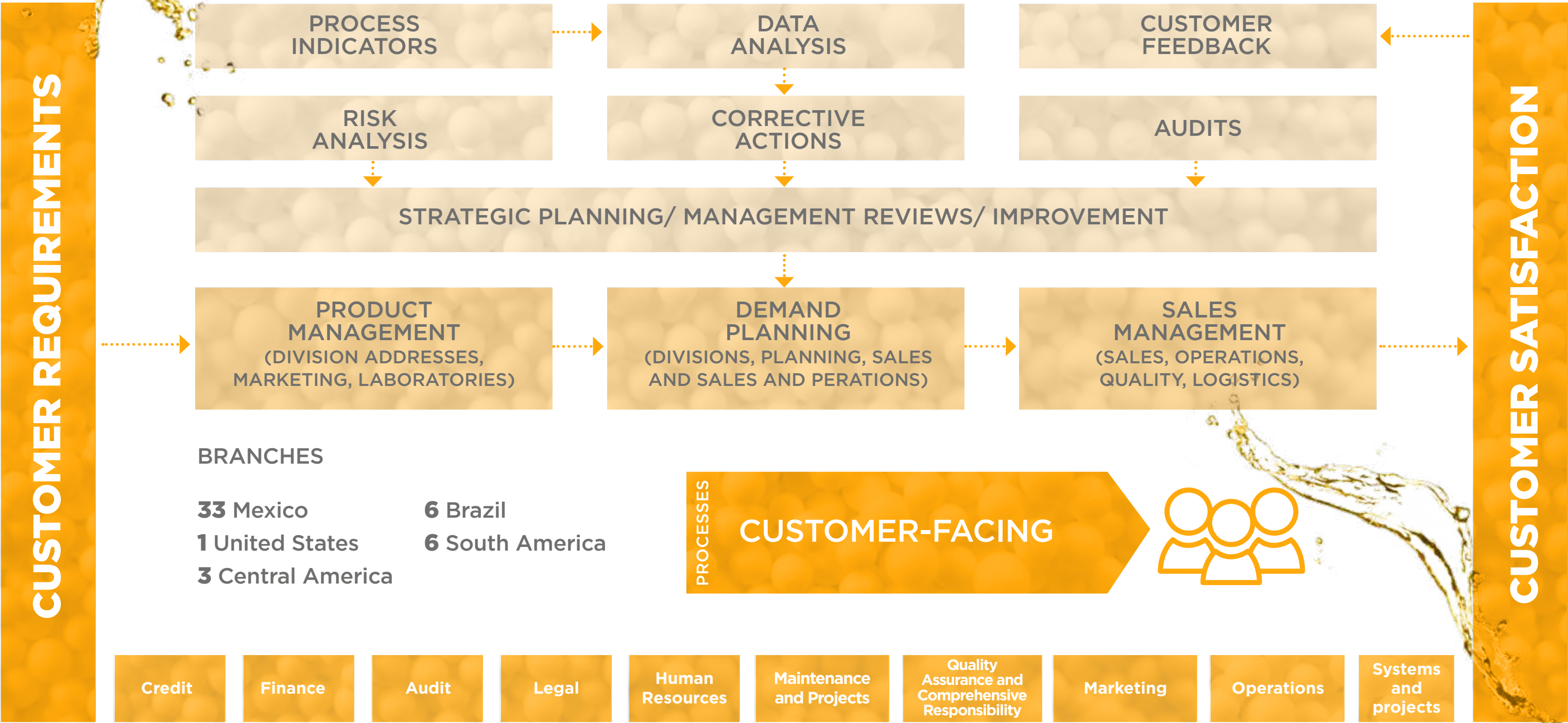
6

Brazil

6

South America

INTERRELATIONSHIP OF **POCHTECA GROUP PROCESSES**



RESPONSIBLE PROCUREMENT

We strive for excellence in our customer service through responsible management solutions, thereby fulfilling our commitment to supply and quality.

Our supply chain strategy includes all the areas that make up Grupo Pochteca, through which we establish common objectives such as: compliance with the sales budget and the generation of EBITDA, based on a sales and operation planning process (“Sales & Operation Planning”).

Digital Transformation

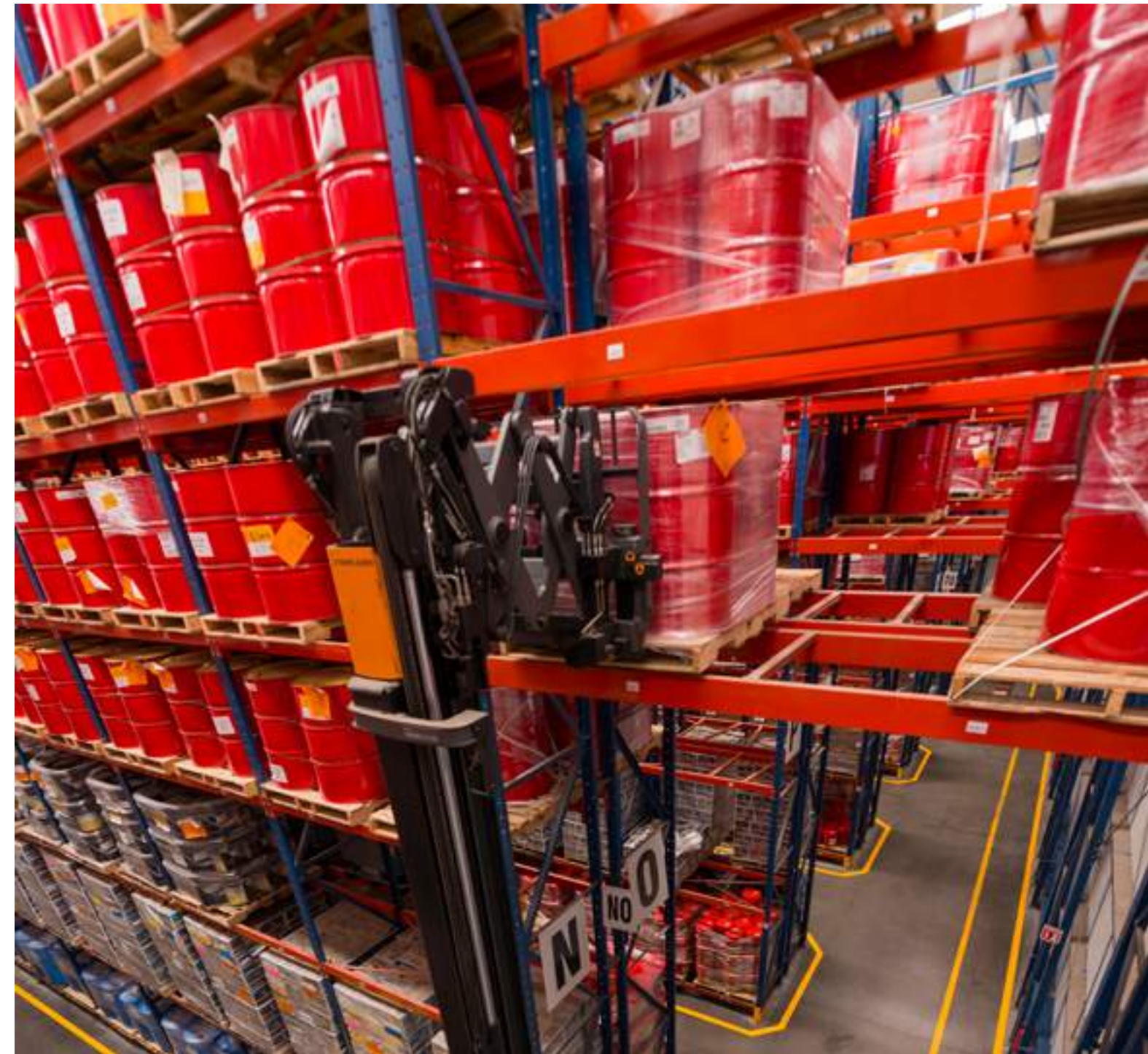
During the second half of 2021 we launched the implementation of our “Digital Transformation” strategy.

Digital Transformation provides us with a strategic opportunity for:

- Initiating the digitalization of processes by taking advantage of the “connected world”, creating new customer journey experiences, optimizing and innovating towards new business models by creating new products and services.
- Optimizing the business operating model by seeking greater efficiency, cost reduction and increased profitability.
- Transforming the way we work to explore the generation of new revenue streams in new channels using digital business models.

VISION:

To be a group of customer-focused companies that leverages digital technologies to provide them with the best value offering, the most agile and efficient processes and deliver the best experience, evolving towards a digital economy in order to enable an ecosystem of suppliers, collaborators and customers.



San Luis Potosí Plant



Guadalajara Plant, Jalisco

A fundamental element of the strategy is its governance model, whose structure allows us to carry out the monitoring, administration and follow-up of the work plan, objectives and benefits in an efficient manner and which is structured as follows:

- **Digital Transformation Committee**
- **Digital Champions**
- **Project Office**

During the first phase of our Digital Transformation strategy we are working on five parallel initiatives that have a defined work plan as well as experts for each one who will be in charge of and oversee their execution.

- 1. Enterprise Architecture**
- 2. E-Commerce**
- 3. Digitalization / Innovation Tools**
- 4. Digital Evolution of IT Operations**
- 5. Alignment to Digital Mindset**

As part of our strategy implementation, we conducted an analysis of the evolution of our administrative system (ERP), identifying the most convenient scenarios for the Company in the medium and long term in this platform, and integrating the operations of all the countries where we operate.

In the same way, we will continue to strengthen sales and customer service with the use of our CRM platform, in order to make it a standard of all our operations.

A fundamental part of the success of this new strategy is the digital competencies development program, which consists of lectures on strategic issues, training and practical workshops to apply the new competencies acquired.

RESPONSIBLE MANAGEMENT SOLUTIONS

GRI 102-9, 419: 103-1, 103-2, RT-CH-530A.1

Statistical
information
provided by Sales,
which determines
the need for supply

Requisitions for material
from local and foreign
suppliers, prioritizing
delivery times and any
eventuality that could
influence the demand
for products

Receipt of materials at
the supplying branches
(Distribution Centers),
for local sale or distribution
to one of our branches
in Mexico, Central America
and Brazil

Product preparation
or modification,
if necessary, at our
facilities prior to delivery
to the customer

Final delivery to the
customer, by means of
internal transportation or
through qualified third
parties, fulfilling our
commitment to a Secure
Chain of Custody

Distribution zones:
North, West, Bajío and
Southeast, each with a
supplying branch capable
of distributing any required
material

Continuous
improvement of our
logistics network
in order to control
costs and reduce the
environmental impact
of transportation

WE ADD VALUE TO OUR SUPPLY CHAIN

GRI 102-9

At Pochteca, our goal is to maintain a sustainable value chain.

As our “One-stop Shop”, which provides integral solutions for our customers.



1,713
Collaborators



+850
Suppliers

Supply

+296,000
orders

Storage

49
branches

+22,4 million liters Storage capacity

Presence in Mexico, Brazil, Guatemala, El Salvador, Costa Rica Colombia, Argentina, Peru, Chile

Blends

- Blending, dilution and formulation development
- Packaging solutions

Packing and packaging

12
research and development laboratories

6
quality control laboratories

5
dual-function laboratories

Distribution

Responsible distribution

+350,000 m²
of logistics capacity

+373,000 tons
delivered in the year

- Handling and disposal of hazardous industrial waste
- 3PL logistics specialized in chemicals
- Technical support and professional attention

49 branches in Mexico, United States, South America, Central America and Brazil

Logistics

After-sales

Supply solutions for competitiveness

**+26,000**
customers per year

**500**
cities

+40 industrial sectors served:
mining, food industry, automotive industry, oil exploration and drilling, water treatment, personal and home care, cleaning and sanitizing, and the metalworking industry, among others.



RESPONSIBLE PROCUREMENT

GRI 204, 408, 409, 412, 414: 103-1, 103-2, 103-3, 102-9, 204-1, 408-1, 409-1, 412-1, 414-1, 412-3,

56.12% OF POCHTECA PAPEL'S
SUPPLIERS ARE FSC, SFI AND PEFC
MEXICO CERTIFIED.

To carry out the selection of our suppliers and their development, we use the COUPA tool, a software tool designed to optimize spending in the cloud, which also helps us to improve the procurement process and integrated procurement management (SRM).

- We carry out a transparent supplier selection and evaluation process, following business ethics and integrity guidelines.
- Audit processes for identifying areas of opportunity and supporting the implementation of continuous improvement.
- Openness to being audited, in order to achieve distribution chains with standardized criteria for quality, safety, environment and business integrity.
- Open and dynamic communication to establish long-term relationships.
- Supplier Manual, which has undergone significant changes to incorporate our sustainability commitments to suppliers.

Likewise, to ensure a Sustainable Value Chain, we aim to ensure that all operations with our suppliers are aligned with the requirements established in our Integrated Management Policy, in economic, social and environmental matters, for which we request evidence of their compliance.

Regarding social matters, our Supplier Manual includes our Code of Ethics. By subscribing to it, suppliers commit to operate in compliance with our culture and values, including respect for human rights and the rejection of child and forced labor.

<https://mexico.pochteca.net/proveedores/>

Through the implementation and certification of our responsible distribution and integral responsibility management systems, which evaluate the existence of controls and evaluations, we also ensure that all our suppliers comply with our environmental commitment.

In addition, we are constantly undergoing internal, customer and supplier audits in the operational areas throughout the year, which provide feedback on our operations to ensure continuous improvement. Within the organization's portfolio of clients and suppliers, there are several multinationals that audit us to verify our reliability as a supplier or to guarantee good practices in the chain of custody in the distribution of our products.

OF THE SUPPLIERS
REGISTERED IN THE
COUPA SYSTEM:

20%
DOMESTIC RAW
MATERIAL SUPPLIERS

80%
OF OUR SUPPLIERS ARE
DOMESTIC SUPPLIERS OF
INPUTS AND SERVICES.

GRI 308: 103-1, 103-2, 103-3, 308-1, 308-2

Every six months we carry out evaluations of our raw material suppliers, a task that is under the control of the procurement area.

We operate a platform for reporting nonconformities to suppliers which allows us to identify recurring problems and work with them to generate corrective actions to eliminate the causes of the problems recorded.

On the other hand, since 2016, our supply chain has been evaluated by EcoVadis, a supplier that conducts evaluations in intelligence and collaborative performance improvement tools for the value chain; the evaluation covers 198 purchasing categories.

We continued to perform well in the fulfillment of all product collection and sourcing programs, covering 100% of the volume delivered by key suppliers. We will continue to work to make our customer portal more efficient, involving all participants in the process of procurement, receiving and entering product into the warehouses.



San Juan Plant, Mexico City

SALES AND DISTRIBUTION

GRI 416, 417: 103-1, 103-2, 103-3, 102-9, 416-1, 417-1, 417-2, 417-3, RT-CH-410B.1

Our sales process includes:

- Delivery of safety data sheets to our customers.
- Technical and product application sheets.
- Handling conditions of the materials we supply, previously evaluated by the same sales team.
- Specialized visits by our safety personnel, if they request them, in which we give them handling, storage and infrastructure recommendations.
- Advice and after-sales service through our laboratories.

All our sales operations comply with the Mexican Official Standard NOM-018-STPS-2015 (Harmonized System for the Identification and Communication of Hazards and Risks from Hazardous Chemical Substances in the Workplace), and the standards in each country in which we operate. This requires us to ensure that all our products contain health and environmental hazard identification and protective measures on labels and safety data sheets (SDS) in a logical and comprehensive manner.

Terms and conditions of sale are public and can be consulted at:
<https://mexico.pochteca.net/empresa/procedimientos-de-ventas/>

In Brazil, all products sold by the company are duly labeled in accordance with ABNT NBR 14725-3, complying with Brazilian chemical standards.

In addition, the disposal of chemical products, when necessary, is carried out by a company authorized for such purposes, in accordance with current legislation, in order to prevent environmental and social impacts.

Physical Hazards



GHS01:
Explosive Substances (EX)



GHS04:
Gas under pressure (GZ)



GHS02:
Flammable Substances (IN)



GHS05:
Corrosive Substances (CR)



GHS03:
Oxidizing Substances (CB)

Environmental Hazards



GHS06:
Acute toxicity category 1,
2, 3 (TO)



GHS08:
Carcinogen, mutagen (MU)



GHS07:
Acute toxicity category 4
(inhalation hazard) (DA)



GHS09:
Harmful to the aquatic
environment (EN).



Pochteca Chile

CUSTOMER PRIVACY

GRI 418: 103-1, 103-2, 103-3, 418-1

Our Privacy Committee is responsible for ensuring compliance with the Mexican Federal Law for the Protection of Personal Data in Possession of Private Parties (LFTDPPP) and for ensuring the confidentiality of all our clients' information.

In the event that a report of non-compliance is received, the committee will be in charge of conducting investigations and coordinating the implementation of the necessary actions to correct the causes of the non-compliance.

The Human Resources and Finance Departments are responsible for establishing controls and monitoring compliance to ensure compliance with the legislation applicable to social and economic requirements.

<https://mexico.pochteca.net/aviso-de-privacidad/aviso-de-privacidad-para-clientes/>

OUR COMMITMENT TO THE ENVIRONMENT

GRI 102-11, 102-48, 301, 302, 303, 304, 305, 306, 307: 103-1, 103-2, 103-3

At Pochteca we are committed to preserving the environment and the efficient use of natural resources.

We also comply with environmental regulations and legislation in the countries in which we operate, which are aligned with our Integrated Management System.

We have identified environmental risks in all our operations and have established the necessary controls to minimize or eliminate them. These are established in our operating procedures and compliance is ensured through internal and external audits, as well as through inspections by local and federal agencies.

In addition to the actions taken to mitigate the identified risks, we comply with applicable environmental requirements, such as the following:

- 1) Operations in authorized land.
- 2) Wastewater discharge studies, all of which were found to be within the regulated parameters.
- 3) Hazardous waste management.

Some of the complementary actions we carried out include:

- a) Separation and sale of wood, cardboard and plastic to reduce solid urban waste.
- b) Maintenance contracts for voice and data equipment for proper disposal of consumables and waste equipment, through our own suppliers or authorized companies.
- c) Purchase of equipment and supplies that offer environmentally friendly alternatives.
- d) Increase in the portfolio of sustainable products, including those certified in the FSC chain of custody.
- e) Sale of non-compliant materials for reuse alternatives or for alternative applications, with prior authorization from customers through samples.
- f) Raising awareness of responsible management of hazardous waste and the recovered solvents process through presentations and training by the industrial waste division.

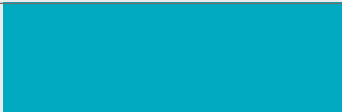
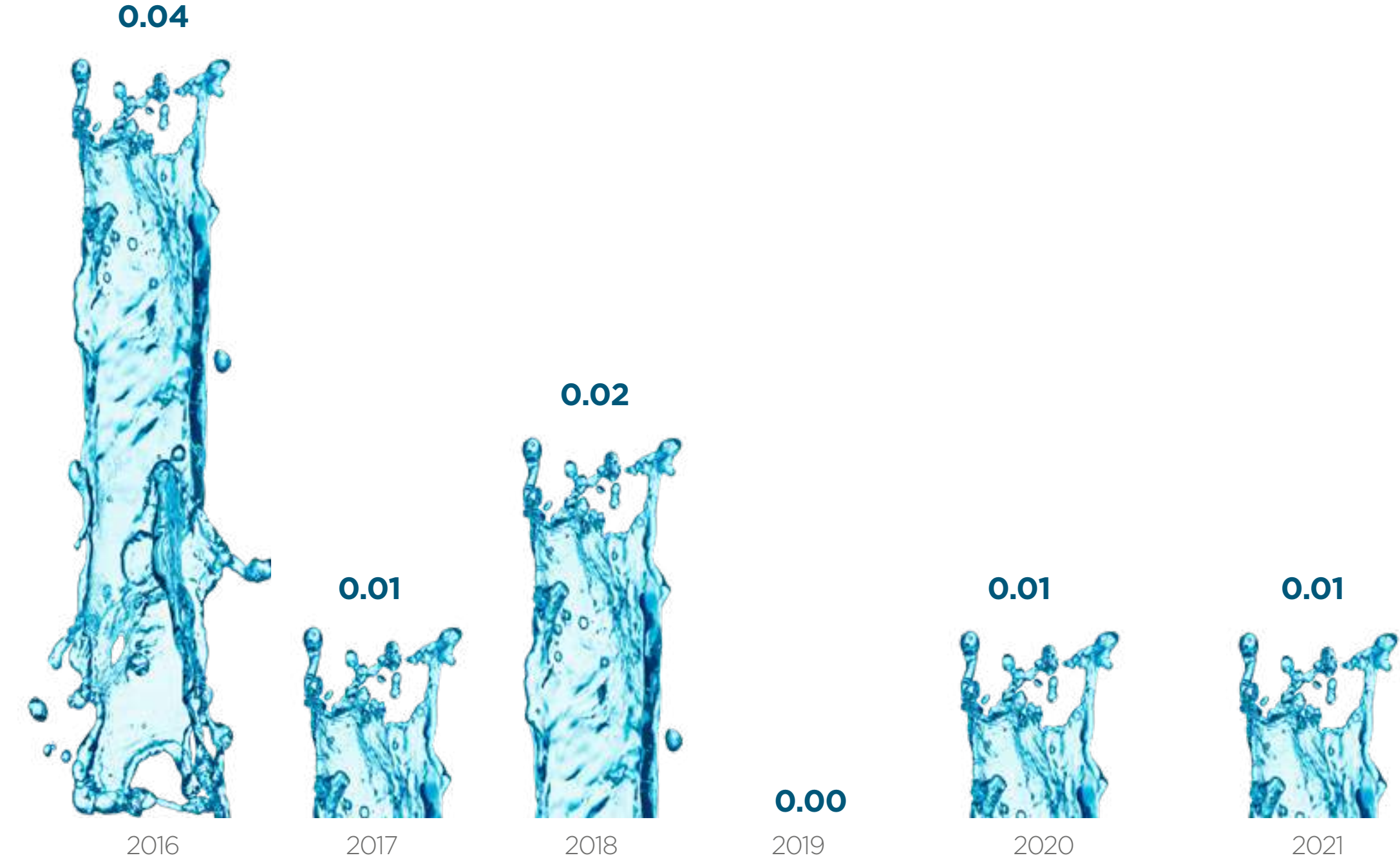
Given that the greatest risk to the environment in our operations is derived from leaks and spills, we monitor and keep a record of these events which is reviewed monthly at board meetings to define the actions that will enable us to reduce and prevent them.

Planta Vallejo, CDMX



% OF TONS SPILLED VS. SOLD

THROUGHOUT THE YEAR THERE WERE SOME SPILLS IN THE OPERATIONS ALTHOUGH IT SHOULD BE MENTIONED THAT ALL OF THEM WERE ON CONCRETE FLOORS AND DID NOT EXCEED 1 m³.



HANDLING OF HAZARDOUS SUBSTANCES

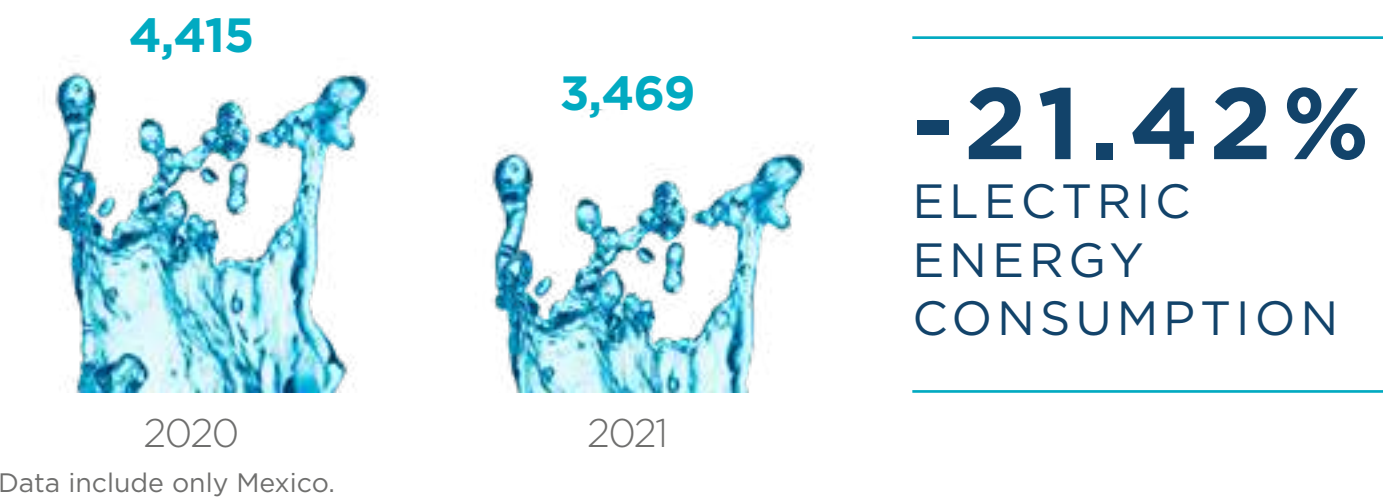
Because we handle a large number of chemical products, some of them harmless, and others from low to very hazardous due to their physicochemical characteristics, our procedures involve the concepts of integral responsibility as the basis for all operations. This requires that we have trained personnel, infrastructure in accordance with safety needs and legal and regulatory requirements.

For this reason, we provide training and create awareness among our personnel on safety and environmental issues in order to comply with our commitments as a responsible distributor. We share these practices with customers, suppliers and neighboring communities that require them.

ENERGY

GRI 302-1, RT-CH-130A.1

ELECTRICITY CONSUMPTION (KWH)



We continued to search for alternatives for the efficient use and reduction of energy, such as the solar panel project we are currently working on.

We currently have 2,170 solar panel modules installed in 6 of our facilities, capable of generating 1,394.66 MWh annually, which represents a reduction of 589.94 tCO₂/MWh emitted into the atmosphere.



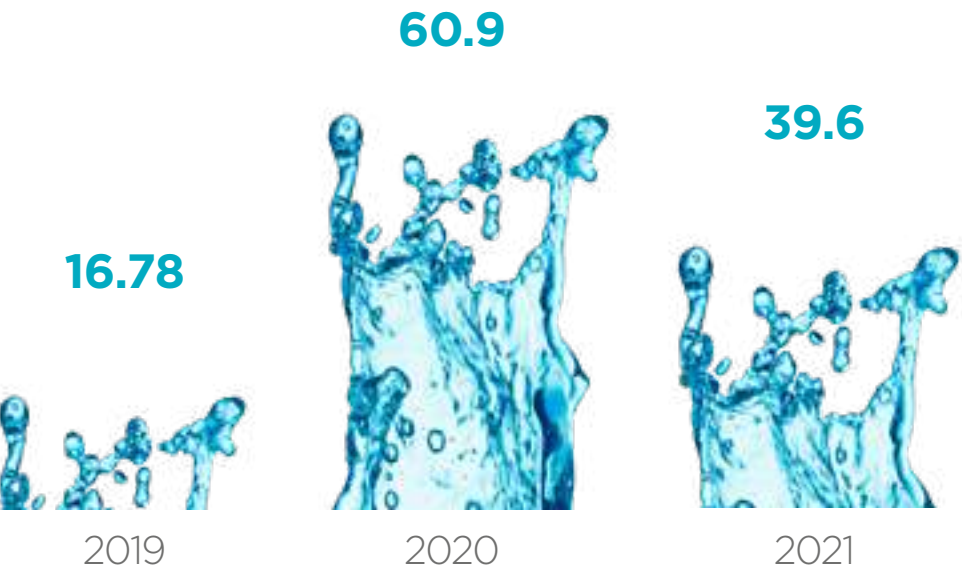
Minatitlán Plant, Mexico City

EMISSIONS

GRI 305-5, RT-CH-110A.1

To measure our carbon footprint we use the Emissions Calculator, a tool available at the National Emissions Registry (RENE) website which includes air travel, gasoline, diesel, electricity, water, lodging nights and waste.

TOTAL T CO₂e EMISSIONS



Starting in 2020, information from South America (Argentina, Chile, Colombia and Peru) is included, as these companies did not previously belong to the group.

-35%
EMISSION
REDUCTION

WATER

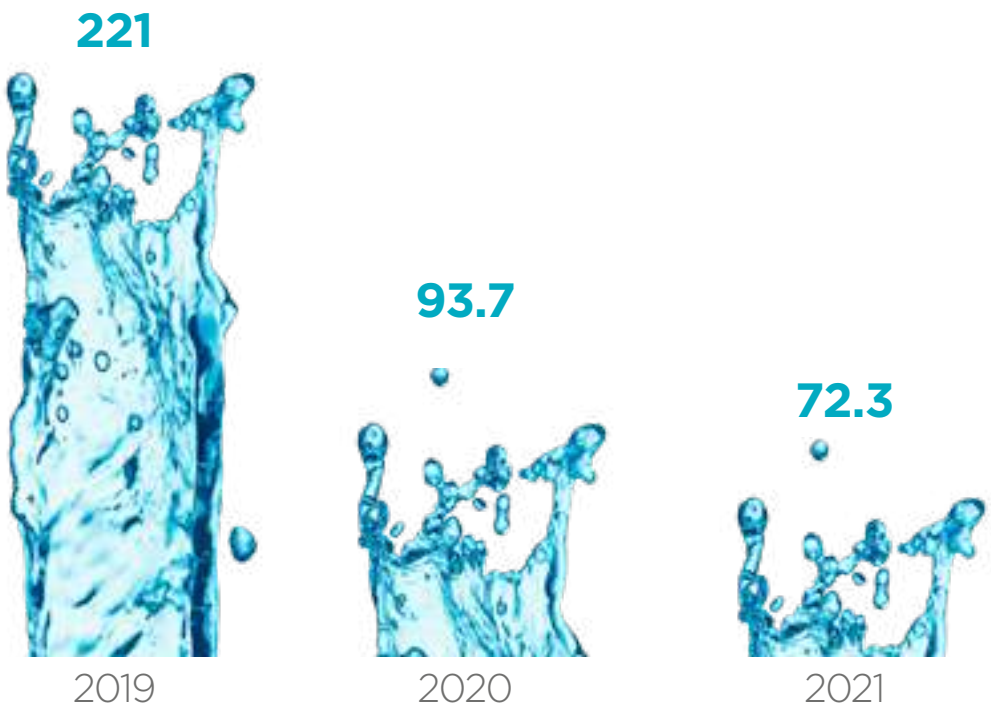
GRI 303-1, 303-2, 303-3, 303-5, RT-CH-140A.1, RT-CH-140A.3

Our facilities do not have any water collection system, so the water supply comes from the municipal network and the purchase of water pipes. The Cancun Distribution and Storage Center has a well for priority consumption in restrooms.

Following the terms of the concession title issued by the National Water Commission (CONAGUA) we remained within the permitted consumption for 2021.

Identification of leaks during MASH rounds continued allowing us to reduce water use.

TOTAL WATER CONSUMPTION (thousand m³)



MATERIALS

GRI 301: 103-1, 103-2, 103-3, 301-1, 301-2, 301-3

We continue to search for and evaluate environmentally friendly products in all our business segments in order to incorporate them into our catalog. However, given that this process involves the evaluation of these products by our customers, the time required for each product to be added to our catalog is medium and long term.

During 2021, we continued to work on our packaging and pallet recycling efforts -a priority for the recovery of the materials we use- for which we have water treatment plants for washing packaging at our sites.

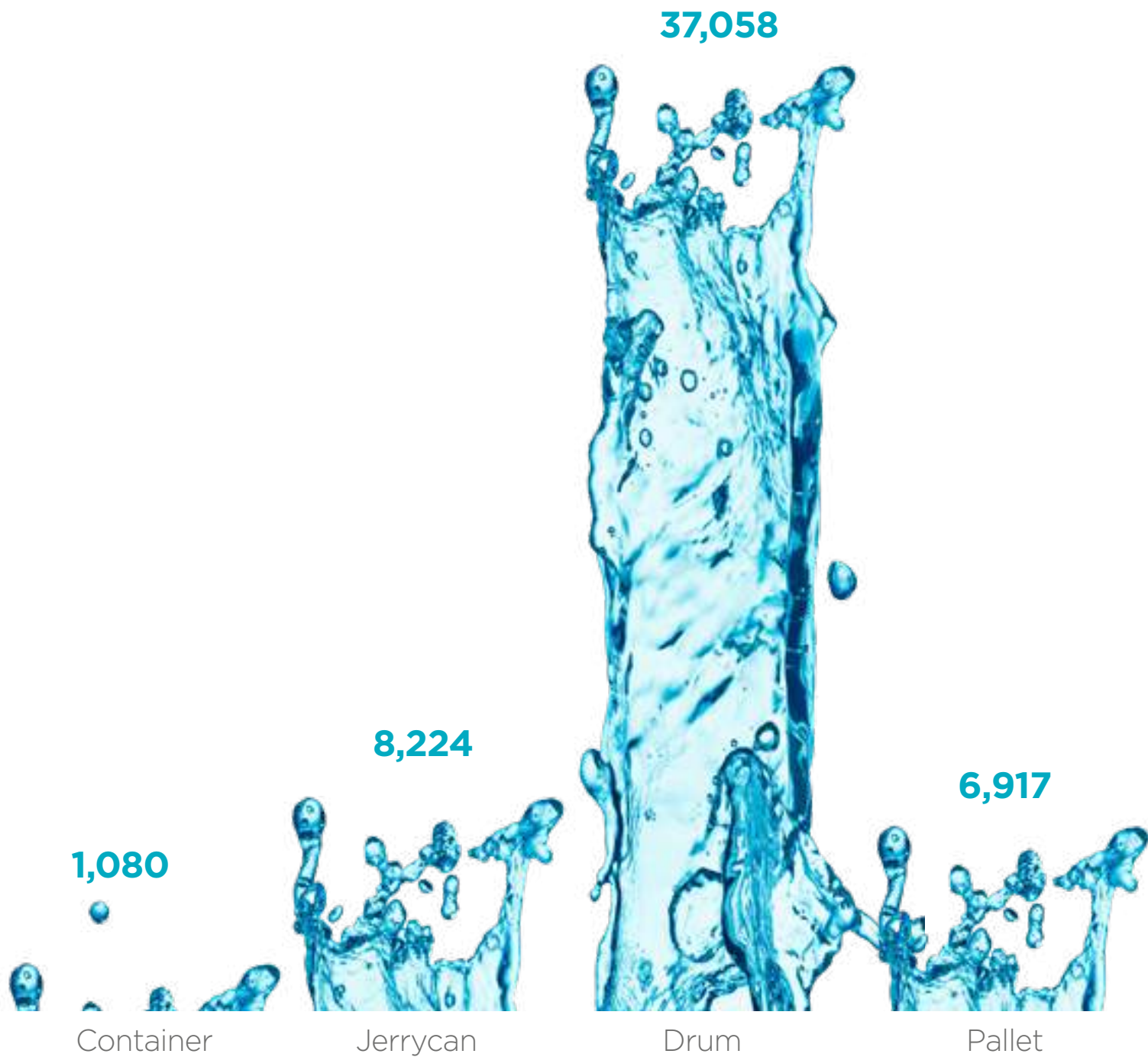
On the other hand, we also work with specialized external suppliers, to whom we send the pallets we discard for recycling and reuse. All of them are audited in order to guarantee that they comply with the required authorizations.

Cardboard, wood and plastic

571,990 kilograms



SALE OF SCRAP CONTAINERS (PIECES)



WASTE

GRI 306-2, 306-4, RT-CH-150A.1

Mexico

Waste from our operations is generated by maintenance processes, broken containers or packaging, replacement of machinery and equipment, non-conforming products or emergencies. Our facilities are registered as micro, small and large generators of hazardous waste, and only three of our sites have been classified as large generators: Pochteca León, Pochteca Minatitlán and Pochteca San Luis.

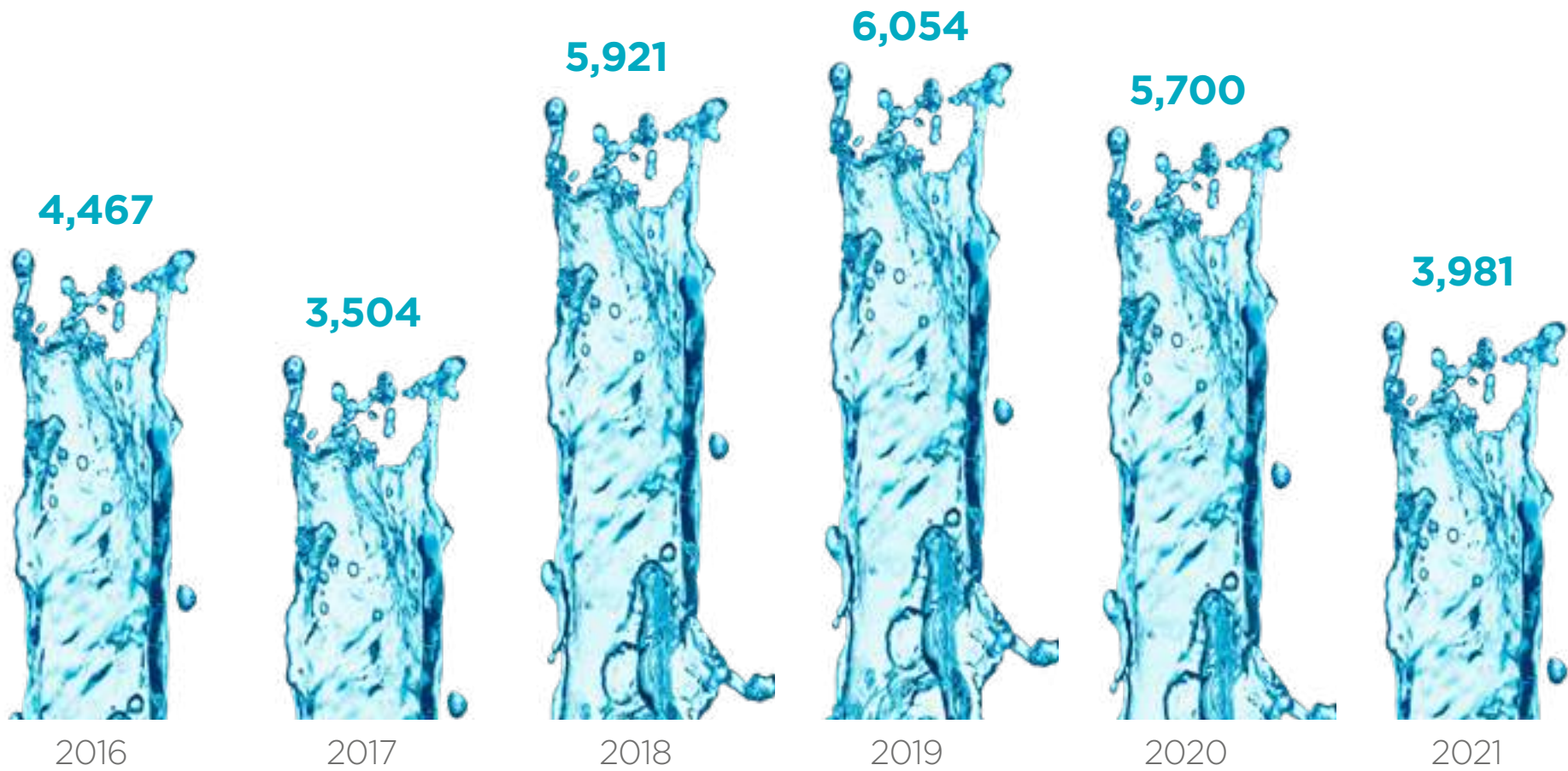
All waste from our operations is disposed of responsibly in compliance with Mexican Official Standard NOM-052-SEMARNAT-2005.

Waste generation in 2021 was 645,000 kg; 98% of this was generated by the recovery of 3.9 million liters of dirty solvent processed at our León plant.



San Juan Plant, Mexico City

RECOVERED SOLVENT



BIODIVERSITY

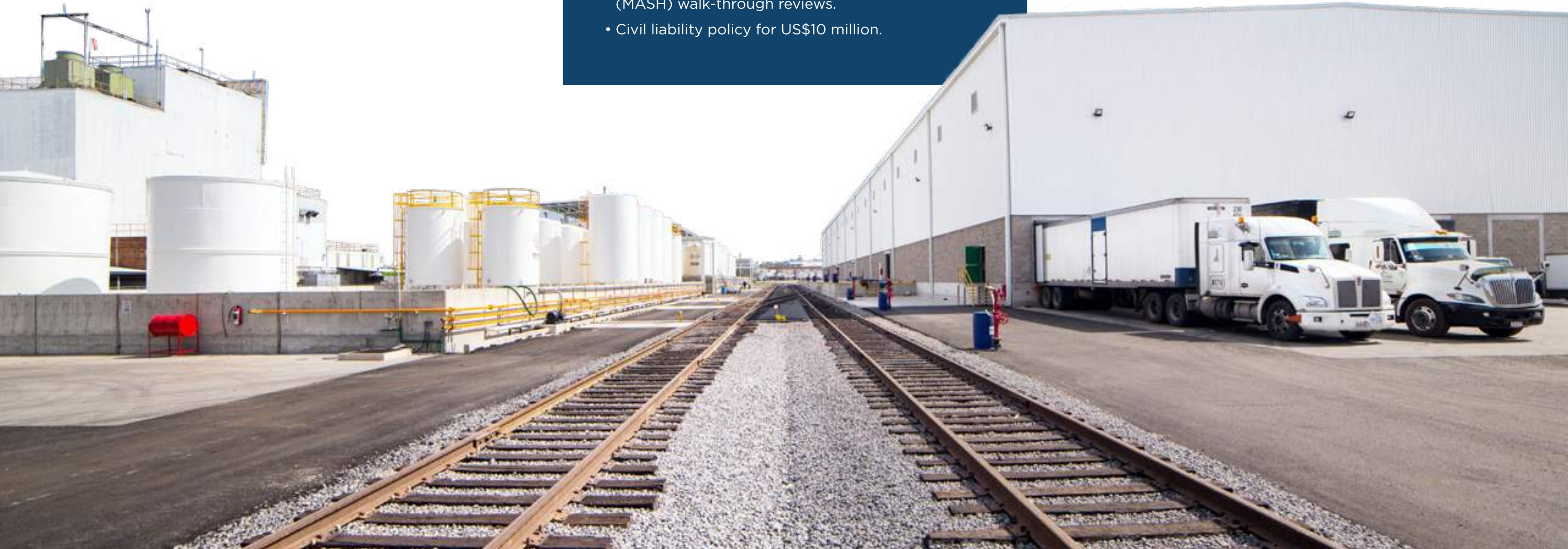
GRI 304-1, 304-2

All of our operating centers are located in industrial parks or zones with land use in line with our operations, thus ensuring no environmental impact.

We continue to carry out environmental controls such as:

- Environmental risk assessment (ERA) whenever we incorporate new products and environmental impact studies for new projects and/or changes in the location of warehouses and plants.
- Periodic training of our brigades on emergency response.
- Identification of risks of leaks, spills or waste of resources in Environmental, Safety and Hygiene (MASH) walk-through reviews.
- Civil liability policy for US\$10 million.

Guadalajara Plant, Jalisco



ENVIRONMENTAL COMPLIANCE

GRI 307, 308: 103-1, 103-2, 103-3, 102-11, 102-15, 102-30, 307-1, 308-2, RT-CH-530A.1, RT-CH-410B.1

Mexico

We have established a regulatory coordination department whose main function is to ensure compliance with applicable regulations at all sites and whose management process is as follows:

- Identification of changes in legislation through consultation of official sources, participation in associations, committees and related groups.
- Identification of applicable regulations for each new product that enters our portfolio.
- Coordination with stakeholders for producing documentation, controls, reports and records within the Integrated Management System to comply with regulatory requirements.
- Performance monitoring, through regulatory compliance reports by site.
- Reporting of compliance indicators, inspections and fines.
- Reporting of any relevant event related to compliance or non-compliance with regulations in general.

Environmental data applicable to the operation are reported annually to the competent authorities through the Annual Operation Report (COA).

\$35,000 IN ENVIRONMENT-RELATED FINES IN MEXICO

Moreover, we carried out Environmental Risk Assessments (ERA) and implemented an Accident Prevention Program (PPA) at all our facilities, in compliance with the guidelines established by SEMARNAT, in addition to meeting the requirements established by state and municipal authorities when required.



Pochteca Costa Rica

OUR COMMITMENT WITH THE COMMUNITIES

GRI 413: 103-1, 103-2, 103-3, 413-1, RT-CH-210A.1

We create employment and development opportunities without affecting neighboring communities by:

- Participating in business groups to review and issue legislation, as well as by generating emergency protocols.
- Donations, advising and training at educational centers, associations and foundations.
- Establishing facilities in sites with adequate land use for our operations.
- Respecting applicable legislation.

Activities 2021



Mexico

- For the second consecutive year, due to the COVID pandemic, and in support of the sanitation needs of the country in general, through various agencies, we donated 3% hypochlorite, a substance needed for disinfection in different communities.
- Cash donation to the Mexican Red Cross.
- Support for the “*Dona Tapitas de Corazón*” campaign organized by the Voluntariado de Corazón del Sistema DIF Chiapas.
- Reconditioning of the San Pedro Mártir Children’s Park in Minatitlán, Veracruz, by our plant collaborators.



Colombia

- Through Fundación Michín, Pochteca Colombia has supported mission projects developed by beneficiaries of this institution.

In 2021 the support was in the amount of \$5,000,000 Colombian pesos to help three young people with their studies and other projects.

Chile

- Donation of US \$1800 to the Santiago Fire Department.

Peru

- At the end of 2021, a food drive was held in Peru to provide supplies for the Chocolatada Navideña of the Casita. The drive was carried out with the support of the company’s collaborators.

INITIATIVES AND ASSOCIATIONS

GRI 102-13

As part of our quest for continuous improvement and teamwork to achieve significant changes, Pochteca Mexico is an active member of various associations and initiatives. We also abide by the standards and regulations they establish.

- Asociación Nacional de la Industria Química (ANIQ)
- National Paper Trade Association (NPTA)
- Cámara Nacional de la Industria de Transformación
- Forest Stewardship Council (FSC)
- Asociación Gremial de Industriales Químicos de Chile (Asiquim)
- National Association of Chemical Distributors (NACD)
- American Petroleum Institute
- *Asociación Mexicana de Empresas de Servicios Petroleros (AMESPAC)*
- SMETA-Sedex
- EcoVadis
- ISO 9001:2015



León Plant, Mexico City

MANAGEMENT ANALYSIS AND RESULTS

GRI 102-7, 201-1

Fiscal Year 2021

Consolidated sales amounted to \$8,938 billion pesos, representing an increase of 42.8% compared to the previous year. Pochteca’s positive sales performance reflects diversification in both sectors and countries, which allowed us to take advantage of the growth in demand for products such as sanitizers, personal care lines, chemicals for the food industry, as well as raw materials for mining, where the companies acquired in South America are particularly strong. In addition, an important part of the product portfolio distributed by Pochteca is part of the supply chain of customers in essential activities where it has a presence.

Gross Profit totaled \$1,998 billion pesos, reflecting an increase of 61.3% over the \$1,238 billion pesos of the previous year, with a margin of +96bp in Mexico, +314bp in Coremal and +55bp in South America. Such growth is explained by the diversification of customers, products and markets, the high inventories that ensured product availability even in uncertain supply environments, as well as the new value-added businesses, which have made possible a more defensive portfolio.

Operating income increased +56.3%, from 323 million pesos in 2020 to 505 million pesos in 2020, a growth that is explained by a larger sales base, and better gross margins, supported by the same diversification.

Operating expenses (excluding depreciation) increased 78.4% compared to 2020, rising to 17.2% of sales, from 13.8% in 2020. The increase is mainly explained by the fact that in 2020 the South American operation was considered for three months and in 2021 it already contemplated the whole year, an increase in payroll expenses because the company has maintained efforts to strengthen its management and commercial team to take advantage of the portfolios of the various companies and regions in which it operates, as well as to give depth to its management team. As well as the provision of expenses to address the eventuality of the UIF and the effects of the result of non-recurring operations.

Consolidated EBITDA grew +40.2% compared to 2020, reaching \$689 million pesos in 2021. In Mexico, EBITDA decreased -7.4% as a result of the FIU investigation of Pochteca Materias Primas discussed in this document, and in Brazil it increased +94.7%. South America obtained an EBITDA of \$93 million pesos in the first full year of operation under Pochteca’s management.

Net income of \$191 million pesos in 2021, higher than the \$185 million pesos gain in 2020, supported by operating income, despite suffering a foreign exchange loss of \$67 million pesos more than in 2020, and incurring an extraordinary (non-recurring) income tax payment in Brazil.

Working Capital

Net Debt at the end of 2021 was \$979 million pesos, higher by \$219 million pesos (or +29%) than in 2020. The company’s emphasis will be on cash, longer maturities and liquidity going forward. Gross debt at the end of 2021 was \$1,477,541 billion pesos.

Interest expense decreased -50.4% (-\$75 million pesos). Derived mainly from the Tax Credit (\$111 million pesos) that was presented in the Coremal S.A. partnership.

Payment to suppliers in 2021 increased by 10 days; accounts receivable increased by 4 days; and inventories increased by 8 days. Working capital increased by 2 days to 26 days in 2021.

In 2021, Consolidated Net Debt amounted to \$979 million, an increase of \$219 million or (+29.0%) compared to the previous year. The company’s emphasis will be on cash, longer maturities and liquidity going forward.

The Net Debt / EBITDA ratio went from 1.55 times in 2020 to 1.42 times in 2021. The level is below our internal policy of no more than 2.0 times.

Interest Coverage (EBITDA / interest) in 2021 was 3.72 times, which is higher than the 3.29 times coverage reported in 2020.

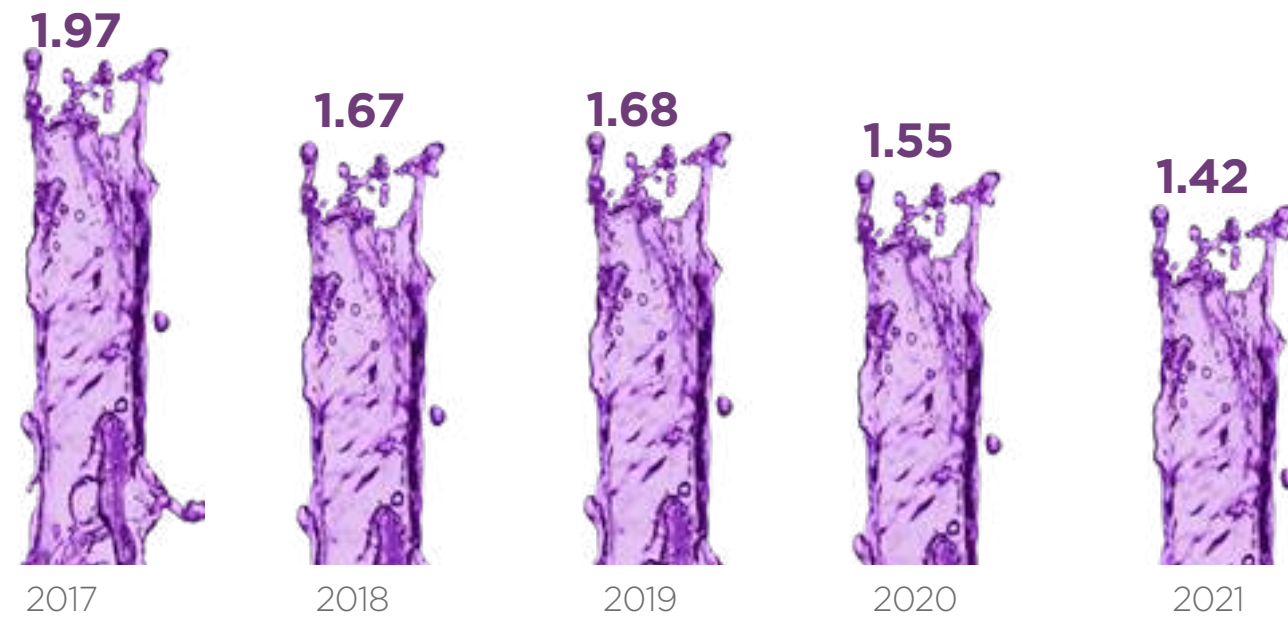
Result of non-recurring operations of \$34.4 million pesos. Coremal S.A., a subsidiary of the Group, obtained a favorable resolution of a tax credit by the State and ratified by the Brazilian Supreme Court of Justice (STF); however, it represented a decrease of \$15mdp in EBITDA.

FINANCIAL INDICATORS

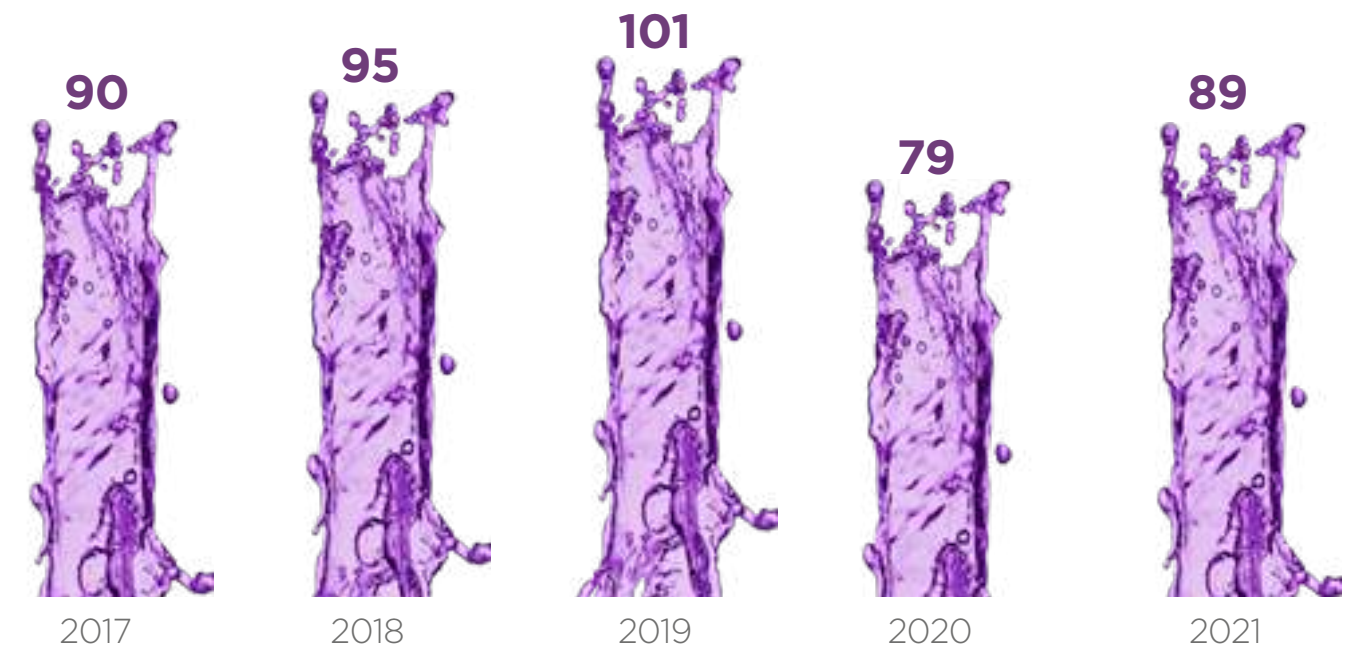
	2021	2020	2019
Gross Debt (million pesos)	1,477	1,039	663
Net Debt (million pesos)	979	760	537
Net Debt / 12m EBITDA	1.42x	1.55x	1.68x
Interest Coverage	3.72x	3.29x	2.13x
Shares outstanding	130,522,049	130,522,049	130,522,049

At the end of 2021, the Company generated cash flow after taxes, CAPEX and before interest, debt and share repurchase fund expenses of \$107 million pesos: a conversion of 0.15 from EBITDA to flow. Cash at the end of the year was \$498 million pesos.

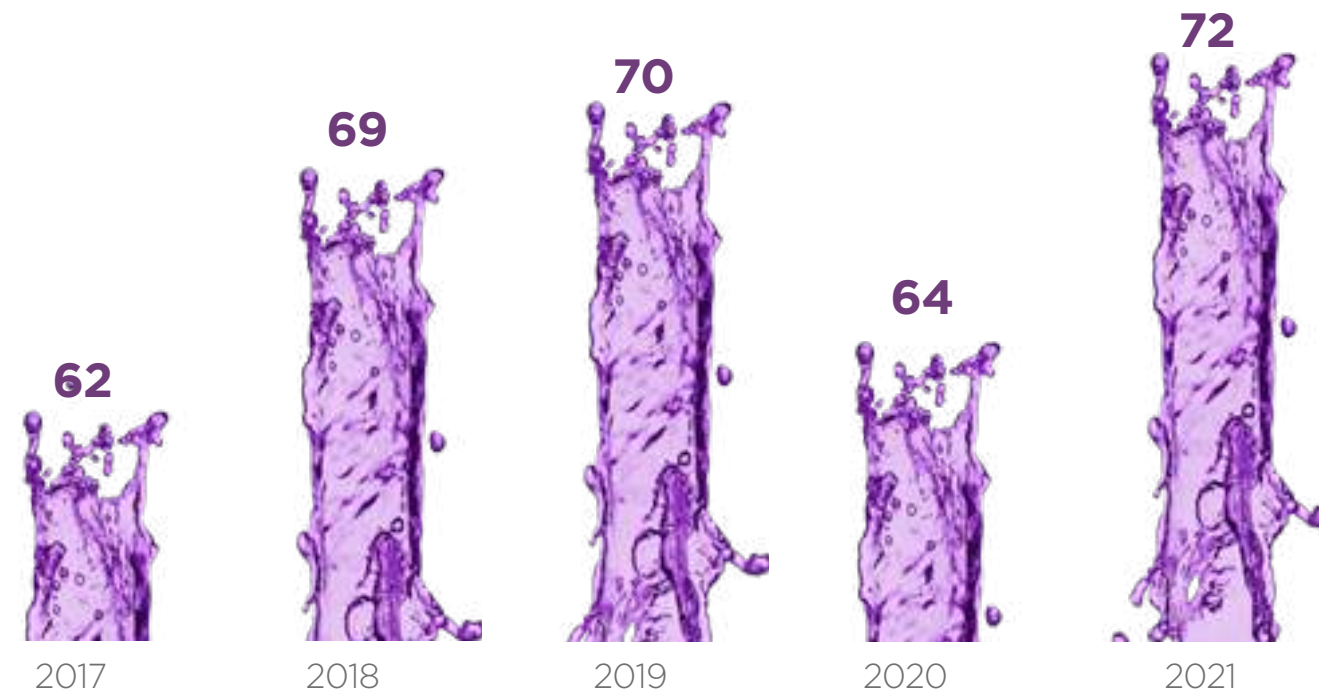
NET DEBT / EBITDA



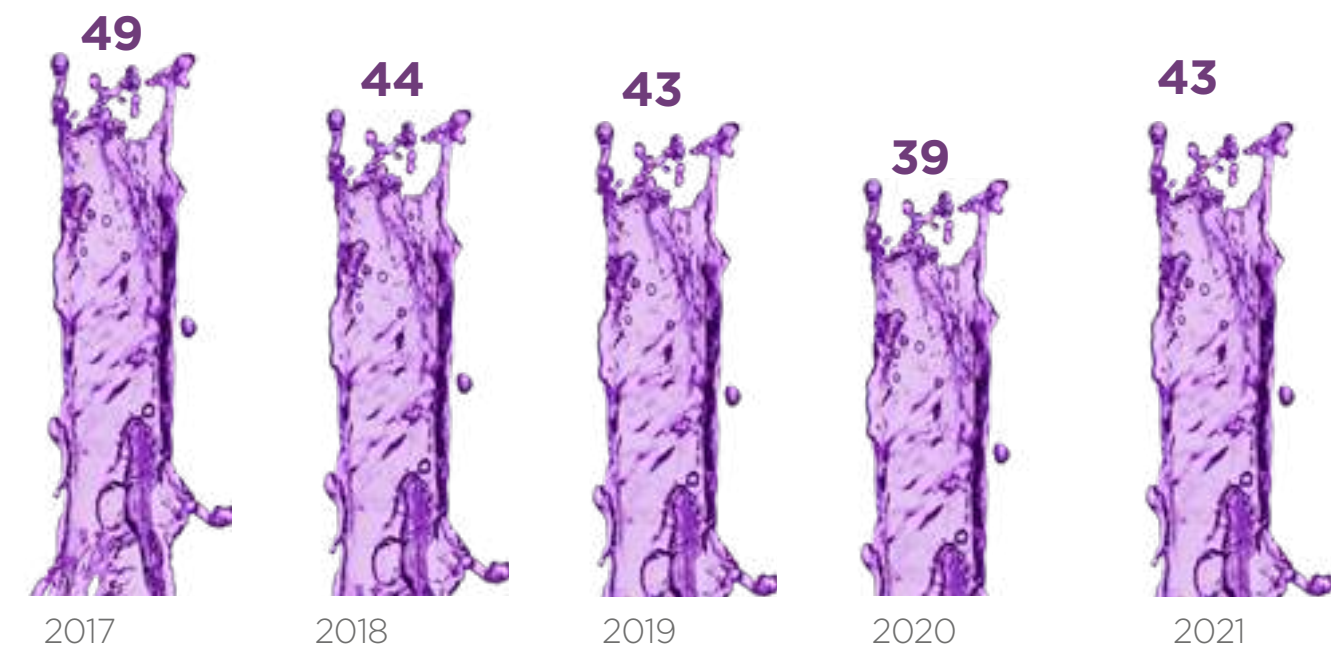
ACCOUNTS PAYABLE DAYS



INVENTORY DAYS



ACCOUNT RECEIVABLE DAYS



ABOUT THIS REPORT

GRI 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

We hereby present the eighth sustainability report and the seventh integrated report for Grupo Pochteca, S. A. B. de C. V. and Subsidiaries, structured according to its capital: Financial, Industrial, Intellectual, Human, Social and Relational, and Natural. With this report, we disclose the way in which we are creating long-term value, which issues are material to the Company and what our measurement methods have been.

The report is prepared on an annual basis and in accordance with GRI Standards, Essential option, established by the Global Reporting Initiative (GRI) in compliance with the principles of accuracy, balance, clarity, comparability, reliability and timeliness. Material aspects were obtained through the materiality study that we conducted in 2021 and the information is also reported in compliance with the SASB standards most relevant to our financial performance in environmental, social and corporate governance (ESG) matters, identified in each section.

The report also includes the economic, social, environmental and corporate governance performance results and events that took place in the period from January 1 to December 31,

2021, in compliance with all the principles for determining the content and quality of the report established by GRI; no external assurance is provided.

We are also continuing our contribution to Sustainable Development Goals, and we are committed to working to establish goals and targets in the future.

On this occasion, we have consolidated the results of Mexico, Brazil, Central America (Guatemala, Costa Rica, El Salvador) and South America (Argentina, Chile, Colombia and Peru) which include workforce, salaries, benefits and compensation, training, among others, so some of the figures reported for 2020 may undergo significant changes. Cases in which the information is not consolidated are clearly specified. We remain committed to consolidating more information from our subsidiaries for the next fiscal year.

We are providing an online PDF and integrated report summary for the reader's convenience, as well as a social responsibility section where more information about the company and its financial and sustainability results can be found.



Monterrey Plant, Mexico City

GRI INDEX

GRI 102-55

Disclosure		Page / Direct Response
GRI 102: General Disclosures		
Organizational profile		
102-1	Name of the organization	110
102-2	Activities, brands, products, and services	16, 22
102-3	Location of headquarters	118
102-4	Location of operations	03
102-5	Ownership and legal form	110
102-6	Markets served	03, 21
102-7	Scale of the organization	04, 08, 09, 46, 48, 101
102-8	Information on employees and other workers	48
102-9	Supply chain	19, 20, 81, 86
102-10	Significant changes to the organization and its supply chain	81
102-11	Precautionary Principle or approach	04, 44, 91, 98
102-12	External initiatives	65, 74
102-13	Membership of associations	74, 100
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-000.A	Production by reportable segment	10
Activity metrics		
Strategy		
102-14	Statement from senior decision-maker	04
102-15	Key impacts, risks, and opportunities	04, 44, 98
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	03, 13
102-17	Mechanisms for advice and concerns about ethics	13

Disclosure		Page / Direct Response
Governance		
102-18	Governance structure	1
102-19	Delegating authority	11
102-21	Consulting stakeholders on economic, environmental, and social topics	29
102-22	Composition of the highest governance body and its committees	11
102-23	Chair of the highest governance body	11
102-24	Nominating and selecting the highest governance body	11
102-25	Conflicts of interest	17
102-26	Role of highest governance body in setting purpose, values, and strategy	06, 11
102-30	Effectiveness of risk management processes	4, 98
102-31	Review of economic, environmental, and social topics	06
102-33	Communicating critical concerns	13
102-34	Nature and total number of critical concerns	06
Stakeholder engagement		
102-40	List of stakeholder groups	29
102-41	Colective bargaining agreements	13
102-42	Identifying and selecting stakeholders	29
102-43	Approach to stakeholder engagement	29
102-44	Key topics and concerns raised	29

Disclosure		Page / Direct Response
Reporting practice		
102-45	Entities included in the consolidated financial statements	103
102-46	Defining report content and topic Boundaries	103
102-47	List of material topics	33
102-48	Restatements of information	103
102-49	Changes in reporting	103
102-50	Reporting period	103
102-51	Date of most recent report	103
102-52	Reporting cycle	103
102-53	Contact point for questions regarding the report	103
102-54	Claims of reporting in accordance with the GRI Standards	103
102-55	GRI content index	104
102-56	External assurance	103
Specific Standards		
GRI 103: Management Approach 2016		
GRI 200: Economic 2016		
GRI 201: Economic Performance		
103-1	Explanation of the material topic and its Boundary	04, 62
103-2	The management approach and its components	04, 62
103-3	Evaluation of the management approach	04, 62
201-1	Direct economic value generated and distributed	04, 08, 101
201-3	Defined benefit plan obligations and other retirement plans	62
201-4	Financial assistance received from government	We do not receive financial assistance from governments.
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	52

Disclosure		Page / Direct Response
GRI 204: Procurement Practices		
103-1	Explanation of the material topic and its Boundary	87
103-2	The management approach and its components	87
103-3	Evaluation of the management approach	87
204-1	Proportion of spending on local suppliers	87
GRI 205: Anti-corruption		
103-1	Explanation of the material topic and its Boundary	06, 13
103-2	The management approach and its components	06, 13
103-3	Evaluation of the management approach	06, 13
205-1	Operations assessed for risks related to corruption	13
205-2	Communication and training about anti-corruption policies and procedures	13
GRI 206: Anti-competitive Behavior		
103-1	Explanation of the material topic and its Boundary	13
103-2	The management approach and its components	13
103-3	Evaluation of the management approach	13
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	13
Specific Standards		
GRI 103: Management Approach 2016		
GRI 300: Environmental 2016		
GRI 301: Materials		
103-1	Explanation of the material topic and its Boundary	06, 91, 95
103-2	The management approach and its components	06, 91, 95
103-3	Evaluation of the management approach	06, 91, 95
301-1	Materials used by weight or volume	95
301-2	Recycled input materials used	26, 95
301-3	Reclaimed products and their packaging materials	95

Disclosure		Page / Direct Response
GRI 302: Energy 2016		
103-1	Explanation of the material topic and its Boundary	06, 91
103-2	The management approach and its components	06, 91
103-3	Evaluation of the management approach	06, 91
302-1	Energy consumption within the organization	93
RT-CH-130a.1 Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	93
GRI 303:Water and effluents 2018		
103-1	Explanation of the material topic and its Boundary	91
103-2	The management approach and its components	91
103-3	Evaluation of the management approach	91
303-1	Interactions with water as a shared resource	94
303-2	Management of water discharge-related impacts	94
303-3	Water withdrawal by source	94
303-5	Water consumption	94
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-140a.1 Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	94
RT-CH-140a.3 Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	94
GRI 304: Biodiversity 2016		
103-1	Explanation of the material topic and its Boundary	91
103-2	The management approach and its components	91
103-3	Evaluation of the management approach	91
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	97
304-2	Significant impacts of activities, products, and services on biodiversity	97

Disclosure		Page / Direct Response
GRI 305: Emissions 2016		
103-1	Explanation of the material topic and its Boundary	06, 91
103-2	The management approach and its components	06, 91
103-3	Evaluation of the management approach	06, 91
305-5	Reduction of GHG emissions	94
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-110a.1 Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	94
GRI 306: Effluents and waste		
103-1	Explanation of the material topic and its Boundary	06, 91
103-2	The management approach and its components	06, 91
103-3	Evaluation of the management approach	06, 91
306-2	Waste by type and disposal method	96
306-4	Transport of hazardous waste	25, 96
QUÍMICOS Sustainability Accounting Standard (SASB)		
RT-CH-150a.1 Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	96
GRI 307: Environmental compliance		
103-1	Explanation of the material topic and its Boundary	06, 91, 98
103-2	The management approach and its components	06, 91, 98
103-3	Evaluation of the management approach	06, 91, 98
307-1	Non-compliance with environmental laws and regulations	98
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-410b.1 Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	98

Disclosure		Page / Direct Response
RT-CH-530a.1. Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	98
GRI 308: Supplier environmental assessment 2016		
103-1	Explanation of the material topic and its Boundary	88
103-2	The management approach and its components	88
103-3	Evaluation of the management approach	88
308-1	New suppliers that were screened using environmental criteria	88
308-2	Negative environmental impacts in the supply chain and actions taken	88, 98
Specific Standards		
GRI 103: Management Approach 2016		
GRI 400: Sociales 2016		
GRI 401: Employment 2016		
103-1	Explanation of the material topic and its Boundary	06, 46, 62
103-2	The management approach and its components	06, 46, 62
103-3	Evaluation of the management approach	06, 46, 62
401-1	New employee hires and employee turnover	50
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	62
401-3	Parental permission	62
GRI 402: Worker-company relations 2016		
103-1	Explanation of the material topic and its Boundary	46
103-2	The management approach and its components	46
103-3	Evaluation of the management approach	46
402-1	Minimum warning periods on operational changes	46

Disclosure		Page / Direct Response
GRI 403: Occupational Health and Safety 2018		
103-1	Explanation of the material topic and its Boundary	06, 44, 68
103-2	The management approach and its components	06, 44, 68
103-3	Evaluation of the management approach	06, 44, 68
403-1	Occupational Health and Safety Management System	68
403-2	Hazard identification, risk assessment and incident investigation	68
403-3	Occupational Health Services	68, 74
403-4	Worker participation, consultation and communication on occupational health and safety	68
403-5	Training of workers in occupational health and safety was added	68
403-6	Promotion of the health of the worker was added	68, 74
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68
403-8	Workers covered by an occupational health and safety management system	44, 68
403-9	Work-related Injuries was added	79
403-10	Work-related ill health	79
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-320a.1 Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	68
RT-CH-320a.2. Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	68
GRI 404: Training and Education 2016		
103-1	Explanation of the material topic and its Boundary	06, 65
103-2	The management approach and its components	06, 65

Disclosure		Page / Direct Response
103-3	Evaluation of the management approach	06, 65
404-1	Average hours of training per year per employee	65
404-2	Programs for upgrading employee skills and transition assistance programs	65
404-3	Percentage of employees receiving regular performance and career development reviews	65
GRI 405: Diversity and Equal Opportunity 2016		
103-1	Explanation of the material topic and its Boundary	13, 46, 51
103-2	The management approach and its components	13, 46, 51
103-3	Evaluation of the management approach	13, 46, 51
405-1	Diversity of governance bodies and employees	11
405-2	Ratio of basic salary and remuneration of women to men	51
GRI 406: Non-discrimination 2016		
103-1	Explanation of the material topic and its Boundary	13
103-2	The management approach and its components	13
103-3	Evaluation of the management approach	13
GRI 407: Freedom of Association and Collective Bargaining 2016		
103-1	Explanation of the material topic and its Boundary	13
103-2	The management approach and its components	13
103-3	Evaluation of the management approach	13
GRI 408: Child Labor 2016		
103-1	Explanation of the material topic and its Boundary	13, 87
103-2	The management approach and its components	13, 87
103-3	Evaluation of the management approach	13, 87
408-1	Operations and suppliers at significant risk for incidents of child labor	13, 87
GRI 409: Forced of Compulsory Labor 2016		
103-1	Explanation of the material topic and its Boundary	13, 87
103-2	The management approach and its components	13, 87

Disclosure		Page / Direct Response
103-3	Evaluation of the management approach	13, 87
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	13, 87
GRI 410: Prácticas en materia de seguridad 2016		
103-1	Explanation of the material topic and its Boundary	06
103-2	The management approach and its components	06
103-3	Evaluation of the management approach	06
GRI 412: Human Rights Assessment 2016		
103-1	Explanation of the material topic and its Boundary	87
103-2	The management approach and its components	87
103-3	Evaluation of the management approach	87
412-1	Operations that have been subject to human rights reviews or impact assessments	87
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	87
GRI 413: Local Communities		
103-1	Explanation of the material topic and its Boundary	99
103-2	The management approach and its components	99
103-3	Evaluation of the management approach	99
413-1	Operations with local community engagement, impact assessments, and development programs	99
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-210a.1 Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	99
GRI 414: Supplier Social Assessment 2016		
103-1	Explanation of the material topic and its Boundary	87
103-2	The management approach and its components	87
103-3	Evaluation of the management approach	87
414-1	New suppliers that were screened using social criteria	87

Disclosure		Page / Direct Response
GRI 416: Customer Health and Safety 2016		
103-1	Explanation of the material topic and its Boundary	69, 89
103-2	The management approach and its components	69, 89
103-3	Evaluation of the management approach	69, 89
416-1	Assessment of the health and safety impacts of product and service categories	69, 89
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	69
GRI 417: Marketing and Labeling 2016		
103-1	Explanation of the material topic and its Boundary	89
103-2	The management approach and its components	89
103-3	Evaluation of the management approach	89
417-1	Requirements for product and service information and labeling	89
417-2	Incidents of non-compliance concerning product and service information and labeling	89
417-3	Incidents of non-compliance concerning marketing communications	There were no cases of non-compliance concerning marketing communications
Chemicals Sustainability Accounting Standard (SASB)		
RT-CH-410b.1. Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	89

Disclosure		Page / Direct Response
GRI 418: Customer Privacy 2016		
103-1	Explanation of the material topic and its Boundary	90
103-2	The management approach and its components	90
103-3	Evaluation of the management approach	90
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	90
GRI 419: Socioeconomic Compliance 2016		
103-1	Explanation of the material topic and its Boundary	13, 42
103-2	The management approach and its components	13, 42
103-3	Evaluation of the management approach	13, 42
419-1	Non-compliance with laws and regulations in the social and economic area	42

GRUPO POCHTECA, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

GRI 102-1, 102-5

For the Years Ended December 31, 2021, 2020 and 2019,
and Independent Auditors' Report Date April 11, 2022

Independent Auditors' Report	111
Consolidated Statements of Financial Position	114
Consolidated Statements of Income and Other Comprehensive Income	115
Consolidated Statements of Changes in Stockholders' Equity	116
Consolidated Statements of Cash Flows	117

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Grupo Pochteca, S. A. B. de C. V. and its subsidiaries (the "Group") which comprise the consolidated statements of financial position as of December 31, 2021, 2020 y 2019, and the consolidated statements of income and other comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, 2020 y 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in *Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

Key Audit Matters

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 matters described below are the key audit issues which should be communicated in our report.

Impairment of long-lived assets

The consolidated financial statements as of December 31, 2021 include balances of properties, plant and equipment, other assets, intangible assets and Goodwill, which come from acquisition business. Those long-lived assets have been identified as Cash-Generating units ("UGEs" for its acronym in Spanish). Management performs an impairment analysis on annual basis and these assets previously mentioned are included.

Group management has calculated the recoverable value for each UGE based on the different methods identified in the International Accounting Standard ("ISAs") 36 "Impairment of long-lived assets" which it mainly describes that if the recoverable value from assets is lower than the recorded value, the assets will be impaired.

Group management used a permitted method identified in the IAS 36, performing estimates regarding future cash flows, discount rates and growth rates, based on the future prospects of the business. The assumptions used by Management and the valuation methods have been considered as a key audit matter.

Our audit procedures included, among others:

- a) Involve the internal specialists to:
 - Critically evaluate whether the model used by management to determine the value in use of the individual cash-generating units complies with the requirements of IAS 36.
 - Evaluate the reasonableness of the assumptions used by the administration of Group to determine the proper discount rates in each case.

- Review that the projected cash flows are consistent with the historical audited information financial, and that any the effects of any non-recurring items that are not consistent with our understanding of the operations of the Group are properly excluded.
 - Selectively, recalculate the projections to test the amounts.
- b) Perform tests on internal controls and substantive procedures related to the information used to build the financial model that determines the recoverable amount of the cash-generating units.

Blocking issued by the Financial Intelligence Unit (“FIU”)

On October 7, 2021, the FIU issued a Block Agreement by which it incorporated Pochteca Raw materials Punto, S. A. de C. V. (PMP) (a subsidiary of the entity) into the blocked list issued by that authority, causing the blocking of PMP bank accounts through the financial institutions with which it has a commercial relationship.

As a result, PMP requested the FIU to access its economic resources, the request of which was favorably agreed on October 18, 2021; In addition, PMP and the entity have reiterated their willingness to continue collaborating with the authority to clarify this situation and their commitment to continue to comply with all laws and regulations. PMP has also initiated the legal actions to which it is entitled before the corresponding judicial authorities, with the aim of achieving the full normalization of the operation of these bank accounts.

Our audit procedures for determining the possible effects of this issue, included but are not limited to:

- a) Obtain confirmation from the entity’s external lawyers regarding the current status of the UIF blocking agreement against PMP.
- b) Involvement of our internal specialists to critically evaluate our audit procedures carried out and to incorporate others that relate to the items affected by the UIF blocking agreement.
- c) We constantly reviewed publications that may be considered contradictory evidence regarding our audit procedures and/or media exposure.

- d) We attended the meetings with the Group Administration and its Directors in order to obtain a clear understanding of the situation and the actions that the Group will take to address this issue.
- e) We run tests on internal controls related to credit line authorizations granted to customers.

Additional Information Other than the Consolidated Financial Statements and the Independent Auditors’ Report

Management is responsible for the additional information. The additional information comprises the information included in the annual report that the Group is obligated to prepare in accordance with the Article 33, Section I, Subsection b) of the fourth title, First Chapter of the General Rules Applicable to Securities Issuers and Other Participants of the Mexican Stock Market and the accompanying Manual of those legal provisions (the Legal provisions). The annual report is expected to be available to us after the date of this auditor’s report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the additional information identified above when it becomes available and, 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. If based on the work we do, we conclude that there is a material misstatement in the additional information; we would have to report this matter. When we read the annual report, we will issue the conclusion about its reading, as required by Article 33, Section I, paragraph b) numeral 1.2. of the Provisions.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of 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 Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’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 assess the risks of material misstatement of 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 a 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 Group’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 Group'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 Group 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Roberto Velasco Gómez
April 11, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

GRUPO POCHTECA, S. A. B. DE C. V. AND SUBSIDIARIES

As of December 31, 2021, 2020 y 2019
(In thousands of Mexican pesos)

ASSETS	NOTES	2021	2020	2019
Current assets:				
Cash and cash equivalents	5	\$ 498,065	\$ 279,227	\$ 125,787
Accounts receivable and recoverable taxes - Net	6	1,649,359	1,074,210	963,103
Due from related parties	21	8,909	5,193	5,033
Inventories	7	1,424,275	1,075,759	911,843
Prepaid expenses		97,139	43,787	43,555
Total current assets		3,677,747	2,478,176	2,049,321
Non-current assets				
Properties, plant and equipment - Net	9	720,042	745,656	716,824
Other investments		4,381	4,381	4,381
Investment properties	8	15,060	15,060	15,060
Other assets		82,387	72,517	68,129
Deferred income taxes	25	166,640	166,553	54,926
Intangible assets – Net	11	294,239	248,806	195,315
Right-of-use assets	13	295,850	308,940	324,025
Goodwill	12	277,815	280,366	294,217
Total non-current assets		1,856,414	1,842,279	1,672,877
Total		\$ 5,534,161	\$ 4,320,455	\$ 3,722,198

LIABILITIES AND STOCKHOLDERS' EQUITY	NOTES	2021	2020	2019
Current liabilities:				
Bank loans and current portion of long-term debt	16	\$ 512,335	\$ 703,995	\$ 560,243
Trade accounts payable		1,748,515	1,330,760	1,366,700
Other accounts payable and accrued expenses	15	466,933	382,285	252,142
Due to related parties	21	5,110	7,201	6,834
Short-term lease liability	14	53,306	50,391	44,947
Income taxes and statutory employee profit sharing		49,915	35,808	23,719
Total current liabilities		2,836,114	2,510,440	2,254,585
Long-term liabilities:				
Long-term other accounts payable and accrued expenses	15	121,026	5,021	2,044
Long-term debt	16	965,206	334,783	102,619
Long-term lease liability	14	271,340	279,092	283,519
Employee benefits	17	18,075	16,713	10,898
Total long-term liabilities		1,375,647	635,609	399,080
Total liabilities		4,211,761	3,146,049	2,653,665
Stockholders' equity:				
Contributed capital-	18	1,096,837	1,096,837	1,096,837
Capital stock				
Premium on sale of repurchased stock		58,176	58,176	58,176
(Loss) earned capital-		190,590	185,982	(1,264)
Retained earnings				
Reserve for repurchase of shares		184,195	-	10,311
Translation effects of foreign operations		(202,460)	(159,753)	(93,603)
Remeasurement of defined benefit obligation		(4,938)	(6,836)	(1,924)
		167,387	19,393	(86,480)
Total stockholders' equity		1,322,400	1,174,406	1,068,533
Total		\$ 5,534,161	\$ 4,320,455	\$ 3,722,198

CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

GRUPO POCHTECA, S. A. B. DE C. V. AND SUBSIDIARIES

For the years ended December 31, 2021, 2020 y 2019
(In thousands of Mexican pesos, except earnings per common share expressed in Mexican pesos)

	NOTES	2021	2020	2019
Net sales	22	\$ 8,938,152	\$ 6,257,455	\$ 6,345,505
Cost of sales	23	(6,939,967)	(5,018,960)	(5,182,573)
Gross profit		1,998,185	1,238,495	1,162,932
Profit in business acquisition	10	229,090	115,239	-
Operating expenses	24	(1,721,812)	(1,030,364)	(1,008,060)
Income from operations		505,463	323,370	154,872
Financing costs:				
Interest income		156,956	9,581	7,599
Interest expense		(230,854)	(158,693)	(157,363)
Exchange (loss) gain		(81,670)	(14,660)	7,086
		(155,568)	(163,772)	(142,678)
Income before income taxes		349,895	159,598	12,194
Income taxes (benefit) expense	25	159,305	(25,821)	27,104
Consolidated net income (loss)		\$ 190,590	\$ 185,419	\$ (14,910)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation		1,898	(4,912)	(1,406)
Exchange differences on translating foreign operations		(42,707)	(66,150)	(32,196)
Total comprehensive (loss) income for the year		\$ 149,781	\$ 114,357	\$ (48,512)
Earnings per share:				
From continuing operations:				
Basic and diluted earnings (losses) per common share (in Mexican pesos)		\$ 1.4602	\$ 1.4206	\$ (0.1142)
Weighted average shares outstanding		130,522,049	130,522,049	130,522,049

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

GRUPO POCHTECA, S. A. B. DE C. V. AND SUBSIDIARIES

For the years ended December 31, 2021, 2020 y 2019
(In thousands of Mexican pesos)

	Contributed capital					(Loss) earned capital				
	Common stock		Premium on sale of repurchased stock	Total	Retained earnings	Reserve for repurchase of shares	Translation effects of foreign operations	Remeasurement of defined benefit obligation	Total stockholders' equity	
	Nominal	In trust								
Balance as of December 31, 2018	\$ 1,104,721	\$ (7,884)	\$ 58,176	\$ 1,155,013	\$ 24,477	\$ 13,169	\$ (61,407)	\$ (518)	\$ 1,130,734	
Cancellation of reserve for repurchase of shares	-	-	-	-	13,169	(13,169)	-	-	-	
Creation of reserve for repurchase of shares	-	-	-	-	(24,000)	24,000	-	-	-	
Repurchase of shares	-	-	-	-	-	(13,689)	-	-	(13,689)	
Net comprehensive result for the year	-	-	-	-	(14,910)	-	(32,196)	(1,406)	(48,512)	
Balance as of December 31, 2019	1,104,721	(7,884)	58,176	1,155,013	(1,264)	10,311	(93,603)	(1,924)	1,068,533	
Cancellation of reserve for repurchase of shares	-	-	-	-	1,827	(1,827)	-	-	-	
Repurchase of shares	-	-	-	-	-	(8,484)	-	-	(8,484)	
Net comprehensive result for the year	-	-	-	-	185,419	-	(66,150)	(4,912)	114,357	
Balance as of December 31, 2020	1,104,721	(7,884)	58,176	1,155,013	185,982	-	(159,753)	(6,836)	1,174,406	
Cancellation of reserve for repurchase of shares	-	-	-	-	(185,982)	185,982	-	-	-	
Repurchase of shares	-	-	-	-	-	(1,787)	-	-	(1,787)	
Net comprehensive result for the year	-	-	-	-	190,590	-	(42,707)	1,898	149,781	
Balance as of December 31, 2021	\$ 1,104,721	\$ (7,884)	\$ 58,176	\$ 1,155,013	\$ 190,590	\$ 184,195	\$ (202,460)	\$ (4,938)	\$ 1,322,400	

CONSOLIDATED STATEMENTS OF CASH FLOWS

GRUPO POCHTECA, S. A. B. DE C. V. AND SUBSIDIARIES

For the years ended December 31, 2021, 2020 y 2019
(In thousands of Mexican pesos)
(Indirect method)

	NOTES	2021	2020	2019
Cash flows from operating activities:				
Consolidated net income (loss)		\$ 190,590	\$ 185,419	\$ (14,910)
Adjustments for:				
Income taxes expense	25	159,305	(25,821)	27,104
Depreciation and amortization	24	183,203	167,869	163,941
Gain on sale of property and equipment		(500)	(1,648)	(10,324)
Recognition effect Brazilian tax		(34,417)	-	-
Profit in business acquisition		-	(115,239)	-
Amortization of commissions paid		6,308	5,176	3,406
Interest paid		162,222	134,899	153,957
Interest income		(21,121)	(9,581)	(7,599)
Unrealized exchange (gain) loss		(22,432)	(639)	4,447
		623,158	340,435	320,022
Changes in working capital:				
Accounts receivable and recoverable taxes	6	(578,865)	204,524	35,496
Inventories	7	(348,516)	76,277	38,176
Prepaid expenses		(53,352)	(232)	2,095
Other assets		(58,253)	(21,225)	(5,009)
(Decrease) increase in:				
Trade accounts payable		417,755	(240,961)	34,991
Other accounts payable and accrued expenses	15	193,160	(59,672)	(27,139)
Due to related parties	21	(2,091)	367	(1,727)
Income taxes paid		(86,000)	(28,000)	(63,006)
Net cash provided by operating activities		106,996	271,513	333,899

	NOTES	2021	2020	2019
Cash flows from investing activities:				
Purchase of machinery and equipment		(66,867)	(53,280)	(86,102)
Sale of machinery and equipment		2,670	5,401	9,395
Acquisition of subsidiaries		-	(217,419)	-
Interest collected		21,121	9,581	7,598
Net cash used in investing activities		(43,076)	(255,717)	(69,109)
Cash flows from financing activities:				
Borrowings	16	2,430,112	3,325,095	1,649,029
Repayment of loans received	16	(1,937,239)	(2,934,935)	(1,791,129)
Payment of leasing		(98,885)	(88,673)	(75,072)
Purchase of own common shares		(1,787)	(8,484)	(13,689)
Interest and commissions paid	16	(210,423)	(137,505)	(120,357)
Net cash provided (used) in financing activities		181,778	155,498	(351,218)
Effects of changes in exchange rates on cash held in foreign currency		(26,860)	(17,854)	73,962
Net increase (decrease) in cash and cash equivalents		218,838	153,440	(12,466)
Cash and cash equivalents at beginning of year		279,227	125,787	138,253
Cash and cash equivalents at end of year		\$ 498,065	\$ 279,227	\$ 125,787

CONTACT

GRI 102-1, 102-3, 102-53

Juvenal Hernández
Finance Director

☎ +52 5552785900

✉ jghdezt@pochteca.net

Carolina Méndez
Management Systems

☎ +52 (55)43868259

✉ fmendezd@pochteca.net

Gobernador Manuel Reyes Veramendi 6
San Miguel Chapultepec, I Secc, Miguel Hidalgo
C.P. 11850, Mexico City, Mexico.

Tel. 55 52785900
<https://mexico.pochteca.net>

