El Puerto de Liverpool

2023 INTEGRATED REPORT

Vibrant experiences

$19.49

billion pesos in net earnings, +12.1% over 2022

Operations	2023	% Chge.	2022	2021	2020
Number of Liverpool stores	**124**	0.0%	124	122	122
Number of Suburbia stores	**186**	3.9%	179	164	165
Number of Galerías shopping centers	**28**	0.0%	28	28	28
Store brand credit cards[1]	**7,252,820**	8.9%	6,661,529	6,052,762	5,692,357
Results					
Total revenues	**195,991,623**	11.3%	176,033,720	151,021,745	115,472,547
Retail revenues	**175,188,443**	10.1%	159,111,900	136,793,173	100,939,628
Credit revenues	**16,268,496**	23.2%	13,199,946	11,138,534	11,953,744
Real-estate revenues	**4,534,684**	21.8%	3,721,874	3,090,038	2,579,175
Operating income	**29,605,788**	16.0%	25,515,379	18,733,360	3,812,100
Majority net income	**19,486,518**	12.1%	17,384,903	12,868,176	750,115
EBITDA	**34,991,693**	14.0%	30,686,464	23,908,737	9,006,327
EBITDA margin	**17.9%**	0.4pp	17.4%	15.8%	7.8%
Earnings per share	**14.52**	12.1%	12.95	9.59	0.56

(1) Includes Suburbia cards.

Figures in thousands of pesos, except for EBITDA margin and earnings per share.

$195.99
billion pesos
in total revenues,
+11.3% over 2022

80,198
employees:
+4.18% over 2022

61.14%
women in the
workforce

84%
of suppliers rated
low or very low risk
(Responsible Sourcing Program)

$34.99
billion pesos in EBITDA:
+14.0% over 2022

29.9%
of our waste
was recycled

Report from the Chief Executive Officer

Retailing in Mexico had a good year in 2023. Although inflation was high, the growing economy and the peso's strength supported sales and margins across the entire retail industry. Seizing this favorable moment, **El Puerto de Liverpool** focused on retaining the preference of our Customers. Sales were up by 11.3% and we increased our consolidated margin by 148 basis points, to end the year with an EBITDA margin of 17.9% and net income 12.1% higher than in 2022.

On the expense side, we felt some pressure on our input prices, attributable also to inflation, alongside higher salaries and benefits for our employees. We were able to keep these expenses in check through careful workforce management and control measures in various areas of the company. In logistics, for example, we are working toward increasingly efficient delivery, and in energy consumption we are making greater use of green, renewable and lower-cost energy sources.

Results were particularly outstanding in the Financial Businesses division, where the use of store-brand payment methods grew significantly at both Liverpool and Suburbia. The proportion of accounts more than 90 days past due remained at record lows while the growth of our portfolio propelled our gross portfolio to $62 billion pesos, making it the company's largest asset. As is our policy, we maintained a conservative provision for credit losses so that we are prepared for any market eventuality we may face in the years ahead. Suburbia had a difficult start to the year, but swiftly took action to correct the course, improving sales floor area in all stores and enhancing product offering, so that by the last quarter of the year, profits were 0.5% higher than the year before, and we are once again on track to achieving the profitability we want for this business.

Digital channels continued to yield solid results. Marketplace grew by 62% over 2022 and is now a significant part of our business. Alongside Marketplace, sales of our store-branded merchandise on the website have increased by 21%, and sales of digital services are up by 32%. The Suburbia page has also

Digital channels continued to yield solid results. **Marketplace grew** by **62%** over 2022.

Sales were up by **11.3%** to end the year with an **EBITDA** margin of **17.9%** and **net income 12.1%** higher than in 2022

seen an exciting growth of 50% and is beginning to carve out its own identity. These achievements stem from our significant investments in leveraging data to better serve each Customer. We have also taken our first steps in using artificial intelligence to optimize processes, such as personalization.

For the logistics area, it was a year of stabilization for big-ticket merchandise, where the new distribution center yielded its first fruits in capacity, processing speed and deliveries. For Softline, we are starting construction of a logistics hub and the first regional distribution centers. We hope to set these new logistics capacities in motion in 2025 and expect to see the benefits fairly quickly.

To sum up, 2023 was a very good year for our company, and our greatest achievement was remaining first choice in retailing for our Customers, who are our reason for being, and who we strive to serve everywhere, every day, for a lifetime.

Thank you,

Graciano F. Guichard G.
Chief Executive Officer
December 31, 2023

Milestones

The first stage of our new **Arco Norte Logistics Platform** was consolidated with the **big-ticket**, warehouse operation, covering an area of 277,157 square meters.

The **IGDS (Intercontinental Group of Department Stores)**, which recognizes cutting-edge and innovative department stores, awarded Liverpool second place in 2023.

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

For the second year in a row, **El Puerto de Liverpool** was included in the **Dow Jones Sustainability MILA Pacific Alliance Index**, which recognizes companies with the best environmental, social and governance (ESG) performance in Mexico, Chile, Colombia, and Peru. Constituents are selected based on their responses to the S&P CSA questionnaire, as well as an evaluation by the rating agency's internal analysts. We are proud to note that we are one of only two retail corporations that have the privilege of being part of this select index.

For the second year in a row, we had our annual report verified by the independent consulting firm **PricewaterhouseCoopers (PwC)**. This action reaffirms our commitment to transparency and accuracy in the presentation of our financial and ESG data.

For the third consecutive year, we maintained our position in the **Corporate Integrity 500 Index (IC500)**, created by *Mexicanos Contra la Corrupción y la Impunidad y Transparencia Mexicana.*

Also, for a second consecutive year, we were selected for inclusion in the **S&P/BMV Total Mexico ESG Index**, the local version of the index for the Mexican Stock Exchange (BMV), recognized for returns above those of IPC. This inclusion reflects our continuous commitment to ESG principles and our active participation in the S&P CSA questionnaire.

We have an
Our ongoing
commitment to
ESG
principles

El Puerto de Liverpool was named the best company in the **Supermarkets and Department Store industry** for its capacity to attract and retain talent in Mexico, and one of the top **30 companies** in the country in the **Merco Talent** ranking.

In 2023, we appeared for the first time in the **World's Best Companies** ranking by *Time* magazine and Statista, a market research provider. We ranked **294** out of the **750** companies considered, and **4th among the 11 Mexican companies** listed.

About us

(GRI 2-1, 2-2, 2-6) (SASB CG-MR-000.A; CG-MR-000.B)

We have been an omnichannel retail group for 176 years, offering unique experiences and exceeding our Customers' expectations by combining digital channels and bricks-and-mortar shopping experiences.

Mission
We serve the Customer, everywhere, every day, every time

Vision
To be the most attractive option in service, assortment, and value

Values
Productivity; Teamwork; Innovation and Integrity

Business segments
We operate in the retail, financial services, and real-estate businesses, and we offer complementary services as well[1]. We represent internationally renowned brands in our various formats: Liverpool, Suburbia, boutiques, and in our travel business as well.

Present throughout **Mexico** with stores in **32 states**, both physical and online.

El Puerto de Liverpool, S.A.B. de C.V. is listed on the Mexican Stock Exchange (BMV) under the ticker symbol LIVEPOL. It also holds a 50% stake in Unicomer, a company that has retail chains in 26 countries of Latin America.

1 Travel, gourmet experiences and food, extended guarantees, Marketplace (commissions), rate plans and air time.

	Retail	Financial	Real estate
Description	Operation of a department store chain and other stores, offering a wide selection of products and brands.	Offers financing to Customers through credit cards, both store-brand as well as external cards thanks to the VISA system. Also offers insurance brokerage.	Operates and leases space in shopping centers. Designs and develops store expansion and remodeling projects, shopping centers and other facilities.
Brands	**Liverpool** **Suburbia** **Boutiques** (clothing, furniture, and accessories	• Financial businesses (Liverpool and Suburbia) • Insurance Center • Comprehensive Family Protection (PIF)	Galerías
Products/services	Department stores Shops	• Department store credit cards • Premium card credit cards • Digital wallets • Insurance: Comprehensive family protection, car, home, cell phone, extended purchase guarantee, and others.	Shopping center operation and leasing
	124 **Liverpool** stores 1,800,918 m² of net leasable area 124 Click & Collect points 17 Liverpool Express 39 private label brands 186 **Suburbia** stores 673,286 m² of surface area 186 Click & Collect points 7 private label brands 116 **Boutiques** 75,074 m² of surface area **Apparel:** 17 GAP; 11 Banana Republic; 56 Sfera, 1 Punto Roma **10 cosmetic:** MAC and Kiehl's **22 furniture & home:** Pottery Barn, West Elm, Williams Sonoma 1 Toys R Us **42 warehouses** 355,410 m² of surface area Arco Norte Logistical Platform (PLAN) Total land: 1,866,426 m² of surface area Bay 3 Construction area: 277,157 m²	Total value of credit granted in 2023: $10.65 billion pesos **Liverpool** Number of credit cards: 5.64 million 353,000 new credit cards placed in 2023 **Suburbia** Number of credit cards: 1.62 million 239,000 new cards placed in 2023	28 shopping centers 696,708 m² Net leasable area

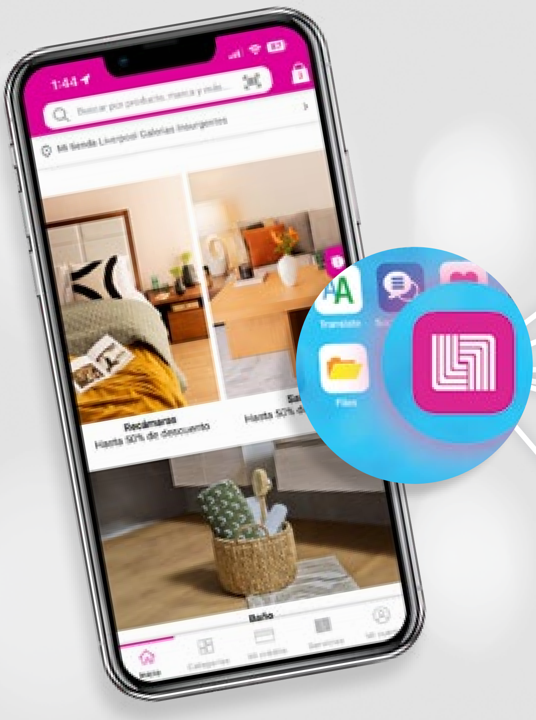
Strategic priorities and Digital evolution

(SASB CG-EC-000.A, CG-EC-000.C)

These are some highlights of **El Puerto de Liverpool's** digital transformation toward an omnichannel ecosystem:

E-Commerce El Puerto de Liverpool

25.8% Liverpool digital share	**25.8%** increase in total revenue from online sales	**8.2%** increase in new digital Customers	**+15.0%** increase in active users of the mobile app users



The **most recognized brand** by consumers in a wide variety of categories.

Loyal Customer base. Nearly 19.2 million unique and traceable Customers.

"We aim to be on the **home screen** of our Customers' **phones.**"

With that goal, the strategy of **El Puerto de Liverpool** Ecosystem and key initiatives have been developed around the company's strongest assets:

A nationwide network of stores and shopping centers that exceeds **points of sale**, backed by a solid real estate infrastructure.

One of the leading credit card companies in the market, generating practically half of our sales with our credit cards, as well as offering an attractive and **broad financial services portfolio**.

Brands and selection in **exclusive and private label** categories.

Solid workforce with **80,198** committed and trained employees.

El Puerto de Liverpool aims to **"be a part of your life"** for all Customers, across all channels, to become the first choice for Mexican shoppers. We envision:

- Growing digital capabilities.
- Being leaders in the omnichannel experience.
- Increasing frequency of contact with differentiated experiences for our Customers.

To achieve this, we drive key initiatives through Technology, Data Analytics, Supply Chain and Logistics, and relations with Commercial Partners, focused on:

- Better offer of categories according to the Customer's needs
- Financial services marketplace
- Providing the best advice and inspiration
- Differentiate our offer with value-added services.
- Loyalty and rewards Customer
- Maximize ecosystem reach.

Report of the Board of Directors

To our Shareholders:

In 2023, **El Puerto de Liverpool's** revenue grew 11.3% over the previous year, reaching $195.99 billion pesos.

During the year, business model initiatives in merchandise, credit, insurance, logistics, omnichannel, and Customer services were fundamental in creating a better shopping experience and Customer satisfaction.

In the Retail segment, revenue amounted to $175.19 billion pesos, a 10.1% increase over the previous year. Same store sales were up 8.6% for Liverpool and 4.7% for Suburbia.

At Liverpool, personalized Customer service remains our main differentiator. We continue to focus on strengthening omnichannel capabilities, offering our Customers a unique shopping experience. In our stores, our "Sentido de la Experiencia" (Sense of the Experience) program focuses on a "Yes, we have it" attitude.

We offer Customers value-generating solutions that make their daily lives easier: free home delivery, Click & Collect, Marketplace, Beauty Experience, Gourmet Experience, Geek Zone, among others. These solutions set us apart from the competition and safeguard our leadership in the key categories in which we operate.

The Liverpool brand is constantly renewing itself, attentive to current store design trends and more compelling merchandise displays to enhance sales potential and offer comfort and functionality to our shoppers. At the beginning of the yearwe opened a new store, Liverpool Parque Tepeyac, in Mexico City.

This year, we delivered over **22 million orders** placed through digital channels —a **17% increase** over the previous year.

Consolidated revenues increased by **11.3%** over 2022, reaching **$195.99 billion pesos**.

We introduced Liverpool Express, a new 400-square-meter format that offers Click & Collect, credit, insurance, and merchandise selected especially for the geographical area it serves, to reach more people and market segments. By the end of 2023, we had 17 of these locations.

Throughout the year, Suburbia continued to evolve and change. Strategic initiatives such as the update of private labels, signage, visual presentation, department layout, commercial offering, self-service and staffed checkout, continued to progress successfully.

The launch of "Rediscover Suburbia" campaign invited shoppers to experience the new offerings we have prepared for them. To strengthen our presence in Mexico, this year we opened ten new stores, bringing the total to 186 at the end of the year.

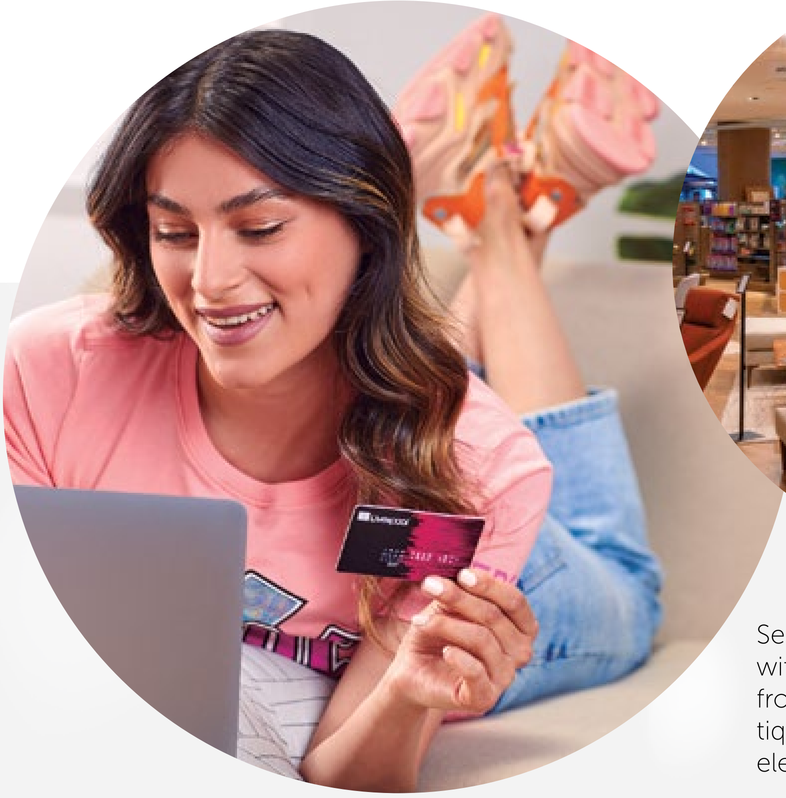
Liverpool's digital sales grew by 26% with a share of 26%. Marketplace stands out by growing 62%, and accounting for 15% of digital sales. Suburbia's digital sales meanwhile increased by 50%.

We expanded our offering to over 800,000 SKUs for sale through digital channels. At Suburbia, digital sale kiosks were installed in 115 stores, and 100% were enabled as fulfillment points.

By the end of the year, our apps had ten million active users, a 15% growth compared to the previous year.

We served more than 14 million Customers during the year through virtual platforms and via telephone in our call center located in Morelia.

This year, we delivered over 22 million orders placed through digital channels—17% more than in 2022—43% of which were delivered within a maximum of two days, an improvement of two percentage points.



Out of all Liverpool digital sales, 39% were delivered through the Click & Collect modules located in every Liverpool and Liverpool Express store.

The Boutiques Division continued its advance, offering our Customers attractive fashion proposals, elegance, and today's most attractive brands. During 2023, we opened nine locations for various brands.

We also opened the first Toys R Us store, featuring an exclusive selection of toys, where children can enjoy a wide variety of experiences and recreational activities.

Our Automotive Division began operations in alliance with BYD, the world's top-selling brand of electric vehicles.

The first phase of our new Arco Norte Logistics Platform (PLAN) ramped up with the operation of the big-ticket unit, which covers an area of 277,157 square meters.

Service capacity increased by 70% with the incorporation of processes from Liverpool, Suburbia, and Boutiques for furniture, appliances, and electronics.

The construction of the new softlines warehouse has begun and is expected to start operations in the first half of 2025.

Regarding the credit card, improvements were implemented in the platform to enhance the visibility and accessibility of credit products.

For greater Customer security, new ID verification technology was introduced in the credit application process and other services.

Currently, 45% of new credit accounts originate through digital channels.

In Suburbia, we introduced a biweekly payment system called "Minipagos" nationwide.

39%
of digital sales were delivered via Click & Collect

23.2%
growth in revenue for the Financial Businesses division

We launched a pilot savings and investment plan for employees in partnership with Actinver.

In the digital channel, we enabled a new feature for our cardholders called "Livercash" by which they can use their Liverpool cards to withdraw cash and ask for personal loans.

Our insurance business reached a record number of 3.1 million active policies, an 11% increase over the previous year. In Marketplace insurance, we expanded our product shelf with the successful introduction of five new types of insurance to broaden the range of options available to our Customers.

The Financial Businesses division reported a 23.2% growth in revenues. Careful credit risk management brought the loan delinquency rate to a low level of 2.7% at the end of the year, while the non-performing loan coverage rate ended at 3.4 times.

Thanks to our continuing growth strategy, this year **El Puerto de Liverpool** had more than 7.2 million credit accounts. By business, there were more than 5.6 million Liverpool cards and 1.6 million Suburbia cards.

Our Galerías Shopping Centers closed the year with an occupancy rate of 92.3%, two percentage points higher than at the end of the previous year. Total revenue grew 2.18% and the loan delinquency rate returned to its pre-pandemic levels.

In consolidated terms, solid inventory planning supported an 11.3% increase in sales and an improvement of 0.9 ppts in the margin, with an inventory growth of just 0.3%.

At the same time, operating expenses increased by 15.3%, primarily because of employee expenses, the effects of inflation, and provisions for credit losses.

EBITDA came in at $34.99 billion pesos, a 14.0% jump over 2022, while the EBITDA margin at 17.9%, gained 42 basis points year-over-year.

Net earnings were $19.49 billion pesos, 12.1% higher than the previous year.

At the end of the fiscal year, we had a net cash position of $29.81 billion pesos, the result of good operating performance and working capital management.

Investments totaled $8.62 billion pesos, 48% of which was allocated to logistics projects, 11% to openings, and 8% to IT projects.

We paid $8.59 billion in income tax, an increase of 22.0% compared to the previous year. Other taxes withheld and paid, import duties and taxes, along with employee contributions paid out to IMSS, SAR, and INFONAVIT, totaled $17.33 billion pesos.

Liverpool owns a 50% stake in Grupo Unicomer, a company that sells furniture, electronics, household items, motorcycles, optical products, and consumer credit in 26 countries in Latin America and the Caribbean, with 25 commercial brands and more than 13,000 employees.

In 2023, we renewed our commitment to excellent service and worked to create meaningful work experiences for our employees.

To bolster our strategy, we introduced regional salary distinctions and strengthened professional and personal development initiatives with training in service, leadership, diversity and inclusion, cybersecurity, and ethics.

We focused efforts on succession programs for key positions, dual-training partnerships with universities and high schools, creating opportunities for students in areas such as food and beverages, technology, sales, and human resources.

In the educational sphere, we provided training for 9,209 employees through various programs at Liverpool Virtual University (UVL) and expanded our academic offering with four new bachelor's degrees.

We continued our wellness campaigns, with initiatives such as health caravans, telemedicine, and protocols for action on mental health issues.

Finally, in our program of continuous improvement, we pursued innovation in internal forums to improve

$8.62
billion pesos in investment, 11% for openings

El Puerto de Liverpool was recognized as the best company in **Mexico's Supermarket and Department Store** industry for attracting and retaining talent

Customer service: everywhere, every day, for a lifetime; and to remain a company with a humane awareness of the world around us.

We were also named the best company in the Supermarkets and Department Store industry for our capacity to attract and retain talent in Mexico, and one of the top 30 companies in the country in the Merco Talent ranking.

In 2023, we appeared for the first time in the World's Best Companies ranking by *Time* magazine and Statista, a market research provider. We ranked 294 out of the 750 companies considered, and 4th among the 11 Mexican companies listed.

The IGDS (Intercontinental Group of Department Stores), which recognizes cutting-edge and innovative department stores, awarded Liverpool second place in 2023.

On September 25th, we became the first publicly traded company in Mexico to exchange more than 836 physical share certificates for digital series 1 and C-1 certificates, meeting the most exacting security standards and guaranteeing the integrity and authenticity of the information.

In the Ordinary Annual Meeting held March 16, 2023, our shareholders approved a dividend of $3.50 billion pesos, distributed among each of the 1,342,196,100 shares representing the company's capital stock.

This Integrated Annual Report is accompanied by a Limited Assurance Letter from PricewaterhouseCoopers, S.C. The documents and information that have gone into this report are aligned with international standards such as SASB, GRI, TCFD and the SDGs, a reflection of **El Puerto de Liverpool's** commitment through our Footprint Strategy.

Over the past year we proved our capacity to grow and the way we build experience in the organization and our operations. In our omnichannel approach, Customers have found a way to meet various needs by interacting in the channel they prefer. The company's finances once again showed their solidity and the growing profitability and vitality of our Group.

We are deeply grateful to our shareholders, Customers, suppliers, tenants and employees for their confidence and trust.

Sincerely,
The Board of Directors
Mexico City,
December 31, 2023

The Footprint of El Puerto de Liverpool

Introduction

(GRI 2-14, 2-23, GOB-A, GOB-B, MYO-C)

Through our sustainability strategy, "The Footprint of **El Puerto de Liverpool**", we set priorities based on the materiality study we conducted in 2020 to identify priority actions for our company. In this effort we are guided by the global targets established in the United Nations' 2030 Agenda, which informs specific strategic activities linked to our business, with an awareness of their impact on our stakeholders.

Our ESG Model

The Footprint of El Puerto de Liverpool is based on a model that drives environmental, social and governance initiatives in support of our short, medium and long-term goals.

We instill **ESG culture** in our institution and throughout the value chain

We are guided by the global targets set by the **UN 2030 Agenda**

ESG culture and external assurance

(GRI 2-22)

We encourage instill ESG culture in our institution and throughout our value chain, to clearly and openly recognize and report the tangible impacts we have on others.

El Puerto de Liverpool conducts audits to prepare the key sustainability indicators aligned with Global Reporting Initiative (GRI) Standards. Our sustainability indicators are aligned with those of the Sustainability Accounting Standards Board (SASB), and our financial metrics are presented and compiled by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the International Auditing Standards (IAS).

External assurance has been provided to offer a reasonable assurance that the consolidated financial and ESG statements as a whole are free from material misstatement, whether due to fraud or error, and is expressed in an audit report containing the opinion of the independent reviewer. Our Board of Directors is asked to evaluate the firm that is engaged to provide the external assurance, along with its work plan and professional service proposal, to ensure that it has the internal and external mechanisms necessary to provide reasonable certainty of compliance with applicable Laws and Regulations.

The Group's management is responsible for drawing up the sustainability metrics that we have identified and for reporting them in accordance with the criteria. This responsibility includes the design, implementation, and maintenance of internal controls considered necessary to ensure that the identified sustainability metrics are free of error.

Our goals by dimension

(GRI 2-24)

Our priority actions are aligned with targets that have been set for the years 2030 and 2040; each year, we monitor and report our progress against these goals to international organizations who can provide feedback on the goals and help us report in a clearer and more transparent manner.

Dimension	Goals	2023 Progress (against base year 2021	Alignment with SDGs
Environmental	By **2040**: • Reduce emissions by 268,000 tCO_2eq, achieving carbon neutrality. • Recycle 100% of recyclable waste, incorporating circular economy models in keeping with the available technology. • Achieve water balance: i) iReduce potable water consumption by at least 1,070,000 m^3. ii) Treat approximately 885,000 m^3 of the water we use. iii) Continue and increase rainwater capture.	• Emissions of 202,760.10 tCO_2e in 2023, 24% progress towards the 2040 reduction goal. • 40% progress towards our waste recycling target. • Water consumption of 0.36 m^3/m^2	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Social	By **2030**: • Increase the promotion of women to middle and senior management positions, contributing to their professional development in leadership roles. • Contribute to the education of 100,000 active users cumulatively, through the extension of UVL and other complementary programs.	• Women make up 40.62% of senior management and 54.1% of middle management, resulting in a 2-to-1 ratio of women to men in managerial positions. • 14,091 active users in educational programs.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Governance	By **2030**: • Label 100% of products with sustainable features, making it easier for Customers to identify and purchase them. • Audit 100% of strategic suppliers* for social and environmental practices through the Responsible Sourcing program. * Merchandise suppliers with a relationship of more than 1 year and annual purchase volume of more than $500,000 pesos.	• 110,395 unique products labeled with sustainable features. • 30% of our strategic suppliers audited.	16 PEACE AND JUSTICE STRONG INSTITUTIONS 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By pursuing these targets, we are **contributing** to integrity and transparency, which sets us apart in the universe of issuers that make up global indexes like the **Dow Jones Sustainability Index and the S&P/BMV Total México ESG**, and companies that report according to the criteria of the Task Force on Climate-Related Financial Disclosures (**TCFD**), **IC500**, **SASB** and **GRI**.

Environmental dimension

ACHIEVEMENTS	
Environmental culture	Based on **ISO 14001** international standard.
Energy and emissions	We invested in **50 more electric vehicles**, bringing the total to 170 in our logistical fleet.
	39.21% of our energy comes from renewable sources.
Process and waste circularity	**29.9%** of our waste was recycled.
	We meet SEDEMA provisions (and those of other state authorities) on **circularity criteria** in regulated containers.
Water	We used **494,060.27m³ of treated water** for sanitary facilities, washing parking lots, and others.

Environmental management
At **El Puerto de Liverpool**, we are constantly working to improve our environmental performance. We have taken steps to reduce our carbon footprint, efficiently manage waste through recycling programs, promote reuse, and optimize water usage in our facilities.

We are strict about compliance and abide by all applicable environmental regulations.

In 2023, we drafted an environmental policy that promotes the incorporation of circular economy criteria, eco-efficiency, and reduction of greenhouse gas (GHG) emissions, which contribute to climate change, aiming to achieve carbon neutrality for direct emissions (Scope 1 and 2) by the year 2040.

We prioritize biodiversity conservation through environmental impact assessments and evaluations at all locations required by law. These processes identify the species of flora and fauna present and allow us to plan for appropriate ecosystem management.

39.21%
of our energy comes from renewable sources

Energy and Emissions

(GRI 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5, CG-S-410 a.2)

All operation centers—administrative offices, warehouses, Liverpool stores, Suburbia stores, boutiques, and shopping centers (Galerías)—are governed by the Group's proprietary environmental management system, based on ISO 14001 standard and audited internally.

We remain committed to optimizing energy consumption in our operations and reducing our GHG emissions. To achieve this, we focus our efforts on three main lines: low-impact mobility, energy efficiency, and energy source transition.

Low-impact mobility has become a key strategy for reducing emissions. At **El Puerto de Liverpool**, we have been gradually phasing out internal combustion vehicles and replacing them with hybrid and electric options. In 2023, we acquired 50 new electric vehicles. We are also making logistics more efficient using GPS technology to detect deviations and to improve route planning, driver safety, and cargo management.

To use more energy from renewable sources, we rely on wind, hydro, and solar energy from outside suppliers. Internally, we also continue to install solar panels. By the end of this year, we had 18 solar-powered locations, broken down as follows: 13 Liverpool stores, 1 Corporate Office, 2 Galerías Shopping Centers, and 2 Suburbia stores.

Process and waste circularity

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

A basic component of our strategy is the Comprehensive Sustainable Packaging System, by which we offer FSC-certified packaging. This seal attests to the responsible sourcing of materials, reduced packaging, efficient design, and safety throughout the lifecycle. We also offer packaging and containers with recycled, recyclable or biodegradable features. These initiatives are applied across the board in all our businesses to promote sustainable, responsible practices.

These efforts are supported by measures to correctly separate plastic wrapping, plastic bags, cardboard and PET in our facilities, which are in place at the Click & Collect areas in our Aguascalientes, Guanajuato, Michoacán and Querétaro stores. Special box collection containers have been installed at these sites where Customers can choose to leave the box for recycling or reuse it themselves, which also raises awareness about responsible waste management. In remote sales, we are improving the delivery experience for our

5.4 million digital tickets issued, practically **1.5 times** our initial goal.

Customers by selecting the correct packaging—appropriate to the dimensions of the product—at the time their order is sent.

We manage the waste generated in receiving areas, warehouses and loss prevention, administrative and maintenance areas, making sure it is handled correctly in each phase of the process. We trace our waste from generation, temporary storage, collection and transportation to final disposal, so that we can reuse and/or recycle not only the packaging materials discarded in warehouses, but also office, plant and restaurant waste such as toner cartridges, organic waste, and vegetable oil.

To dispose of our organic waste, we have nine strategically installed biodigesters that processed over 45 metric tons of organic waste in 2023. Finally, as part of our extended responsibility activities, we have launched a Customer-facing campaign to recover electronic waste.

Through this initiative, 32 permanent collection points have been set up in Liverpool and Suburbia stores where Customers and others can responsibly dispose of their electrical and electronic devices at the end of their useful life.

Another of our sustainable practice innovations has been our digital ticket strategy, under which we have issued over 5.4 million digital tickets, practically 1.5 times our initial goal. This proven initiative to reduce waste has also saved 80 thousand rolls of paper.

Water

(GRI 3-3, 303-1, 303-2, 303-3, 303-4)

In our commitment to more efficient water management, we strive to optimize reduction and seek out alternatives to supply our needs, such as treated water or rainwater. We intend to achieve water balance by the year 2040, and have begun a number of initiatives toward this end.

We had a study conducted at various locations to explore the possibility of using treated water, and in 2023 we ran a pilot test at Liverpool Puebla Serdán, to see if this could help us reduce the use of potable water.

We also have wastewater treated at our own and outside Wastewater Treatment Plants (WWTP), amounting to 454 thousand m^3 of water. This is equivalent to 18.87% of our water consumption, used for watering green areas, in sanitary facilities, and the washing of parking lots.

We manage correct separation of plastic wrapping, plastic bags, cardboard and PET in our facilities

Social dimension

13,512
hours of volunteer time dedicated to social welfare and environmental projects

ACHIEVEMENTS	
Training and development	**59,261 employees**--74% of the workforce--underwent an average of **7.38 hours** of training each.
	205 youth worked with us this year under our internship program.
	250 teachers nationwide trained in leadership, management, and teaching skills, earning a digital badge for professional credit.
	This year, more than **3,581 members** of the general public were reached through free programs offered by "UVL en tu Comunidad."
Volunteering and donations	**13,512 hours of volunteer** time dedicated to social welfare and environmental projects.
Occupational health and safety	We comply with **NOM-035-STPS-2018** and **NOM-036-1-STPS-2018** standard for the identification of ergonomic risks and implementation of actions required by the Ministry of Labor and Social Welfare (STPS for its initials in spanish).
Diversity and inclusion	We raised awareness on diversity and inclusion topics for **14,379 employees**.
	3 new financial inclusion programs: *Tarjeta Garantizada* for Liverpool, *Minipagos*, and ***Aparta+*** for Suburbia.
	21% of Customers with little or no prior credit history had access to financing.

59,261 employees–74% of the workforce–underwent an average of 7.38 hours of training each.

The programs provided by **Liverpool Virtual University** offer primary and high school education, five undergraduate degrees and four master's programs.

Internal Training and Development

(GRI 3-3, 404-1, 404-2, 404-3)

At **El Puerto de Liverpool,** we want our employees to grow and advance their careers, so we have focused our efforts on improving and expanding educational content according to their needs.

In our Learning area, we support employees' personal and professional advancement through the best skill-based learning experiences: digital thinking, learning agility, emotional intelligence, management and service, through a 70-20-10 learning model.

We foster the development and training of our leaders throughout the organization.We offer over 10 courses that promote leadership, and contribute to the vision of the organization through our service program, amongst which the following stand out:

- **New Directors: Transformative leadership**
  Facilitate leadership tools that help them successfully transition to their new roles, so they can face individual and team challenges.
- **New managers: High-impact leadership**
  Offers them a clear perspective on the challenges of their managerial job, ensuring a smooth transition and more effective integration into their new responsibilities.
- **New Boss: Leaders of the future**
  Instills experiences and skills in new leaders to strengthen their management capacity and help them face the challenges of the new job.

We also continue to offer programs through Liverpool Virtual University (UVL for its initials in spanish), including primary and high school education, five undergraduate degrees and four master's programs, all certified by the federal educational authority.

We have innovative training programs, one of which is our onboarding program. This program is designed to offer comprehensive support to all new hires over the course of their first year. In it they learn about aspects such as organizational culture, service familiarization, prevention training, tool mastery, and best management practices.

Finally, we offer multidimensional performance evaluations every six months and every year for all staff, assessing both quantitative and qualitative aspects to drive individual development and ensure their personal goals are aligned with the corporate strategy.

Talent Seedbed

We offer university students the opportunity to join **El Puerto de Liverpool** as interns, grant recipients or trainees in administrative areas, programs we have developed in close partnership with various universities. The programs offer participants a chance to gain experience in professional environments, enriching their academic education by applying their theoretical knowledge, exploring areas of specialization,

125
participants in the "Pathways to Success" program

making professional connections and enhancing their confidence for future jobs.

We offer opportunities in our "Pathways to Success" program in partnership with the National College of Technical Professional Education (CONALEP), aimed at students focused on Food and Beverage Management. Participants who have demonstrated good performance at **El Puerto de Liverpool** have an opportunity to be hired upon completion of their degree. This year, 125 participants obtained certifications for Soft Skills, Cooking, Boutique Sales Floor Advisor, Payroll Assistant, and Logistics Office Assistant. We also participate in the federal "Youth Building the Future" (JCF), Mexican government program that unites the experience of workplaces with the energy of youth to boost job opportunities.

Social Training
Since UVL first opened its doors in 2000, we have incorporated study plans at various educational levels, supporting the advancement of our communities with the following free programs:

Program	Audience	Skills and competencies
Growing with El Puerto	General public	Professional development skills such as leadership, innovation, business, and employability.
School for parents	General public: Parents	Training to improve parenting and family communication skills, strengthening parental roles and reducing the educational gap.
Well-being	General public:	Enhancing social and interpersonal skills, promoting self-awareness, managing thoughts and emotions, resilience, and relationship with the environment, as well as fostering financial literacy.
Catch up	General public: People seeking high school certificate	With the support of teachers, we provide online mentoring in subjects such as mathematics, English, reading, and writing, at the high school level, at no cost.
Join the community	General public	We promote personal and professional growth through master classes, workshops, and micro-learning, fostering collaboration to strengthen communities and promote solidarity.

114 volunteer projects involving 2,252 volunteers and an average of 6 hours per project, benefiting 60 institutions in Mexico.

Our "Adopt a school" program supports education in communities neighboring **El Puerto de Liverpool** facilities, contributing to social welfare.

At present we foster schools in Mexico City, Mexico State, Tampico and Monterrey. In 2023 we invested in this program, supplying teaching materials, cafeteria and security equipment, digital classrooms and educational assistance through civil-society organizations and the UVL.

"Teaching Space 360" provides with didactic resources, technological tools and assistance to trainees for becoming Educational Mentors. At the end of this program they receive a digital badge, with professional credit that they can apply throughout their professional career.

Volunteering and donations

Our company's commitment to society is underscored by the work of employee volunteers who directly support the communities where we operate.

Employees who donate their time through our programs are active in four main areas: education, environment diversity and nutrition.

We organized 114 volunteer projects in 2023, involving 2,252 volunteers and an average of 6 hours per project, benefiting 60 institutions in 29 Mexican states. Based on the average cost of a work hour, this donated time was worth $1.3 million pesos.

We promote our Cause-Driven Product program through pastries sold in our restaurants and gourmet experience locales, allocating 10% of the profits to support education. Through this initiative, in partnership with Enseña por México, A.C., we raised $1.1million pesos

Under our "reverse logistics" program, we make donations to our ally social organizations; $364 million pesos worth of products were donated during 2023.

Community Resilience

In response to the devastation caused recently by hurricane Otis in Guerrero, we launched a fundraising campaign to support affected employees and their families. Combining the efforts of all our business units, we sent essential supplies, food, drinking water, and medical assistance to those in need. We also administered tetanus and influenza vaccines and created psychological support brigades to help people deal with post-traumatic stress.

By the end of 2023, over 400 household items such as refrigerators, mattresses, stoves, and dining sets were donated; over 5,000 garments for women, men, boys, and girls; and over 950 toys for children of all ages, as well as 4,500 packages of staple food supplies.

1,273 remote consultations
for employees to timely monitor their health.

Occupational health and safety

(GRI 3-3, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9)

The health and wellness of our employees are a constant priority, which is why in 2023 we continued our "Creating the best version of me" program and bolstered its strategies through the following actions:

Health and wellness caravans

We instill a culture of prevention and comprehensive self-care among our staff. We create circuits that involve clinical checkups aimed at timely control and monitoring of diseases. With a special focus on raising awareness in the fight against breast cancer, we offered mammograms and breast ultrasounds throughout the year. We also provided prostate antigen studies. Lecture cycles, workshops, and activities focused on raising awareness about mental health and providing psychological first aid.

Medical Emergency Response Protocol

Launched in 2022, this protocol provides guidelines on prompt response to medical emergencies for employees and others. In 2023, people working in areas where accidents are most likely to happen—restaurants, children's areas, maintenance, loss prevention, human capital, and well-being—were trained as first aid responders.

Mental Health Protocol

In accordance with the Ministry of Labor and Social Welfare NOM 035-STPS-2018 standard, we drafted this protocol to address psychosocial risks in the workplace. It incorporates other mental health care initiatives, including personal aspects, to ensure comprehensive and personalized attention to employees who require it.

Quality of Life Congress

On February 22nd and 23rd, the first Quality of Life Congress was held, with 22,838 people attending to hear talks on physical and mental health trends and their impact on employees' lives, emphasizing the importance of self-care.

Telemedicine

This past year, a pilot program was launched at Suburbia to make medical care more accessible in workplaces where the law does not require an on-site infirmary. In our commitment to employee wellness, we provided 1,273 remote consultations for employees to timely monitor their health.

Ergonomic health risk monitoring

In compliance with NOM-036-1-STPS-2018 standard, our Safety and Hygiene Department conducted a study to identify the positions that involve the ergonomic skeletal risks defined in this standard.

Vaccination Campaigns

In 2023, we administered 28,937 influenza vaccines across the nation.

We provide employee benefits above and beyond those required by law, such as the "Financial Future" program, which provides life insurance and retirement contributions, major medical expense insurance, maternity and paternity benefits, birthdays off, employee discounts for employees on educational, health, entertainment, gastronomy, tourism, fitness, and wellness services, and discounts on purchases at our stores.

We build leadership in middle and senior management positions through our **Allies that Inspire program**, focusing on growth with equal opportunities

Pay gap and living wages

(GRI 405-2)

El **Puerto de Liverpool** offers its employees fair compensation and a living wage, based on internal pay scales that recognize the work of all areas. By reducing the wage gap, we promote equal opportunities regardless of gender, ethnicity, or other factors, creating an inclusive and equitable work environment aligned with our principle of equal pay for equal work. We conducted an analysis of our gap by category with gender as a reference, considering both our general and executive personnel.

The following are the ratios by category:

Gender Pay Gap	
Category	**Ratio men/ women**
Senior Management	**102.4%**
Middle management	**92.6%**
Professionals	**96.6%**
General	**97.7%**

In 2023, **El Puerto de Liverpool** adopted a living wage strategy to ensure that all of our employees can maintain a dignified standard of living. Using the CONEVAL 2023 methodology, the value we calculated was 2.6% above the estimate.

Diversity and Inclusion

(GRI 3-3, 405-1, GRI 406-1)

We are committed to promoting a diverse and inclusive work culture where we value talent for talent's sake. These values are consigned in our Code of Ethics,as well as our Code of Conduct and Integrity. We developed an Equality, Diversity, and Non-Discrimination Policy, which establishes more specific initiatives to prevent such cases and corrective actions to mitigate them.

We build leadership in middle and senior management positions through our "Allies that Inspire" program, which develops leadership skills with a gender approach, focusing on the individual advancement with equal opportunities. In 2023, 261 men and women graduated from this program, and 8.2% of women changed positions or were promoted during the year.

15%
of Customers can acquire products under our **Aparta+** layaway program

Our Diversity and Inclusion Awareness program educates employees about these basic concepts to ensure **El Puerto de Liverpool** is an open and inclusive company that fosters a discrimination-free environment. In 2023, we trained 14,379 employees from all businesses and had 17 Liverpool stores certified under NMX-R-025-SCFI-2015 standard for equality and non-discrimination.

We have also developed guidelines for our infrastructure to make our facilities more inclusive of employees with disabilities and to better serve our Customers. We have created a signage manual that includes accessibility guidelines for people with motor disabilities and people with visual disabilities, which has been adapted for application in each business.

To be more inclusive, our stores integrate references to the NOM 003 SEGOB/2002 standard, which means offering accessible spaces and services adapted for pregnant women, elderly adults, and people with disabilities. The adaptations include ramps, elevators, fitting rooms, trained personnel, and specific services such as accessible counters.

We are also committed to offering inclusive financial services that address a range of profiles and circumstances. We facilitate access to credit for people with little or no credit experience, and we have a Financial Literacy Program that provides informed follow-up to our Customers about its functioning and the financial services they acquire.

Financial services at Suburbia have undergone a conceptual evolution, one example of which is our Aparta+ model, a layaway system under which Customers can purchase the merchandise they want by making a 15% down payment and completing the payment in installments, which has the added advantage of avoiding interest payments. At the same time, we strengthened our "Minipagos" system, allowing our Customers to pick up items from our stores once they are paid for.

Liverpool created a financial program called the Guaranteed Card, in which Customers can make payments to their card and purchase products with it, enabling them to improve their credit record over time as they use their cards correctly.

Corporate governance dimension

ACHIEVEMENTS	
Ethics, self-regulation and grievance mechanisms	For the **third year in a row**, we ranked at the top of the **Corporate Integrity 500 Index (IC500)**, for our stance against corruption and impunity and our support for transparency in Mexico.
	Code of Ethics signed by: • **64%** of domestic merchandise suppliers to Suburbia • **95%** of imported merchandise suppliers to Liverpool
	100% of reports to the ethics hotline were addressed by the appropriate actions or measures.
Sustainable product development	Packaging for our online and **Click & Collect** sales is certified by the **Forest Stewardship Council (FSC)**.
Responsible consumption	**100%** of our restaurants have **H Distinction** of Hygiene, and **66%** use cage-free eggs.
	Launch of **"Modo Responsable"** (Responsible Mode) and **"Acciones que suman más"** (Actions that add up), from Liverpool and Suburbia respectively, to promote products with sustainable features.

Governance structure and functions

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 2-19, 2-20, 2-23, 2-24, 2-25, 405-1)

The Board comprises professionals recognized for their extensive business careers, which give them a seasoned perspective on the main risks and opportunities involved in the Group's operations. It consists of 7% executive (related) members and another 40% non-executive related members. The remaining members are independent; there are no alternates.

Independent directors perform their duties free of conflicts of interest since they are not subject to personal, financial or economic interests in keeping with the applicable laws.

Board members may be reelected for any fiscal year, provided they are under 71 years of age during that year.

The process in which the board members are chosen begins with a prior evaluation of the Group's needs, identifying the skills, knowl-

Packaging for our online and **Click & Collect** sales is certified by the Forest Stewardship Council (FSC).

edge and experience required to fill the vacancy, with special attention to maintaining a diverse Board of Directors. Nominees are evaluated and selected during the Ordinary Annual General Shareholders' meeting, in keeping with the Code of Corporate Governance, which is available for consultation on our Investor Relations webpage.

Members are appointed for annual terms, and to be reelected for an unlimited number of terms, although, as mentioned above, there is an age limit. The current average seniority of our board members is 17 years. Thirteen percent of our board members are women.

The Board meets quarterly, in ordinary sessions, and may also meet for extraordinary sessions when necessary. The average attendance this past year was 98%. The Board delegates certain responsibilities to the Audit and Corporate Practices Committee.

The Audit and Corporate Practices Committee supports the Board in overseeing compliance with the audit function and internal and external audits with the utmost objectivity and efficiency. It also checks to ensure the reliability of financial information and evaluates compliance with self-regulation and external regulations within the company. It is responsible for monitoring the management of specialized teams, which operate as established in the prevention and mitigation plans created to manage ESG risk factors.

There are specialized working groups that serve as complementary committees in areas relating to ESG factor management. **El Puerto de Liverpool's** Footprint working session manages ESG priorities and the risk management structure, and is monitored by the Chief Executive Officer. This Working session keeps track of the progress of the sustainability strategy, meeting each quarter. It works through complementary working sessions organized according to the established strategic priorities (see the chapter on The Footprint of **El Puerto de Liverpool**).

The Group's senior management comprises exemplary, experienced and committed professionals under the leadership of our Chief Executive Officer. They are closely involved in executing the sustainability strategy, actively leading or participating in driving the various initiatives we establish.

We have additional committees, each elaborated upon in the respective sections addressing the specific areas for which they bear responsibility: Integrity and Compliance Committee, and Ethics Committee.

Compensation for senior management is performance-based. It consists of a fixed portion and variable bonuses associated with the achievement of established annual targets, which, depending on the position, may include ESG aspects and the Group's operating results. The CEO receives a variable bonus. It is calculated based on performance factors, strategic initiatives, and the consolidated operating result.

Variable	%
Consolidated operating income	25%
Logistics: delivery times	10%
Suburbia operating income	5%
Organizational climate	5%
Technology: order management system	20%
Technology: Planning, assortment and allocation	15%
Technology: Transformation development	10%
Succession plan	10%

The Board meets **quarterly**, in **ordinary sessions**, and may also meet for extraordinary sessions when necessary.

ESG
reinforces our internal guidelines on corporate governance

Integrity and ethics hotline

(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 3-3, 205-1, 205-2)

Our company is known for its robust ethical culture and adherence to external regulations, which we reinforce with guidelines and implementation of internal ESG controls on corporate governance and anti-corruption in all our relationships with stakeholders.

Internal control has a training plan that is given every two years in our Code of Conduct and Integrity, to inform employees of the conduct we expect of them in all relationships arising from **El Puerto de Liverpool's** activities, including anti-corruption. Employees must also receive annual training in ethics, money laundering prevention, and privacy issues.

Our compliance policies dictate the procedures to follow in higher-risk operations, with controls such as the Zero Tolerance Policy on Corruption and Bribery, Prevention of Conflicts of Interest, and Prevention of Money Laundering. These provide guidelines on relations with suppliers, outside parties, and donations. These policies are updated annually.

The Ethics Office and the Ethics Committee communicate relevant issues to the Audit and Corporate Practices Committee, which comprises Board Members and other individuals.

Responsible Sourcing

(GRI 3.3, 2-6, 308-1, 308-2, 414-1, 414-2, 416-1)

Our business partners—including domestic suppliers to Suburbia and domestic and international suppliers to Liverpool—are required to sign and apply our Supplier Code of Ethics. They are also required to obtain certifications in international sustainability standards.

We join forces with our value chain to positively impact society and the environment. Ensuring a sustainable supply chain involves auditing the workplaces of a selection of strategic suppliers (those with accounts of over $500,000 pesos in the year) aligned with the environmental laws, labor standards, and human rights regulations in the operating country. Suppliers are ranked according to a traffic light system so they can identify areas of opportunity where corrective measures are necessary. This is one way we work to develop a sustainable value chain, especially in building a circular economy.

Sustainable Product Development

GRI 3-3, 306-1, 306-2, SASB CG-EC-410a.2; CG-MR-410a.3

El Puerto de Liverpool focuses on offering, developing, and promoting products with sustainable features, especially those with certifications of compliance with international standards. We also work to be increasingly transparent in labeling information, and marketing guidelines have been improved to help Customers more easily identify and purchase these products.

Working together with our business partners, we select products that are sustainably produced and/or packaged, mainly those with certifications such as Forest Stewardship Council (FSC) in our private-label brands, including their packaging and labeling.

We have
Better Cotton Initiative (BCI)
certification for some of Liverpool's textile products

We are committed to also work toward sustainable packaging across all in all **El Puerto de Liverpool** operations. Our focus is focusing on responsible sourcing materials, reducing reduction of packaging, and obtaining certifications for effectiveness and durability, designed to be effective and durable. These actions are complemented by initiatives to increase recyclability and prevent waste from going to the landfill, by properly separating and handling materials.

We reduce environmental impact starting from the design of packaging and packaging materials; together with our business partners, we work on dematerialization of packaging for our own brands, lightening containers and incorporating post-consumer material in their manufacturing, and following guidelines for certification. This benefits the packaging we use in our online sales and Click & Collect.

Responsible Consumption

(GRI 3-3, 417-1,)

Liverpool, Suburbia, and our Boutiques Division have introduced ways to help Customers better locate products with sustainable features, through programs like "Modo Responsable (Responsible Mode) at Liverpool and "Acciones que suman más (Actions that add up) at Suburbia, where we point them to products that have certifications from the US Cotton Trust Protocol (USCTP), the Better Cotton Initiative (BCI), and the Forest Stewardship Council (FSC), as well as water savings and emissions reduction distinctions, among others.

In our Restaurants and Gourmet Experience areas, we took a big step towards our 2026 goal of using only cage-free eggs, securing the supply of 66% of our eggs nationally in 2023. We also added plant-based products to our offering during the year.

10,280
hours of training on food processing hygiene practices

In the area of food safety, we have a comprehensive quarterly program involving food analysis, evaluation of hygiene standards in kitchen areas, and measures to guarantee that our food products are safe, including detailed inspections of both live and inert surfaces, in which 94.3% of our food met sufficient quality standards.

We have trained 2,056 employees in NOM-251-SSA1-2009 standard: Hygiene Practices for Food, Beverages, or Food Supplements Processing, totaling 10,280 training hours. Additionally, we have an onboarding program that is mandatory for all chefs upon joining the company.

We have the "H Distinction" program in all our restaurants, which is a recognition granted by the Ministry of Tourism (SECTUR) to fixed food and beverage establishments that meet the hygiene standards established in the NMX-F-605-NORMEX-2018 standard endorsed by the Ministry of Health.

In 2023, we also pledged to reduce food waste. Approximately 0.1% of our production is set aside for quality testing, after which it is donated. This initiative aligns with the Al Rescate program of the Mexican Food Bank Network, contributing to social responsibility by making better use of our products and benefiting those in need.

Data Governance

(GRI 3-3, 418-1, SASB CG-EC-230a.1; CG-MR-230a.1; FN-CF-230a.3)

El Puerto de Liverpool's e-commerce infrastructure has international PCI-DSS standard certification for online card payments in Liverpool and Suburbia. This standard ensures consumer protection, helps reduce fraud, and prevents data breaches.

Cybersecurity is an integral component of our business continuity plans, which establish strategies and responsibilities for preventing and addressing potential risks so we can avoid any disruption to our operations. Internally, our employees abide by our Information Security Policy.

Within the Group, we are meticulous about responsibly managing data to ensure strict protection of Customers' information. We value their privacy and welcome their exercise of Access, Rectification, Cancellation, or Opposition (ARCO) rights regarding their personal data. Detailed instructions for this process are provided on our website.

Our Information Security Policy is part of a robust system that addresses potential cybersecurity risks and is supported by a structure that includes a Cybersecurity Operations Center (SOC) which actively monitors and responds to threats.

The SOCCenter conducts external and internal penetration testing to check how cyber secure our e-commerce, corporate offices, data centers, and cloud services are. These tests have been successful in safeguarding information and allow us to strengthen our mechanisms. Additionally, all our employees are kept informed and aware through an annual training plan on information security and privacy.

Our **Information Security Policy** is part of a robust system that addresses potential **cybersecurity risks**.

Risk management

Comprehensive

(GRI 2-12, 2-13, 2-16) (TCFD GDR-C)

El Puerto de Liverpool analyzes and mitigates climate and business risks according to the recommendations of both internal and external experts. We set metrics and targets for prevention and mitigation, with specific actions taken across various initiatives.

We foster a culture of prevention through employee training on environmental metrics, health, and safety. We organize civil protection drills and apply the NOM-035-STPS-2018 standard for managing psychosocial risks. Communication of occupational risks is centralized, with responses coordinated between local and corporate teams. We conduct internal audits of critical points aligned with environmental management standards based on ISO 14001.

Physical risks are addressed through internal protocols, emphasizing the shared responsibility and commitment of all employees to risk management.

Main Risks – El Puerto de Liverpool
Market
Consumer spending
Retail industry competition
Consumer preferences
Sales channel strategies
Real-estate industry dynamics
Regulatory
Marketing and product information regulations
Information privacy laws
Environmental, labor and health & safety laws
Operating
Supply chain issues
ESG practices in the supply chain
Talent recruitment and retention
Systems impact and/or disruptions
Financial
Availability of capital
Customer payment capacity
Changes in product prices
Changes in operating input prices
Exchange-rate fluctuations
Physical
Location reconstruction or repair
Collateral losses
Merchandise supply failures

El Puerto de Liverpool is one of the first Mexican retail companies to publish a report aligned with **TCFD** recommendations.

Climate risks and opportunities

(TCFD EST-A, EST-B, EST-C, GDR-A, GDR-B)

In keeping with our commitment to limiting climate change and aware of the importance of clear and open communication on how this phenomenon may affect our company, **El Puerto de Liverpool** works to align reporting and internal practices with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our report was created on the basis of prior efforts, including exercises in greenhouse gas (GHG) emission accounting and responses to CDP questionnaires.

This report is intended as a complement to our Group's annual reporting efforts. Its central aim is to indicate (i) the areas reported information aligned with TCFD recommendations and (ii) which additional information must be included to reinforce disclosures following TCFD guidelines.

In reporting this information, **El Puerto de Liverpool** (EPL) became one of the first Mexican retail companies to publish a report aligned with TCFD recommendations.

Selection and prioritization of main risks and opportunities

To identify the main physical and transition risks and opportunities to which our company may be exposed, we reviewed the most pressing issues facing the retail industry, particularly in the Mexican context.

As a first step, we identified 21 risks and opportunities, which were discussed in workshops held in various sessions with 12 key EPL departments. Meeting participants received an overview of the potential impact of the risks identified in EPL's business strategy, with 10 salient risks and opportunities highlighted for further qualitative evaluation.

Bearing in mind that physical climate risks are evident only in patterns that emerge gradually over time, we analyzed climate projections through the year 2050, and to gain a clearer view of the possible change in risks, we also selected the year 2030 as a medium-term horizon. To examine our transition risks and opportunities, since many countries have set ambitious climate targets for 2030 and some have set net-zero targets for 2050, we chose these two periods as the medium and long-term horizons, respectively.

Summary of impacts of selected climate risk and opportunities

To analyze our climate risks and opportunities, we used the following climate scenarios:

For physical risks:

- Representative Concentration Pathway (RCP) 8.5: RCP8.5 is aligned with a very significant increase in the global mean temperature by the end of the century (1.6 - 4.8°C) and is the highest-impact scenario.
- RCP 4.5: The RCP4.5 scenario assumes a moderate level of mitigation and is aligned with an increase of approximately 1.1 - 2.6°C in the global mean temperature by the end of the century.

For transition risks and opportunities:

- Business as Usual (BAU) Scenario: This scenario takes into account projections from the International Energy Agency (IEA) for the Stated Policy Scenario (STEPS) and from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) for the current policy scenario.
- Below 2°C: The scenario we used aligns with the IEA's Stated Policy Scenario (APS) and the NGFS Below 2°C scenario.

The following are the results of our medium-term (**2030**) and long-term (**2050**) analyses:

	Implications	Risk rating 2030	Risk rating 2050
Physical risks	**Increase in the intensity and frequency of tropical cyclones** By **2030**: • There is too much uncertainty surrounding climate projections, which makes it difficult to predict changes in the intensity and frequency of tropical cyclones. By **2050**: • An increase in the number of very intense tropical cyclones is expected, especially those originating in the Pacific Ocean. Projections show that, compared to the historical period, there will be 5 more category 4 or 5 hurricanes per decade on the Saffir-Simpson scale, with the potential to impact Mexico.	Uncertain	Moderate
Physical risks	**Increase in the frequency, intensity, and duration of extreme precipitation events** • For the 10 EPL assets with the highest exposure to extreme precipitation events, it was found that these events would increase in intensity under both climate scenarios, especially in the long term. • In the long term, under the RCP8.5 scenario, maximum daily precipitation accumulations could increase by up to 17%.	Low	Moderate
Physical risks	**Increase in the frequency and intensity of river flooding** • According to the analysis, three assets are directly exposed to river flooding, while another eleven are located in flood-prone areas. • In both scenarios, an increase in the intensity of river flooding is expected, but the increase is more significant for 2030.	High	Moderate
Physical risks	**Rise in sea level and coastal flooding** • None of the 53 strategic assets included in the analysis were directly exposed to coastal flooding. • However, an increase in sea level is projected on both Mexican coasts, which could cause damage to urban infrastructure in coastal cities, as well as disruptions in the distribution chain.	Low	Low
Physical risks	**Increase in the frequency, intensity, and duration of droughts** • In both scenarios, precipitation is estimated to decrease by up to 10% in most parts of the country. However, there will be regions where the decline could be greater. • Additionally, most of the country is expected to become drier with more frequent droughts, leading to an increase in water demand, especially in the northern part of the country and urban areas.	Moderate	High

	Implications	Risk rating 2030	Risk rating 2050
Transition risks and opportunities	**General climate policies that could raises prices and production costs within the supply/ value chain** • Under a BAU scenario, a moderate rise in the carbon price is expected, among existing mechanisms for most countries where EPL's main international suppliers are located. At the same time, a lack of government incentives for production of biofuels could make prices highly volatile and press economic viability, which would present challenges for reducing emission in the cargo industry. Most countries are also expected to apply minimal energy efficiency standards for buildings. • In the below-2°C scenario, the carbon price would rise significantly, above all in the long term, both in advanced and emerging economies. Additionally, new industries are expected to be included in current price-fixing mechanisms. In the cargo industry, energetic political action could drive worldwide demand for biofuels, encouraging their production and reducing their costs, as the capital cost of electrical vehicles for transporting merchandise declines. Some countries may try to apply construction codes and modernization requirements for zero-energy buildings.	Moderate	High
	Policies to promote a circular economy • In a BAU scenario, circular economy policies are expected to focus on recycling of aluminum, steel, paper and plastic. In the medium term, most countries ae also expected to adopt policies banning single-use plastics, including Mexico. • Under a below-2°C scenario, an increasing number of countries are expected to introduce recyclability targets or discourage production of plastic waste through a plastic tax. The levying of a plastic tax by weight could have a significant impact on EPL, but at present almost 40% of its containers include some percentage of plastic. Furthermore, circular economy policies are expected to be stricter because of the need to reduce demand for the petroleum that goes into plastic.	Moderate	High
	Technological advances focused on a more efficient system for transporting and distributing merchandise, low in carbon and non-polluting • For Mexico, under a BAU scenario, growing incentives are expected for the use of hybrid and electric vehicles, as well as increased government support for electromobility. However, given the low economic viability of existing technologies (hydrogen, for example), decarbonization of merchandise transportation remains a challenge. This limited technological progress is expected to increase sales of electric vehicles in the medium and long term. • Under a below-2°C scenario, more countries are expected to create regulatory frameworks that promote the adoption of electric vehicles through incentives and pilot electromobility programs. It is also likely that governments will set net-zero targets for the transportation industry, particularly for cargo. In Mexico there is little clarity on what targets might be set for this industry. Capex investment in electric vehicles would decline significantly under this scenario. Hydrogen would be another viable technology that may be adopted for merchandise transport. In the long term, sales of electric vehicles for cargo are expected to rise significantly.	Moderate	High

Many countries have set ambitious **climate targets** for **2030** and some have set **net-zero** targets for **2050**

	Implications	Risk rating	
		2030	**2050**
Transition risks and opportunities	**Introduction and expansion of carbon price fixing mechanisms, like carbon taxes and cap-and-trade systems** By **2030**: • Under a BAU scenario, no significant change is expected in the carbon price in Mexico, although there is some uncertainty over the price and free assignment of emission rights in the framework of Mexico's emissions trading system (ETS) once the current pilot phase is ended. The carbon tax is expected to continue rising at the federal level, along with an extension of subnational carbon-price-fixing instruments to new states. • Under a below-2°C scenario, neither are there expected to be significant changes by 2030, but there is a greater likelihood that current instruments will be extended to other industries, and instruments created in new states. In the medium term, it is highly likely that an emission trading system will begin functioning in Mexico. In the long term, the carbon price is expected to increase significantly in most countries, including Mexico.	Low	Moderate
	Use of technologies to improve energy efficiency and resource consumption in sustainable buildings • Under a BAU scenario, current voluntary instruments and programs (the Sustainable Building Certification Program, for example), which offer reduced tax payments, financing for energy-saving programs, and insurance premium reductions, are expected to be expanded by 2030. Requirements on the installation of low-emission equipment, or retrofitting measures to reduce energy consumption in commercial buildings, are expected to increase. • Under a below-2°C scenario, attention would shift to the development of zero-emission buildings, which would be promoted by the adoption and application of energy codes for construction. Furthermore, under this scenario, considerable progress is expected in energy-efficient equipment (air conditioning, for example), the use of renewable energy, and reduction in capex invested in modernizing existing buildings.	High	Moderate

Board of Directors

One-tier system | (GRI 2-9)

Max David [1, C]
Chairman
42 years*

Madeleine Brémond S. [1, C]
Vice Chairman
CEO of Orion Tours, S.A. de C.V.
31 years*

Henri Brémond S. [1, C]
Administrator of Victium, S.A. de C.V.
27 years*

Carlos Danel [2, B]
Chairman of the Board of Directors of Gentera, S.A.B de C.V
3 years*

Juan David [1, C]
Corporate Director, Banco Invex, S.A. de C.V.
31 years*

Graciano F. Guichard G. [1, A]
CEO of El Puerto de Liverpool, S.A.B. de C.V.
3 years*

Juan Miguel Gandoulf [2, 3, B]
Director, Sagnes Constructores, S.A. de C.V.
26 years*

Armando Garza Sada [2, B]
Chairman of the Board, Alfa S.A.B. de C.V.
28 years*

Guillermo Simán [2, B]
Vice President, Grupo Unicomer
13 years*

Maximino Michel G. [1, C]
Chairman and CEO of 3H Capital
30 years*

Javier Arrigunaga [2, 3, B]
Chairman of the Board,
Grupo Aeroméxico, S.A.B. de C.V.
5 years*

Andrea Hernández Velasco [2, B]
Chairman of the Board,
Fundación Legorreta Hernández, A.C.
4 years*

José Cohen Sitton [2, 3, B]
Deputy CEO, BabyCreysi
4 years*

Alejandro Ramírez Magaña [2, B]
CEO, Cinépolis de México, S.A. de C.V.
4 years*

Pablo Guichard C. [1, C]
Investment Manager, Norante
2 years*

Ignacio Pesqueira
Secretary
Partner, Galicia Abogados, S.C.

Norberto Aranzábal
Secretary pro tem
Socio de Aranzábal Rivera Abogados, S.C.
Chief Legal Officer, Servicios Liverpool, S.A. de C.V.

1 Equity Member
2 Independent Member
3 Audit committee member
A Executive Directors: High-ranking employees responsible for making strategic decisions and executing the organization's business operations.
B Independent Directors: Non-executive members of the board who ensure their independence by not having been recently employed in an executive capacity and meeting requirements to avoid conflicts of interest.
C Other Non-executive Directors: Board members not falling into the categories of executives and independents. They may be employed by the organization in a non-executive capacity.
* Years as board member

Patrimony Board

Henry Brémond P.
Chairman

Juan David
Member

Miguel Guichard
Member

Magdalena Michel
Member

Madeleine Brémond S.
Alternate Member

Monique David
Alternate Member

Magdalena Guichard
Alternate Member

Bertha Michel
Alternate Member

Alejandro Duclaud
Secretary

Honorary Board Members

José Calderón
Ricardo Guajardo
Miguel Guichard
Esteban Malpica

Jorge Salgado
Luis Tamés
Pedro Velasco
Graciano Guichard M.

Henry Brémond P.
Chairman

Main Executives

Graciano F. Guichard G.
CEO
El Puerto de Liverpool
21 years*

Santiago de Abiega
Chief Financial
Services Officer
25 years*

Jacobo Apichoto
Chief Legal Officer
26 years*

Zahié Edid
Chief Organizational
Development Officer
20 years*

Juan Ernesto Gómez Enciso
Chief Internal Auditor
15 years*

Enrique Güijosa
Chief Finance and Administrative
Officer
15 years*

Carlos Marín
CEO, Liverpool
10 years*

Alejandro Melgar
CEO, Suburbia
17 years*

Ernesto Ynestrillas
CEO, Real Estate Division
32 years*

* Years with the Group

About this report

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

At **El Puerto de Liverpool**, we publish operating and financial information on an annual basis. Each year we incorporate recommendations and include information in accordance with international standards, as part of our commitment to publish data that is relevant to all of our stakeholders.

The information presented here corresponds to **El Puerto de Liverpool**, S.A.B. de C.V., as a corporate group, and to its performance from January 1 to December 31, 2023[2]. It contains a report of our progress against priority areas of attention identified in our materiality analysis and according to GRI standards, SASB financial standards, and TCFD recommendations.

This data is provided by the different teams responsible for implementing the ESG Strategy and are validated by the Footprint Desk.

Identification of content:

- At the start of each chapter we mention the GRI standards, SASB Standards and TCFD recommendations to which the content applies.
- At the end of the report we offer a summary of progress against the SDGs and provide specific indices for GRI, SASB and TCFD reporting standards.

International standards applied

GRI STANDARDS

This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards, including its newest universal standards GRI 1, 2 and 3, launched in October 2021. In addition, we apply the GRI Financial Services Sector Supplement, because of the Group's involvement in that specific activity. The GRI Standards respond to impact materiality, and are intended for the widest audience possible.

SASB STANDARDS
Now part of IFRS Foundation

This report also conforms to the standards established by the Sustainability Accounting Standards Board (SASB) for the following industries: Multiline and Specialty Retailers and Distributors, E-commerce and Consumer Finance. The SASB standards refer to financial materiality, and address information requirements especially from investors.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We also incorporated the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), on management of climate-related risks and opportunities.

SUSTAINABLE DEVELOPMENT GOALS

We share our progress toward Sustainable Development Goals (SDGs), a roadmap proposed by the United Nations (UN) to address the most pressing social challenges of our time and achieve a sustainable future for all.

2 Excludes companies in which El Puerto de Liverpool does not hold a controlling operating and/or financial stake: Sfera and Grupo Unicomer. For information on these companies, we recommend consulting the respective reports of their parent corporations.

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ANNEX:
Sustainability Approach

I.1. Stakeholder engagement
(GRI 2-29)

In our operations, we actively engage with our various stakeholders and offer them a differentiated value proposal. To define our universe of stakeholders, we first identified our current and future impacts so that we were clear on who to engage, and what our priorities were.

We are working to manage all of our stakeholder relations in a way that allows us to advance together toward sustainable development.

Communication and transparency are essential in our relations with stakeholders, with whom we interact through various channels.

Stakeholder group	Value propositions	Channels
Customers/ visitors	Offer products and services, facilitating access to payment and/or financing solutions. Bring benchmark brands closer. Be a part of their life and family experiences. Build awareness about sustainable development to encourage more mindful purchasing decisions.	• E-commerce and online financial services platforms • Store and shopping center operations • Home delivery • Campaigns and other forms of marketing • Focus groups on innovations and customer experience and/or product and service portfolio • Social media
Employees	Being a team for professional and personal development, opportunities in inclusive environments, opposing all forms of discrimination. Promoting the educational advancement of our employees. Guaranteeing secure work conditions and a culture of wellness.	• Work environment evaluation • Ethics Hotline • Mi Puerto, Cari (Chatbot), internal communication campaigns • General and area meetings • Training sessions, including the Universidad Virtual Liverpool (UVL) platform.
Suppliers	Connect with Customers through various channels including both physical operations and digital media. Offer convenient business dealings that support long-term relationships. Encourage them to apply best ESG practices.	• Order and tracking process • Supplier Portal • Marketplace • Support in external certification of suppliers • Training sessions • Evaluation under our responsible sourcing program

Community	Promote education as a driver of social development in Mexico. Encourage improvement of educational infrastructure, instructors' capacities and institutional administration. Help address other pressuring issues around us through donations and/or logistical support.	• Volunteer activities • UVL open to the community • Support for local organizations
Competition	Abide by the applicable regulations, with high ethical standards, free of any anti-competitive practices. Help address emerging issues in our area of business.	• Involvement in industry and business associations
Investors	Deliver economic value and a steady evolution of their investment over time. Invite them to participate actively in managing their resources. Transparent reporting.	• Shareholders' Meeting • Special section of our website • Reports to Shareholders (quarterly, annual) • Responding to requests for information from capital suppliers, including ESG performance evaluation • Roadshows • Liverpool Day
Authorities	Respect the applicable standards and regulations and keep abreast of any changes in them. Be responsible in paying taxes.	• Required reports and documentation • Monitoring of regulatory agencies.
Media	Provide truthful information on our performance and results, and mobilize dissemination of ESG practices to encourage these approaches in the business world and society at large.	• Press conferences and releases

Membership in associations
(GRI 2-28)

We work proactively in a number of industry associations and initiatives, and with private enterprise in general, fostering a good business climate, working on risks and opportunities, and mobilization adoption of ESG criteria.

- *Asociación Nacional de Tiendas de Autoservicio y Departamentales* (ANTAD), of which we are members.
- Global Compact Network Mexico, of which Suburbia has been a signing member since 2022.
- *Consejo Mexicano de Negocios* (CMN)
- *Consejo Coordinador Empresarial* (CCE)
- *Consejo de la Comunicación* (CC)
- *Confederación Patronal de la República Mexicana* (Coparmex)
- Intercontinental Group of Department Stores (IGDS)

I.2 Materiality analysis
(GRI 3-1, 3-2)

The sustainability strategy of El Puerto de Liverpool addresses priority issues relating to our business model and operating context. We determine the priorities based on a study of impact and financial materiality, as detailed below.

Our **impact materiality** exercise enabled us to pinpoint the critical issues our activities generate among each of our stakeholder groups; determining **financial materiality** meant identifying those that could most affect our financial results, company stability and access to capital, responding to the financial market.

In 2020, we updated our impact materiality analysis in response to the evolution of the business itself in aspects such as digital development and the omnichannel experience, and the sweeping changes in our stakeholders expectations with the eruption of the COVID-19 pandemic.

For the purposes of that exercise, we took the list of potential issues obtained from our previous materiality study and conducted surveys and interviews of key management responsible for relations with each stakeholder group. At the same time, we interviewed senior management to learn about the company's strategic vision. By integrating these efforts, we obtained a two-axis matrix in which the topics were classified by impact.

To this we also incorporated financial materiality, based on a prioritization exercise prepared by the Sustainability Accounting Standards Board (SASB) internationally for various industries. Concretely, we applied the results for the Multiline and Specialty Retailers and Distributors, E-Commerce, and Consumer Finance industries.

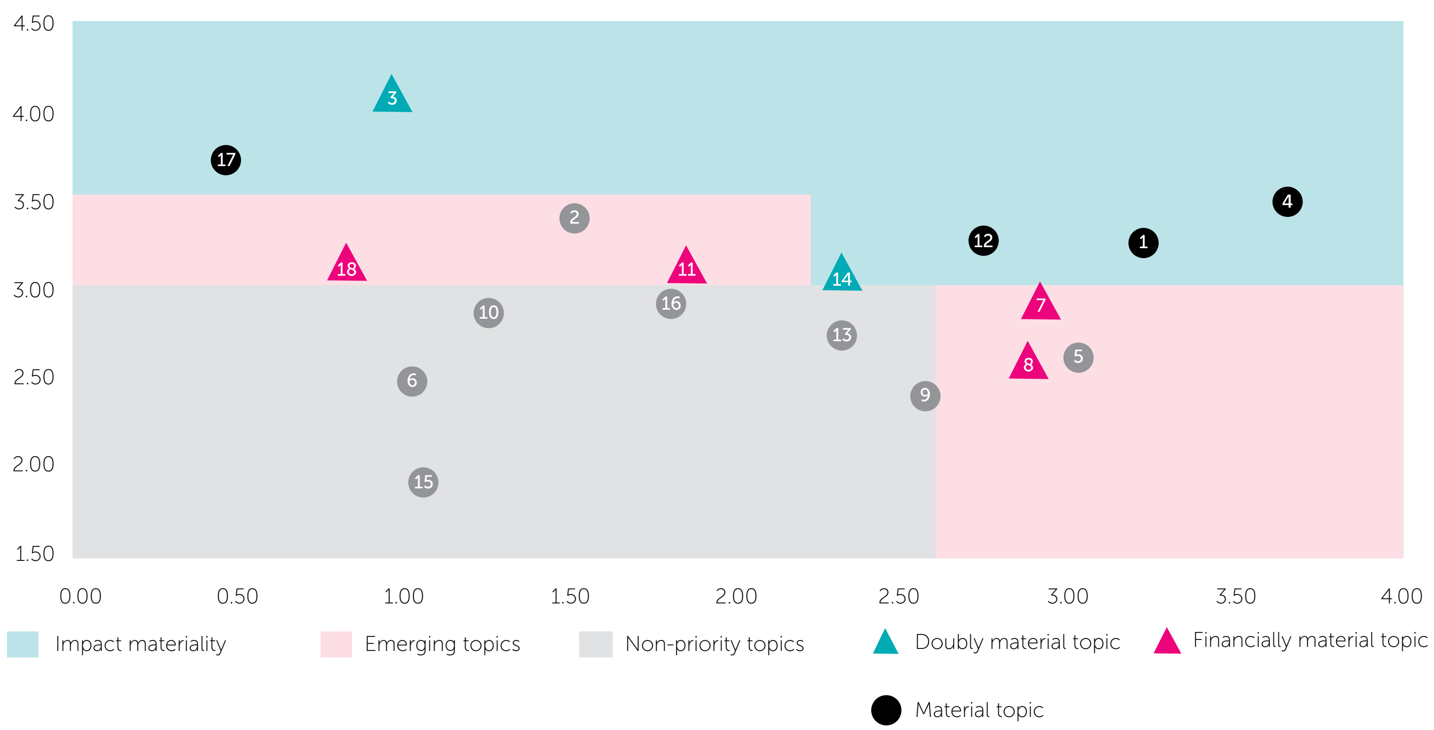
This report presents the integrated results of both exercises, approved by the El Puerto de Liverpool Footprint Desk, a work group led by our CEO. This reveals the topics that were found in the impact materiality, the financial, or both, which feed into the report on corporate risks. All of these are addressed in this report, using the corresponding international reference standards: the Global Reporting Initiative (GRI) and the SASB itself.

Integrated materiality matrix

From the **impact materiality** study:

- Material topics: Those that are a priority for our management, which were used as the basis for building our Sustainability Strategy.
- Emerging topics: Those to which we will watch closely to see if they evolve to Material, due to significant changes in our operating context and/or activities.
- Non-priority (non-material) topics: Those that are less significant to our stakeholders and corporate strategy, because of the nature of our activities and where we operate.

Regarding financial materiality: material topics (integrated into the sustainability strategy) and non-priority (non-material) topics.



Type of materiality	Rank	Material topics
Impact and financial	3	E-commerce and cybersecurity
Impact and financial	14	Diversity and inclusion
Impact	1	Ethics and codes of conduct
Impact	4	Supply chain and responsible sourcing
Impact	12	Education and human capital development
Impact	17	Innovation
Financial	18	Transparency
Financial	11	Employer brand
Financial	7	Operating eco-efficiency
Financial	8	Packaging
Type of materiality	**Rank**	**Emerging (potentially significant in the short term)**
Impact	2	Corporate governance
Impact	5	Climate change strategy
Impact	13	Environmental and social impact of our products and services*
Type of materiality	**Rank**	**Non-priority topics**
Impact	6	Environmental management system
Impact	9	Corporate citizenship and social responsibility
Impact	10	Human rights
Impact	15	Biodiversity
Impact	16	Employability and empowerment

* Although this was identified as a non-priority issue, because of its business relevance we classified it as emerging.

I.3. Human rights due diligence
(GRI 2-23, 2-24, 2-25, 2-26)

The culture under which we operate at El Puerto de Liverpool considers respect for human rights to be key. We have a Compliance and Integrity Program in place to validate and guarantee that human rights are respected, recognized and encouraged in our policies and procedures.

We follow the United Nations Guiding Principles on Business and Human Rights. Our culture also takes into account the OECD Guidelines for Multinational Companies, because although we operate only in Mexico, our supply chains are global. We also incorporate OECD recommendations on due diligence to ensure responsible business conduct.

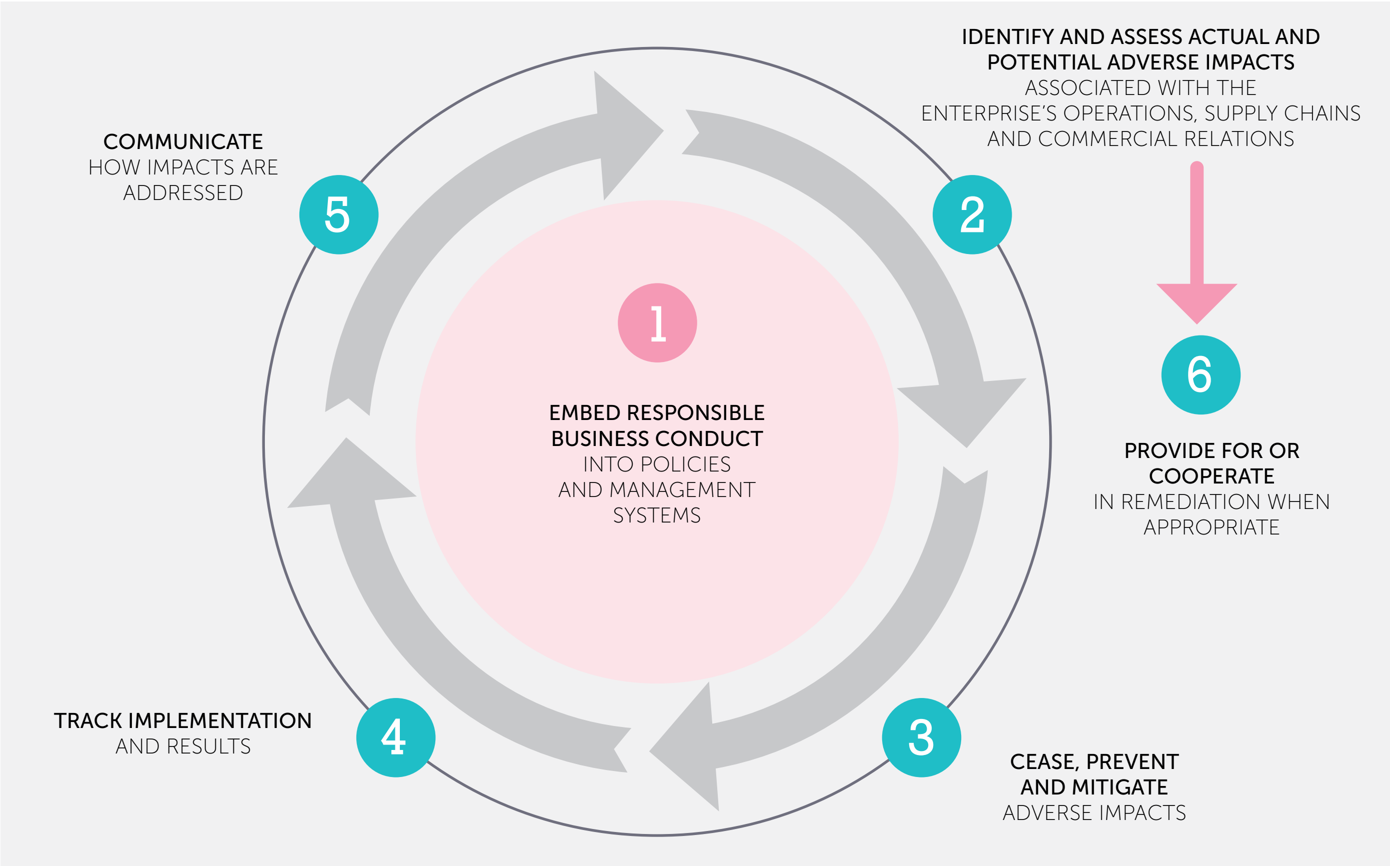
We recognize the human rights consigned in the UN Universal Declaration and in successive international agreements on women's rights, rights of the child, rights of disabled persons, and of workers themselves, among others.

Our commitment and main guidelines for our employees, shareholders, business partners or interested third parties are contained in our **Human Rights Policy.**

Our program:

- Covers relations between employees
- Seeks to gradually extend the culture of human rights to relations and service in our customer experience.
- Is incorporated into our evaluation of business partners' environmental, social and governance conduct, in the Responsible Sourcing Program. With this, we also address risks in our supply chain.
- Is part of the sustainability strategy, including initiatives to prevent and mitigate its component risks.
- Regulatory and training plans and actions to mitigate negative risks are in place at all El Puerto de Liverpool locations.

The following chart shows our main activities, detailing the risks identified along with the process applicable to our internal policies.



Source: OECD Due Diligence Guidance for Responsible Business Conduct

1. Embed responsible business conduct into policies and management systems

We have cross-departmental guidelines in our **Code of Ethics** and **Code of Conduct Integrity**, which are updated regularly to address changes in operations and the environment.

We developed a Human Rights Policy that expresses our commitment to these precepts and our core guidelines for relating to our various stakeholders.

For the most pressing risk concerns, we have management policies and systems, which are detailed in section 3, Risk prevention and mitigation.

2. Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services.

We require our employees to **proactively**: 1) spread our culture of respect and commitment, through communication and training in our internal human rights policies; and 2) identify possible risks in their teams and relations with the various stakeholders.

With our business partners, we have a **Responsible Sourcing Program**. Under this program, we evaluate selected suppliers who are classified as strategic.1 We analyze their corporate performance and their factories for issues like forced labor, child labor, safety conditions, health and hygiene, wages, length of the workday, discrimination, harassment, and contractual conditions. We also believe environmental protection and the availability of natural resources is key, so we evaluate their environmental performance. We rely on independent specialists that we engage for this process, under the supervision of our team.

With this evaluation, we can identify and work on potential risks. Suppliers are rated according to a stoplight system of risk and those at high (orange) or critical (red) levels are contacted immediately and placed in step 3—cease, prevent or mitigate the negative impacts.

More details on our Responsible Sourcing Program:

1 Includes suppliers of all Suburbia and Liverpool private brands, suppliers with payment orders of more than MXN^{500,00} and suppliers of products for operations (goods not for sale).

Furthermore,

- We receive notice of possible non-compliance with our policies through **Ethics Hotline.**
- We have systems for **control, oversight and auditing**, to identify and respond actively to risks: a control team, compliance offer and internal audit office, the oversight of the Audit and Corporate Practices Committee. This system is in the process of implementation and continuous improvement.

All of this led us to conclude that our most crucial potential risk, according to the type of activities we conduct, the context in Mexico and the operations of our main suppliers, are:

1) safety incidents, employee health and wellness;

2) for our Customers, aspects such as accessibility of our spaces, coverage of our product and service portfolio, use of information, etc.

3) possible inappropriate labor practices by suppliers in our supply chain.

3. Cease, prevent and mitigate adverse impacts

We have a number of initiatives focused on: 1) self-regulation; 2) training and awareness-building; and 3) action. These are the most important:

Potential risk	Self-regulation	Training and awareness-building, culture	Action
Diversity and equal opportunity impacts	In-house framework for certification of Mexican Standard NMX 025 SCFI 2015, Labor Equality and Non-Discrimination. Includes specific policy on diversity and inclusion.	Regular ethics training for employees. Forum on Gender Equality, Forum on Diversity and Inclusion, incorporation of diversity culture into onboarding.	Tracking through organizational environment survey. "Allies who Inspire" training program for employees in leadership positions. Gender pay gap analysis. Review of policies and procedures on inclusive language. Hiring of employees with disabilities.
Employee safety and health incidents	Occupational safety and health policy. Biosecurity protocols. Psychosocial risk policy developed based on NOM-035-STPS-2018. Medical Emergency Response Protocol.		Emotional support hotline. Comprehensive wellness program: "Creating the best version of me:" health campaigns (e.g. eyesight). Medical service and vaccinations. Mental health screening.

Customer relations	Policies focused on regulation, controlling and monitoring **legal treatment of personal data.** **Code of Ethics and Code of Conduct and Integrity**, with guidelines on non-discrimination, regardless of the relationship.	**Regular ethics training for employees.**	Physical accessibility plans for department stores and shops, including signage and structural measures. Opportunities for customer financing, accompanied by financial education. Products that incorporate borrowers without prior credit history, and comfortable repayment schedules.
Weak labor practices in the supply chain	**Specific Code of Ethics and Conduct** for suppliers, which they are required to sign. **Responsible Sourcing Policy** to encourage improved working conditions and environmental respect in the supply chain.	**Sustainability training for domestic suppliers,** including social performance and human rights protection.	Implementation of supplier assessment under the responsible sourcing program. Development of private-label products with sustainability certifications that cover labor issues in our supply chain (e.g., BCI)

4. Track implementation and results

These initiatives are included in our sustainability strategy.

The staff responsible for the various prevention and mitigation initiatives track them closely. They also report their results in the strategy focus desks in which they participate (thematic work groups that we have at the group level).

Each desk reports its progress on a quarterly basis to the El Puerto de Liverpool Footprint Desk, the highest-level strategic group, led by our CEO.

The compliance and internal audit teams also play a key role in evaluating our employees' progress in applying policies and procedures.

5. Communicate how impacts are addressed

Our integrated annual report discusses our initiatives, conforming to the leading international reference standards. We apply the standards of the Global Reporting Initiative (GRI), which focus closely on human rights protection.

The report incorporates this specific analysis, which serves as a roadmap to guide our preventive management of human rights risks.

6. System for managing response to human rights cases.

We have a Compliance and Integrity Program in place to validate and guarantee that human rights are respected, recognized and encouraged in our policies and procedures.

The Integrity and Compliance Committee is responsible for validating policies on respecting, recognizing and promoting human rights.

If one of the potential risks materializes in an impact, we assess each case and involve the teams that are needed to address it.

In the particular case of supplier incidents, which are identified through the Responsible Sourcing Program, decisions are made at the executive level.

If the supplier is rated with critical risk (red): 1) orders are canceled; 2) all production that has not been shipped is stopped or canceled; 3) if the shipment has left the port, it will only be accepted by express authorization.

As of the present time, and since the program was launched in 2020 and we applied it to Suburbia operations with its 2017 evaluation program, no supplier has been assigned this rating.

Human Rights Governance

- Board commitment to sustainability, including human rights.
- Attention to different risks in specific groups and Strategy desks.
- Integration into risk management, with specific maps for various issues like governance and ethics, climate, etc., and which includes social aspects connected with human rights.
- The various areas of the company, through their policies and procedures, are responsible for coordinating and implementing all compliance activities described in those documents, and for training and building employee awareness in this area.
- The Compliance team brings together the various risks analyses, presenting those cases to the Compliance and Integrity Committee, along with its recommendations.

1.4 Contribution to the Sustainable Development Goals (SDG's)

At El Puerto de Liverpool, we want to contribute to the 2030 Agenda established by the United Nations as a roadmap for addressing major global social and environmental challenges, which are listed in the Sustainable Development Goals (SDG).

We are particularly interested in the SDG where we can make a difference, according to our type of activity and the context in Mexico. We defined this based on our impact materiality exercises, which gave us the critical issues and allowed us to establish the related SDG and targets.

This contribution would not have been possible without the impulse of El Puerto de Liverpool's Sustainability strategy and the active participation of our various stakeholders.

The following table describes our salient contributions to the SDG, which are expanded upon through this report.

	3 HEALTH AND WELLNESS	4 QUALITY EDUCATION	5 GENDER EQUALITY
	Goals 3.3, 3.5, 3.6, 3.8	Goals 4.1, 4.3, 4.4, 4.5; 4a, 4c	Goals 5.1, 5.2, 5.5
CONTRIBUTION	Comprehensive Health Strategy with "Mental Health Interventions for Leaders," and a psychological counseling hotline. Holistic employee health support, on three pillars: mental-emotional, physical and financial. Biannual Health Risk Assessment via surveys and measurements to improve employee quality of life Circuits of clinical testing focused on prompt detection and control of illness. We evolved our medical emergency attention protocol, originally focused on training the positions that would activate the protocol; this year it was extended to training for people in accident-prone areas, including restaurants, play areas, maintenance and loss prevention. We have a protocol for addressing psychosocial risks and work, which was expanded this year to incorporate personal aspects and provide holistic personal care. Nationwide vaccination campaign, focused on the influenza vaccine in 2023.	Performance of Liverpool Virtual University (UVL) to support employees in completing their studies. Leadership program to prepare employees for possible executive succession. Continuing to offer UVL courses the general public with free educational programs. We encourage education in surrounding communities and adopt high schools to provide them with equipment and educational assistance through nonprofits and the UVL.	Internal self-regulation (policies and codes) to avoid discrimination. We moved forward with our "Allies who Inspire" program, increasing the presence of employees in senior and middle management who receive mentoring in the Group and are preparing themselves for future promotions. We evolved the "Women who Inspire" program into "Allies who Inspire." We conducted a gender pay gap analysis.

	3 HEALTH AND WELLNESS	4 QUALITY EDUCATION	5 GENDER EQUALITY
INDICATORS	Employee lost time injury frequency rate (LTIFR): 11.08 Health Risk Assessment of 41,078 employees 24,614 influenza vaccines applied nationwide	483 graduates from the UVL. Average training time per employee: 7.3 hours. This year, more than 4,112 members of the general public were served in free external programs. 497 teachers nationwide trained in leadership, management, and teaching skills, receiving a digital badge for professional credit. Donations through reverse logistics totaling MXN234,981,069, allocated to projects supporting education.	40.6% women in upper management 54.1% women in middle management. 8.2% of women promoted after participating in the Allies who Inspire program 144 people graduated from the Allies who Inspire program in 2023.

	10 REDUCED INEQUALITY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE PRODUCTION AND CONSUMPTION
	Goal 10.2	Goals 11.4, 11.5	Goals 12.3, 12.4, 12.5, 12.6, 12.8
CONTRIBUTION	Inclusion initiatives mentioned in SDG 5 and SDG 8. Adaptations to our stores, shopping centers and corporate offices to remove barriers to mobility. We facilitated access to credit. Liverpool offers a card to applicants with no credit history. This year we began the *Minipagos* Program and *Aparta+* Program in Suburbia. We launched diversity and inclusion awareness program	We promote environmental protection through reforestation, conservation of natural areas, and beach cleanups. In response to the devastation caused by the recent hurricane "Otis" in Guerrero, combining the efforts of all business units, we provided essential supplies, food, clean water, and medical assistance to those in need. We also set up collection centers at strategic locations to receive donations from our employees.	We made progress in initiatives to reduce restaurant waste. We reduced waste generation by providing recyclable packaging on our private brands, and pursuing circularity strategies. Developed a portfolio of products with sustainable features, which are communicated to Customers. We encourage companies to adopt sustainable practices and incorporate clear, transparent information in product marketing. Through our "Responible Mode" initiatives as Liverpool and "Actions that Add Up" at Suburbia, we label and promote products with a reduced environmental impact which benefit society.

	10 REDUCED INEQUALITY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE PRODUCTION AND CONSUMPTION
INDICATORS	21% of Customers with little or no credit history had access to financing 17 Liverpool stores with signage and accessibility criteria 93,511 visits to financial literacy content on the web. 17 stores with NMX-R-025-SCFI-2015 certification for labor equality and non-discrimination. 8 talks given to 14,379 employees.	17 out of 114 volunteer programs were in support of the environment. Total of MXN$12 in support for victims of natural disasters	29% of private brand revenues come from products with sustainable features (certification, recycled content). 29.9% of waste is recyclable. 66% of the eggs supplied to our restaurants were cage-free in 2023, against our target of 100%. We incorporated international certifications into our product portfolio, like the Forest Stewardship Council (FSC) in labels and shoeboxes.

	13 CLIMATE ACTION	16 PEACE, JUSTICE AND SOLID INSTITUTIONS
	Goal 13.2	Goals 16.5, 16.6, 16.7
CONTRIBUTION	Progress toward our Net Zero 2040 strategy for Scope 1 and 2 Emissions. LED lighting installed to reduce energy consumption, and solar panels to generate some of our own energy. Progress toward incorporating hybrid and electric vehicles into our distribution processes. We work toward more efficient water management, using supply alternatives like treated or rainwater, and incorporating WWTPs (Wastewater Treatment Plants).	Codes of Ethics, Conduct and Integrity for employees, training. We require all suppliers to commit in writing to apply the specific Code of Ethics that we provide.
INDICATORS	39.21% of our energy is from renewable sources. Since 2021, we have incorporated hybrid and electric vehicles into our fleet. By the end of 2023, we had a total of 203 units. Emission intensity (S1 + S2): 28.84 $kgCO_2e/m^2$. 494,060.27m^3 of our water consumption is from treated water. 25 wastewater treatment plants nationwide.	Active suppliers that signed the Code of Ethics and Conduct; 95% at Liverpool and 64% at Suburbia.

ANNEX:

Main ESG Indicators

1. ENVIRONMENTAL DIMENSION

For 2023 this report reflects an expansion of our various businesses; furthermore, for the purpose of measuring environmental indicators, we used Net Constructed Area (NCA) for calculating energy, scope 1 and 2 emissions, and water.

The data presented in the ESG Annex shown in this format are those that were covered by the PwC Limited Assurance process.

NET CONSTRUCTED AREA (NCA) (in m²)				
Business format	2023	2022	23 vs 22	2021
Warehouses/Distribution Center	895,311.56	857,578.41	4.40%	900,072.02
Shopping center*	2,560,037.29	2,292,889.30	11.65%	2,290,274.30
Boutiques*	62,323.47	86,080.45	-27.60%	59,452.38
Liverpool*	2,445,928.45	2,456,936.85	-0.45%	2,366,476.88
Offices	95,758.02	95,758.02	0.00%	131,018.27
Suburbia	971,881.67	873,344.35	11.28%	818,888.96
Total	7,031,240.46	6,662,587.38	5.53%	6,566,082.81

In 2023 we expanded retail operations for boutiques, which include two new business formats. BYD and Toys R Us.

* Liverpool includes the Net Constructed Area of Liverpool Express stores.
Boutiques includes the Net Constructed Area of BYD
Shopping centers include Net Constructed Area of some Boutiques and Suburbia.

Estimates applicable to the 2023 period were calculated according to the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL and available on our sustainability webpage.

1.1. Energy

(GRI 302-1, 302-3, 302-4) (SASB CG-EC-130a.1; CG-MR-130a.1)
(TCFD GDR-B, MYO-A)

FUEL CONSUMPTION – 2023 BREAKDOWN					
Fuel	Source	Partial (liters)	Total (liters)	Total (GJ)	Total kWh
Gasoline	Mobile	4,685,017.17	4,693,899.59	165,716.75	46,032,798.39
	Fixed	8,882.42			
Diesel	Mobile	5,519,532.57	6,077,302.44	231,835.12	64,399,158.81
	Fixed	557,769.87			
LP Gas	Fixed	2,033,956.57	2,033,956.57	53,130.17	14,758,497.50
Natural Gas	Fixed	519,063,580.00	519,063,580.00	17,410.95	4,836,413.60
Total	Consolidated	531,868,738.60		468,092.98	130,026,868.30

FUEL CONSUMPTION: YEAR-TO-YEAR CHANGES							
2023			2022			Δ23-22	2021
Total (liters)	Total (GJ)	Total kWh	Total (liters)	Total (GJ)	Total kWh		Total (GJ)
531,868,738.60	468,092.98	130,026,868.30	413,256,106	452,115.69	125,588,695	3.53%	445,985.69

ELECTRICITY CONSUMPTION – BREAKDOWN AND YoY TREND					
	2023		2022		Δ23-22
Source	Total (kWh)	Total (GJ)	Total (kWh)	Total (GJ)	%
Energy mix (non-renewable)	369,404,874.82	1,329,857.55	358,102,504.56	1,289,169.02	3.15%
Renewable acquired	231,354,467.91	832,876.08	216,899,436.38	780,837.97	6.66%
Wind	63,962,318.81	230,264.35	80,679,508.00	290,446.23	-20.72%
Solar	157,276,617.14	566,195.82	124,062,832.38	446,626.20	26.77%
Hydraulic	10,115,531.96	36,415.92	12,157,096.00	43,765.55	-16.79%
Renewable self-generated (solar)	6,909,505.73	24,874.22	2,267,727.58	8,163.82	204.68%
Total renewable	238,263,973.64	857,750.31	219,167,163.96	789,001.79	8.71%
% renewable energy	39.21%	39.21%	37.97%	37.97%	12,400bps
Total	607,668,848.46	2,187,607.85	577,269,668.52	2,078,170.81	5.27

Note: Reported data corresponds to energy consumption by EPL, but not exclusively to the reduction obtained from EPL's conservation and efficiency initiatives in 2023.

ELECTRICITY INTENSITY KWH/M² BY FORMAT – YoY TREND				
	kWh/m²		GJ/m²	
Format	Fuel	Electricity	Fuel	Electricity
Warehouses/Distribution Centers	5.1920	22.8101	0.0187	0.0821
Shopping Centers*	1.0210	30.0244	0.0037	0.1081
Boutiques*	0.0054	140.5949	0.0000	0.5061
Liverpool*	8.3848	166.0059	0.0302	0.5976
Offices	295.4914	46.4294	1.0638	0.1671
Suburbia	7.7777	90.1832	7.7777	0.3247

* Liverpool includes the Net Constructed Area of Liverpool Express stores.
Boutiques includes the Net Constructed Area of BYD
Shopping centers include Net Constructed Area of some Boutiques and Suburbia.

ENERGY CONSUMPTION INTENSITY BY TYPE 2023								
	2023		2022		Δ 23-22		2021	
Category	kWh/m²	kWh/ kMXN	kWh/m²	kWh/ kMXN	kWh/m²	kWh/ kMXN	kWh/m²	kWh/ kMXN
Electricity	86.42	3.10	86.64	3.28	-0.25	-5.49%	82.88	3.60
Fuel	18.49	0.66	18.85	0.71	-1.91%	-7.04%	40.88	1.78
Total energy	104.92	3.76	105.49	3.99	-0.54%	-5.76%	123.76	5.38

Notes:
- Based on Net Constructed Area (NCA)
- The denominator in indicators by revenues is expressed in thousands of pesos (kMXN).

ENERGY CONSUMPTION INTENSION RATIO GJ								
	2023		2022		Δ 23-22		2021	
Category	GJ/m²	GJ/kMXN	GJ/m²	GJ/kMXN	GJ/m²	GJ/kMXN	GJ/m²	GJ/kMXN
Electricity	0.311	0.011	0.312	0.012	-0.32%	-8.33%	0.317	0.014
Fuel	0.067	0.002	0.068	0.003	-1.47%	-33.33%	0.068	0.003
Total energy	0.38	0.01	0.38	0.01	=	=	0.38	0.02

1.2. GHG Emissions

(GRI 305-1, 305-2,305-4, 305-5) (SASB CG-EC-410a.1) (TCFD MYO-A, MYO-B)

TOTAL GHG EMISSIONS BY FORMAT - 2022 (mtonCO2e)									
	2023			2022	Δ 23-22	2022	Δ 23-22	2022	Δ 23-22
	Scope 1	Scope 2	Total (S1+S2)	Scope 1	S1	Scope 2	S2	Total (S1+S2)	Total (S1+S2)
Warehouse/ distribution center	1,223.82	7,777.55	9,001.37	1,160.30	5.47%	7,239.35	7.43%	8,399.65	7.16%
Shopping centers	2,048.75	14,185.93	16,234.68	1,302.81	57.25%	15,096.67	-6.03%	16,399.48	-1.00%
Boutiques	0.12	3,023.05	3,023.18	0.17	-29.41	2,975.40	1.60%	2,975.57	1.60%
Liverpool*	14,329.72	101,314.87	115,644.59	12,668.60	13.11%	100,650.70	0.65%	113,319.30	2.05%
Offices	7,434.92	1,810.28	9,245.19	7,222.27	2.94%	1,871.46	-2.78	9,093.73	1.66%
Suburbia	2,698.20	29,071.09	31,769.29	3,389.18	-20.38%	24,661.46	17.88%	28,050.64	13.25%
Logistics	17,841.81	0.00	17,841.81	17,346.81	2.85%	0	NA	17,346.81	2.85%
Total	45,577.33	157,182.77	202,760.10	43,090.14	5.77%	152,495.04	3.07%	195,585.18	3.67%

* Liverpool includes emissions generated by Liverpool Express stores.
2022 figures include consolidated total emissions generated by Liverpool Express (99.78 metric tons of CO_2e).

GREENHOUSE GAS (GHG) EMISSIONS (tCO2E) - TOTAL OPERATIONS				
	2023	2022	Δ 23-22	2021
Scope 1	45,577.33	43,090.14	5.77%	42,588.65
Scope 2	157,182.77	152,495.00	3.07%	164,087.77
Total	202,760.10	195,585.14	3.67%	206,676.41

Note: The greenhouse gas (GHG) emissions from the activities of El Puerto de Liverpool in 2023 were calculated using the methodology proposed by the GHG Protocol Corporate Accounting and Reporting Standards, and the specifications of Mexico's Regulation on the General Law on Climate Change with regard to the National Emissions Registry (RENE); and considering the heating values published in 2023 by CONUEE and the Global Warming Potentials defined by the IPCC. The emission factors used to calculate Scope 2 emissions were established in 2023 according to the General Law on Climate Change and the Energy Transition Law, for each of our electrical energy suppliers.

Of our total Scope 1 emissions in 2023, 60.85% were energy consumption in workplaces (shops, department stores, warehouses and offices) and 39.15% from transportation fleet.

GHG EMISSIONS INTENSITY (S1+S2), KgCO2e/m² BY FORMAT				
	2023	2022	Δ 23-22	2021
Warehouse/Distribution Centers	10.05	9.79	2.66%	8.37
Shopping Centers*	6.44	7.15	-9.93%	13.41
Boutiques*	35.44	34.57	2.52%	66.02
Liverpool*	47.28	46.12	2.52%	57.04
Offices	96.55	94.97	1.66%	68.02
Suburbia	32.17	32.12	0.16%	33.69

Note: Based on Net Constructed Area (NCA).
* Liverpool includes the Net Constructed Area of Liverpool Express stores. Boutiques includes the Net Constructed Area of BYD. Shopping Centers include Net Constructed Area of some Boutiques and Suburbia.

GHG EMISSIONS INTENSITY - TOTAL OPERATIONS								
	2023		2022		Δ 23-22		2021	
	$kgCO_2e/m^2$	$kgCO_2e/kMXN$	$kgCO_2e/m^2$	$kgCO_2e/kMXN$	$kgCO_2e/m^2$	$kgCO_2e/kMXN$	$kgCO_2e/m^2$	$kgCO_2e/kMXN$
Scope 1	6.48	0.23	6.47	0.24	0.15%	-4.17%	6.49	0.30
Scope 2	22.35	0.80	22.89	0.87	-2.36%	-8.05%	24.99	1.14
Total (S1+S2)	28.84	1.03	29.36	1.11	-1.77%	-7.21%	31.48	1.43

Notes:
- Based on Net Constructed Area (NCA).
- Based on national electrical system 2022 emission factor.
- The denominator in indicators by revenues is expressed in thousands of pesos (000 MXN).

Environmental impact reduction, product delivery and packaging

(SASB-EC-410a.2)

We work to reduce the use of containers and packaging and to recycle as much of these as possible, as we describe in this report.

In our Department Stores, shops and Boutiques, Customers are offered reusable shopping bags made with 50% post-consumer recycled material, to help protect the environment.

RECYCLED BAGS IN 2023	
Total bags used at Liverpool	313,656
Total bags used at Suburbia	352,100

Note: Recycled bags were offered at 163 Liverpool and Suburbia stores and shops..

LOW-EMISSION VEHICLES ACQUIRED (PROPRIETARY TRANSPORT)				
Type	2023	2022	Δ 23-22	2021
Hybrid vehicles	0	0	0	0
Electric vehicles	50	82	-39.02	38

The acquisition of hybrid and electric vehicles for proprietary transport began in 2021 within the framework of El Puerto de Liverpool's "Footprint" strategy. Today we have 170 electrical vehicles and 33 hybrid vehicles; low-emission vehicles now account for 90% of our last-mile delivery fleet.

BOXES AND LABELS CERTIFIED AS SUSTAINABLE 2023	
Total shoeboxes	12,009,466
Total labels	4,477,579.13

* Includes only Liverpool and Suburbia

BOXES REUSED IN 2023	
Total boxes reused	6,118
Savings (kg of cardboard)	1,740
Emission reduction (kg of CO_2e)	1,677

This initiative is carried out at the Aguascalientes, Altacia, Celaya, Guanajuato, Irapuato, Paseo Morelia, Paseo Querétaro, Querétaro, Salamanca, San Juan del Río, San Miguel de Allende, Villasunción, and Zamora stores. Our Customers have the option of leaving the boxes in the Click and Collect area to give them a second life and reduce their environmental impact

Strategy for reducing packaging waste

We have various initiatives:

1. Incorporation of FSC-certified packaging and containers to ensure the responsible sourcing and use of inputs, as well as the use of recycled/recyclable/biodegradable materials in private-label products and across all businesses.
2. Reduce the use of packaging and containers. When preparing sales for delivery, the correct packaging choice is made based on measurements more closely aligned with the dimensions and nature of the product.
3. Eliminate the use of single-use plastics, complying with the provisions of the Secretariat of Environment (Mexico City) on the circularity criteria that regulated packaging must meet (similarly to those of other state authorities)..
4. Raise awareness among Customers, especially regarding the use of packaging. At Click & Collect stores in Aguascalientes, Guanajuato, Michoacán, and Querétaro, boxes are collected and Customers given the opportunity to leave the box behind for recycling or reuse.
5. Manage proper waste separation. We manage waste in every stage, from generation, temporary storage, collection, transportation, to final disposal, ensuring at all times the traceability of waste, which increases the reuse and/or recycling not only of packaging and containers in stores but also of other office, workplace, or restaurant materials.

Waste

(GRI 306-1, 306-2, 306-3, 306-4, 306-5),

WASTE					
Category	**Type of waste**	**Total (metric tons) 2023**	**2022**	**Δ 23-22**	**2021**
Solid urban waste	Non-recyclable	**23,068.00**	23,406.13	-1.44%	19,469.06
Solid urban waste	Recyclable	**11,496.78**	8,902.65	29.14%	7,713.36
Special handling waste	Non-recyclable	**3,737.31**	4,133.44	-9.58%	1,174.30
Special handling waste	Recyclable	**47.83**	28.77	66.25%	16.04
Hazardous waste	Hazardous/ non-recyclable	**204.69**	180.64	13.31%	182.78
Total		**38,554.61**	36,651.62	5.19%	28,555.53
Solid urban waste	ORCA	**50.30**	38.09	32.05%	44.47
Total Generated		**38,604.91**	36,689.71	5.22%	28,600.00
	Directed to disposal	**27,060.29**	27,758.30	-2.51%	20,870.61
	Diverted from disposal	**11,544.62**	8,931.41	29.26%	7,729.40

The organic waste processed in the ORCA biodigesters is then disposed of as non-polluting liquid waste.

WASTE – TOTAL OPERATIONS				
	2023	**2022**	**Δ 23-22**	**2021**
Total generated (metric tons)	**38,604.91**	36,689.71	5.22%	28,600.00
% reused and/or recycled	29.90	24.34	22.84%	27.22

“Second life” program in partnership with our Customers

We work together with our Customers to reduce electronic waste by encouraging them to bring in old or unworking devices to our stores. At present, 11% of Liverpool stores and 9% of Suburbia stores have a recovery module.

ELECTRONIC WASTE RECYCLED (metric tons)			
	2023	2022	Δ 23-22
Total (metric tons recycled)	7.08	6.83	3.66%

TREATMENT OF ORGANIC WASTE				
	2023 (mtons)	2022 (mtons)	Δ 23-22	2021 (mtons)
Solid urban waste (ORCA biodigesters)	50.30	38.09	32.06%	44.47
Food waste program	1.82	0.37	391.89%	ND

Notes:

Corresponds to biodigesters at Liverpool stores and the Arco Norte Distribution Center.
Beginning in 2022 we have bene measuring donations of food to the Banco de Alimentos de México; in 2023 we first made a specific commitment to avoiding food waste.

1.3. Water

(GRI 303-3, 303-4) (SASB CG-EC-130a.2)

WATER WITHDRAWALS AND DISCHARGE – TOTAL OPERATIONS (MILLIONS OF m^3)						
	2023		2022		Δ 23-22	2021
Source		Total withdrawals		Total withdrawals		
Municipal supply	1.41	2.12	1.74	2.67	-20.60%	1.53
Water tankers	0.35		0.41			0.65
Outside suppliers	0.29		0.32			0.23
Well water	0.07		0.20			0.12

* Restatement of total withdrawals in 2022: Treated water for consumption is excluded and added to the table of additional water sources, below, under the name "reused water."

ADDITIONAL WATER SOURCES – TOTAL OPERATIONS						
		2023		2022	Δ 23-22	2021
Supply source	Total m^3	Total (millions of m^3)	Total (megaliters)	Total (millions of m^3)		
Rainwater	1,840.00	0.00184	1.84	ND	ND	ND
Reused water*	494,060.27	0.49	494.06	0.13	276.92%	0.27
Wastewater directed to treatment	454,517.99	0.45	454.52	0.34	32.35%	0.36
% treated water reused by EPL	18.87%	18.87%	18.87%	4.99%	138,700 pb	10.83%

* Recirculated water from our own treatment plants used in sanitary facilities, watering green areas, washing parking areas.

- Well water: ground water.
- 2023 was the first year in which we reported rainwater.
- In 2023 the new methodology requires us to report treated water for consumption as reused water.

TOTAL WATER CONSUMPTION – YEAR-TO-YEAR TREND					
	2023		2022	Δ 23-22	2021
Total m^3	Total (millions of m^3)	Total (megaliters)	(millions of m^3)		(millions of m^3)
2,618,023.31	2.62	2,618.02	2.81	-6.76	2.50

WATER WITHDRAWAL INTENSITY – TOTAL OPERATIONS							
2023		2022		Δ 23-22		2021	
m^3/m^2	m^3/kMXN	m^3/m^2	m^3/kMXN	m^3/m^2	m^3/kMXN	m^3/m^2	m^3/kMXN
0.30	0.01	0.47	0.02	-0.36%	-50%	0.34	0.01

Notes:

- Based on Net Constructed Area (NCA)
- The denominator in indicators by revenues is expressed in thousands of pesos (000 MXN).

1.4. Environmental operation certifications

All of our operating centers—administration, warehouses, Liverpool department stores, Suburbia stores, boutiques and shopping centers (Galerías) are governed by the group's own environmental management system based on the ISO 14001 standard, which is internally audited.

Furthermore, the Arco Norte Logistical Platform (named PLAN for it's initials in spanish) was designed with LEED sustainable building certification criteria in mind. PLAN accounts for 3.41% of the total operating surface area of El Puerto de Liverpool.

2. SOCIAL DIMENSION

1. Social: labor

Scope of social data reported: 100% of operations, except where otherwise indicated in the table footnote.

1.1. Labor demographics

(GRI 2-7, 2-30, 401-1, 405-1, 405-2) (SASB CG-EC-330a.2, CG-EC-330a.3; CG-MR-310a.2; CG-MR-330a.1)

EMPLOYEE BREAKDOWN BY TYPE OF CONTRACT AND WORK HOURS					
		2023	2022	Δ 23-22 (%)	2021
Permanent*		75,964	72,919	4.18	56,449
	Men	29,104	27,803	4.68	22,918
	Women	46,860	45,116	3.87	33,531
Temporary*		4,234	4,057	4.36	2723
	Men	2,062	1,991	3.57	1337
	Women	2,172	2,066	5.13	1,386
Full time		79,843	76,608	4.22	72,289
	Men	31,068	29,684	4.66	28,337
	Women	48,775	46,924	3.94	43,952
Part time		355	368	-3.53	437
	Men	99	110	-10	131
	Women	256	258	-0.78	306

* Figures on permanent and temporary contracts for the year 2022 were restated as a result of an adjustment to the filters applied to the categories by type of contract.

DEMOGRAPHICS: GENDER BY PROFESSIONAL CATEGORY				
	2023	2022	Δ 23-22 (%)	2021
Senior management	1,258	1,175	7.06	1,134
% women	40.62	40.6	200 pb	40.6
Director	279	267	4.49	247
Men	198	191	3.66	178
Women	81	76	6.58	69
Subdirector	172	149	15.44	144
Men	104	97	7.22	100
Women	68	52	30.77	44
Manager	807	759	6.32	743
Men	445	410	8.54	396
Women	362	349	3.72	347
% Mexican nationality*	100%	ND	ND	ND

* to calculate the workforce and nationalities in 2023 we used a new indicator to determine percentages..

DEMOGRAPHICS: GENDER BY PROFESSIONAL CATEGORY	2023	2022	Δ 23-22 (%)	2021
Middle management	**11,484**	**10,721**	**7.12**	**9,889**
% women	54.1	53.9	2,000 pb	54.0
Coordinator	860	763	12.71	665
Men	468	409	14.42	358
Women	392	354	10.73	307
Executive	10,624	9,958	6.69	9,224
Men	4793	4,526	5.90	4,189
Women	5831	5,432	7.35	5,035
Others	**67,455**	**65,080**	**3.65**	**61,696**
% women	62.71	62.9	-1,900 pb	62.3
Salespersons	30,706	30,257	1.48	29,496
Men	8687	8,597	1.05	8,563
Women	22,019	21,660	1.66	20,933
General staff	36,749	34,823	5.53	32,200
Men	16,470	15,565	5.81	14,680
Women	20,279	19,257	5.31	17,520
TOTAL	**80,197**	**76,976**	**4.18**	**72,719**
% women	61.14	61.3	-1,600 pb	60.9
% Mexican nationality*	93.47	-	-	-
% US nationality**	0.02	-	-	-
% other nationality ***	6.51	-	-	-

*, **, *** Only in proportion to total workforce.

EMPLOYEE BREAKDOWN BY GENERATION AND GENDER (PERCENTAGE OF WORKFORCE)	2023	2022	Δ 23-22 (pb)	2021
Gen Z Under 22 (2001 >=)	6.71	4.4	23100	2.3
Men	50.8	51	-2000	52.1
Women	49.2	49	2000	47.9
Millennials Ages 23-41 (1982-2000)	58.6	59.3	-7000	59.9
Men	43.4	43.5	-1000	44
Women	56.6	56.5	1000	56
Gen X Ages 42-62 (1961-1981)	34.41	35.8	-13900	37
Men	28.9	29.3	-4000	30.5
Women	71.1	70.7	-4000	69.5
Baby boomers Ages 63-107 (1916-1960)	0.28	0.5	-2200	0.8
Men	33.5	35	-15000	35.9
Women	66.5	65	15000	64.1

Note: Because we operate multiple business units, we do not have a consistent breakdown by region or age group

SPECIFIC POSITIONS				
	2023	2022	Δ 23-22 (%)	2021
STEM	**3,682**	**3,338**	**10.31**	**2,925**
Men (number)	1,847	1,634	13.04	1,400
Women (number)	1,834	1,704	7.69	1,525
% Women	49.83	51.06	-2.41	52.15%
Sales positions	**590**	**520**	**13.46**	**524**
Men (number)	241	209	14.83	202
Women (number)	349	311	12.54	322
% Women	59.17	59.75	-0.97	61.43

- STEM: Includes digital, finance and administration, computer engineering, real-estate (engineering), financial businesses (excluding operating staff), construction, suburbia real estate, Suburbia financial services, transformation and innovation
- Sales positions: includes purchasing areas (Hardline and Softline)

We also offer opportunities to employees with disabilities and work together with a number of organizations to recruit them. All of our unionized employees work under a collective bargaining agreement that covers working conditions, salary and benefits, in accordance with the Federal Labor Law. In 2023, 61.78% of our employees were unionized, a percentage similar to earlier years.

Note: In the case of unionized employees, the percentage given of 61.78% corresponds to the universe of unionizable personnel eligible to join some labor organization, not of the total workforce. Every employee is free to decide on whether or not to join or withdraw from the union.

Occupational health and safety chapter

The model of benefits for El Puerto de Liverpool employees incorporates:
(GRI 401-2)

- Employee benefits
  - Profit-sharing, bonuses (performance, sales commissions, long term for executives), savings fund and grocery vouchers
- Financial future
  - Life insurance and company contributions toward retirement savings
- Professional advancement
  - Constant training and education and a selection of academic programs available through Liverpool Virtual University, with official accreditation
- Quality of Life
  - Living wage-based compensation, major medical expense insurance, maternity and paternity benefits, birthdays off, agreements and employee discounts on education, health, entertainment, gastronomy, tourism, fitness and well-ness, and on purchases in group business units. Our "Creating the best version of me" program includes monitoring of health information, health and wellness caravans, vaccination campaigns, mental health protocols, access to tele-medicine and tracking of ergonomic risks.

TURNOVER – BREAKDOWN 2023		
	2023	2022
New hires[1 and 2]	18,181	17,940
Men (%)	47.91	47
Women (%)	52.09	53
Total turnover (quantity or number)	23,552	23,327
Voluntary turnover (%)	17.97	18
Total turnover (%)	29.3	30
Breakdown of total turnover by employee category		
Men (%)	14.0	14
Women (%)	15.3	16
Millennials (%)	65.6	69
Gen X (%)	17.5	19
Gen Z (%)	16.4	11
Baby Boomers (%)	0.5	0.7
Voluntary turnover		
Department store: Liverpool (%)	17.95	ND
Store: Suburbia (%)	28.53	ND
Logistics (%)	19.34	ND
Total turnover		
Department store: Liverpool (%)[3]	27.24	28.06
Store: Suburbia (%)	34.36	35.26
Boutique: Sfera (%)	60.65	49.32
Boutiques (%)	52.73	46.28
Logistics (%)	41.44	46.8
Financial services (%)	35.21	41.74
Real-estate services (%)	24.93	25.59
Central/shared services (%)	12.58	14.38
% of vacancies filled internally[4]	78.15	0.46

1 Refers to employees hired directly under this scheme, or those who began with a trial period and moved on to a permanent contract during the year.

2 Refers to: 1) employees who did not pass the trial period; 2) employees still in the trial period as of December 31, 2023; and 3) employees with direct temporary contracts (e.g. campaign-related).

3 As part of the El Puerto methodology, we share the breakdown on Liverpool, Suburbia, Sfera, Boutiques, Logistics, Financial Services and Real-Estate Services.

4 Only positions from coordinator and higher were monitored and reported. Includes internal promotions to fill vacancies.

TOTAL HIRING				
	2023	2022	Δ 23-22	2021
Total number of new hires	18,181	17,940	1.34%	13,854
Percentage of positions filled by internal candidates (internal hires)	5.50%	7.77%	-22,700 pb	9.19%

* The following tables have not been subject to independent assurance by PwC.

TURNOVER – 2023 BREAKDOWN		
Level or title	**No. hired**	**% new hires/total**
General staff	10,864	59.75%
Sales personnel	6,252	34.39%
Executives	1,032	5.68%
Managers	19	0.10%
Subdirectors	11	0.06%
Directors	3	0.02%
Age range		
18-22	5,153	28.15%
23-25	3,381	18.50%
26-30	3,555	19.44%
31-40	3,462	18.92%
41-50	1,976	10.80%
>50	766	4.19%
Nationality		
Mexican	18,149	99.83%
Other	32	0.17%

YEAR-TO-YEAR TURNOVER RATES				
	2023	**2022**	**Δ 23-22 (pb)**	**2021**
Turnover (%)	29	30	-10000	25
Voluntary turnover (%)	61	60	10000	62
Voluntary departures (%)	61	60	10000	62

Formula: Departures*100/average workforce

	2023	**2022**	**Δ 23-22**	**2021**
Salary and compensation expense (MXNmn)	$27,026.13	$23,299.21	15.99%	$18,094.81
Average hourly wage	$104	$91	14.28%	$84
HC ROI	6.41	2.10	205.2%	2.04

HC ROI = (gross revenues – (operating expenses - salary and compensation))/salary and compensation

WAGE RATIO						
	2023		**2022**		**2021**	
	Base salary women/men	**Breakdown of workforce by level**	**Base salary women/men**	**Breakdown of workforce by level**	**Base salary women/men**	**Breakdown of workforce by level**
Executives	102.4%	0.22%	101.1%	0.35%	97%	0.3%
Management	92.6%	0.91%	95.2%	1.18%	92%	1.2%
Professionals	96.6%	12.25%	96.9%	13.93%	97%	13.6%
General staff	97.7%	86.62%	96.6%	84.55%	96%	84.8%

1.2. Training and career development
(GRI 404-1, 404-2, 404-3)

TRAINING				
	2023	2022	Δ 23-22	2021
Total employees trained	59,261	73,713	-20%	65,320
Average hours of training/employee	7.3	15.0	-50%	16.0
Total work hours/employee trained	9.9	16.0	-38%	13.2
Total investment (MXNmn)	$20,96	$23,04	-2.08	$ 22,3
Average investment (MXN/employee)	$358.69	$312.40	14.90	$ 462.5

INTERNAL TRAINING AND DEVELOPMENT PROGRAMS			
Number of employees trained			
Programs	2023	2022	Δ 23-22
Leadership training	664	2,405*	-72.3
Operations onboarding[1]	4,128	-	NA
Sustainability training[2]	25,069	25,038	0.12%
UVL training (no. enrolled students)	14,091	6,318	123.02%
Compliance/Plan and program	49,510	73,913	-33%
Product	9,093	10,450	-13%
Service[3]	13,340	-	NA
Technical	39,137	60, 544	-35%
Soft skills	15,331	7,109	116%

1,3. Created in 2023, no year-to-year comparison available
2 Biannual metric, only totals employees who did not complete the program in 2022
* Data from 20202 restated

Employees were trained under the following programs in 2023:

1. Compliance: institutional culture, occupational health and safety, compliance with regulations issued by government agencies.
2. Product: Relating to features, advantages and benefits of products available on the sales floor.
3. Service: developing an attitude of service that enables employees to better serve our Customers, guaranteeing satisfaction and fulfilling our company's mission.
4. Technical: all knowledge, tools and systems involved in an employee's job, helping to improve their performance.
5. Soft skills. Issues relating to skills, conduct and attitudes that build leadership, effective communication and teamwork, among others.

UVL GRADUATES: EMPLOYEES – YEAR-TO-YEAR				
	2023	2022	Δ 23-22	2021
Total graduates	483	1,252	-61.42%	625

Note: includes all employees who completed the degree or certification process

UVL GRADUATES: EMPLOYEES			
Educational level	No. employees in 2023	No. employees in 2022	Δ 23-22
Primary	5	35	-85.71%
Secondary	53	204	-74.01%
High school	108	3,146	-96.56%
Undergraduate	247	1,640	-84.93%
Master's*	0	554	-100%
Language Center	70	206	-66.01%
Total	483	5,785	-91.65%

* The master's degree is a two-year program, so no graduates are reported in 2023 because there were no late entrants; it was also considered the first year for new generations.

PERFORMANCE EVALUATIONS				
	2023	2022	Δ 23-22	2021
Goal-based (% of employees)	100	100	=	100
Multidimensional (% of employees)	40.48	26	1448 pb	6.5
Comparative rankings 360 Evaluation	2,147	2,193	-2.09 %	1,541

* Multidimensional evaluation applies to executive employees.

Nota:

All employees with the required seniority are evaluated. The percentages given refer to employees in the professional categories covered by each type of evaluation, in proportion to the total workforce. In 2023, all Suburbia employees were incorporated into performance evaluations.

Multidimensional evaluation: Executives, coordinators, managers, subdirectors and managing directors.

Evaluations in the comparative ranking model are not equal to the number of employees evaluated, because one employee may undergo various evaluations.

1.3. Health, safety and wellness

(GRI 403-9)

OCCUPATIONAL HEALTH AND SAFETY				
	2023	2022	Δ 23-22	2021
Fatalities – employees (no.)	0	0	-	0
Fatalities – contractors (no.)	0	0	-	1
LTIFT: Lost time injury frequency rate - employees (number of cases per million hours worked)	14.99	10.78	39.05%	15.49

2. Social: communities

In our philanthropic work and our social investment, El Puerto de Liverpool has always stressed education. The following sums up our efforts in this area.

INTERNAL STUDENT PROGRAMS				
	2023	2022	Δ 23-22	2021
Interns	7	70	-90%	71
Dual model	118	44	168.1%	19
Scholarship recipients	80	32	150%	18
Total	**205**	**150**	**36.67%**	**122**

PARTICIPANTS IN EXTERNAL PROGRAMS	2023	2022	Δ 23-22	2021
Youth Building the Future	417	280	48.92%	421
Leaders in Movement	114	123	-7.31%	117
Growing with El Puerto de Liverpool	1,426	2,084	-31.57%	3,358
School for parents	530	655	-19.08%	-
Wellbeing	856	501	70.85%	-
Catch up	147	68	116.17%	-
360° Teaching Space	497	228	117.98%	-
Paths to Success	125	102	22.54%	-
Total	**4,112**	**4,041**	**1.75%**	**3,896**

COMMUNITY CONTRIBUTIONS	2023	2022	Δ 23-22	2021
Employee volunteer time (work-hours)	13,512	1,530	783.14%	1,195
Monetary value of volunteer hours	1,405,248	147,885	850.23%	68,321
Reverse logistics donation program (MXN)	364,681,855	445,792,379	-18.19%	144,924,895
UVL External programs (MXN)	362,269.08	772,271.4	-0.53%	385,000
Total investment in the community (MXN)	366,087,116,5	446,714,065	-18.04%	144,993,216

Note: Data was restated according to the following formulas:
1. Annual volunteers * average volunteer hours
2. Volunteer hours * average hourly wage
External programs at UVL (MXN):
2021: Development of the School for Parents and Wellbeing Programs. Operation of the Growing with EPL program.
2022: Development of the Complete your Degree Program and certifications for Sales Floor Advisor Boutique, Cook, Payroll Assistant, Logistics Office Assistant, Moodle platform Administrator and Tutoring for the Regularize Program.
2023: Development of certifications for Sales Floor Advisor Boutique, Cook, Payroll Assistant, Logistics Office Assistant, Moodle platform Administrator, Tutoring for the Complete your Degree Program, and participation in a fair to promote all programs.

Financial inclusion (FS16, FS7)

FINANCIAL INCLUSION	2023	2022	Δ 23-22	2021
No. of Customers entered with little to no credit experience	248,671	224,386	10.8	149,458
% of Customers entered with little to no credit experience	21%	22%	-4.5	18%
Value of total credit to these Customers (MXN)	$1,256,688,878	$1,082,938,561	16.04%	$845,117,986
% of total credit extended to these Customers	5%	4.3%	7,000	4.8%

The loan portfolio (value of total credit) referenced in the table refers to El Puerto de Liverpool's customers without or with little credit experience; It therefore facilitates their inclusion into formal banking.

Note: The number of Customers increased in 2023, so the proportion of Customers with little or no credit history who obtained credit remained constant.

FINANCIAL EDUCATION				
	2023	2022	Δ 23-22	2021
Effective welcome/financial culture calls (new Customers) (number)	99,555	107,667	-7.53%	74,020
Financial culture content (capsules) (number)*	21	21	=	21
Website views of financial education content (number)	92,916	143,363	-34.77%	16,727
% of total credit extended to these Customers	5%	4.3%	7,000	4.8%

*Financial literacy capsules and educational content are available to the general public.

DISABILITY AND ACCESSIBILITY		
Program	Indicator	2023
Workplace inclusion of PWD	New hires	34
	Total in workforce	726
Workplaces with accessible adaptations		10
Investment in workplaces*		$540,000 MXN

* Includes department stores and corporate offices in 2022 and 2023.

In order to foster an inclusive environment, 100% of Liverpool's stores in the Mexico City Metropolitan Area incorporate accessibility and signage criteria. Our Liverpool Customer Accessibility Signage manual is now in its phase 2 and focuses on people with visual disabilities by incorporating Braille. We offer training in improved accessibility in all of our workplaces. In 2023, for the first time, we collected information on the number of employees with disability in our workforce.

COMMUNITY CONTRIBUTIONS				
Program		2023	2022	Δ 23-22
Awareness-raising program[1]	Number of employees	15,140	4,645	225.94%
Allies who inspire[2]	Number of employees	144	116	24.13%
	Number of sessions	8	7	14.28%

[1] The awareness-raising program consists of two training formats: regulatory courses and awareness-building in diversity and inclusion.
[2] In 2023 the "Women who Inspire" program was expanded to become the umbrella program "Allies who Inspire"

3. CORPORATE GOVERNANCE DIMENSION

1.1 Integrity

(GRI 2-28, 205-2, 205-3, 406-1, 416-2, 417-2, 417-3)

REPORTS ACCEPTED THROUGH THE ETHICS HOTLINE				
	2023	2022	Δ 23-22	2021
Number of reports admitted through the Ethics Hotline*	524	376	39.36%	244
Bullying	60%	60%	=	57%
Sexual harassment	19%	23%	-400bp	21%
Corruption, fraud, theft	8%	7%	100bp	7%
Others	13%	10%	300bp	15%

* Not including reports that were dismissed or questions about COVID-19; repeat reports are considered only once when referring to the same case.

There were 53 confirmed cases of corruption among the reports received through the Ethics Hotline and reports by the authorities. El Puerto de Liverpool responded by applying the necessary disciplinary measures in all cases.

There were ten cases of internal discrimination (among coworkers), resulting in the following measures:

- **In seven cases, admonition and virtual reprimand;**
- **In one case, written reprimand;**
- **In two cases, termination of the labor relationship.**

El Puerto de Liverpool does not make any contributions to political parties or representatives.

ETHICS – 2023 BIANNUAL BREAKDOWN			
		2023	**2022**
Number of employees trained in Ethics		**8,016***	51,089
Target population		10,474	64,702
% of target population reached		52.72%	76.55%
Total hours of training		4,008	102,130
% of suppliers who signed Code of Ethics			
	Liverpool[1]	**95%**	98%
	Suburbia[2]	**64%**	100%
Contributions to industry organizations (MXN)[3]		$11,087,377	$9,243,546

1 Liverpool suppliers – import merchandise
2 SBB – domestic merchandise suppliers
3 Asociación Nacional de Tiendas de Autoservicio y Departamentales (ANTAD), to which we belong; Global Compact Network México, of which Suburbia is a signing member since 2022; Consejo Mexicano de Negocios (CMN); Consejo Coordinador Empresarial (CCE); Consejo de la Comunicación (CC); Confederación Patronal de la República Mexicana (Coparmex); Intercontinental Group of Department Stores (IGDS).

Note: Ethics training includes Code of Ethics, zero tolerance for corruption, fraud, and theft. The signing and implementation of our Code of Ethics apply to business partners both in domestic procurement at Suburbia and with national and international suppliers of Liverpool. In the case of Liverpool, this exercise was carried out only for domestic suppliers in 2022, while in 2023, import suppliers were also included. In 2023, the ethics training program was restructured, offering content more efficiently. Additionally, the target population focused on employees who had not yet completed the ethics training program.

Regarding cases of non-compliance with product information and labeling, as well as marketing communications (GRI 416-2, 417-2, 417-3), we consider only those with penalties above MXN11,000,000 at the end of 2023 there were no cases that met this criterion.

1.2 Information Security

(GRI 418-1) (SASB CG-EC-230a.2; CG-MR-230a.2; FN-CF-220a.2, FN-CF-230a.1)

According to data from the Information Security Office, there were no recorded cybersecurity incidents that compromised our customer information in 2023.

We conducted five penetration tests (external and internal) to verify the cybersecurity of our e-commerce, corporate offices, data centers and cloud services.

In recognition of these actions, we obtained PCI-DSS International Security Certification for store transactions for the fifth year in a row.

Sustainability and customer inclusion

(306-2) (SASB CG-MR-410a.1; CG-MR-410a.3)

SUSTAINABLE PRODUCTS				
	2023	2022	Δ 23-22	2021
SKUs (number) – Omnichannel Sustainable Product Alignment (OSPA)	28,424	19,437	46.23%	14,992
Total SKUs grouped		62,853		
Sales (miles de pesos) (Softline) private labels – Liverpool	5,782,151	1,432,352	303.68	421,196
Better Cotton Initiative (BCI) - Liverpool	1,479,749	1,328,166	11.41%	337,003
Other sustainability certifications – Liverpool	613,612	188,244	225.97	84,193
% of private-label products with BCI certification (Liverpool)	20	15	5pp	6
% of private-label products with recycled content (Liverpool)	9	4	5pp	2
% of total revenues from private-label products (Liverpool)	29	20	9pp	8
US Cotton Trust Protocol (USCTP) private-label products (Suburbia)	4,206,660	381,244	1,003%	-
% of private label products with USCTP certification (Suburbia)	19.11%	2.22%	16.89pp	-

4. Value chain sustainability

(GRI 2-6, 204-1)

RESPONSIBLE SOURCING PROGRAM				
	2023	2022	Δ 23-22	2021
Universe of eligible suppliers * (no.)	2,186	1,960	11.53%	1,715
No. suppliers evaluated in the year	617	720	-14.31%	656
No. of factories included	1,219	1,130	7.88%	1,203
% with high and/or medium risk (red or orange)	16%	13%	300bp	20%
% with low or very low risk (yellow/green)	84%	87%	-300bp	80%
No of suppliers assumed self-evaluated	129	95	35.79%	90

* Suppliers of private-label products to Suburbia and Liverpool and well as those with payment orders above MXN500,000, and suppliers of operational products *(goods not for sale)*.

SUPPLY CHAIN BREAKDOWN			
	2023	2022	Δ 23-22
% domestic suppliers	69.09%	73.43%	-43,400
% local suppliers - expense	94.11%	92.02%	20,900bp

GRI Content INDEX

UNIVERSAL STANDARDS

Section	GRI Content	GRI Description/Content
GRI 1: FOUNDATION 2021		
Guide to application of GRI standards throughout the report		
GRI 2: GENERAL DISCLOSURES 2021		
The organization and its reporting practices	2-1	Organizational details
	2-2	Entities included in the organization's sustainability reporting
	2-3	Reporting period, frequency and contact point
	2-4	Restatements of information
	2-5	External assurance
Activities and workers	2-6	Activities, value chain and other business relationships
	2-7	Employees a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.
	2-8	Workers who are not employees
Governance	2-9	Governance structure and composition
	2-10	Nomination and selection of the highest governance body
	2-11	Chair of the highest governance body
	2-12	Role of the highest governance body in overseeing the management of impacts
	2-13	Delegation of responsibility for managing impacts
	2-14	Role of the highest governance body in sustainability reporting
	2-15	Conflicts of interest
	2-16	Communication of critical concerns
	2-17	Collective knowledge of the highest governance body
	2-18	Evaluation of the performance of the highest governance body
	2-19	Remuneration policies
	2-20	Process to determine remuneration
	2-21	Annual compensation ratio
Strategy, policies and practices	2-22	Statement on sustainable development strategy
	2-23	Policy commitments
	2-24	Embedding policy commitments
	2-25	Processes to remediate negative impacts
	2-26	Mechanisms for seeking advice and raising concerns
	2-27	Compliance with laws and regulations
	2-28	Membership in associations
Stakeholder engagement	2-29	Approach to stakeholder engagement
	2-30	Collective bargaining agreements
GRI 3: MATERIAL TOPICS 2021		
	3-1	Process to determine material topics
	3-2	List of material topics
	3-3	Management of material topics

Corresponds to content independently assured by PwC

Reason for omission/Response detail/Assurance	Page
	6
	7
	41, 171
	6, 41
	106-109
	7, 31, 69
a., b. (i, ii, iv, v): Because we operate multiple business units, we do not have a standardized set of data broken down by region. b. iii.: There are no employees with non-guaranteed hours; because we operate multiple business units, we do not have a standardized set of data broken down by region. c.i. The Saratoga methodology focuses on benchmarking and analyzing human capital metrics within organizations. This methodology provides information on productivity, cost, and personnel effectiveness by analyzing HR and personnel data. It involves collecting and analyzing a wide range of HR metrics to measure and compare organizational performance in terms of their people-related practices and outcomes. c.ii. Averages are used for all months in this report. c, d, e. Averages of population for all months are used in this report; headcount fluctuates based on operational needs. e. Figures for permanent and temporary contracts corresponding to the year 2022 were restated as a result of adjustments in the filters applied to contract type categories.	59
Not available; content under development for future reports.	NA
	29, 39
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Confidential due to internal company guidelines	34-38
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Confidential due to internal company guidelines	NA
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	45-46
See table on structure of GRI content by material topic	

GRI Content INDEX

GRI CONTENT BY MATERIAL TOPIC – SPECIFIC INDUSTRY AND TOPIC STANDARDS

	Topic	GRI Standard	GRI Content	GRI Content Title
MATERIAL	Supply chain and responsible sourcing	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 308: Environmental screening of suppliers 2015	308-1	New suppliers that were screened using environmental criteria
			308-2	Negative environmental impacts in the supply chain and actions taken
		GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria
			414-2	Negative social impacts in the supply chain and actions taken
	E-commerce and cybersecurity	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
	Diversity and inclusion	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
			405-2	Ratio of basic salary and remuneration of women to men
		GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
	Education and Human Capital Development	GRI 3: Material topics 2021	GRI 3-3	Management of material topics

Content	Reason for omission	Page
		31-32
	Not available; content under development for future reports.	NA
		31-32
	Not available; content under development for future reports.	NA
		31
		33
		33, 68
		22, 27, 67
The reporting organization shall report the following information: a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	a.i: Reported. a.ii. Not available: content under development for future reports. a.iii. Not available: we do not have other diversity indicators. bi. and bii. Reported. biii. Not available: we do not have other diversity indicators.	22, 27, 59
a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	a. Reported. b. The entirety of the Mexican territory is considered a significant location, given the geographical distribution of the properties operated by our various brands.	27, 59
a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	a. Reported. bi., bii. y biii. Reported. b. iv. Not available: content under development for future reports.	27, 67
		22, 64

	Topic	GRI Standard	GRI Content	GRI Content Title
MATERIAL	Education and Human Capital Development	GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
			403-2	Hazard identification, risk assessment, and incident investigation
			403-3	Occupational health services
			403-4	Worker participation, consultation, and communication on occupational health and safety
			403-5	Worker training on occupational health and safety
			403-6	Promotion of worker health
			403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
			403-8	Workers covered by an occupational health and safety management system
			☑ 403-9	Work-related injuries

Content	Reason for omission	Page
		26, 65
		26, 65
		26-28
		26-28
		26-28
		26-28
		26-28
		26-28
a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. How these hazards have been determined; ii. Which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	a.i. Reported. a.ii. and a.iv.: Information not available; content under development for future reports. a.iii. Reported: 2763 injuries and a rate of 14.99 for the period 2023. a.v. Reported: 184,309,517. b.ii, iii, iv, and v: Information not available; content under development for future reports. c. Not reported. d. Not reported. e. Reported: based on 1,000,000 work hours. f. Reported: we have not excluded any workers from the measurement of indicator 403-9. g. Reported: the information was extracted from existing platforms for human capital data.	26, 65

	Topic	GRI Standard	GRI Content	GRI Content Title
MATERIAL	Education and Human Capital Development	GRI 403: Occupational Health and Safety 2018	403-10	Work-related ill health
		GRI 404: Training and education 2016	404-1	Average hours of training per year per employee
			404-2	Programs for upgrading employee skills and transition assistance programs
			404-3	Percentage of employees receiving regular performance and career development reviews
	Codes of Ethics and Conduct	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 205: Anticorruption 2016	205-1	Operations evaluated for corruption-related risks
			☑ 205-2	Communication and training about anti-corruption policies and procedures
			☑ 205-3	Confirmed incidents of corruption and actions taken
	Innovation	GRI 3: Material topics 2021	GRI 3-3	Management of material topics

Content	Reason for omission	Page
	Information not available; content under development for future reports.	NA
		23, 64
		23
a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	a. Reported, by methodology Not available: breakdown of data by gender and employee category	23, 64
		31
		31
a. Total number and percentage of governance body members that the organization's anti- corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti- corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti- corruption, broken down by employee category and region.	a, b, d. Not available: content under development for future reports. Because we operate numerous business units distributed throughout all of Mexico, there are no variations in this indicator by region. c. Partially reported. The total number and specification of partner type will be included in future reports. Because we operate numerous business units distributed throughout all of Mexico, we do not have a standardized breakdown by region. e. Partially reported. This year, only the number of employees trained in anti-corruption is reported because the ethics training program was restructured to offer the content more efficiently. The target population focused on employees who had not yet completed the ethics training program in 2022, so the percentage of the workforce is not representative. Specification of job category will be included in future reports. Because we operate numerous business units distributed throughout all of Mexico, we do not have a standardized breakdown by region.	31, 67
a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	a. Partially reported. As this involves sensitive information, we are unable to disclose the nature of confirmed corruption cases. b. Reported. c and d. Confidential information: As this involves sensitive information, we are unable to disclose this information.	67, 68
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	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Corporate governance	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
	Climate change strategy	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions.

Content	Reason for omission	Page
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		20, 21
a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	a. Reported. b. The greenhouse gases (GHGs) considered in this calculation are: carbon dioxide (CO_2), nitrous oxide (N_2O), and methane (CH_4), as well as those resulting from refrigerants supplied at EPL facilities. c. Not applicable: not generated as part of the operation of El Puerto de Liverpool. d i, ii. The comparable period for Scope 1 GHG emissions is the previous year, 2022, which allows for traceable and comparable monitoring or the organization's environmental performance. d iii. Not applicable: there were no changes in the calculation of emissions in the base year. e, f, and g. The greenhouse gas (GHG) emissions from the activities of El Puerto de Liverpool in 2023 were calculated using the methodology proposed by the GHG Protocol Corporate Accounting and Reporting Standards, and the specifications of Mexico's Regulation on the General Law on Climate Change with regard to the National Emissions Registry; and considering the heating values published in 2023 by CONUEE and the Global Warming Potentials defined by the IPCC. The emission factors used to calculate Scope 2 emissions were established in 2023 according to the General Law on Climate Change and the Energy Transition Law, for each of our electrical energy suppliers. For the 2023 reporting period, there was a change in the methodology for calculating atmospheric emissions produced at EPL from the one used in the previous year. The emission factors used correspond to those of 2022, published in 2023; this is because the emission factors for 2023 are published in March and the report was published at the beginning of that month. The calculation uses an operational approach.	20, 55

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Climate change strategy	GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions associated with energy.
			305-4	GHG emissions intensity

Content	Reason for omission	Page
a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. c. If available, the gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 , NF_3 , or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	a. and b. Not applicable: the methodology used for the energy calculation is established in the Regulation on the General Law on Climate Change with regard to the National Emissions Registry. c. The greenhouse gases (GHGs) considered in this calculation are: carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), and those resulting from refrigerants supplied at EPL facilities. di, dii. The comparable period for Scope 1 GHG emissions is the previous year, 2022, which allows for traceable and comparable monitoring or the organization's environmental performance. diii. Not applicable: there were no changes in the calculation of emissions in the base year. e, f, and g. Greenhouse Gas (GHG) emissions for 2023 resulting from the activities of El Puerto de Liverpool were calculated using the methodology proposed in the Regulation on the General Law on Climate Change with regard to the National Emissions Registry; and considering the heating values published in 2023 by CONUEE and the Global Warming Potentials defined by the IPCC. The emission factors used to calculate Scope 2 emissions were established in 2023 according to the General Law on Climate Change and the Energy Transition Law, for each of our electrical energy suppliers. For the 2023 reporting period, the methodology for calculating atmospheric emissions produced at EPL was different from the one used in the previous year. The emission factors used correspond to those of 2022, published in 2023; this is because the emission factors for 2023 are published in March and the report was published at the beginning of that month. The calculation considers an operational approach.	20, 55
a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 , NF_3 , or all.	a. Reported. b. The denominator in the indicators by revenue is expressed in thousands of pesos (MXN000) based on Net Constructed Area (NCA). c. Includes Scope 1 and 2 emissions. d. Greenhouse Gas (GHG) emissions data are presented in CO_2e units and include the following gases: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).	20, 55

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Climate change strategy	GRI 305: Emissions 2016	305-5	Reduction of GHG emissions
			305-6	Emissions of ozone-depleting substances (ODS)
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
	Operating ecoefficiency	GRI 3: Material topics 2021	GRI 3-3	Management of material topics

Content	Reason for omission	Page
a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6, NF_3 , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	a. The reported data corresponds to total emissions, not exclusively the reduction obtained through conservation and efficiency initiatives developed by EPL during 2023. b. Greenhouse Gas (GHG) emissions data are presented in CO_2e units and include the following gases: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). c. The comparable period for Scope 1 GHG emissions is the previous year, 2022, which allows for traceable and comparable monitoring or the organization's environmental performance. d. Includes Scope 1 and 2 emissions. e. Reported: The reduction calculation was based on obtaining the percentage change from the year 2022. Greenhouse Gas (GHG) emissions for 2023 resulting from the activities of El Puerto de Liverpool were calculated using the methodology proposed in the Regulation on the General Law on Climate Change with regard to the National Emissions Registry; and considering the heating values published in 2023 by CONUEE and the Global Warming Potentials defined by the IPCC. The emission factors used to calculate Scope 2 emissions were established in 2023 according to the General Law on Climate Change and the Energy Transition Law, for each of our electrical energy suppliers.	20, 55
	Information not available; content under development for future reports.	NA
	Information not available; content under development for future reports.	NA
		20

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Operating ecoefficiency	GRI 302: Energy 2016	✓ 302-1	Energy consumption within the organization
			302-2	Energy consumption outside of the organization
			✓ 302-3	Energy intensity

Content	Reason for omission	Page
a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	a. Reported. b. Reported. We do not consume renewable fuel sources (e.g., biofuels). ci. Reported. cii, civ. Not applicable: we do not consume heating or steam. ciii. Cooling consumption is reported under generation of Scope 1 emissions. d. Not applicable: Liverpool does not sell electricity, heating, cooling, or steam. e. Reported. f. and g. Greenhouse Gas (GHG) emissions for 2023 resulting from the activities of El Puerto de Liverpool were calculated using the methodology proposed in the Regulation on the General Law on Climate Change with regard to the National Emissions Registry; and considering the heating values published in 2023 by CONUEE and the Emission Factor of the National Electric System for the 2022 reporting period (CRE). Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL available on the company's sustainability website.	20, 53
	Not applicable; most of the portfolio of goods sold does not require the use of energy.	NA
a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	a. Reported. b. The denominators selected to calculate the ratio are income in thousands of Mexican pesos (000MXN) and square meters of net constructed area (NCA). c. Reported: Intensity ratio is calculated based on fuel and electricity used. d. Covers all energy consumption within the Organization.	20, 53-54

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Operating ecoefficiency	GRI 302: Energy 2016	✓ 302-4	Reduction of energy consumption
			302-5	Reductions in energy requirements of products and services
		GRI 303: Water and effluents, 2018	303-1	Interaction with water as a shared resource
			303-2	Management of impacts relating to water discharge

Content	Reason for omission	Page
a. Amount of reduction in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	a. Reported: Year-over-year evolution of electricity and fuel consumption refers to the reduction of energy consumption as required by the standard. The reported data corresponds to the change in EPL's energy consumption, not exclusively to the reduction obtained through the conservation and efficiency initiatives that EPL developed during 2023. b. Includes fuel and electricity. c. Reported: The comparable period for Scope 1 GHG emissions is the previous year, 2022, which allows for traceable and comparable monitoring or the organization's environmental performance. d. The methodology involves calculating the percentage difference between total electricity consumed in 2023 and 2022. Energy consumption in GJ for the 2023 period resulting from the activities of El Puerto de Liverpool was calculated using the methodology proposed by the Regulation of the General Law of Climate Change with regard to Mexico's National Emissions Registry. For fuel consumption, the energy equivalences of the heating values published in 2023 by CONUEE were considered, and for electricity, the Emission Factor of the National Electric System 2022 issued by the CRE was used. Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL and located on the company's sustainability website.	20, 53-54
	Not applicable; most of the portfolio of goods sold does not require the use of energy.	NA
		21
		21

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Operating ecoefficiency	GRI 303: Water and effluents, 2018	303-3	Water withdrawal
			303-4	Water discharge
			303-5	Water consumption
	Packaging	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 306: Waste 2020	306-1	Waste generation and significant impacts
			306-2	Management of significant waste-related impacts

Content	Reason for omission	Page
a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. When compiling the information specified in Disclosure 303-3, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.	a.i., a.ii., and a.v. Reported. a.iii. and a.iv. At El Puerto de Liverpool, we do not consume seawater or produced water, including from third parties. b. In 2023, El Puerto de Liverpool withdrew a total of 2,122.1 megaliters of water from areas with some degree of water stress, according to the AQUEDUCT Water Risk Atlas. The distribution of water withdrawals ranged from 18.07% in areas with low water stress to 20.13% in areas with high stress and 54.07% in areas of extremely high water stress, relative to the total volume withdrawn. General strategies and actions to address these types of risks are detailed in the corresponding TCFD analysis for the year 2022. c. Not available: We do not have a breakdown of water withdrawn by freshwater sources or other waters. d. Reported: Monthly, each location reports its water consumption from various sources used, such as municipal water, tankers, well water, etc. This information is collected and validated based on evidence that is ultimately consolidated into monthly, quarterly, and annual water consumption indicators by location, business segment, and company-wide level. This year, estimations were made for the consumption corresponding to December 2023 and for unmetered locations in the months of January to November 2023. Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL located on the company's sustainability website. Water stress data were obtained using the Aqueduct tool from the World Resources Institute (WRI) Water Risk Atlas.	21, 58
		21, 58
	(see footnote)	58
		31
		20, 57
		20, 31, 57

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Packaging	GRI 306: Waste 2020	✓ 306-3	Waste generated
			✓ 306-4	Waste diverted from disposal

Content	Reason for omission	Page
a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste. b. Contextual information necessary to understand the data and how the data has been compiled.	a. Reported. b. Personnel responsible for data collection in each business unit measure the separation and segregation of waste by type, weighing the waste generated each day using a digital or Roman-type scale. Once weighed, the data is recorded in a physical/digital log. Collections are scheduled with authorized providers who are responsible for handling and final disposal; and monthly, the maintenance manager uploads the total amount generated to the environmental log along with the corresponding evidence (log, manifest, or collection certificate). Regarding the total weight of biodigesters (non-hazardous waste directed to disposal), the data corresponds to the waste resulting from the anaerobic digestion process. Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL located on the company's sustainability website.	20, 57
a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: i. Onsite; ii. Offsite. e. Contextual information necessary to understand the data and how the data has been compiled.	a. Reported: The total amount of waste classified as directed to disposal is 11,544.62 metric tons. b. All hazardous waste generated at El Puerto de Liverpool is directed to disposal. c. Not within PwC assurance scope. The environmental area of EPL does not provide a breakdown of the monetization of non-hazardous waste diverted from disposal. Therefore, the information currently available to EPL is considered an omission due to incomplete information. d. Not available: Content under development for future reports. Not within PwC assurance scope. e. Personnel responsible for data collection in each business unit measure the separation and segregation of waste by type. We weigh the waste generated each day using a digital or Roman-type scale. Once weighed, the data is recorded in a physical/digital log. Collections are scheduled with authorized providers who are responsible for handling and final disposal; and monthly, the maintenance manager uploads the total amount generated to the environmental log along with the corresponding evidence (log, manifest, or collection certificate). Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL located on the company's sustainability website.	20, 57

	Topic	GRI Standard	GRI Content	GRI Content Title
EMERGING	Packaging	GRI 306: Waste 2020	✔ 306-5	Waste directed to disposal
	Environmental and social impact of products and services	GRI 3: Material topics 2021	GRI 3-3	Management of material topics
		GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories
			✔ 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
		Financial Services Sectorial Supplement	✔ FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

Content	Reason for omission	Page
a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal: i. Onsite; ii. Offsite. e. Contextual information necessary to understand the data and how the data has been compiled.	a. Reported: The total weight of waste classified as directed to disposal is: 27,060.29 metric tons. b, c, and d: Information not available; content under development for future reports. e. Personnel responsible for data collection in each business unit measure the separation and segregation of waste by type, weighing the waste generated each day using a digital or Roman-type scale. Once weighed, the data is recorded in a physical/digital log. Collections are scheduled with authorized providers who are responsible for handling and final disposal; and monthly, the maintenance manager uploads the total amount generated to the environmental log along with the corresponding evidence (log, manifest, or collection certificate). Regarding the total weight of biodigesters (non-hazardous waste directed to disposal), the data corresponds to the waste resulting from the anaerobic digestion process. Estimates applicable to the 2023 period were made under the assumptions of the internal guide "Estimation of Environmental Footprint Data" established by EPL located on the company's sustainability website.	20, 57-58
		31
		32
a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	a. b. Regarding cases of non-compliance with product information and labeling, as well as marketing communications (GRI 416-2, 417-2, 417-3), we consider only those with penalties above MXN11,000,000 at the end of 2023 there were no cases that met this criterion.	67
Monetary value of products and services designed to offer a specific social benefit, for each business line broken down by purpose: 1. Purpose, product description and, where relevant, the target social group; 2. Monetary value (for products) or number of transactions or Customers (for services); 3. The proportion of this value to the total monetary value for each business line.	1 and 2. Reported. 3. Information not available; content under development for future reports.	66

	Topic	GRI Standard		GRI Content	GRI Content Title
EMERGING	Environmental and social impact of products and services	Financial Services Sectorial Supplement	✔	FS16	Initiatives to enhance financial literacy by type of beneficiary
	Employer brand	GRI 3: Material topics 2021		GRI 3-3	Management of material topics
		GRI 401: Employment 2016	✔	401-1	New employee hires and employee turnover
				401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
				401-3	Parental leave
	Transparency	GRI 3: Material topics 2021		GRI 3-3	Management of material topics
		GRI 415: Public policy 2016		415-1	Political contributions
		GRI 417: Marketing and labeling 2016		417-1	Requirements for product and service information and labeling
			✔	417-2	Incidents of non-compliance concerning product and service information and labeling
			✔	417-3	Incidents of non-compliance concerning product and service information and labeling

Content	Reason for omission	Page
2.1 Consider financial literacy initiatives to educate Customers and other groups or communities on financial planning and management. 2.2 Consider the primary target group for each initiative. This may be defined in terms of demographic characteristics (e.g., youth groups, low-income individuals, immigrants, employees) or other criteria. 2.3 Report the following information for each initiative to enhance financial literacy: - Goals of the initiative, including subject areas targeted; - Main activities related to the initiative; and - Target group/beneficiary.	2.1 Reported. 2.2 and 2.3. Reported. The financial literacy initiatives we develop provide information on the way Customers without a prior credit history handle credit, and to teach them about the characteristics, benefit and responsible use of their card.	66
		23
a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	a. b. Because we operate multiple business units, we do not have a consistent breakdown by region or age group	59
		26, 61
	Information not available; content under development for future reports.	NA
		31
		NA
		32
a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	a. i, ii, iii and b. Regarding cases of non-compliance with product information and labeling, as well as marketing communications (GRI 416-2, 417-2, 417-3), we consider only those with penalties above MXN11,000,000 at the end of 2023 there were no cases that met this criterion.	67
a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	a. i,ii,iii, and b. Regarding cases of non-compliance with product information and labeling, as well as marketing communications (GRI 416-2, 417-2, 417-3), we consider only those with penalties above MXN11,000,000 at the end of 2023 there were no cases that met this criterion.	67

SASB Metrics
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E-COMMERCE STANDARD: VERSION 2018

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
ACTIVITY METRICS					
(Activity metric)	CG-EC-000.A	Entity-defined measure of user activity	Number		8
(Activity metric)	CG-EC-000.B	Data processing capacity, percentage outsourced	Measure typically tracked by the entity	Not available	NA
(Activity metric)	CG-EC-000.C	Number of shipments	Number	Not available	NA
ACCOUNTING METRICS					
Hardware, Infrastruture, Energy and Water Management	✓ CG-EC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	1. 2,655,700.84 GJ. 1.1 Includes energy consumed from fuels and electricity. 1.2 The period considered is the same as the rest of this report (January - December 2023). 1.3 and 4. The methodology used for energy calculation is established in the Regulation of the General Law on Climate Change with regard to the National Emissions Registry. 2. 82.37% 3. 32.30% 3.3 to 3.4.2 EPL does not generate energy and does not engage in the purchase or sale of energy certificates. 4. Not applicable. The methodology used for energy calculation is established in the Regulation of the General Law on Climate Change with regard to the National Emissions Registry. 5. Omission: Information not available.	96
Hardware, Infrastruture, Energy and Water Management	✓ CG-EC-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousands of cubic meters (m^3), Percentage (%)	1. Total water withdrawn: 2,122.1 thousand m^3. 3. Information not available. The breakdown requested by the standard is not provided. 4. Information not available: The analysis requested by the standard is not provided. 5. In 2023, El Puerto de Liverpool withdrew a total of 2,122.1 megaliters of water from areas with some degree of water stress, according to the Aqueduct Water Risk Atlas.* 6. Information not available.	58

* The distribution of water withdrawals ranged from 18.07% in areas with a low level of water stress to 20.13% in areas with a high level and 54.07% in areas of extremely high water stress with respect to the total volume withdrawn. General strategies and actions to address these risks are detailed in the corresponding TCFD analysis for the year 2022.

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
Hardware, Infrastruture, Energy and Water Management	CG-EC-130a.3	Discussion of the integration of environmental assumptions into strategic planning for data center needs	N/A	Not applicable; data center is owned by independent specialist	NA
Data Privacy and Advertising Standards	CG-EC-220a.1	Number of users whose information is used for secondary purposes	Number	Not available	NA
Data Privacy and Advertising Standards	CG-EC-220a.2	Description of policies and practices relating to behavioral advertising and user privacy	N/A		NA
Data Security	CG-EC-230a.1	Description of approach to identifying and addressing data security risks	N/A		33
Data Security	CG-EC-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	1) Reported. 2) Not available 3) Not available	68
Employee Recruitment, Inclusion and Performance	CG-EC-330a.1	Employee engagement as a percentage	Percentage (%)	Not available. Recognitions obtained as an employer also reflect employee satisfaction and commitment	NA
Employee Recruitment, Inclusion and Performance	CG-EC-330a.2	(1) voluntary and (2) involuntary employee turnover	Ratio	1. Reported. 1.1 Partial omission, information not available on the breakdown of involuntary exits. 2. Reported. 3. Partial omission, information not available on the breakdown of involuntary departures.	59
Employee Recruitment, Inclusion and Performance	CG-EC-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	1. We do not have the breakdown of employees by gender and racial/ethnic groups by employee category, as El Puerto de Liverpool does not operate in the United States. 2. Gender representation is reported (female and male). 3. Not applicable, as El Puerto de Liverpool does not operate in the United States. 4. Liverpool classified employees as follows: Executive: Directors. Senior Management: Managers and Deputy Directors. Professionals: Coordinator, Consultant, and Specialist. General Staff: General Staff and Sales. 5. Gender was classified as female and male. 6. We do not have a breakdown of employees by racial/ethnic groups according to the EEO-1 Survey Instruction Booklet, as El Puerto de Liverpool does not operate in the United States.	59

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
Employee Recruitment, Inclusion and Performance	CG-EC-330a.4	Percentage of technical employees who are H1B visa holders	Percentage (%)	Not applicable. The company applies the e-commerce good practice standard due to growing sales through digital channels, but it is not a native digital company, so this metric is not significant; nor do we operate in the United States	NA
Product Packaging and Distribution	CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	Metric tons (t) CO_2e		55
Product Packaging and Distribution	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	N/A	1, 2, 3. Reported 2.1, 2.2 and 2.4: Information not available; under development for future reports.	31, 56

SASB Metrics
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MULTILINE AND SPECIALTY RETAILERS AND DISTRIBUTORS STANDARD – 2018

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
ACTIVITY METRICS					
(Activity metric)	CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	Number		6
(Activity metric)	CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	Square meters (m^2)	Not available	6
ACCOUNTING METRICS					
Energy management in retail and distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	1. 2,655,700.84 gigajoules. 1.1 Includes energy consumed from fuels and electricity. 1.2 The period considered is the same as the rest of the report (January-December 2023). 1.3 and 4. The methodology used for energy calculation is established in the Regulation of the General Law on Climate Change with regard to the National Emissions Registry. 2. 82.37%. 3. 32.30%. 3.3 to 3.4.2 EPL does not generate energy and does not engage in the purchase or sale of energy certificates.	99
Data security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	N/A		33
Data security	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of Customers affected	Number, Percentage (%)		68
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Reporting currency, Percentage (%)	1. Reported. 2. Not available.	63

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
Labor Practices	✓ CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Ratio	1, 1.2, and 2. Reported. 1.1 Partial omission, information unavailable on the breakdown of involuntary departures. 3. Partial omission, no information available on the breakdown of involuntary departures.	59
Labor Practices	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Reporting currency	No significant sanctions to report.	68
Workforce Diversity and Inclusion	✓ CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Percentage (%)	1. We do not have a breakdown of employees by gender and racial/ ethnic groups per employee category, as El Puerto de Liverpool does not operate in the United States. 2. Gender representation is reported as female or male. 3. Not applicable, as El Puerto de Liverpool does not operate in the United States. 4. Liverpool classified employees as follows: Executive: Directors. Senior Management: Managers and Assistant Directors. Professionals: Coordinator, Consultant, and Specialist. General Staff: General Staff and Sales. 5. Gender was classified as female and male. 6. We do not have a breakdown of employees by racial/ethnic groups according to the EEO-1 Survey Instruction Booklet, as El Puerto de Liverpool does not operate in the United States.	59
Workforce Diversity and Inclusion	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Reporting currency	No significant sanctions to report.	NA
Product Sourcing, Packaging and Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Reporting currency		69
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	N/A	Not applicable	NA
Product Sourcing, Packaging & Marketing	✓ CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	N/A	1. Reported. 2.1, 3, 4. Information not available; content under development for future reports. 2.2, 2.3. Not applicable: the legislation to which EPL adheres is applicable in Mexican territory. 4.1 Information not available; content under development for future reports.	31, 69

SASB Metrics
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CONSUMER FINANCE STANDARD – 2018

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
ACTIVITY METRICS					
(Activity metric)	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Number	1) Not available. 2) Not applicable. El Puerto de Liverpool offers only credit cards, with no deposit accounts or debit cards.	NA
(Activity metric)	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Number	1) Reported. 2) Not applicable. El Puerto de Liverpool offers only credit cards, with no deposit accounts or debit cards.	7
ACCOUNTING METRICS					
Customer privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Number	Not available	NA
Customer privacy	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting currency	No significant sanctions to report	68
Data security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)	1) Reported 2) Not available 3) Not available	68
Data security	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Reporting currency	Not available	NA
Data security	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	N/A		33
Selling practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Percentage (%)	Not available	NA
Selling practices	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Percentage (%)	Not available	NA

SASB Topic	Code	Description	Unit of measurement	Omissions and/or modifications	Page
Selling practices	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for Customers with FICO scores above and below 660	reporting currency, percentage (%), months, number,	Not available	NA
Selling practices	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Number, Percentage (%)	Not available	NA
Selling practices	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Reporting currency	Regarding cases of non-compliance related to the sale and maintenance of products, we only consider those whose sanctions exceed MXN11,000,000; at the end of 2023 there were no cases that met this criterion.	NA

TCFD Recommendations

INDEX

Recommendation	Recommended reporting	Code	Complementary information	Page(s)
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	GOB-A	Climate-related risks and opportunities have been identified in a specialized exercise, the results of which were presented at the Footprint Desk (the main sustainability committee), which is headed by the CEO, who is also a member of the Board of Directors and escalates information. Previously, as part of the Sustainability Strategy, the committee was already presenting commitments on reduction of Greenhouse Gas emissions (GHG) and progress against those goals, to the Board. The Board of Directors takes into account initiatives from the Sustainability Strategy, led by the El Puerto de Liverpool Footprint Desk, in its review of the annual budget. We are working on first monitoring these risks and opportunities, then will follow the ordinary process for the mapping of risks and opportunities.	16
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	GOB-B	The environmental team was closely involved in this first exhaustive identification of climate-related risks and opportunities. This is a matter of regular practice for El Puerto de Liverpool, in which the various areas identify their risks and establish prevention and mitigation measures, which are monitored, all under the oversight of the teams responsible. The El Puerto de Liverpool Footprint Desk and specific Environmental Desk are in charge of coordinating the accounting of GHG emissions and guaranteeing implementation of resource efficiency (e.g. energy, water) and GHG emission reduction initiatives. The CEO, who heads the Footprint Desk, approves goals and initiatives for the reduction of GHG emissions and constantly monitors progress against them.	16
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	EST-A	The risks and opportunities have been identified as described in this report, with the involvement of the related areas; TCFD nomenclature has been used for categorizing and reporting them.	35-38

Recommendation	Recommended reporting	Code	Complementary information	Page(s)
Strategy	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	EST-B	For each risk or opportunity, the main causes and impacts on El Puerto de Liverpool's operating continuity, revenues and business model, as well as its value chain, are shown. The company will be working to identify the financial impacts in order to strengthen internal strategy and decision-making. The measures established in response to the risks will be incorporated into the sustainability strategy of The Footprint, along with specific strategies for each area involved (e.g. property management, purchasing).	35-38
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	EST-C	This report explains in detail the scenarios used for each risk and opportunity and the result of their application.	35-38
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	GDR-A	The risks were identified according to the industry and Mexico's context. Key areas were incorporated into the prioritization of risks and analysis of their impact on the business strategy. The priority risks were analyzed under various scenarios that had been agreed upon and evaluated. The result will provide a basis for prevention, adaptation and mitigation plans now being developed.	35-38
	b) Describe the organization's processes for managing climate-related risks.	GDR-B	We will be developing prevention and mitigation strategies based on the results of the analysis. These will be added to the measures we already have in place as part of our ordinary management, and previous progress toward our sustainability strategy. For example, GHG reduction and eco-efficiency commitments that we established and announced to the public, which are supported by roadmaps that were agreed upon internally.	35-38
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	GDR -C	El Puerto de Liverpool's risk management structure is sustained by the specialized action of each area regarding the risks that apply to its activities, and the coordination of the compliance team. The risks of climate change affect every area and process of the company. Identifying, evaluating and managing them has been a specialized process led by the environmental team.	34

Recommendation	Recommended reporting	Code	Complementary information	Page(s)
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	MYO-A	El Puerto de Liverpool had already been presenting metrics on its use of resources: absolute energy consumption and intensity, absolute GHG emissions and intensity, water withdrawal and available data on water discharges, waste generation and its use. This is related to risks and opportunities in operating efficiency and the evolution of regulatory frameworks. We also report on business opportunities relating to the products that have obtained environmental and/or social certifications or other relating to comprehensive sustainability and/or recycled content. We have indicated the number of products in the portfolio and sales.	53, 55
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	MYO-B	Not available. GHG emissions were calculated according to the guidelines established in the Greenhouse Gas Effect Protocol (GHG Protocol), "Corporate Accounting and Reporting Standard" for the 2 scopes. Scope 1 and 2 emissions are also calculated in accordance with the standards of the General Law on Climate Change and the methodologies published by the Mexican Ministry of the Environment and Natural Resources with regard to the National Emissions Registry.	55
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	MYO-C	El Puerto de Liverpool has established environmental commitments, including the reduction of GHG emissions, published in 2021. In this report, it details progress against those commitments as of the close of 2023. In 2023 we reinforced our goals, particularly regarding GHG emissions, by applying the guidelines of the Science-Based Targets initiative (SBTi), aligned with international standards.	16

This version of our limited assurance report was carried out based on the Spanish version of the Integrated Annual Report. This is a translation from the original in Spanish, in the event of a discrepancy in this version, the Spanish language version prevails.

Independent practitioner's limited assurance report on the 2023 Sustainability Indicators Identified in the Integrated Annual Report 2023 of El Puerto de Liverpool, S.A.B. de C.V.

To the Directors of El Puerto de Liverpool, S.A.B. de C.V.

We have undertaken a limited assurance engagement in respect of the Sustainability Indicators listed below and identified with a **√** in the "GRI Index Content" of the Integrated Annual Report 2023 (the "Sustainability Indicators"), which were prepared by El Puerto de Liverpool, S.A.B. de C.V. ("El Puerto de Liverpool") for the year ended December 31st 2023.

Sustainability Indicators

The Sustainability Indicators for the year ended December 31, 2023 are summarized below:

Indicator	GRI Description
2-7	Employees
205-2	Communication and training about anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
302-1	Energy consumption within the organization
302-3	Energy intensity
302-4	Reduction of energy consumption
303-3	Water withdrawal
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
305-5	Reduction of GHG emissions
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
401-1	New employee hires and employee turnover
403-9	Work-related injuries
405-1	Diversity of governance bodies and employees
405-2	Ratio of basic salary and remuneration of women to men
406-1	Incidents of discrimination and corrective actions taken
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
417-2	Incidents of non-compliance concerning product and service information and labeling
417-3	Incidents of non-compliance concerning marketing communications
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.
FS16	Initiatives to enhance financial literacy by type of beneficiary.

Our assurance was with respect to the Sustainability Indicators for the year ended December 31, 2023 only and we have not performed any procedures with respect to earlier periods or any other indicators or elements included in the Integrated Annual Report 2023 and, therefore, do not express any conclusion thereon.

PricewaterhouseCoopers, S. C. Mariano Escobedo 573, Colonia Rincón del Bosque, C. P. 11580 Ciudad de México
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Criteria

The criteria used by El Puerto de Liverpool to prepare the identified Sustainability Indicators are the Global Reporting Initiative (GRI) Standards (the "Criteria") and are set out in the section "GRI Index Content" on page 70 of the Integrated An-nual Report 2023.

El Puerto de Liverpool's Responsibility on the Sustainability Indicators

El Puerto de Liverpool is responsible for the preparation of the identified Sustainability Indicators in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of identified Sustainability Indicators that are free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of Independent Professionals in Relation to Assurance Work

Our responsibility is to express a limited assurance conclusion on the identified Sustainability Indicators in accordance with the Criteria, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board of the International Federation Information of Accountants. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of El Puerto de Liverpool's use of the Criteria as the basis for the preparation of the identified Sustainability Indicators, assessing the risks of material misstatement whether due to fraud or error of the identified Sustainability Indicators, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the identified Sustainability Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included interviews, review of the processes executed, inspection of documents, analytical procedures, tests on selective bases, and agreeing or reconciling with underlying records.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether El Puerto de Liverpool's identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that El Puerto de Liverpool identified Sustainability Indicators for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with the Criteria[1].

PricewaterhouseCoopers, S.C.

C.P.C José Vicente Güendulain
Mexico City, Mexico
March 08, 2024

1 The maintenance and integrity of the El Puerto de Liverpool, S.A.B. de C.V. website is the responsibility of its directors. Our work does not involve consideration of these matters and, accordingly, we do not assume any responsibility for any difference between the El Puerto de Liverpool Sustainability Indicators on which the assurance report was issued or the assurance report that was issued and the information presented on the website.

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This version of our limited assurance report was carried out based on the Spanish version of the Integrated Annual Report. This is a translation from the original in Spanish, in the event of a discrepancy in this version, the Spanish language version prevails.

Independent practitioner's limited assurance report on the 2023 Sustainability Indicators Identified in the Integrated Annual Report 2023 of El Puerto de Liverpool, S.A.B. de C.V.

To the Directors of El Puerto de Liverpool, S.A.B. de C.V.

We have undertaken a limited assurance engagement in respect of the Sustainability Indicators listed below and identified with a ✓ in the "SASB Topics Index" of the Integrated Annual Report 2023 (the "Sustainability Indicators"), which were prepared by El Puerto de Liverpool, S.A.B. de C.V. ("El Puerto de Liverpool") for the year ended December 31st, 2023.

Sustainability Indicators

The Sustainability Indicators for the year ended December 31, 2023 are summarized below:

SASB Standard	Indicator	Descripción SASB
E-Commerce	CG-EC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
E-Commerce	CG-EC-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress
E-Commerce	CG-EC-330a.2	(1) Voluntary and (2) involuntary turnover rate for all employees
E-Commerce	CG-EC-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees
E-Commerce	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery
Multiline and Specialty Retailers Distributors	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable
Multiline and Specialty Retailers Distributors	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees
Multiline and Specialty Retailers Distributors	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees
Multiline and Specialty Retailers Distributors	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging
Consumer Finance	FN-CF-270a.5	Total amount of monetary losses as a result of legal Not disclosed proceedings associated with selling and servicing of products

Our assurance was with respect to the Sustainability Indicators for the year ended December 31, 2023 only and we have not performed any procedures with respect to earlier periods or any other indicators or elements included in the Integrated Annual Report 2023 and, therefore, do not express any conclusion thereon.

PricewaterhouseCoopers, S. C. Mariano Escobedo 573, Colonia Rincón del Bosque, C. P. 11580 Ciudad de México
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Criteria

The criteria used by El Puerto de Liverpool to prepare the identified Sustainability Indicators are the Sustainability Accounting Standards Board (SASB) Standards of the industries: E-Commerce, Multiline and Specialty Retailers Distributors and Consumer Finance 2018 version (the "Criteria") and are set out in the section "SASB Topics Index" on page 96 of the Integrated Annual Report 2023.

El Puerto de Liverpool's Responsibility on the Sustainability Indicators

El Puerto de Liverpool is responsible for the preparation of the identified Sustainability Indicators in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of identified Sustainability Indicators that are free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of Independent Professionals in Relation to Assurance Work

Our responsibility is to express a limited assurance conclusion on the identified Sustainability Indicators in accordance with the Criteria, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board of the International Federation Information of Accountants. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of El Puerto de Liverpool's use of the Criteria as the basis for the preparation of the identified Sustainability Indicators, assessing the risks of material misstatement whether due to fraud or error of the identified Sustainability Indicators, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the identified Sustainability Indicators. A limited assurance engagement is substantially less In scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included interviews, review of the processes executed, inspection of documents, analytical procedures, tests on selective bases, and agreeing or reconciling with underlying records.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether El Puerto de Liverpool's identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that El Puerto de Liverpool identified Sustainability Indicators for the year ended December 31, 2023 are not prepared, in all material respects, in accordance with the Criteria[1].

PricewaterhouseCoopers, S.C.

C.P.C José Vicente Güendulain
Mexico City, Mexico
March 08, 2024

1 The maintenance and integrity of the El Puerto de Liverpool, S.A.B. de C.V. website is the responsibility of its directors. Our work does not involve consideration of these matters and, accordingly, we do not assume any responsibility for any difference between the El Puerto de Liverpool Sustainability Indicators on which the assurance report was issued or the assurance report that was issued and the information presented on the website.

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INDEPENDENT

Auditors' Report

To the Stockholders and Board of Directors of
El Puerto de Liverpool, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of El Puerto de Liverpool, S. A. B. de C. V., and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of comprehensive income, of changes in stockholders' equity and of cash flows for the year then ended and the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and its financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants that are relevant to our audit of the consolidated financial statements in México. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants. 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.

Recoverable value of intangible assets with an indefinite life

As mentioned in Note 14 to the consolidated financial statements, the Company performs annual tests on the recoverable value of its intangible assets with an indefinite life (goodwill, brands and others).

These tests consist of comparing that the estimate of the projected cash flows for the Cash Generating Unit (CGU) to which the intangible assets are allocated is higher than the book value of said assets.

We focused on intangible assets with indefinite lives due to the importance of their balance ($13,258 million pesos as of December 31, 2023) compared to the consolidated financial statements, since the estimation of projected cash flows involves the application of significant judgments by Management to determine the assumptions and premises used.

In particular, we concentrated our audit efforts on:
1) the methodology used to estimate the recoverable value, and 2) the significant assumptions used to estimate the projected cash flows, such as: the estimated rate of growth of sales, the projected EBITDA (Earnings Before Income Tax, Depreciation and Amortization), and the discount rate and the terminal value, which required the application of a greater judgment, when evaluating the impact on the projected results.

We evaluated the cash flow projections prepared by Management and the processes used to prepare them, comparing said projections to the historical results, including years prior to the pandemic and budgets approved by the Company's Board of Directors.

We compared the actual results of the current year with the respective budget to rule out the fact that any assumption included in the cash flow projections could be considered too optimistic.

With the support of our valuation experts, we compared:

- The methodology used to estimate the recoverable value to that commonly used in the market for this type of assets.

- The growth of sales, the terminal value and the EBITDA to the historical results of the business and to independent market sources of comparable entities of the industry to which the Company belongs.

- The discount rate used to discount future cash flows to an estimated market rate considering the Company's leverage level, the expectation of leverage in the short and medium terms, and the optimal level of the industry.

We discussed the sensitivity analysis with Management and assessed the degree to which the assumptions need to be modified for impairment to occur.

Additionally, we evaluated the consistency of the disclosures included in the notes to the financial statements with the information provided by Management.

Other Information

Management is responsible for the other information. The other information comprises the annual report presented to the National Banking and Securities Commission (CNBV by its Spanish acronym) and the annual information presented to shareholders, but does not include the consolidated financial statements and our auditor's report thereon, which are expected to be made 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 other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

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 IFRS Accounting Standards 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company'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 ISA 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 ISA, 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and subsidiaries audit. We remain solely responsible for our audit opinion.

We communicated 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 communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

PricewaterhouseCoopers, S. C.

Arturo Elizondo O.
Audit Partner
Mexico City, March 8, 2024

REPORT OF THE

Audit and Corporate Practices Committee

Mexico City, February 23, 2023

To the Board of Directors of
El Puerto de Liverpool, S. A. B. de C. V.

We, the undersigned, appointed as members of the Audit and Corporate Practices Committee of this company (the "Committee"), present this report on the activities carried out pursuant to article 43 of the Securities Market Act.

The Committee met four times during the year, addressing, among others, the following points:

I. The General Shareholders' Meeting held March 16, 2023, appointed Mr. Javier Arrigunaga chairman of the Audit and Corporate Practices Committee for fiscal year 2023. Additionally, the Board of Directors appointed Messrs. Juan Miguel Gandoulf and José Cohen as Committee members.

II. On audit matters:

a) We evaluated the external audit plan and proposal for professional services accepted by Management. Furthermore, pursuant to the "General provisions applicable to entities and issuers supervised by the National Banking and Securities Commission that engage external audit services for basic financial statements," we recommended to the Board of Directors that the firm PricewaterhouseCoopers be hired as external auditor, through its audit partner Arturo Elizondo Olascoaga, CPA, as External Independent Examiner, to audit the financial statements of the Company and its Subsidiaries for the fiscal year ended December 31, 2023. Additionally, the Committee learned of the additional services this firm supplies and the mechanisms for safeguarding its independence and avoiding self-review, concluding that such mechanisms are appropriate.

b) We evaluated and found that the Company has internal and external mechanisms that provide reasonable certainty of compliance with the Laws and Regulations applicable to it.

c) We were apprised of the Company's bookkeeping policies as well as their impact on the figures contained in the financial statements as of December 31, 2023 and 2022, ensuring that the financial information was duly presented.

d) We followed up on the organization and functions of the Company's Internal Audit Department; received its annual report of activities for the year 2023, the relevant findings, and its audit plan for the year 2024.

e) We ascertained that the company has operating systems, policies and procedures by which it may be considered to have an appropriate climate of internal control and bookkeeping.

f) We were apprised of the Company's degree of adherence to the Code of Best Corporate Practices, recommended by the Mexican Stock Exchange, per the report with information at December 31, 2022, filed on May 29, 2023.

g) We were informed of any lawsuits and litigations in progress, as well as the results of those concluded during the period in question.

h) We reviewed the consolidated financial statements as of December 31, 2023, and the notes thereto.

i) We were apprised of the status of the reserves and estimates included in the financial statements at December 31, 2023.

j) We were informed of the observations and recommendations of the External Auditors, related to their examination of the consolidated financial statements as of December 31, 2022.

k) We reviewed the statistics on transactions reported to the authorities pursuant to anti-money laundering regulations.

III. On the matter of corporate practices:

a) We consider the performance of senior management to have been appropriate and efficient, taking into account the circumstances under which they have discharged their responsibilities.

b) We were informed of transactions with related parties, and found that the amounts thereof were not significant with respect to the Company's operations, and that they were conducted in accordance with market conditions.

c) We performed an overall review of the criteria by which overall remuneration is determined for key Company's directors; we consider such remuneration to be reasonable and consistent with market conditions.

As a result of the activities carried out by this Committee, and having heard the opinion of the Company's Independent Auditors, we hereby recommend that the Board of Directors submit the financial statements of El Puerto de Liverpool, S.A.B. de C.V. and Subsidiaries as of December 31, 2023, in the terms in which such statements have been prepared and presented by Company management.

Sincerely,

The Audit and Corporate Practices Committee

Juan Miguel Gandoulf | Javier Arrigunaga | José Cohen

CONSOLIDATED STATEMENTS OF

Financial Position

December 31, 2023 and 2022

Figures expressed in thousands of pesos

	Note		2023		2022
Assets					
CURRENT ASSETS:					
Cash and cash equivalents	7	$	29,807,166	$	24,516,254
Short-term loan portfolio - Net	8		45,021,773		36,976,167
Value added tax recoverable			2,053,523		2,475,026
Other accounts receivable - Net	9		3,330,978		1,314,613
Inventory			28,238,590		28,140,676
Prepaid expenses			1,157,812		1,123,814
Derivative financial instruments	10		1,209,410		-
Other financial assets			302,227		-
Total current assets			111,121,479		94,546,550
NON - CURRENT ASSETS:					
Long-term loan portfolio - Net	8		11,951,637		9,336,078
Long-term other accounts receivable - Net	9		338,336		290,939
Derivative financial instruments	10		-		2,186,440
Investments in associates	11		11,117,785		10,011,058
Investment properties - Net	12		22,886,294		23,507,742
Property, furniture and equipment - Net	13		59,407,919		55,552,887
Intangible assets - Net	14		15,612,080		15,534,602
Financial asset at fair value through other comprehensive income	15		4,910,597		4,951,323
Right of use assets	19		12,537,638		12,353,928
Deferred income tax	22.2		9,270,406		7,603,411
Total assets		$	259,154,171	$	235,874,958
Liabilities					
CURRENT LIABILITIES:					
Suppliers		$	37,845,939	$	33,197,928
Creditors			13,922,242		12,137,003
Provisions	16		5,519,608		4,751,726
Short-term debt	17		5,749,055		674,124
Deferred income	8.1		2,917,793		2,738,667
Short-term lease liabilities	19		2,346,729		2,224,771
Short-term derivative financial instruments	10		639,650		-
Income tax payable			946,370		1,213,903
Total current liabilities			69,887,386		56,938,122
NON - CURRENT LIABILITIES:					
Long-term debt	17		21,906,594		29,030,916
Long-term derivative financial instruments	10		1,197,410		-
Long-term lease liabilities	19		11,776,558		11,394,267
Employee benefits - Net	18		3,650,540		3,084,540
Deferred income tax	22.2		3,235,964		2,972,597
Total liabilities			111,654,452		103,420,442
Stockholders' equity:					
Capital stock	21		3,374,282		3,374,282
Retained earnings			134,543,770		118,914,242
Capital reserves	21.2		9,294,300		9,894,258
Stockholders' investment in controlling interest			147,212,352		132,182,782
Non-controlling interests			287,367		271,734
Total stockholders' equity			147,499,719		132,454,516
Total liabilities and equity		$	259,154,171	$	235,874,958

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF
Comprehensive Income

December 31, 2023 and 2022

Figures expressed in thousands of pesos, except earnings per share

	Note		2023		2022
Operating revenue:					
Net sales of merchandise		$	172,428,903	$	157,606,549
Interest earned from customers			16,268,496		13,199,946
Income from real estate			4,534,684		3,721,874
Services			1,580,198		1,134,990
Other income			1,179,342		370,361
Total revenue	2.22		195,991,623		176,033,720
Costs and expenses:					
Cost of sales			116,871,459		107,576,972
Provision for credit losses			2,889,335		1,791,024
Administrative expenses			46,625,041		41,150,345
Total costs and expenses	24		166,385,835		150,518,341
Operating income			29,605,788		25,515,379
Interest expense			(4,067,381)		(3,989,142)
Foreign exchange loss			(2,591,737)		(1,456,423)
Financing cost			(6,659,118)		(5,445,565)
Foreign exchange gain			1,629,570		980,772
Return on investments			1,915,389		1,766,647
Financial income			3,544,959		2,747,419
Equity in the results of associates	11.2		507,668		376,918
Profit before income tax			26,999,297		23,194,151
Income tax	22		(7,498,083)		(5,796,912)
Consolidated net income			19,501,214		17,397,239
Other comprehensive income:					
Components to be subsequently reclassified to income:					
Cash flow hedges			(104,787)		(995,380)
Translation effect of investment in associates - Net of income tax			(506,965)		(476,923)
Components not to be subsequently reclassified to income:					
Changes in the fair value of equity investments at fair value through other comprehensive income - Net of income tax	15		(28,508)		(694,407)
Remeasurement of the liability for defined benefits - Net of income tax			(311,358)		(420,058)
Consolidated comprehensive income		$	18,549,596	$	14,810,471
Net income attributable to:					
Controlling interest		$	19,486,518	$	17,384,903
Non-controlling interests			14,696		12,336
		$	19,501,214	$	17,397,239
Basic and diluted earnings per share	21.4	$	14.52	$	12.96
Comprehensive income attributable to:					
Controlling interest		$	18,533,963	$	14,798,231
Non-controlling interests			15,633		12,240
		$	18,549,596	$	14,810,471
Basic and diluted comprehensive earnings per share		$	13.82	$	11.03

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF

Changes in Stockholders' Equity

December 31, 2023 and 2022

Figures expressed in thousands of pesos, except dividends paid per share

	Note		Capital stock		Retained earnings
Balance at January 1, 2022		$	3,374,282	$	106,879,767
Changes in accounting policies on investment in associates			-		45,674
Comprehensive income:					
Net income			-		17,384,903
Financial asset at fair value through other comprehensive income - net of income tax			-		(694,407)
Remeasurement of the liability for defined benefits - net of income tax			-		(419,962)
Translation effect of investment in associates - net of income tax			-		-
Cash flow hedges			-		-
Total comprehensive income			-		16,270,534
Transaction with owners:					
Increase in reserve of repurchase of shares	21.2		-		(2,000,000)
Repurchase of shares - net	21.2		-		-
Dividends paid ($1.70 pesos per share)			-		(2,281,733)
Total transactions with stockholders			-		(4,281,733)
Balance at December 31, 2022			3,374,282		118,914,242
Changes in accounting policies on investment in associates			-		20,943
Comprehensive income:					
Net income			-		19,486,518
Financial asset at fair value through other comprehensive income - net of income tax			-		(28,508)
Remeasurement of the liability for defined benefits - net of income tax			-		(312,295)
Translation effect of investment in associates - net of income tax			-		-
Cash flow hedges			-		-
Total comprehensive income			-		19,145,715
Transaction with owners:					
Increase in reserve of repurchase of shares	21.2		-		(33,998)
Repurchase of shares - net	21.2		-		-
Dividends paid ($2.61 pesos per share)			-		(3,503,132)
Total transactions with stockholders			-		(3,537,130)
Balance at December 31, 2023		$	3,374,282	$	134,543,770

The accompanying notes are an integral part of these consolidated financial statements.

Capital reserves	Total stockholder's investment in controlling interest	Non-controlling interest	Total stockholder's equity
$ 9,373,976	$ 119,628,025	$ 259,494	$ 119,887,519
-	45,674	-	45,674
-	17,384,903	12,336	17,397,239
-	(694,407)	-	(694,407)
-	(419,962)	(96)	(420,058)
(476,923)	(476,923)	-	(476,923)
(995,380)	(995,380)	-	(995,380)
(1,472,303)	14,798,231	12,240	14,810,471
2,000,000	-	-	-
(7,415)	(7,415)	-	(7,415)
-	(2,281,733)	-	(2,281,733)
1,992,585	(2,289,148)	-	(2,289,148)
9,894,258	132,182,782	271,734	132,454,516
-	20,943	-	20,943
-	19,486,518	14,696	19,501,214
-	(28,508)	-	(28,508)
-	(312,295)	937	(311,358)
(506,965)	(506,965)	-	(506,965)
(104,787)	(104,787)	-	(104,787)
(611,752)	18,533,963	15,633	18,549,596
33,998	-	-	-
(22,204)	(22,204)	-	(22,204)
-	(3,503,132)	-	(3,503,132)
11,794	(3,525,336)	-	(3,525,336)
$ 9,294,300	$ 147,212,352	$ 287,367	$ 147,499,719

CONSOLIDATED

Cash Flow Statements

December 31, 2023 and 2022
Figures expressed in thousands of pesos

	Note		2023		2022
Operating activities					
Profit before income tax		$	26,999,297	$	23,194,151
Adjustments from items not implying cash flows:					
Depreciation and amortization			5,385,905		5,171,085
Provision for impairment of the loan portfolio	8		2,889,335		1,791,024
Lease concessions	19		-		(7,186)
Other dividend income	15		(209,482)		(58,957)
Inventory reserve			1,255,149		1,264,374
Equity in the results of associates	11.2		(507,668)		(376,918)
(Profit) loss on sale of property, furniture and equipment and investment property			(621,911)		296,121
Net cost for the period of employee benefits	18		544,467		461,855
Trading derivative financial instruments			653,031		535,116
Interest earned			(9,829,929)		(7,792,624)
Interest expense			4,067,381		3,989,142
			3,626,278		5,273,032
(Increase) decrease in:					
Interest earned from customers			9,710,201		7,794,101
Loan portfolio			(13,430,772)		(9,764,046)
Inventory			(1,353,063)		(6,284,742)
Value added tax recoverable			303,134		292,820
Other accounts receivable			(685,393)		(180,005)
Prepaid expenses			(33,998)		212,163
Other assets	2.8		(302,227)		-
Increase (decrease) in:					
Suppliers			4,648,011		3,619,968
Provisions			767,882		986,332
Deferred income			179,126		390,927
Creditors			2,071,865		1,443,627
Employee benefits paid			(290,762)		(344,499)
Taxes paid			(8,848,980)		(7,956,667)
Net cash inflow from operating activities			23,360,599		18,677,162
Investment activities					
Capital increase in associates	11.2		(736,769)		(1,088,677)
Invest in financial assets at fair value through other comprehensive income	15		-		(5,943,333)
Dividends received from financial asset at fair value	15		209,482		58,957
Dividends received from associates	11.2		196,000		-
Acquisition of property, furniture and equipment	13		(7,662,431)		(5,798,479)
Acquisition of investment property	12		(153,563)		(1,540,699)
Sale of property, furniture and equipment and investment property			180,934		74,942
Investment in intangibles of definitive useful life	14		(803,256)		(532,262)
Net cash outflows from investing activities			(8,769,603)		(14,769,551)
Cash to be applied in financing activities			14,590,996		3,907,611
Financing activities					
Dividends paid	21.1		(3,502,229)		(3,287,730)
Interest paid	17		(2,813,277)		(2,885,150)
Debt paid	17		-		(3,400,000)
Principal of lease payments	19		(1,263,701)		(1,098,207)
Interest of lease payments	19		(1,247,223)		(1,137,980)
Sale of own shares	21.2		2,738,852		930,659
Repurchase of shares	21.2		(2,761,056)		(938,074)
Net cash flows used in financing activities			(8,848,634)		(11,816,482)
Increase (decrease) in cash and cash equivalents			5,742,362		(7,908,871)
Cash and cash equivalents at the beginning of the year			24,516,254		32,494,873
Effects of exchange rate changes on cash and cash equivalents			(451,450)		(69,748)
Cash and cash equivalents at the end of the year		$	29,807,166	$	24,516,254

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE

Consolidated Financial Statements

December 31, 2023 and 2022
Thousands of pesos, unless otherwise specified

Note 1 - General information:

El Puerto de Liverpool, S. A. B. de C. V., and subsidiaries (the Company or the Group) operate a chain of department stores, founded in 1847, engaged in selling a broad variety of products such as clothes and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products. The Company is registered on the Mexican Stock Exchange and has an important presence in all Mexican Republic. As of December 31, 2023, the Company operated a total of 124 department stores under the Liverpool name: 118 specialty boutiques and 186 stores with the Suburbia name. In 2023, 10 stores began operations under the name of Suburbia (Tijuana "Península", Baja California; "Navojoa", Sonora; Guadalajara "Atemajac"; "Fray Antonio", Jalisco; Tula "Plaza Boulevard", Hidalgo; Tampico "Altama", Tamaulipas, Xalapa "Plaza Jardines", Veracruz "Coyol", Veracruz; Mérida "Calle 56", Yucatán; "Ciudad del Carmen", Campeche). Likewise, 1 department store began operations under the Liverpool format ("Tepeyac", Mexico City). In 2022 15 stores began operations under the name of Suburbia (León "Vía Alta", Guanajuato; Cancún "Mall", Quintana Roo; León "Las Torres", Guanajuato; Villahermosa "Galerías", Tabasco; Villahermosa "Comalcalco", Tabasco; Cuautitlán Izcalli "Plaza", Estado de México; "Galerías Perinorte", Estado de México; Los Cabos "Patio los Cabos" Baja California Sur; Monterrey "Monterrey Galerías" Nuevo León; Guadalajara "Gran Plaza" Jalisco; Villahermosa "Las Galas" Tabasco; Zinacantepec "Plaza Mia" Estado de México; Lerma "Outlet" Estado de México; Ciudad de México "Parque Tepeyac" y Playa del Carmen "Las Américas", Quintana Roo. Likewise, 2 department stores began operations under the Liverpool format (Tijuana, Plaza Peninsula, B. C.; Mexico City, Mitikah). After Hurricane Otis on October 25, 2023 in Acapulco, Guerrero, 2 Liverpool warehouses were affected and remain closed while the necessary repairs are carried out.

The Company grants its customers financing through the following cards: 1) "Liverpool", with which customers can buy exclusively at Company's stores; 2) "Liverpool Premium Card (LPC"), with which cardholders can purchase goods and services both in the chain's stores and boutiques and any of the establishments affiliated with the VISA system worldwide; 3) "Suburbia", made up of two cards, the first with which customers can purchase exclusively in stores under the Suburbia commercial segment and the second ("Suburbia VISA") with which cardholders can purchase goods and services in stores in the Suburbia chain as in any of the establishments affiliated worldwide to said system.

Additionally, at December 31, 2023 and 2022, the Company is a partner, stockholder or co-owner of shopping malls and holds an interest in 28 different malls, through which it leases commercial space to tenants engaged in a broad number of businesses.

The Company's headquarters and main place of business is:

Mario Pani 200
Santa Fe, Cuajimalpa
Mexico City
05348

Financial asset at fair value through other comprehensive income

On September 15, 2022, the Company filed with the Securities and Exchange Commission of the United States of America a 13G format, to report the investment of $5,943 million pesos in Nordstrom Inc. (Nordstrom), representing 9.90% of the total outstanding shares. The Company does not have control or significant influence as part of this transaction, which was paid with the excess in cash represents an opportunity for geographic diversification and is not for trading purposes. As of December 31, 2023 the Company did not make additional investments nor disposals. See Note 15.

Note 2 - Summary of material accounting policies:

These policies have been consistently applied to all the years presented, unless otherwise stated. The following is a summary of the main accounting policies applied in preparing the consolidated financial statements:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with the Accounting Standards (International Financial Reporting Standards IFRS) and their Interpretations (IFRIC) issued by the International Accounting Standards Board (IASB). In accordance with the changes to the Rules for Public Companies traded on the Mexican Stock Exchange, as issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its consolidated financial statements using IFRS as the regulatory framework.

The consolidated financial statements have been prepared on a historical cost basis, except for cash flow hedging financial instruments, trading derivatives and investments in government securities measured at fair value.

Preparing consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements are described in Note 4.

2.1.1 New standards and changes adopted by the Company

As of January 1, 2022, the standards and interpretations mentioned below are effective:

- Insurance contracts to IFRS 17,
- Disclosure of accounting policies - Modifications to IAS 1 and Practice Statement No.2 of IFRS
- Definition of accounting estimates - Modifications to IAS 8
- Deferred tax related to assets and liabilities arising from a single transaction - Modifications to IAS 12. Until December 31, 2022, the Company recognized and presented in the notes the deferred tax derived from leases on a net basis and this modification requires recognition and presentation in gross form. The net recognition gave a similar amount to the gross recognition; therefore, it had no impact on the statement of financial position. However, the presentation in the notes changed and the Company recognized a deferred tax asset in relation to its liability. for lease and a deferred tax liability in relation to its right-of-use assets, both in 2023 and 2022. (See Note 22).
- International tax reform - Pillar two model rules - amendments to IAS 12. The Company is not within the scope of the Pillar two model rules because this legislation has not been enacted in the jurisdiction where the Company operates. Because Pillar two legislation is not effective at the reporting date, the Company has no current tax exposure and applies the exception to recognize and disclose information on deferred tax assets and liabilities related to Pillar two income tax, as provided in the amendments to IAS 12 issued in May 2023.

The modifications listed above did not impact the amounts recognized in prior periods.

2.1.2 New standards and interpretations not yet adopted

A number of new standards, modifications and interpretations have been published which are not effective for reporting periods at December 31, 2023 and have not been early adopted by the Company. These standards, amendments and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

a. Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company. They are deconsolidated from the date that control ceases.

The balances and unrealized profits or losses in intercompany operations are eliminated in the consolidation process. When necessary, accounting policies have been modified in subsidiary entities in order to be consistent with the policies adopted by the Company. The following is a summary of the Company's interest in subsidiaries at December 31, 2023 and 2022:

Company	Shareholding	Activity
Operadora Liverpool, S. A. de C. V.	99.99%	Sub-holding of Distribuidora Liverpool, S. A. de C. V. and other companies that operate the department stores.
Bodegas Liverpool, S. A. de C. V. and Almacenadora Liverpool, S. A. de C. V.	99.99%	Storage and distribution of merchandise.
Servicios Liverpool, S. A. de C. V.	99.99%	Advisory and administrative services provided to the Company's subsidiaries.
Banlieue, S. A. de C. V.	99.99%	Holding of Suburbia, S. de R. L. de C. V., and other administrative services and real estate companies.
Ten real estate companies	99.93%	Development of real estate projects, mainly shopping malls.

b. Associates

Associates are all those entities over which the Company exercises significant influence, but not control. Usually, associates are those of whom the Company holds between 20% and 50% of the voting rights. Investments in associates are recorded by the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill (net of any accumulated impairment loss, if any) will be impaired, and impairment losses will have occurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition identified at the time of the acquisition.

The Company's equity in the profits or losses following the acquisition of associates is recognized in the statement of income and its equity in the comprehensive results of an associated company, is recognized in the Company's "Other comprehensive results". Post-acquisition accrued movements are adjusted against the book value of the investment. When the Company's equity in the losses of an entity equals or exceeds its interest in the entity, including any unsecured account receivable, the Company does not recognize a more significant loss, unless it has incurred obligations or has made payments on behalf of the associated. The associated companies' accounting policies have been modified, when necessary, for consistency with the policies adopted by the Company.

2.3 Segment information

Segment information is presented to be consistent with the internal reports provided to the Financial Review Committee, which is the body responsible for making operating decisions, assigning resources and evaluating the operating segments' yield. See Note 23.

2.4 Foreign currency transactions

a. Functional and presentation currency

The items included in each of the subsidiaries' financial statements are stated in the currency of the primary economic environment in which the entity operates (the functional currency).

The currency in which the consolidated financial statements of the Company are presented is the Mexican peso, which in turn is also the functional currency.

b. Transactions and balances

Foreign currency transactions are converted to the functional currency using the exchange rates in effect on the transaction or valuation dates when the items are re-measured. The profits and losses resulting from such transactions and from other conversion at the exchange rates in effect at the year-end of all monetary assets and liabilities denominated in foreign currency are recognized as exchange fluctuations under foreign exchange loss or gain in the statement of comprehensive income.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value, and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement income or other comprehensive income. See Note 2.7. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2.5.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2.5.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recorded in the statement of income.

The subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its financial assets according to the following category:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement income and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income.

- Fair value through other comprehensive income: Equity instruments that are not held for trading purposes, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI. These are strategic investments and the Company considered that this classification was more relevant. There is no subsequent reclassification of fair value gains and losses to results after the derecognition of the investment. Dividends from such instruments continue to be recognized in results as other income when the Company's right to receive payments is established.

2.6. Impairment of financial assets

2.6.1 Assets carried at amortized cost

The Company prospectively assesses the expected credit losses associated with its financial assets at amortized cost, considering the results of the portfolio performance evaluation and the objective evidence of impairment. Increases to this provision are recorded in expenses and presented separately in the income statement. See Note 3.3.2.

2.7 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized at fair value on the date the derivative financial instrument contract is concluded and subsequently measured at fair value. The method to recognize the utility or loss of changes in the fair values of derivative financial instruments depends on whether they are designated as hedging instruments, and if so, the nature of the item being hedged. The Company only has financial instruments derived from cash flow and trading hedges.

The Company documents at the beginning of the transaction the relationship between the hedging instruments and the items hedged, as well as its objectives and the Risk Management strategy that support its hedging transactions. The Company periodically documents whether the derivative financial instruments used in hedging transactions are highly effective in covering the cash flows of the hedged items.

The fair values of derivative financial instruments used as hedging and trading instruments are disclosed in Note 10. The total fair value of derivative financial instruments used as hedging instruments is classified as non-current assets or liabilities when the maturity of the Remaining of the hedged item is greater than 12 months and is classified as current assets or liabilities when the maturity of the remainder of the hedged item is less than 12 months. Trading derivative financial instruments are classified as current assets or liabilities.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts accumulated in stockholders' equity are reclassified in the periods in which the hedged item affects the result. The gain or loss related to the effective part of the interest rate swaps that hedge the loans is recognized in results within financial costs (income) at the same time that the interest expense of the covered loans is recognized.

When a hedging instrument matures or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognized in the consolidated statement of comprehensive income in financial costs (income). During 2023 and 2022, $639,650 and ($7,253) were recognized, respectively, for this concept, see Note 10.

Derivative instruments designated as hedges cover, in a proportion of one to one and on the same dates, the flows of interest and principal of the loans covered, so that their correlation is exactly 1 and therefore their coverage effectiveness is 100%.

2.8 Other financial assets

Other financial assets include cash delivered as collateral required by some derivative financial contracts that correspond to margin calls which are measured at fair value.

These collaterals are offset with the derivative financial instrument if the right to offset the recognized amounts is legally enforceable and there is the intention to settle them on a net basis or to realize the asset and pay the liability simultaneously.

2.9 Cash and cash equivalents

For purposes of presentation in the cash flows statement, cash and cash equivalents include cash in hand, demand deposits in financial institutions, other short-term investments, highly liquid with original maturities of three months or less that are easily convertible into cash and that are subject to insignificant risks of changes in value, and bank overdrafts. See Note 7. The cash equivalents are represented by investments in government instruments.

Cash and cash equivalents include amounts generated by credit, debit card and digital media sales transactions that are settled at the beginning of the following month in the amount of $1,747,043 and $1,148,566 as of December 31, 2023 and 2022, respectively. These cash equivalents are not subject to credit risk.

2.10 Inventories

Inventories are recorded at cost or net realizable value whichever is less. The cost includes the cost of the merchandise plus the costs of importation, freight, maneuvering, shipping, storage in customs and distribution centers, decreased in the value of the respective returns. The net realizable value is the estimated sale price in the normal course of operations minus the estimated costs to make the sale. The cost is determined using the average cost method.

Physical inventory counts are conducted periodically at the stores, boutiques and distribution centers and inventory records are adjusted to the results of physical inventory counts. Historically, due to the Company's loss prevention programs and control procedures, stockouts and shrinkage of inventories have been immaterial.

2.11 Investment properties

Investment properties are real property (land and buildings) held to obtain economic benefits through a collection of rent or for capital gains, and are initially valued at cost, including transaction costs. After their initial recognition, investment properties continue to be valued at cost, less accumulated depreciation and impairment losses, if any.

The Company owns shopping malls that house their department stores, as well as commercial space it leases to third parties. In such cases, only the portion leased to third parties is considered as an investment property and the Company's stores are recorded as property, furniture and equipment, in the statement of financial position. See Note 12.

Depreciation is calculated by the straight-line method to distribute the cost at its residual value over their remaining useful lives, as follows:

Buildings:

Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years

2.12 Property, furniture and equipment

The items comprising property, furniture and equipment are recognized at their historical cost, less depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisition of these assets and all expenses related to the location of assets at the site and in the conditions necessary for them to operate as expected by Management.

Expansion, remodeling, and improvement costs represent an increase in capacity and are recognized as an extension of the useful life of goods are capitalized. Maintenance and repair expenses are charged to income for the period they are incurred. The carrying amount of replaced assets is derecognized when they are replaced, recording the entire amount in the consolidated statement of income.

Works in progress represent stores under construction and includes investments and costs directly attributable to the startup of operations. These investments are capitalized upon opening the store and depreciation is computed from that point.

The land is not depreciated. Depreciation of other assets recognized in administrative expenses is calculated based on the straight-line method to distribute its cost at its residual value during its estimated useful lives, as follows:

Buildings:	
Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years
Other assets:	
Operating, communications, and security equipment	10 años
Furniture and equipment	10 años
Computer equipment	3 años
Transportation equipment	4 años
Leasehold improvements	Over the term of the lease Agreement

The Company assigns the amount initially recorded with respect to an element of property, furniture and equipment, in its different significant parts (components) and depreciates each separately.

The residual values and useful life of the Company's assets are reviewed and adjusted, if necessary, at the date of each consolidated statement of financial position. See Note 13.

The book value of an asset is written off at its recovery value if the book value of the asset is greater than its estimated recovery value. See Note 2.14.

Gains and losses from the sale of assets are due to the difference between income from the transaction and the book value of the assets they are included in the statement of income as other income.

2.13 Intangible assets

i. Goodwill

Goodwill in acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but goodwill impairment reviews are carried out annually or more frequently if events or changes in circumstances indicate a possible impairment and are recorded at cost less accumulated impairment losses. Gains and losses on the disposal of a Company include the carrying value of the goodwill related to the Company sold.

To verify impairment, the goodwill acquired in a business combination is assigned to each of the Cash Generating Units (CGU), which is expected to benefit from the synergies of the combination. Each unit to which the goodwill has been assigned represents the lowest level within the entity to which goodwill is controlled for internal management purposes. Goodwill is controlled at the operating segment level.

ii. Brands

The brands acquired individually are shown at historical cost, while those acquired through business combinations are recognized at their fair value at the date of acquisition. Brands are not amortized and are subject to impairment tests annually. To date, no factors limiting the useful life of these assets have been identified. The brands are considered to have an indefinite useful life due to the positioning they have in the market, some of them, for more than 40 years and because the Company's experience and market evidence indicate that they will continue to generate cash flows for the Company in indefinite form. Additionally, the Company estimates that there are no legal, regulatory or contractual considerations that limit the useful lives of such brands.

iii. Development of computer systems and programs

Activities involved in the development of computer systems and programs include the plan or design and production of a new or substantially improved software or computer system. Expenses pertaining to the development of computer programs are only capitalized when they meet the criteria as shown below.

- Management intends to complete the computer program and use it;
- It is technically possible to complete the computer program so that it is available for use;
- The Company has the capacity to use the computer program;
- It can be proven that the computer program will generate future economic benefits;
- The Company has the technical, financial and other resources necessary to conclude the development of the program for its use, and
- Expenses related to the development of the computer program can be reliably measured.

The licenses acquired for the use of programs, software and other systems are capitalized at the value of the costs incurred for their acquisition and preparation for their use. Other development costs failing to meet these criteria and research expenses, as well as maintenance expenses are recognized and expensed as they are incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

The costs incurred in the development of software recognized as assets are amortized over their estimated useful lives, recognized in administrative expenses, which fluctuate between five (licenses and fees) and ten years (new IT developments). See Note 14.

iv. Other intangibles

As a result of the acquisition of Suburbia, the Company recognized an intangible derived from the knowledge of the operative process of purchases, commercial planning, product design and commercialization (CATMex). This intangible asset was recognized at fair value at the date of acquisition and was considered indefinite based on the expectation of generating future economic benefits and is subject to annual impairment tests.

2.14 Impairment of non-financial assets

Non-financial assets subject to depreciation are subject to impairment testing. Impairment losses correspond to the amount at which the book value of the asset exceeds its recovery value. The recovery value of assets is the greater of the fair value of the asset less costs incurred for its sale and its value in use. For impairment assessment, assets are grouped at the lowest levels at which they generate identifiable cash flows (cash-generating units). Non-financial assets subject to write-offs due to impairment are valued at each reporting date to identify possible reversals of the impairment.

Goodwill and intangible assets with an indefinite useful life are not subject to amortization and are subjected annually to impairment tests, or more frequently, if there are events or circumstances that indicate that they could be affected. Other assets are subject to impairment tests when events or changes in circumstances indicate that the carrying amount may not be recovered. An impairment loss is recognized for the book value of the asset that exceeds its recoverable value. Recoverable value is the higher of the fair value of an asset less its disposal costs and its value in use. For assessing impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash flows of other assets or groups of assets (cash generating units). Impaired non-financial assets other than goodwill are reviewed to determine the possible reversal of the impairment at the end of each reporting period.

2.15 Accounts payable

Accounts payable are obligations of goods or services acquired from vendors in the normal course of operations. Accounts payable are classified as current liabilities if the payment is to be made within a year or less. Otherwise, they are shown as non-current liabilities.

The Company has established financing programs for suppliers, through which they can discount their documents with different financial institutions. The balance payable derived from these programs is recognized within suppliers, since the terms of accounts payable do not change, in the consolidated statement of financial position. The balance payable discounted by suppliers as of December 31, 2023 and 2022 amount to $4,647,741 and $5,199,058, respectively.

Accounts payable are initially recognized at fair value and subsequently re-measured at their amortized cost, using the effective interest rate method.

2.16 Loans from financial institutions, issues of stock certificates and senior notes

Loans from financial institutions, issues of stock certificates and senior notes are initially recognized at fair value, net of costs incurred in the transaction. This financing is subsequently recorded at its amortized cost. Differences, if any, between the funds received (net of transaction costs) and the redemption value are recognized in the statement of income during the period of the financing, using the effective interest rate method.

2.17 Cancelation of financial liabilities

The Company cancels financial liabilities if, and only if, the Company's obligations are met, canceled or matured.

2.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of cash flows to settle the obligation and the amount can be estimated reliably required. The amount recognized as a provision is the best estimate on the reporting period, the expenditure required to settle the present obligation, the payment is made by the amount assessed rationally, the Company has to pay to settle the obligation to the end of the reporting period under review, or to transfer it to a third party at that time. See Note 16.

2.19 Income tax

The income tax comprises currently payable and deferred taxes. The tax is recognized in the statement of income, except when it relates to items applied directly to other comprehensive income or losses or to stockholders' equity. In this case, the tax is also recognized in other items pertaining to comprehensive income or directly to stockholders' equity, respectively.

Deferred income tax is recognized on temporary differences arising from comparing the book and tax values of all assets and liabilities of the Group. However, deferred tax liabilities are not recognized if it arises from the initial recognition of goodwill; nor deferred income tax is recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the year and are expected to apply when the deferred income tax asset is realized, or the deferred income tax liability is settled.

The charge corresponding to taxes on profits currently payable is calculated according to the tax laws approved as of the consolidated statement of financial position date in Mexico and in the countries where the Company's associates operate and generate a taxable base. Management periodically evaluates their tax positions with respect to tax refunds as tax laws are subject to interpretation. According to this assessment as of December 31, 2023 and 2022, there are no uncertain positions.

The deferred tax asset is only recognized to the extent that future tax benefits are likely to be achieved and can be applied against any temporary differences in liabilities.

The deferred tax on profits is generated on the basis of the temporary differences between investments in subsidiaries and associates, except when the Company can control when those temporary differences are reinvested, and the temporary difference is unlikely to be reinvested in the foreseeable future.

The balances of deferred asset and liabilities, tax-on-profits, are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax-on-profit assets and liabilities relate to the same tax entity, or different tax entities where the balances are to be settled on a net basis. See Note 22.

2.20 Employee benefits

a. Pensions and seniority premium

The Company's subsidiaries operate pension plans and seniority premiums that are usually funded through payments to trust funds, based on annual actuarial calculations. The Company also has defined benefit plans and a defined benefit pension plan which is a plan that determines the amount of the pension benefits to be received by an employee upon retirement, which usually depends on one or more factors, such as the employee's age, years of service and compensation.

The liability or asset recognized in the consolidated statement of financial position with respect to defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date, less the fair value of the plan assets, along with the adjustments arising from unrecognized actuarial profits or losses and the costs of past services. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of defined benefit obligations is determined, discounting estimated cash flows at the interest rates of government bonds denominated in the same currency in which the benefits will be paid, and have expiration terms that approximate the terms of pension obligations.

Actuarial remeasurements arising from adjustments based on the experience and changes in actuarial assumptions are charged or credited to stockholders' equity in other comprehensive-income items in the period they arise.

The plans in Mexico generally expose the Company to actuarial risks, including investment risk, interest rate risk, longevity risk and risk of salary, according to the following:

Investment risk: The rate of return expected for the funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on assets is less than the fee, this will create a deficit in the plan. Currently, the plan has a balanced investment in fixed income instruments and actions. Due to the long-term nature of the plan, the Company considers it appropriate that a reasonable portion of the plan assets are invested in equities to leverage the yield generated by the fund, taking at least an investment in government instruments of 30% stipulated in the Income Tax Law.

Interest rate risk: A decrease in the interest rate increase plan liabilities; volatility in rates depends exclusively on the economic environment.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of plan participants increased liabilities.

Risk salary: The present value of the defined benefit obligation is calculated by reference to future wages of participants. Therefore, an increase in the expectation of salary increases participants plan liabilities.

b. Annual bonus for retaining executive

Some of the Company's executives receive an annual retainer bonus, calculated as a percentage of their annual compensation and depending on the completion of certain goals established for each officer at the beginning of the year. The Company has set up a reserve of $447,794 at December 31, 2023 ($398,938 at December 31, 2022), which included in Note 16 within the provision of bonuses and compensation to employees.

c. Employees' statutory profit sharing and bonuses

The Company recognizes a liability and a bonus expense and employees' statutory profit sharing based on a calculation that considers the tax profit after certain adjustments. In the case of the PTU derived from the reform on labor, a maximum limit of three months of the worker's salary or the average of the PTU received in the last three years was established, whichever is the lesser. The Company recognizes a provision when it is contractually obligated or when there is a past practice that generates an assumed obligation.

d. Other employees benefits by voluntary separation or dismissal

The Company grants certain benefits to employees that leave the Company either by termination or voluntary decision after 20 years of service. In accordance with IAS 19 "Employee benefits", this practice constitutes an assumed obligation of the Company to its employees, which is recorded based on annual actuarial studies prepared by independent actuaries. See Note 18.

e. Benefits paid to employees for severance required by the law

The Company recognizes and pays compensation on the first of the following dates: a) the Company may not withdraw the offer of those benefits, and b) when the Company recognizes the costs of restructuring that is within the scope of IAS 37 and involves payment termination benefits.

2.21 Capital stock

Common shares are classified as capital.

2.22 Revenue recognition

Income represents the fair value of cash collected or receivable arising from the sale of goods or the rendering of services in the normal course of Company operations. Income is shown net of discounts granted to customers.

The Company uses the IFRS 15 methodology for revenue recognition based on the following steps:

- Identification of the contract with the client;
- Identification of the performance obligations;
- Determination of the transaction price;
- Assignment of the transaction price to performance obligations;
- Recognize income as performance obligations are met.

a. Sale of merchandise

Revenue from merchandise sales is recognized when the customer buys in stores, over the phone or on the internet and takes possession of the good at the time the merchandise is delivered. The Company does not consider the sale of merchandise and its delivery as separate performance obligations, because customers obtain control of the goods at the time of delivery. For promotions of merchandise sales to months without interest less than one year, as a practical solution, the Company does not adjust the amount of said sales, in accordance with the provisions of IFRS 15. For sales to months without interest exceeding one year, the Company has assessed that the amount of the discount for such sales is not significant.

The Company considers as merchandise sales of the period those in which the customer has obtained control of a product in a post-billing delivery agreement, when all the following criteria are met:

- The reason for the post-billing delivery agreement is requested by the customer;
- The product is identified separately as belonging to the customer;
- The product is currently ready for physical transfer to the customer, and
- The Company may not have the ability to use the product or redirect it to another customer.

The Company's policy is to allow the return of certain items sold. Customer returns usually involve a change of size, color, etc.; however, in cases in which the customer definitively wishes to return the product, the Company allows customers to credit the value of the merchandise to their account, if the purchase was made with the Company's own cards, or to return the amount of the purchase in an electronic cash card or a credit to the customer's bank credit card, if the purchase was made in cash or with external cards, respectively.

b. E-wallets and gift certificates

- E-wallets

  The Company offers promotions, some of which involve benefits granted to its customers represented by e-wallets, the value of which is referred to as a percentage of the selling price. E-wallets can be used by customers to settle future purchases at the Company's department stores. Upon the time the electronic wallets are granted, they are recognized in the deferred income account in the consolidated financial position. The Company deducts the amount granted to its customers in e-wallets from revenue. This account is canceled when the customer redeems the E-wallet; whether partially or entirely through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using e-wallets accounts that have been inactive for 24 months is very low. Therefore, e-wallets showing these characteristics are canceled, with a credit to sales.

- Gift certificates
  The Company offers its customers gift certificates with no specific expiration date. Upon their sale, gift certificates are recognized in the deferred revenue account in the statement of consolidated financial position. This account is canceled when the customer redeems the gift certificate; whether partially or entirely, through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using gift certificates that have been inactive for 24 months being is remote. Therefore, certificates with these characteristics are canceled against service income and other.

c. Interest income from the customers
In accordance with IFRS 9 "Financial instruments", interest income is recognized by the effective interest rate method. Late payment of interest is recorded as income as it is collected.

d. Lease revenue
The Company's policy for recognition of operating lease revenue is described in Note 2.25.2

e. Services and other
Income from service agreements is determined as follows:

- Service income is recognized when the customer receives the benefit of the service, such as: beauty salon, travel agency, opticians, marketplace, etc.

2.23 Deferred income
The Company records deferred income arising from different transactions in which cash was received, and in which the conditions for revenue recognition described in paragraph 2.22, b) have not been met. Deferred revenue is shown separately in the consolidated statement of financial position.

2.24 Other accounts receivable
The Company classifies as other accounts receivable all loans or advance payments made to employees and other parties or companies other than the general public. If collection rights or recovery of this amount is realized within 12 months from the period close, they are classified as short-term; otherwise, they are shown as long-term.

In the case of other accounts receivable, the simplified approach of IFRS 9 has been applied to measure the expected credit losses over the life of the instrument.

2.25 Leases
2.25.1 Lessee
Leases are recognized as a right-of-use asset and a liability corresponding to the date the leased asset is available for use by the Company.

Assets and liabilities derived from a lease are initially measured at present value. Lease liabilities include the net present value of the following payments:

- Fixed payments (including if they are substantial), less lease incentives receivable;
- Variable lease payments that are based on an index or rate; initially measured using the index or rate on the start date;
- The amounts expected to be payable by the Company in the guarantee of residual value;
- Price of exercising a purchase option if the Company has reasonable certainty of exercising this option, and
- Penalty payments for the termination of the lease agreement, if the terms of the lease reflect that the Company will exercise this option.

Lease payments that will be made under renewal options with reasonable certainty of being exercised are also included in the measurement of the liability.

The determination of lease liabilities is made using the interest rate implicit in the lease. However, that rate cannot be easily determined, so the Company uses the incremental financing rate, which is the rate that the Company would have to pay to borrow the necessary funds to obtain an asset of similar value to the right of use of assets in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental financing rate, the Company:

- It uses a risk-free interest rate plus the credit risk curve associated with the rating determined for the Company and applies specific adjustments to the lease, for example, term and currency type.

The Company is exposed to possible future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted to the right of use asset.

Lease payments are allocated between the principal and the financial cost. The financial cost is charged to income during the lease period in order to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost, including the following:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or before the commencement date minus any lease incentive received;
- Any initial direct costs, and
- Restoration costs.

The right-of-use assets are generally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset depreciates during the useful life of the underlying asset.

The Company applied the practical file IFRS 16 "Rent concessions related to COVID-19" to recognize the forgiveness of leasing of buildings received as a result of the pandemic until December 31,2022 for an amount of $7,186, this amount was recognized as variable income and is included in administration expenses.

The Company applied the exemption for the recognition of low-value assets, which include electronic tablets, printing equipment and small items of office furniture.

Payments associated with short-term leases of furniture and equipment, vehicles and all leases of low-value assets are recognized under the straight-line method as an expense in results. Short-term leases are leases with a lease term of 12 months or less.

2.25.2 Lessor

Revenue from operating leases in which the Company is a lessor is recognized in the statement income under the straight-line method during the term of the lease. The initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and are recognized as expenses during the term of the lease on the same basis as the income from the lease. The respective leased assets are included in the statement of the financial position depending on their nature. Lease income at 2023 and 2022 for $ 4,534,684 and $3,721,874, respectively, includes non-lease components for $1,459,110 and $1,038,825, which are recognized in accordance with the income standard for contracts with customers.

The Company accounted for the modifications in operating leases as a new lease from the effective date of the modification, considering the anticipated or accumulated lease payments related to the original lease as part of the payments of the new lease, they continue to be recognized in a straight line.

2.26 Earnings per share

Basic earnings per ordinary share are calculated by dividing the holding interest by the weighted average of ordinary shares outstanding during the period. Earnings per diluted share are determined by adjusting the holding interest and ordinary shares, under the assumption that the entity's commitments to issue or exchange the Company's own shares would be realized. Basic earnings are the same as diluted earnings due to the fact that there are no transactions that could dilute earnings. See Note 21.

2.27 Supplier rebates

The Company receives rebates from suppliers as reimbursement for discounts granted to customers. Supplier reimbursements related to discounts granted to customers with respect to merchandise sold are negotiated and documented by the purchasing areas and are credited to the cost of sales in the period in which they are received.

2.28 Prepaid payments

The Company recognizes prepaid payments for television advertisement and insurance premiums. Those amounts are recorded at the value that was contracted and are recorded in income when the advertisements are broadcasted and on a straight-line basis for insurance premiums. None of the insurance policies have a term exceeding twelve months.

2.29 Financial assets at fair value through other comprehensive income

Equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognize in this category. There is no subsequent reclassification of fair value gains and losses to the income statement after the derecognition of the investment. The group transfers the gain or loss from other comprehensive income to accumulated profits in the same period in which they are generated. Dividends from such instruments are recognized in the income statement as other income when the Company's right to receive payments is established.

Note 3 - Risk management:

The main risks to which the Company is exposed are:

3.1 Real estate risk
3.2 Market risks
3.2.1. Exchange rate risk
3.2.2. Interest rate risk
3.3 Financial risks
3.3.1. Liquidity risk
3.3.2. Credit risk
3.4 Fair value estimation
3.5 Climate change risk

3.1 Real estate risk

The Company owns department stores and either owns or co-owns 28 shopping malls. The Board of Directors is responsible for authorizing the purchase of land and buildings proposed by the Company's real estate area. For every real estate investment, sales are estimated per square meter and the return on the investment is to be generated. The Company has no risk concentration in accounts receivable from lessees, as it has a diversified base and periodically evaluates their payment capacity, especially prior to renewing their lease agreements. Although the value of real property in Mexico is relatively stable, economic development and structural changes in the country are risk factors that could affect the supply and demand of real property and affect rent levels and the risk of vacant commercial space. Commonly, real property in Mexico is quoted in US dollars, and thus an excessive rise in the exchange rate of the peso to the dollar or in the prices of property available to the Company or construction materials could limit the Company's plans to expand. The Company has insurance that duly covers its assets against the risk of fire, earthquake and other natural disasters. All insurance has been contracted with leading companies in the insurance market.

3.2 Market risk

The Company contracts derivative financial instruments to reduce the uncertainty of the return on its projects. The derivative financial instruments contracted are assigned for hedge accounting purposes and are closely linked to the financing contracted by the Company.

The Company's internal control policies require that the representatives of the finance and legal areas conduct an analysis prior to contracting financing or conducting operations with derivative financial instruments. In evaluating the use of derivatives, to cover the financing risks, sensitivity analysis is conducted of the different variables and effectiveness testing is conducted to determine the book treatment of the derivative financial instrument, once contracted.

3.2.1 Exchange rate risk

Except as mentioned in Note 17, the Company has not contracted financing in foreign currencies; however, the Company is exposed to risks related to movements in the exchange rate of the peso to the US dollar and the euro with respect to importations of merchandise mainly from Europe and Asia. As of December 31, 2023, and 2022, purchases of merchandise in a currency other than the Mexico peso represent approximately 13% and 16% of total purchases, respectively.

At December 31, 2023 and 2022, the Company's exposure to exchange rate risks amounted to US$(133,954), €15,158 and US($556,880), €(1,483), respectively. In the event of an 8% increase in the exchange rate of the peso to the US dollar, the Company's loss would approximate $181,036 and $22,664. The 8% represents the sensitivity rate used when the foreign exchange risk is reported internally to the Results Review Committee and represents the Administration's assessment of the possible variation in exchange rates. The sensitivity analysis includes only the monetary items pending settlement denominated in foreign currency at the end of the year.

The Company maintains an investment in Grupo Unicomer Corp. (Unicomer), and the cash flows received are denominated in US dollars. The risk of conversion is the risk that the variations in exchange rates will cause volatility in the peso value of these cash flows. The Company has not hedged the cash flows it receives from this investment.

Additionally, the Company maintains an investment in shares of Nordstrom, Inc., said transaction was funded with US dollars. Conversion risk is the risk that changes in the exchange rate cause volatility in the value in pesos.

The Company had the following foreign currency monetary assets and liabilities:

		December 31, 2023		2022
Thousands of US dollars:				
Monetary assets	US$	743,205	US$	573,859
Monetary liabilities		(877,159)		(1,130,739)
Short position	US$	(133,954)	US$	(556,880)
Equivalent in pesos	$	(2,262,952)	$	(10,843,289)
Thousands of Euros:				
Monetary assets	€	35,838	€	7,824
Monetary liabilities		(20,680)		(9,307)
Long (short) position	€	15,158	€	(1,483)
Equivalent in pesos	$	283,297	$	(30,818)

The exchange rates of the peso to the dollar, in effect at the date of the consolidated statement of financial position and the date of approval of the independent auditor's report, were as follows:

		February 27, 2024		December 31, 2023
US dollar	$	17.0605	$	16.8935
Euro	$	18.5234	$	18.6896

3.2.2 Interest rate risk

The contracted financings are subject to fixed and variable interest rates and expose the Company to the risk of variability in interest rates and, therefore, to its cash flows. The Company's policy is to cover most of its financing towards a fixed rate profile. The main objective of the use of derivative financial instruments is to know with certainty the effective flows that the Company will pay to comply with its obligations. With interest rate swaps, the Company agrees with other parties to deliver or receive monthly the difference between the interest amount of the variable rates agreed in the debt contracts and the amount of the interest of the fixed rates contracted in derivative financial instruments. In both years 100% of the debt is agreed at a fixed rate. The Company continuously analyzes its exposure to interest rates. A number of different interest rate scenarios are evaluated such as, refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the corresponding impact on results or its consolidated financial position.

The Company contracts interest rate swaps that have critical terms similar to the item covered, such as the reference rate, restart dates, payment dates, maturities and nominal amount. As all critical terms agreed upon during the year, there is an economic relationship.

The ineffectiveness of coverage for interest rate swaps is assessed using the same principles as for hedges of purchases in foreign currency. They can occur due to the following:

- Adjustment of the creditor value/debtor value in interest rate swaps that do not correspond to the loan, and

- The critical differences between interest rate swaps and loans.

There was no recognized ineffectiveness during 2023 or 2022 in relation to interest rate swaps.

Sensitivity analysis for interest rates

The following sensitivity analyses have been determined considering the current derivative financial instruments at December 31, 2023 and assuming the following:

If interest rates had been 10 basis points below and all the other variables remained constant. The other items comprising comprehensive income for the year ended December 31, 2023 and 2022 would have increased by $36,981 and $55,764 net of deferred taxes, mainly as a result of the changes in fair value of hedge derivative financial instruments contracted to hedge against exposure to changes in interest rates.

Reference interest rate reform

There is no direct contractual impact on the "Swaps" due to the fact that the current operations are agreed at fixed rates, and the swap contract itself foresees that it uses the TIIE rate or the one that substitutes it. In the case of the valuation of swaps, there are little representative variations derived from the change in the discount curves used.

The information corresponding to the interest rate derivative financial instruments that have been contracted is shown in Note 10 of these consolidated financial statements.

3.3 Financial risks

3.3.1 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its fund requirements. Company's Management has established policies, procedures and limits that govern the Treasury function. The Treasury is responsible for ensuring the Company's liquidity and for managing its working capital to guarantee payments to vendors, capital investments and fund the costs and expenses of the operation. The Company finances its operations through a combination of: 1) using cash available, 2) reinvestment of a significant portion of profits, and 3) contracting financing and leasing denominated in pesos.

For 2023, the favorable results in revenue generation and collection increase the Company excess of cash flows.

Some financial institutions may require deposits as collateral or margin calls based on derivative financial instrument contracts if the market value of our derivatives that hedge exchange rate risks exceeds a previously agreed contractual limit, for which we are subject to respond to these margin calls which require covering a substantial amount of cash and may reduce funds available for our operations or other capital needs, however the Company has available short-term lines of credit of approximately $6,780,352; as well as overdraft lines to immediately access debt instruments for $7,860,000. As of December 31, 2023, there were requirements to make these deposits as collateral. As of December 31, 2022, it was not required to make these deposits. See Note 10.

The following table shows the contractual maturities of the Company's financial liabilities according to the expiration periods. This information has been prepared considering the cash flows without discounting, from the first date on which the Company will be required to pay and includes the contractual interests and the main cash flows:

		Between 1 month and 1 year		Between 1 and 5 years		More than 5 years
December 31, 2023:						
Suppliers and creditors	$	51,768,181	$	-	$	-
Senior notes and contractual interests		7,143,553		22,868,928		5,240,900
Lease liabilities		2,451,242		7,759,314		13,925,696
	$	61,362,976	$	30,628,242	$	19,166,596
		Between 1 month and 1 year		Between 1 and 5 years		More than 5 years
December 31, 2022:						
Suppliers and creditors	$	45,329,325	$	-	$	-
Senior notes and contractual interests		2,325,165		26,685,503		10,975,172
Lease liabilities		2,329,885		7,489,052		13,914,034
	$	49,984,375	$	34,174,555	$	24,889,206

3.3.2 Credit risk

Credit risk is when the Company suffers losses as a result of customers defaulting on payments, financial institutions in which it maintains investments or the counterparties with which derivative financial statements are contracted.

Loan portfolio

The Company's accounts receivable are comprised of loans granted to our customers through the use of credit cards issued by the Company to purchase merchandise, goods and services at our stores or establishments affiliated to with VISA system. During 2022, two pilot programs were implemented for the following products: 1) Consumer credit, a product that grants an amount of credit to Suburbia customers to purchase merchandise and 2) Guaranteed card, a product that consists of the cardholder leaving a deposit as guarantee, the amount of the deposit will be equal to your credit limit. By 2023, these products are no longer pilots and are considered active products in the portfolio.

The Company has a robust risk management system for the loan portfolio, whose main components include: 1) credit granting processes, portfolio administration and management, and collection management; 2) information security, technological infrastructure and processes and procedures in store and corporate; 3) the regulatory risk, which includes aspects related to compliance with the provisions issued by the Consumer Advocacy Agency, and 4) the risk of fraud.

Credit application forms are evaluated and approved through automated procedures using parameterized scorecards (grading factors) designed by the Company. For managing the initial lines of credit, limits are also evaluated automatically by the Company's system and are periodically monitored by the risk department to increase or decrease them based on the cardholder's record. The Company has the infrastructure to manage credit line growth strategies, with risk rating models (scorecards) that allow risk predictability. Additionally, there are processes and policies for early identification of potential changes in payment capacity, prompt corrective decision making and determination of current and potential losses.

The Company continuously monitors the recovery of its portfolio based on a broad range of tools and mathematical models, as well as considering a number of factors that include historical trends of portfolio aging, a record of cancellations and future expectations of performance. In times of economic crisis and with high unemployment indexes, the Company restricts approval of applications and loans made, as well as restricting credit limits of current customers. Given the Company's line of business, there are no real guarantees related to accounts receivable. The best way to represent the maximum exposure to credit risk is the carrying value of accounts receivable.

For the management of delinquent accounts, the Company has policies, processes, analytical tools and infrastructure to manage the recovery of the portfolio. Collection management is segmented by risk level and delinquency level through specialized internal and external offices. Through automated systems, monthly account cutoffs are conducted and any accounts failing to show the requirement payment are detected. Accounts not receiving payment are immediately blocked to prevent the balance from continuing to grow and the automated computation of late-payment interest begins. Based on the evaluation of certain variables, late-payment risks of the accounts in default and the actions to be taken on those accounts are determined. The following actions are taken on accounts in default: telephone calls to customers, sending of letters and home visits, among others. Accounts showing no payment after 150 days are automatically assigned to collection agencies to take over collection efforts, and accounts showing more than 240 days default are written off.

Accounting policy for the provision for credit losses
To calculate this provision, the Company recognizes future losses in the portfolio based on the level of impairment of credit risk. The key information used to measure the provision for expected credit losses (ECL) includes the following parameters:

- Probability of Default (PD);
- Significant Increase in Credit Risk (SICR);
- Loss Given Default (LGD), and
- Exposure at Default (EAD).

The expected credit loss methodology uses information derived from statistical models using historical data.

To measure the expected credit losses, the loan portfolio has been grouped according to the credit risk characteristics ("Liverpool" and "LPC" credit cards), the days of non-compliance and the historical performance of the portfolio. In the case of the Suburbia and Suburbia VISA ("Suburbia") portfolio, the simplified approach is used, which considers a period of 3 years in accordance with the provisions of IFRS 9, as it is a recently created product, which causes there is not enough history for the generation of own models and the application of the general approach.

The Company estimates the LGD parameters based on the history of the recovery rate of claims against unpaid credits. The LGD model considers the recovery of cash. EAD represents the expected exposure at the time of payment default.

The EAD of a financial asset is the gross carrying amount at the time of default. Likewise, EAD also considers the portion of the undrawn line of credit that can potentially be exercised in the future.

The significant increase in risk is estimated with the change between the PD with which the account originated and the PD that it has at the time of calculating the provision, for this, certain thresholds are determined for credits in stage 1, which if are passed, then the credits migrate to stage 2.

The Company prospectively assesses expected credit losses related to its financial assets carried at amortized cost.

The impairment methodology depends on whether there has been a significant increase in credit risk. Once the Company has classified its financial assets according to credit risk, they are evaluated individually or collectively to identify signs of impairment and thus recognize the provision for impairment arising from credit risk.

In determining whether the credit risk of an account has increased significantly since its initial recognition, the Company considers reasonable and supportable information that is relevant and available without further cost or effort, including quantitative and qualitative information. As additional support, the Company assumes that a considerable increase in credit risk occurs when an asset defaults, that is, when loans accumulate 90 days or more without receiving a payment.

The expected credit loss model is based on changes in credit quality from initial recognition and considers the following phases:

Stage 1
This stage includes loans that have not had a significant increase in credit risk and the basis for recognition of the provision considers expected losses for the next 12 months.

Stage 2
This phase includes loans that have suffered a considerable increase in credit risk, but for which there is no objective evidence of impairment. Interest income is still calculated on the gross book value of the asset. And the recognition basis of the provision considers the expected losses throughout the remaining life of the loan.

Stage 3
This stage includes loans with objective evidence of impairment at the date of each cutoff. Interest income is calculated on the net book value. And the recognition basis of the estimate is over the remaining life of the accoun

Penalty
The portfolio is written off when there is no reasonable expectation of recovery. The indicator that there is no reasonable expectation of recovery is that the debtor does not propose a payment plan to the Company, after 150 days without payment, from that moment, the credits are automatically assigned to the external lawyers firms specialized in collection to continue the collection efforts, and when reaching 240 days without receiving payments, they are canceled from the accounting. See Note 8.

Loan portfolio impairment losses are presented as net impairment losses within operating income. Subsequent recoveries of amounts previously paid are credited against the same line.

For stage 1, the PD is determined by the probability that the loan may default in the next 12 months. In stage 2, the PD is the probability of default over the remaining life of the loan. For loans in stage 3 the PD considers 100% of probability that the credit will not be recovered. See Note 8.

Prospective information incorporated in the Expected Credit Loss (ECL)
The Company uses prospective information considering historical data and its experience in managing this type of data. Likewise, the Company carried out a historical analysis to identify the macroeconomic variables that affect expected credit losses, these being the Consumer Confidence Index (ICC5), Gross Domestic Product (GDP) and the Equilibrium Interbank Interest Rate (TIIE). Based on expected changes in these factors, the Company adjusts historical loss rates.

In the case of macroeconomic factors, the Company has built a scenario stressing the variables that affect the model (GDP, TIIE and ICC5), in order to reflect the increase in risks with respect to historical changes related to the probability cardholder default.

Financial institutions and counterparties in derivative operations
Cash surpluses are invested in credit institutions with a high credit rating, such as in government instruments and counterparties in derivative operations are high credit quality financial institutions. It should be mentioned that none of the Company's derivative financial instruments require it to keep cash deposits in margin accounts to guarantee these operations.

3.4 Fair value estimate

The financial instruments in the statement of financial position are recorded at fair value based on the following hierarchy.

- Level 1 fair values are derived from prices quoted (not adjusted) in active markets for identical liabilities or assets.
- Level 2 fair values are derived from indicators different from the quoted prices included in Level 1, but that include indicators that are observable directly to quoted prices or indirectly, that is to say, derived from these prices, and
- Level 3 fair values are derived from valuation techniques that include indicators for assets or liabilities that are not based on observable market information.

December 31, 2023:	Book value	Level 1	Level 2	Level 3
Assets arising from hedge derivative financial instruments	$ 1,209,410	$ -	$ 1,209,410	$ -
Liabilities arising from trading derivative financial instruments	(639,650)	-	(639,650)	-
Liabilities arising from hedge derivative financial instruments	(1,197,410)	-	(1,197,410)	-
Asset at fair value through other comprehensive income	4,910,597	4,910,597	-	-
Investment as cash equivalents	18,192,891	18,192,891	-	-
Total	$ 22,475,838	$ 23,103,488	$ (627,650)	$ -

December 31, 2022:		Book value		Level 1		Level 2		Level 3
Assets arising from hedge derivative financial instruments	$	2,179,187	$	-	$	2,179,187	$	-
Assets arising from trading derivatives		7,253		-		7,253		-
Asset at fair value through other comprehensive income		4,951,323		4,951,323		-		-
Investment as cash equivalents		20,712,052		20,712,052		-		-
Total	$	27,849,815	$	25,663,375	$	2,186,440	$	-

During the years ended December 31, 2023 and 2022, there were no transfers between levels 1 and 2. The carrying amount of short-term financial instruments is similar to its fair value due to materializing in the short term.

Derivative financial instruments that are classified at level 2, for determining fair value, the pricing model recognized in the financial sphere was used, (estimated future cash flows brought to present value) using available market information to the valuation date. The key assumptions of market inputs used were: a) Futures curve US Government bonds, b) Futures curve Mexican Government and c) Quotation at market value.

3.5 Climate change risk

Our risk management processes consider the environmental, social, and corporate governance (ESG) factors that may impact a company's finances, assets, or reputation. During the first approach, the risks to which the Group is exposed as a result of climate change are transition risks (e.g., regulatory changes and risks to the reputation) and physical risks (even if the risk of physical damage is low due to the Group's activities and geographic location). Within the physical dangers, extreme climate conditions may occur, such as greater intensity of rains, higher occurrence of hurricanes, extended droughts, extended periods of warm temperatures during the winter, or cold weather during the summer. These may affect consumers' economies, reduce the demand for some of our inventory, produce interruptions or delays in the production and delivery of materials and products in our supply chain, and cause a shortage of personnel in our stores.

The Group is committed to operating more respectfully towards the environment each time, by working on the processes, incorporating criteria of circular economy, eco-efficiency, and reduction of greenhouse gas (GHG) emissions, which contribute to climate change. By 2040, the Group's objective is to be a Net Zero company as to direct GHG emissions, through investments in: a) recycling 100% of possible residue, b) reducing consumption of drinking water, and c) reducing energy consumption through efficiency initiatives and an increase in the use of renewable sources of energy. There are ongoing projects related to self-generated energy using solar panels at our location and incorporating the first hybrid and electric units for product distribution to clients, for which we have established charging stations. Likewise, there are projects to implement an integral system of sustainable packaging and facilities, such as distribution centers with neutrality in water consumption, GHG emissions, and waste management. Consult the Environmental performance section in the Group's Integrated Annual Report produced by the management to obtain more information regarding the climate risk and the commitments undertaken by the Group to tackle it.

The Group maintains insurance policies for earthquakes, floods, and other similar circumstances, including property, accident, and business interruption insurance, and established plans to operate in emergencies such as the ones previously described.

As of December 31, 2023, the Group has not identified risks associated with climate change that may negatively or materially affect the financial situation of the Group. Nevertheless, the management constantly evaluates the impact of climate-related matters. The Group's financial statements consider climate-related issues when these are material and applicable. In particular, the Group's commitments to reduce GHG emissions were considered when making cash flow projections to conduct the impairment tests and evaluate the useful life of its long-term assets. Assumptions might change in the future as a response to extreme climate conditions, future environmental regulations, new commitments made, and the consumers' changing demand. Even when trying to foresee the climate change effects, these could have an impact on the cash flows, performance, and future financial situation of the Group.

Note 4 - Key sources of uncertainty in the estimates and critical judgments:

In applying the Company's accounting policies, which are described in Note 2, Management makes judgments, estimates and assumptions on the book figures of assets and liabilities. The related estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are analyzed on a regular basis. The reviews of book estimates are recognized in the review period or future periods, if the review affects both the current period and subsequent periods.

The following are the sources of key uncertainty in the estimates made at the date of the consolidated statement of financial position, and which have a significant risk of deriving an adjustment to the book values of assets and liabilities during the following financial period.

4.1 Estimated impairment of intangible assets with an indefinite useful life

The methodology applied by the Company to determine whether goodwill, rights to its brands and other intangibles have suffered any impairment in value is described in Note 14.

4.2 Estimation of useful lives of brands and other intangible assets with an indefinite life

The brands acquired as part of Suburbia have demonstrated their stability by having had permanence in the market for several decades and are well-recognized in Mexico. The knowledge of the operative process of procurement, commercial planning, product design and marketing (called CATMex) is unique in the Mexican market. It has generated economic benefits for Suburbia for several decades. Based on our own experience, during 175 years of operating in Mexico, the Company believes that CATMex will continue to generate cash flows for the Company indefinitely.

To date, no factors limiting the useful life of the aforementioned intangible assets have been identified and there are no legal, regulatory or contractual considerations that limit them, so in the opinion of the Company's Management, it was determined to appoint the brands of Suburbia and CATMex as having an indefinite useful life. See Note 14.

Note 5 - Category of financial instruments:

December 31, 2023:	Amortized cost	Instruments at fair value through profit or loss	Instruments at fair value through other comprehensive income	Total
Financial assets:				
Cash and bank deposits	$ 11,614,275	$ -	$ -	$ 11,614,275
Investments	18,192,891	-	-	18,192,891
Short-term derivate financial instruments	-	-	1,209,410	1,209,410
Other financial assets	-	-	302,227	302,227
Short and long-term loan portfolio	56,973,409	-	-	56,973,409
Other short and long-term accounts receivable	3,669,372	-	-	3,669,372
Financial asset at fair value through other Comprehensive income	-	-	4,910,597	4,910,597
Financial liabilities:				
Issuance of long-term senior notes and short and long-term bank borrowings	$ 27,655,649	$ -	$ -	$ 27,655,649
Suppliers, creditors and provisions	57,287,789	-	-	57,287,789
Short-term derivate financial instruments	-	639,650	-	639,650
Long-term derivate financial instruments	-	-	1,197,410	1,197,410

December 31, 2022:	Amortized cost	Instruments at fair value through profit or loss	Instruments at fair value through other comprehensive income	Total
Financial assets:				
Cash and bank deposits	$ 3,804,202	$ -	$ -	$ 3,804,202
Investments	20,712,052	-	-	20,712,052
Short and long-term loan portfolio	46,312,245	-	-	46,312,245
Other short and long-term accounts receivable	1,605,552	-	-	1,605,552
Financial asset at fair value through other comprehensive income	-	-	4,951,323	4,951,323
Long-term derivative financial instruments	-	-	2,186,440	2,186,440
Financial liabilities:				
Issuance of long-term senior notes and short and long-term bank borrowings	$ 29,705,040	$ -	$ -	$ 29,705,040
Suppliers, creditors and provisions	50,086,657	-	-	50,086,657

Note 6 - Credit quality of financial instruments:

	December 31, 2023	2022
Loan portfolio:		
Counterparties without external risk ratings:		
Group 1 - Customers with Liverpool credit card	$ 44,852,688	$ 37,289,021
Group 2 - Customers with LPC credit card	13,780,847	11,127,018
Group 3 - Customers with Suburbia credit card	3,619,824	2,820,254
Total loan portfolio [1]	$ 62,253,359	$ 51,236,293

[1] Balances are included before the provision for credit losses.

Cash, investments and short-term bank deposits [1]	2023	2022
AAA	$ 29,781,352	$ 24,485,489
AA	-	-
A	-	-
	$ 29,781,352	$ 24,485,489
Financial assets - derivative financial instruments [2]		
AAA	$ 1,209,410	$ 2,186,441
AA	-	-
	1,209,410	2,186,441
	$ 93,244,121	$ 77,908,223

- Group 1 - For the Company, credits granted through the Liverpool credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products on sale at Company stores.
- Group 2 - The LPC credit card, operated by the Company, imply a different risk level due mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use.
- Group 3 - For the Company, credits granted through the Suburbia credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products on sale at Company stores. The Suburbia VISA credit card, operated by the Company, imply a different risk level due mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use. However, as mentioned in note 3.3.2, the company uses the simplified approach for this group as it does not have sufficient history to generate its own models and apply the general approach.

[1] The rest of the cash equivalents in the statement of financial position correspond to petty cash.

[2] The Company does not consider risk factors arising from default on counterparty obligations, due to which, it has not been necessary to set up reserves in this regard at December 31, 2023 and 2022.

Note 7 - Cash and cash equivalents:

	December 31, 2023	2022
Cash and bank deposits	$ 11,614,275	$ 3,804,202
Investments	18,192,891	20,712,052
Total	$ 29,807,166	$ 24,516,254

Note 8 - Loan portfolio and liabilities related to contracts with customers:

	December 31, 2023	2022
Credits related to customer contracts:		
Liverpool	$ 44,852,688	$ 37,289,021
LPC	13,780,847	11,127,018
Suburbia	3,619,824	2,820,254
	62,253,359	51,236,293
Provision for impairment of loan portfolio:		
Liverpool	(3,426,063)	(3,284,151)
LPC	(1,405,788)	(1,253,133)
Suburbia	(448,099)	(386,764)
	(5,279,950)	(4,924,048)
Total loan portfolio	$ 56,973,409	$ 46,312,245
Total short-term loan portfolio	$ 45,021,772	$ 36,976,167
Total long-term loan portfolio	$ 11,951,637	$ 9,336,078

The fair value of the short-term loan portfolio at December 31, 2023 and 2022 closely resembles their book value. The fair value of the long-term loan portfolio until December 31, 2023 and 2022, as established in $11,046,598 and $8,869,780, will be considered level 3 and will be determined using the technique of effective yield at the present value at a current discount rate according to the average term of the portfolio and the risk of it.

The provision for credit losses as of December 31, 2023 and 2022 was determined as follows:

Liverpool

	December 31, 2023			December 31, 2022		
Stage:	Balance	Provision	%	Balance	Provision	%
1	$ 38,587,158	$ 1,355,599	3.51%	$ 29,992,019	$ 1,114,667	3.72%
2	5,209,777	1,299,970	24.95%	6,534,856	1,612,527	24.68%
3	1,055,753	770,494	72.98%	762,146	556,957	73.08%
	$ 44,852,688	$ 3,426,063		$ 37,289,021	$ 3,284,151	

LPC

	December 31, 2023			December 31, 2022		
Stage:	Balance	Provision	%	Balance	Provision	%
1	$ 10,856,161	$ 579,954	5.34%	$ 9,306,391	$ 504,434	5.42%
2	2,471,175	434,612	17.59%	1,500,788	472,722	31.50%
3	453,511	391,222	86.27%	319,839	275,977	86.29%
	$ 13,780,847	$ 1,405,788		$ 11,127,018	$ 1,253,133	

Suburbia

	December 31, 2023				December 31, 2022			
	From 0 to 29 days	From 30 to 89 days expired	From More than 90 days expired	Total	From 0 to 29 days	From 30 to 89 days expired	From More than 90 days expired	Total
Expected loss rate	7.15%	50.02%	90.04%		8.93%	50.03%	90.05%	
Credit portfolio	$ 3,336,373	$ 113,815	$ 169,636	$ 3,619,824	$ 2,615,015	$ 79,138	$ 126,101	$ 2,820,254
Provision for credit losses	$ 238,424	$ 56,934	$ 152,741	$ 448,099	$ 233,622	$ 39,590	$ 113,552	$ 386,764

As of December 31, 2023 and 2022, the movements in the allowance for impairment of accounts receivable are shown as follows:

Liverpool

		Stage 1
January 1, 2022	$	1,653,441
Remeasurement of financial assets that remain in the same stage		(394,690)
From stage 1 to stage 2		(377,795)
From stage 1 to stage 3		(26,048)
From stage 2 to stage 1		565,802
From stage 2 to stage 3		-
From stage 3 to stage 1		66,405
From stage 3 to stage 2		-
Financial assets granted during the period		203,632
Remeasurement of financial assets that changed stage in the period		(526,132)
Financial assets written off in the period		(49,948)
December 31, 2022		1,114,667
Remeasurement of financial assets that remain in the same stage		118,639
From stage 1 to stage 2		(61,979)
From stage 1 to stage 3		(13,220)
From stage 2 to stage 1		931,802
From stage 2 to stage 3		-
From stage 3 to stage 1		85,855
From stage 3 to stage 2		-
Financial assets granted during the period		231,701
Remeasurement of financial assets that changed stage in the period		(1,022,149)
Financial assets written off in the period		(29,717)
December 31, 2023	$	1,355,599

Provision for credit losses

	Stage 2		Stage 3		Total
$	1,054,077	$	461,738	$	3,169,256
	(81,825)		(2,779)		(479,294)
	377,795		-		-
	-		26,048		-
	(565,802)		-		-
	(48,472)		48,472		-
	-		(66,405)		-
	15,721		(15,721)		-
	106,170		43,136		352,938
	963,016		432,676		869,560
	(208,153)		(370,208)		(628,309)
	1,612,527		556,957		3,284,151
	150,662		(2,044)		267,257
	61,979		-		-
	-		13,220		-
	(931,802)		-		-
	(64,448)		64,448		-
	-		(85,855)		-
	11,118		(11,118)		-
	133,808		66,547		432,056
	523,347		620,280		121,478
	(197,221)		(451,941)		(678,879)
$	1,299,970	$	770,494	$	3,426,063

The financial assets written off during the period still subject to collection activities for their recovery amount to $1,465,088 and $1,011,350, as of December 31, 2023 and 2022, respectively.

LPC

		Stage 1
January 1, 2022	$	471,871
Remeasurement of financial assets that remain in the same stage		80,111
From stage 1 to stage 2		(57,702)
From stage 1 to stage 3		(7,497)
From stage 2 to stage 1		379,553
From stage 2 to stage 3		-
From stage 3 to stage 1		33,794
From stage 3 to stage 2		-
Financial assets granted during the period		73,711
Remeasurement of financial assets that changed stage in the period		(360,943)
Financial assets written off in the period		(108,464)
December 31, 2022		504,434
Remeasurement of financial assets that remain in the same stage		60,770
From stage 1 to stage 2		(28,186)
From stage 1 to stage 3		(8,794)
From stage 2 to stage 1		255,151
From stage 2 to stage 3		-
From stage 3 to stage 1		36,181
From stage 3 to stage 2		-
Financial assets granted during the period		88,317
Remeasurement of financial assets that changed stage in the period		(304,019)
Financial assets written off in the period		(23,900)
December 31, 2023	$	579,954

Provision for credit losses					
	Stage 2		Stage 3		Total
$	593,569	$	235,863	$	1,301,303
	(7,966)		(896)		71,249
	57,702		-		-
	-		7,497		-
	(379,553)		-		-
	(23,729)		23,729		-
	-		(33,794)		-
	8,079		(8,079)		-
	30,770		16,295		120,776
	277,932		225,742		142,731
	(84,082)		(190,380)		(382,926)
	472,722		275,977		1,253,133
	7,042		(578)		67,234
	28,186		-		-
	-		8,794		-
	(255,151)		-		-
	(20,401)		20,401		-
	-		(36,181)		-
	5,399		(5,399)		-
	54,959		27,265		170,541
	235,004		333,217		264,202
	(93,148)		(232,274)		(349,322)
$	434,612	$	391,222	$	1,405,788

The financial assets written off during the period still subject to collection activities for their recovery amount to $619,252 and $461,614, as of December 31, 2023 and 2022, respectively.

The balance of the provision for expected losses for the loan portfolio is shown below:

		2023		2022
At January 1	$	4,924,048	$	4,887,149
Increased in provision for credit losses recognized in income during the year		2,889,335		1,791,024
Loan portfolio written off during the year as uncollectible		(2,533,433)		(1,754,125)
At December 31	$	5,279,950	$	4,924,048

Sensitivity analysis for the provision for credit losses
If the Company were to change the prospective information adjustment factor by 10% up or down the macroeconomic paths, the provision for credit losses would increase by $70,408 and decrease by $78,281, respectively.

Deferred income
8.1 Liabilities related to customer contracts are shown below:

		December 31,		
		2023		2022
Contract liability - deferred income	$	2,917,793	$	2,738,667
Total current contract liabilities	$	2,917,793	$	2,738,667

The following table shows how much of the recognized income was included in the balance of the liability for contracts at the beginning of the period:

	December 31, 2023	2022
Deferred income (see Note 2.22.b)	$ 1,332,067	$ 1,615,661
Total current contract liabilities	$ 1,332,067	$ 1,615,661

Note 9 - Other accounts receivable - Net:

	December 31, 2023	2022
Short-term accounts receivable:		
Other debtors [1]	$ 1,426,833	$ 926,340
Laboratorios Biológicos y Reactivos de México, S. A. de C. V.	1,378,369	-
Broxel, S. A. P. I. de C. V.	284,940	259,690
Tenants- Net [2]	2,465	12,430
Short-term loans to employees	238,371	116,153
	3,330,978	1,314,613
Long-term loans to employees	338,336	290,939
Total	$ 3,669,314	$ 1,605,552

1 Includes accounts receivable from voucher issuing companies and other debtors other than merchandise.

2 This amount includes the provision for credit losses for $87,876 and $136,651, as of December 31, 2023 and 2022, respectively.

Note 10 - Derivative financial instruments:

The Company uses Derivative Financial Instruments (DFI) to reduce the risk of adverse movements in the interest rates of its long-term debt and ensure certainty in cash flows that it will pay to comply with the obligations incurred, in addition, the Company uses negotiation instruments.

The main instruments used are interest rate and the positions contracted at the end of each year are shown below:

Assets

		Dates		Interest rate		Fair value at December 31,	
Notional amount[1]		Contracting	Maturity	Contracted by DFI	Agreed in the debt	2023	2022
USD	300,000	October 2014	October 2024	6.81%	3.95%	$ 1,209,410	$ 2,068,141
USD	250,000	September 2016	October 2026	8.88%	-	-	7,253
USD	350,000	September 2016	October 2026	8.59%	3.88%	-	59,649
USD	50,000	October 2016	October 2026	8.87%	3.88%	-	12,195
USD	50,000	October 2016	October 2026	8.76%	3.88%	-	12,096
USD	50,000	October 2016	October 2026	8.84%	3.88%	-	27,106
Total						1,209,410	2,186,440
Less long-term portion						-	(2,186,440)
Current portion (short term)						$ 1,209,410	$ -

Liabilities

Notional amount[1]		Dates		Interest rate			Fair value at December 31,		
		Contracting	Maturity	Contracted by DFI	Agreed in the debt		2023		2022
USD	250,000	September 2016	October 2026	8.88%	-	$	639,650	$	-
USD	350,000	September 2016	October 2026	8.59%	3.88%		859,900		-
USD	50,000	October 2016	October 2026	8.87%	3.88%		117,167		-
USD	50,000	October 2016	October 2026	8.76%	3.88%		117,443		-
USD	50,000	October 2016	October 2026	8.84%	3.88%		102,900		-
Total							1,837,060		-
Less long-term portion							(1,197,410)		-
Current portion (short term)						$	639,650	$	-

1 The notional amounts related to derivative financial instruments reflect the reference volume contracted; however, they do not reflect the amounts at risk as concerns future flows. Amounts at risk are generally limited to the unrealized profit or loss from valuation to market of those instruments, which can vary depending on changes in the market value of the underlying item, its volatility and the credit rating of the counterparties.

In future contracts that are entered into in recognized and international markets associated with interest rates of its long-term debt, the Company is subject to the rules of said markets. These rules include, among others, covering the margin to operate futures contracts, as well as subsequent margin calls (revolving funds, which are required in the presence of variations in underlying rates to be applied against payments) required to the company. As of December 31, 2023, within other financial assets, collateral (margin calls) is presented regarding derivative financial operations carried out with Banco Santander (Mexico), S. A, Institución de Banca Múltiple, Grupo Financiero Santander México, the value of these collaterals (guarantees) is $302,227.

Note 11 - Investments in associates:

Concept	Activity	Place of incorporation and operations	Proportion of shareholding and voting rights December 31, 2023	2022		December 31, 2023		2022
Investment in associates (i), (ii)	Sales	Mexico and Central America	50%	50%	$	7,938,160	$	8,257,623
Other investments in associates (iii)	Malls	Mexico	Several	Several		3,179,625		1,753,435
					$	11,117,785	$	10,011,058

(i) Unicomer
Unicomer is a private company that operates a chain of stores engaged in the sale of furniture and household appliances through a chain of more than 1,280 stores, with different formats in Central America, South America and the Caribbean. The Company has a 50% equity interest in Unicomer. This acquisition gave rise to the goodwill of $757,623, which is included as part of the investment value. The Company does not exercise joint control over Unicomer because the criteria for control is not met. Under IFRS, it exercises significant influence over Unicomer, because it owns 50% of the voting rights and is entitled to designate two members of the Board of Directors.

(ii) Moda Joven Sfera México, S. A. de C. V. (Sfera México)
In 2006, the Company incorporated an entity in association with El Corte Inglés, S. A. with 49% of the capital (the leading department store chain in Spain). This entity operates a chain of 53 stores in México, specializing in family clothing and accessories under the commercial name Sfera.

(iii) Other investments
Malls
Mainly correspond to the Company's equity in the following malls: Angelópolis in the city of Puebla, Plaza Satélite in the Estado de México, Galerías Querétaro in the city of Querétaro, Parque Tepeyac in México City and Galerias Metepec in the Estado de México,

11.1 Following is a summary of the combined financial information pertaining to the Company's associates:

	Unicomer December 31, 2023	Unicomer December 31, 2022	Sfera México December 31, 2023	Sfera México December 31, 2022
Summarized statement of financial position:				
Current assets:				
Cash and cash equivalents	$ 2,762,155	$ 3,013,105	$ 644,514	$ 161,584
Other current assets	21,130,130	25,068,535	489,224	962,323
Total current assets	23,892,285	28,081,640	1,133,738	1,123,907
Non-current assets	22,918,160	18,809,919	1,708,849	1,684,920
Total assets	$ 46,810,445	$ 46,891,559	$ 2,842,587	$ 2,808,827
Current liabilities:				
Suppliers	$ 4,016,944	$ 3,921,819	$ 223,750	$ 237,573
Other current liabilities	12,780,195	15,160,985	151,952	127,925
Total current liabilities	16,797,139	19,082,804	375,702	365,498
Non-current liabilities	16,973,588	14,137,857	1,118,563	1,087,103
Total liabilities	33,770,727	33,220,661	1,494,265	1,452,601
Net assets	13,039,718	13,670,898	1,348,322	1,356,226
Participation of the company in the net assets of associates	$ 6,519,859	$ 6,835,449	$ 660,678	$ 664,551
Goodwill	757,623	757,623	-	-
Equity in net assets of associates	$ 7,277,482	$ 7,593,072	$ 660,678	$ 664,551

	Unicomer Year ended December 31, 2023	Unicomer Year ended December 31, 2022	Sfera México Year ended December 31, 2023	Sfera México Year ended December 31, 2022
Summarized statement of comprehensive income:				
Revenue	$ 23,602,576	$ 25,066,987	$ 2,286,780	$ 2,128,472
Interest income	8,981,525	8,736,859	39,030	16,555
Depreciation and amortization	(1,599,104)	(1,545,577)	(217,773)	(214,555)
Interest expense	(1,626,846)	(1,763,568)	(100,187)	(97,907)
Income tax expense	(462,674)	(854,351)	(176,447)	(110,663)
Net income	631,082	468,428	392,096	291,232
Company's equity in profits of associates	$ 315,541	$ 234,214	$ 192,127	$ 142,704

11.2 The reconciliation of movements in the investment in associates is as follows:

	Unicomer	Sfera México	Other	Total
Balance at January 1, 2022	$ 7,141,333	$ 521,838	$ 1,489,325	$ 9,152,496
Translation effect of investment in associates	(629,767)	-	-	(629,767)
Equity method	234,214	142,704	-	376,918
Capital increase in associates [2]	803,799	-	284,878	1,088,677
Other - Net	43,493	9	(20,768)	22,734
Balance at December 31, 2022	7,593,072	664,551	1,753,435	10,011,058
Translation effect of investment in associates	(629,271)	-	-	(629,271)
Equity method	315,541	192,127	-	507,668
Dividends	-	(196,000)	-	(196,000)
Capital increase in associates [1]	-	-	1,424,269	1,424,269
Other - Net	(1,860)	-	1,921	61
Balance at December 31, 2023	$ 7,277,482	$ 660,678	$ 3,179,625	$ 11,117,785

1 This increase corresponds to a shopping center, of which $687,500 was realized through investment properties that did not involve cash flow.

2 In November 2022, the Company made a contribution for future capital increases in Unicomer in the amount of 40 million dollars equivalent to $803,799.

Note 12 - Investment properties - Net:

		Amount
Balance at January 1, 2022	$	22,431,079
Acquisitions		1,540,699
Disposals		(104,533)
Depreciation		(359,503)
Balance at December 31, 2022	$	23,507,742
Balance at January 1, 2022		
Cost		27,896,164
Accumulated depreciation		(4,388,422)
Balance at December 31, 2022	$	23,507,742
Acquisitions		153,563
Transfer of property, furniture and equipment - net		874,991
Disposals [1]		(1,277,696)
Depreciation		(372,306)
Balance at December 31, 2023	$	22,886,294
Balance at January 1, 2023		
Cost		27,647,022
Accumulated depreciation		(4,760,728)
Balance at December 31, 2023	$	22,886,294

[1] Includes a contribution to the Metepec Shopping Center for $687,500, see note 11.2

Investment properties include shopping malls, works in progress and other land intended to construct future shopping malls.

The fair value of investment properties of the Company at December 31, 2023 and 2022 amounts to $31,305,213 and $29,028,886, respectively, through discounted cash flows, the key assumptions used were the projected annual growth of business and projected cash flow, using an average discount rate of 15% (14.70% in 2022), classified as level 2.

The operating costs directly related to the income from leasing investment properties are comprised as follows:

	Year ended December 31,			
		2023		2022
Repairs and maintenance	$	927,255	$	790,019
Advertising		167,132		151,089
Personnel compensation and benefits		75,210		73,113
Real estate taxes and water		134,598		117,997
Hired services		93,234		38,675
Other expenses		36,890		8,591
Electrical power and utilities		5,692		5,243
Rent of equipment		1,761		2,816
Travel expenses		4,795		3,124
Total	$	1,446,567	$	1,190,667

Note 13 - Property, furniture and equipment - Net:

		Land		Buildings		Furniture and equipment
At December 31, 2023:						
Beginning balance	$	6,922,075	$	31,825,080	$	6,551,888
Acquisitions		-		18,574		528,053
Transfers		80,678		3,608,422		1,817,944
Transfer to investment properties - net [2]		(83,251)		(770,347)		(21,393)
Disposals		-		(161,987)		(46,512)
Depreciation		-		(593,012)		(1,180,138)
Ending balance		6,919,502		33,926,730		7,649,842
At December 31, 2023:						
Cost		6,919,502		41,521,510		21,589,085
Accumulated depreciation		-		(7,594,780)		(13,939,243)
Ending balance	$	6,919,502	$	33,926,730	$	7,649,842
At December 31, 2022:						
Beginning balance	$	6,915,106	$	28,328,243	$	6,254,951
Acquisitions		-		7,475		297,627
Transfers		6,969		4,034,519		1,270,234
Disposals		-		-		(120,770)
Depreciation		-		(545,157)		(1,150,154)
Ending balance		6,922,075		31,825,080		6,551,888
At December 31, 2022:						
Cost		6,922,075		38,826,848		19,310,993
Accumulated depreciation		-		(7,001,768)		(12,759,105)
Ending balance	$	6,922,075	$	31,825,080	$	6,551,888

1 The balance of works in progress at the end of the fiscal year 2023 corresponds to various projects where the Company is building a distribution center, some stores or shopping malls and remodeling some existing ones.

2 This transfer did not involve cash flow.

Note 14 - Intangible assets - Net:

		Indefinite useful life				
		Goodwill		Trademarks		Other intangible
Balance at January 1, 2022	$	7,481,553	$	3,668,021	$	2,108,566
Movements:						
Investments		-		-		-
Disposals		-		-		-
Amortization		-		-		-
Balance at December 31, 2022		7,481,553		3,668,021		2,108,566
Movements:						
Investments		-		-		-
Disposals		-		-		-
Amortization		-		-		-
Balance at December 31, 2023	$	7,481,553	$	3,668,021	$	2,108,566

	Leasehold improvements	Computer equipment	Transportation equipment	Works in progress [1]	Total
	$ 4,586,676	$ 691,344	$ 346,339	$ 4,629,485	$ 55,552,887
	21,023	58,074	72,394	6,964,313	7,662,431
	785,757	449,580	213,198	(6,955,579)	-
	-	-	-	-	(874,991)
	(6,457)	(19,799)	(13,668)	-	(248,423)
	(482,816)	(337,611)	(90,408)	-	(2,683,985)
	4,904,183	841,588	527,855	4,638,219	59,407,919
	10,469,548	4,889,406	1,289,036	4,638,219	91,316,306
	(5,565,365)	(4,047,818)	(761,181)	-	(31,908,387)
	$ 4,904,183	$ 841,588	$ 527,855	$ 4,638,219	$ 59,407,919
	$ 4,192,041	$ 649,143	$ 271,639	$ 5,962,517	$ 52,573,640
	14,270	59,462	254,873	5,164,772	5,798,479
	850,939	323,783	11,360	(6,497,804)	-
	(24,819)	(27,082)	(107,324)	-	(279,995)
	(445,755)	(313,962)	(84,209)	-	(2,539,237)
	4,586,676	691,344	346,339	4,629,485	55,552,887
	9,669,225	4,401,551	1,017,112	4,629,485	84,777,289
	(5,082,549)	(3,710,207)	(670,773)	-	(29,224,402)
	$ 4,586,676	$ 691,344	$ 346,339	$ 4,629,485	$ 55,552,887

	Definite useful life		
	Licenses and fees	IT develoments	Total
	$ 965,839	$ 1,656,090	$ 15,880,069
	34,513	497,749	532,262
	(38,498)	(50)	(38,548)
	(272,963)	(566,218)	(839,181)
	688,891	1,587,571	15,534,602
	169,048	634,208	803,256
	(180)	(2,622)	(2,802)
	(259,639)	(463,337)	(722,976)
	$ 598,120	$ 1,755,820	$ 15,612,080

Impairment test of goodwill, brands and other intangibles
The Company conducts annual tests to determine whether the goodwill, brands and other intangibles, the rights of its brands and other intangibles (CATMex) have suffered any impairment in their value. As of December 31, 2023, the Company performed the respective tests without determining any adjustment for impairment.

The Company identified the Suburbia commercial segment as the Cash Generating Unit (CGU), in which goodwill, trademarks and other intangibles with an indefinite life were assigned. The recoverable value of the CGUs is based on calculations of fair value less cost of disposal, which is prepared based on historical results and expectations about the development of the market in the future included in the business plan. The recovery value calculation considers the cash flow projections based on financial budgets approved by Management, and their recovery derived from the pandemic, these cash flows cover a period of eight years (maturity period of the stores) and a terminal period discounted at present value with an estimated discount rate considering the Company's level of leverage.

As of December 31, 2023, the excess of fair value less disposal costs over book value amounted to $11,513,600 (47%). The level of the fair value hierarchy used was level 3.

The determination of the fair value less the cost of disposal requires the use of estimates that consider the assumptions mentioned below:

	2023 (%)	2022 (%)
Discount rate	13.50	13.00
EBITDA margin (average budgeted)	19.79	15.70
The expected growth rate of sales (average budgeted)	11.53	12.00
Terminal value growth rate	3.50	3.50

If the discount rate used to in the years ended December 31, 2023 and 2022 were 1 percentage point higher, no impairment would result in both years.

If the EBITDA used to calculate the fair value as of December 31, 2023 and 2022 were 1 percentage point lower, no impairment would result.

If the sales growth rate used in the calculation of fair value for the CGU had been 1 percentage point lower than the estimate of the Administration as of December 31, 2022, it would not result in an impairment.

If the terminal value in the year ended December 31, 2023 and 2022, was 1 percentage point higher, no impairment would result in both years.

Note 15 - Financial asset at fair value through other comprehensive income:
Financial asset at fair value through other comprehensive income comprise:

	December 31, 2023	December 31, 2022
Listed securities of Nordstrom, Inc	$ 4,910,597	$ 4,951,323

On September 15, 2022, the Company invested acquired 15,755,000 shares of the North American department store Nordstrom, Inc., for the amount of 295 million of dollars equivalent to $5,943 million pesos, said amount represents 9.90% of the total outstanding shares.

As of December 31, 2023 and 2022, the valuation of these shares generated losses recognized in other comprehensive income for the amount of $40,725, $992,010 ($28,508, $694,407, net of taxes), respectively.

The dividends generated as of December 31, 2023 and 2022, for said listed shares amounted to $209,482 and $58,957, respectively, which were recognized in the income statement.

Note 16 - Provisions:

		Bonuses and compensation paid to employees [1]		Other provisions [2]		Total
At January 1, 2022	$	1,903,431	$	1,861,963	$	3,765,394
Charged to statement of income		6,047,891		4,434,382		10,482,273
Used during the year		(5,673,177)		(3,822,764)		(9,495,941)
At December 31, 2022		2,278,145		2,473,581		4,751,726
Charged to statement of income		5,630,297		3,797,081		9,427,378
Used during the year		(5,456,278)		(3,203,218)		(8,659,496)
At December 31, 2023	$	2,452,164	$	3,067,444	$	5,519,608

1 Includes provisions for sales commissions, holidays and other fringe benefits.

2 Other provisions include liabilities for services rendered by consultants and maintenance of stores and offices.

Note 17 - Debt:

The Company's debt is comprised as follows:

		December 31, 2023		2022
Short-term debt:				
Interest payable	$	681,005	$	674,124
Senior notes		5,068,050		-
	$	5,749,055	$	674,124

		December 31, 2023		2022
Long-term debt:				
Stock certificates	$	13,500,000	$	13,500,000
Senior notes		8,406,594		15,530,916
	$	21,906,594	$	29,030,916

17.1 Debt securities certificates:

Based on a Revolving Stock Certificates Program authorized by the National Banking and Securities Commission (CNBV by its acronym in Spanish), the Company may issue debt securities certificates up to the amount of $30,000 million pesos for a term of up to 5 years as from July 21, 2017. This authorization expired in July 2022.

Currently, the Company has placed the following unsecured issues:

Maturity	Interest payable	Interest rate		December 31, 2023		2022
Aug 2027	Semiannually	Fixed at 7.94%	$	3,500,000	$	3,500,000
Nov 2029	Semiannually	Fixed at 7.96%		5,000,000		5,000,000
Aug 2030	Semiannually	Fixed at 8.03%		5,000,000		5,000,000
				13,500,000		13,500,000
Less – Issues of long-term stock certificates				(13,500,000)		(13,500,000)
More - Interest payable				681,005		674,124
Current portion			$	681,005	$	674,124

Maturities pertaining to the long-term portion of this liability at December 31, 2023 are as follows:

Maturity		Amount
2027	$	3,500,000
2029		5,000,000
2030		5,000,000
	$	13,500,000

The issuances of debt securities certificates and other financing contracted by the Company do not establish the obligation to maintain certain proportions in its financial structure or compliance with financial ratios; however, they require that the Company and the significant subsidiaries defined in the respective contracts comply with certain restrictions for the payment of dividends, mergers, divisions, change of corporate purpose, issuance and sale of capital stock, capital investments and liens. As of December 31, 2023, and 2022, the Company complied with the conditions above.

The fair value of the stock certificates is as follows:

	December 31,				December 31,			
Maturity date		Book Value		Fair value [1]		Book Value		Fair value [1]
Aug 2027	$	3,500,000	$	3,237,465	$	3,500,000	$	3,190,040
Nov 2029		5,000,000		5,019,695		5,000,000		5,019,695
Nov 2030		5,000,000		4,511,550		5,000,000		4,320,000
	$	13,500,000	$	12,768,710	$	13,500,000	$	12,529,735

1 The fair value of debt securities certificates is determined based on reference to price quotations published in an active market (classified as level 1 in the fair value hierarchy).

On March 17 and August 19, 2022, the LIVERPOL 12 and the LIVERPOL 17-2 bonds matured for a total of $1,900 million pesos and $1,500 million pesos, respectively, which were paid with its own resources.

17.2 Senior notes

Below are the details of the Senior Notes as of December 31, 2023 and 2022:

			December 31,			
Maturity	Interest payable	Interest rate		2023		2022
Oct. 2024 [1]	Semiannually	Fixed at 3.95%	$	5,068,050	$	5,841,450
Oct. 2026 [2]	Semiannually	Fixed at 3.875%		8,406,594		9,689,466
			$	13,474,644	$	15,530,916

1 In September 2014, the Company issued Senior Notes for an amount of US$300 million, with an interest rate of 3.95% per annum and maturing in 2024. The Securities constitute obligations payable by the Company and have the unconditional guarantee of Distribuidora Liverpool, S. A. de C. V. (Subsidiary).

2 In September 2016, the Company issued Senior Notes for an amount of US$750 million, with an interest rate of 3.875% per annum and maturing in 2026. The Securities constitute obligations payable by the Company and have the unconditional guarantee of Distribuidora Liverpool, S. A. de C. V. (Subsidiary).

The securities above were subject of a private offering to qualified institutional buyers in the United States and other foreign markets under Rule 144A and Regulation S under the Securities Act 1933 of the United States of America.

The fair value of issuances of Senior Notes is as follows:

	December 31,				December 31,			
Maturity date		Book Value		Fair value [1]		Book Value		Fair value [1]
Oct. 2024	$	5,068,050	$	4,996,692	$	5,841,450	$	5,654,642
Oct. 2026		8,406,594		8,082,016		9,689,466		9,145,573
	$	13,474,644	$	13,078,708	$	15,530,916	$	14,800,215

1 The fair value of Senior Notes is determined based on price quotations published in an active market (classified as level 1 in the fair value hierarchy).

A reconciliation of debt as required by IAS 7 "Cash flow statement" is as follows:

		December 31, 2023		2022
Beginning balance of debt and interest	$	29,705,040	$	33,933,221
Repayments		-		(3,400,000)
Foreign exchange variation		(2,056,272)		(794,193)
Interest accrued		2,820,158		2,851,162
Interest paid		(2,813,277)		(2,885,150)
Closing balance of debt and interest	$	27,655,649	$	29,705,040

Note 18 - Employee benefits:

The value of employee benefit obligations at December 31, 2023 and 2022, amounted to $3,948,704 and $3,339,262, respectively, as follows:

		December 31, 2023		2022
Pension plans	$	(1,908,109)	$	(1,606,115)
Seniority premium		(1,030,729)		(875,167)
Other employee benefits for voluntary separation or dismissal		(1,009,866)		(857,980)
	$	(3,948,704)	$	(3,339,262)

The net cost for the period ended at December 31, 2023 and 2022 are as follows:

		Year ended December 31, 2023		2022
Pension plans	$	208,605	$	184,080
Seniority premium		171,887		144,061
Other employee benefits for voluntary separation or dismissal		163,975		133,714
	$	544,467	$	461,855

The amount included as a liability in the consolidated statements of financial position is integrated as follows:

		December 31, 2023		2022
Defined benefit obligations	$	(3,948,704)	$	(3,339,262)
Fair value of plan assets		298,164		254,720
Liability in the consolidated balance sheet	$	(3,650,540)	$	(3,084,540)

The movement in the defined benefit obligation is as follows:

		December 31, 2023		2022
Beginning balance at January 1	$	(3,339,262)	$	(3,042,949)
Service cost		(250,280)		(224,314)
Interest cost		(320,927)		(265,651)
Actuarial loss		(393,295)		(37,813)
Benefits paid		355,060		231,465
Ending balance at December 31	$	(3,948,704)	$	(3,339,262)

The movement in the liability is as follows:

		December 31, 2023		2022
Beginning balance at January 1	$	(3,084,540)	$	(2,739,046)
Provision of the year		(544,467)		(461,855)
Actuarial remeasurement		(362,042)		(128,635)
Company contributions		309		18,054
Benefits paid		340,200		226,942
Ending balance at December 31	$	(3,650,540)	$	(3,084,540)

The movement in plan assets is as follows:

		2023		2022
Beginning balance at January	$	254,720	$	303,903
Financial gain (loss) on plan assets		57,852		(63,074)
Fund contributions		87,053		118,837
Transfer of assets		(86,601)		(100,425)
Benefits paid		(14,860)		(4,521)
Ending balance at December 31	$	298,164	$	254,720

Principal categories of plan assets at the end of the reporting period are as follows:

		Fair value of plan assets December 31, 2023		2022
Debt instruments	$	74,541	$	63,680
Equity instruments		223,623		191,040
	$	298,164	$	254,720

The expected return on plan assets represents the weighted average expected return for the different categories of plan assets. The Company's assessment of expected yields is based on historical trends and analysts' predictions on the market of assets for the life of related obligations.

The significant actuarial assumptions are as follows:

	December 31, 2023	2022
Discount rate	9.75%	10.25%
Inflation rate	3.50%	3.50%
Salary growth rate	4.75%	4.75%
Pension increase rate	4.50%	4.50%

Assumptions concerning future mortality are established based on the actuarial study as per statistics and the published experience of each territory. Those assumptions give rise to the average life expectancy of an individual retiring at age 65.

Retiring at year-end:

	2023	2022
Men	20 years	20 years
Women	21 years	21 years

The sensitivity of the obligation for defined benefits resulting from changes in the weighted average of the main assumptions is as follows:

	Change in assumptions		Increase (decrease) in assumptions	
	2023	2022	2023	2022
Discount rate	0.5%	0.5%	$ (115,948)	$ (96,757)
Rate of salary increases	0.5%	0.5%	174,461	142,106
Pension increase rate	0.5%	0.5%	7,894	(7,180)
Life expectancy	1.0%	1.0%	(16,919)	(14,904)

The sensitivity above analyses are based on a change in one assumption, with all other assumptions remaining constant. In practice, this is unlikely and changes in other assumptions can be correlated. The same method (present value of defined benefit obligations calculated by the projected unit credit method at the end of the reporting period) was applied in calculating the sensitivity of the obligation for defined benefits to significant actuarial assumptions.

The methods and types of assumptions used in the sensitivity analysis were the same as those used in the preceding period.

Note 19 - Leases:

19.1. The Company as a lessee:

This note provides information for leases in which the Company is a lessee.

i. Amounts recognized in the consolidated statement of financial position

The status shows the following amounts related to leases:

	December 31,	
	2023	2022
Right-of-use assets:		
Buildings	$ 12,035,294	$ 11,827,728
Furniture and equipment	193,264	315,494
Vehicles	309,080	210,706
	$ 12,537,638	$ 12,353,928

	December 31,	
	2023	2022
Lease liabilities:		
Current	$ 2,346,729	$ 2,224,771
Non-current	11,776,558	11,394,267
	$ 14,123,287	$ 13,619,038

The additions and derecognition of right-of-use assets during 2023 amounted to $2,016,910 and $226,562, respectively, and in 2022 they amounted to $2,664,531 and $390,975, respectively.

ii. Amounts recognized in the consolidated statement of income

The consolidated statement of income shows the following amounts related to leases:

	Year ended December 31, 2023	2022
Depreciation charge of the right-of-use assets:		
Buildings	$ 1,274,965	$ 1,134,249
Furniture and equipment	141,556	150,840
Vehicles	190,117	148,075
	$ 1,606,638	$ 1,433,164
Interest expense (included in finance cost)	1,247,223	1,137,980
Expenses relating to short-term leases (included in the cost of sales and administrative expenses)	649,759	448,523
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	191,766	165,405
Expense relating to variable lease payments not included in lease liabilities (included in the cost of sales and Administrative expenses)	403,284	367,192

Building lease forgiveness received as a result of the pandemic as of December 31, 2022 amounts to $7,186. These amounts were recognized as variable income and are included in administrative expenses.

The total cash flow for the leases in 2023 and 2022 was $2,510,924 and $2,236,187, respectively. The building lease concessions did not generate cash outflow in 2022, for $7,186.

iii. Leasing activities of the Company and how they are accounted for

The Company rents real estate, furniture and equipment, and vehicles. Rental contracts are usually made for fixed periods of 12 months to 15 years but may have options for extension of time as described in subsection v. below.

Contracts may contain lease and non-lease components. The Company assigns the consideration in the contract to the lease and non-lease components based on their relative independent prices.

The lease terms are negotiated individually and contain a wide range of different terms and conditions. Lease agreements do not impose any covenant apart from the guarantee on leased assets that the lessor maintains. Leased assets cannot be used as collateral for loan purposes.

iv. Variable lease payments

Some of the property leases contain variable payment terms that are linked to the sales generated in a store. For individual stores, up to 100% of lease payments are based on variable payment terms with a percentage range of 2% to 3% of sales. Variable payment terms are used for various reasons, including minimization of the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognized in the statement income in the period when the condition triggers such payments occurs.

v. Extension and termination option

Extension and termination options are included in a series of leases of real estate, furniture and equipment throughout the Company. These are used to maximize operational flexibility in managing the assets used in the Company's operations. Most extension and termination options are held by the Company and not the lessor.

Following is the reconciliation of the lease liability required by IAS 7 "Statement of cash flows":

		December 31,		
		2023		2022
Beginning balance of lease liabilities	$	13,619,038	$	12,560,090
Acquisitions		2,016,910		2,664,531
Disposals		(248,960)		(500,190)
Lease concessions		-		(7,186)
Accrued interest		1,247,223		1,137,980
Principal payment		(1,263,701)		(1,098,207)
Interest paid		(1,247,223)		(1,137,980)
Closing balance of lease liabilities	$	14,123,287	$	13,619,038

19.2 The Company as lessor

Operating leases are related to commercial leases. Lease periods are from one to more than five years. All operating leases over five years contain clauses for review of market income every two years. The contracts do not establish the option for tenants to buy the leased premises at the expiration date of the lease periods.

Below is an analysis of lease revenue:

		Year ended December 31,		
		2023		2022
Fixed rent	$	2,848,079	$	3,411,040
Variable rent		227,495		176,070
Total lease revenue	$	3,075,574	$	3,587,110

Following is an analysis of the minimum annual payments agreed with the lessees in the lease agreements entered into at terms of over one year:

		December 31,		
		2023		2022
Up to 1 year	$	2,980,800	$	3,302,503
From 1 to 5 years		13,378,506		13,210,013
Over 5 years		20,543,220		16,512,517
Total minimum payments agreed	$	36,902,526	$	33,025,033

Note 20 - Balances and transactions with related parties:

During 2023 and 2022, Grupo Financiero Invex, S. A. de C. V. (Invex) provided the Company with a pension plan and workers' savings fund administration services, as well as with fiduciary services. Invex and the Company share some stockholders. Fees paid to Invex for these services totaled $6,306 and $6,902 in 2023 and 2022, respectively. At December 31, 2023 and 2022 there were no outstanding balances for these items. During 2023 and 2022, the Company contracted corporate travel services for its employees with Orión Tours, S. A. de C. V. (Orión), whose General Director is Vice-Chairman of the Company's Board of Directors. Fees paid in 2023 and 2022 to Orión amounted to $94,377 and $71,608, respectively. Likewise, 2023 and 2022 the Company contracted car insurance services with Qualitas Controladora, S. A. B. de C.V. (Qualitas) whose Board member is Vice-Chairman of the Company's Board of Directors. Fees paid in 2023 and 2022 to Qualitas amounted to $45,855 and $44,320, respectively. These services and fees were contracted using market conditions. At December 31, 2023 and 2022, no balances were pending to be paid for these items.

Compensation for directors and other key members of management during the year was as following:

	2023	2022
Total short term	$ 89,290	$ 72,958

Compensation paid to directors and key executives is determined by the Financial Review Committee, based on their performance and market trends.

Note 21- Stockholders' equity:

21.1 Capital stock at December 31, 2023 and 2022, is comprised of the following:

	Minimum fixed capital
931,569,910 Series "1" shares are duly represented, constituting 81.3776% of the 1,144,750,000 Series "1" shares without expression of nominal value, subscribed and paid 197,446,100 common and registered shares and Series "C-1" without expression of nominal value, subscribed and paid	$ 269,112
Cumulative inflation increase at December 31, 1997	3,105,170
Total	$ 3,374,282

The Board of Directors approved on March 16, 2023, the payment of dividends from the Net Fiscal Income Account ("CUFIN") for $3,503,132. On May 26, 2023, $2,106,563 were paid, and in October 2023, $1,395,666 was settled.

The Board of Directors approved on March 10, 2022, the payment of dividends from the Net Fiscal Income Account ("CUFIN") for $2,281,733. On May 27, 2022, $1,368,776 were paid, and in October 2022, $912,429 was settled.

In accordance with IAS 29 "Hyperinflation", an entity must recognize the effects of inflation in the financial information when an economy accumulates 100% inflation in a three-year period. Mexico was considered a hyperinflationary economy until 1997, and for that reason, the Company recognized all the cumulative inflation effects up to that year.

The companies and trusts mentioned below hold a share of approximately 87% of Series 1 of the Company's share capital as of December 31, 2023 and 2022, as mentioned below:

Shareholder	Number of shares of common stock	Percentage ownership of common stock (%)
Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex-Trust No. 15228-3	278,691,361	20.8
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327	221,455,612	16.5
Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex-Trust No. 504288-5	109,114,664	8.1
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0387	101,492,311	7.6
UBS Casa de Bolsa S. A. de C. V.	96,234,447	7.2
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 4165	67,460,443	5.0
Pictec and Cie	63,424,172	4.7
Scotiabank Inverlat S. A., Institución de Banca Múltiple-Trust No. 11033735	36,839,656	2.7
Fondo Administrado 5, S.A. DE C.V., Fondo de Inversión de Renta Variable	2,107,788	0.2
Other	365,375,646	27.2
Total	1,342,196,100	100

21.2 Capital reserves

Capital reserves are comprised as follows.

		December 31, 2023		2022
Reserve for translation effects	$	478,796	$	985,761
Legal reserve		582,500		582,500
Reserve for the repurchase of shares [1 and 2]		8,004,370		7,992,575
Investment reserve		94,319		94,319
Reserve for valuation of derivative financial instruments		134,315		239,103
	$	9,294,300	$	9,894,258

1 During 2023, the Company purchased 26,458,402 series C-1 shares in the market at prices ranging between $87.81 and $118.98. The total purchase was $2,761,056, to which was added $2,763 transaction costs before taxes. Similarly, the Company sold 26,458,402 series C-1 shares in the market at prices ranging between $87.59 and $119.00. The total of the sale was $2,738,852, to which was added $2,753 of transaction costs before taxes.

During 2022, the Company purchased 9,666,614 series C-1 shares in the market at prices ranging between $87.44 and $118.70. The total purchase was $938,074, to which was added $958 transaction costs before taxes. Similarly, the Company sold 9,666,614 series C-1 shares in the market at prices ranging between $87.40 and $118.84. The total of the sale was $930,659, to which was added $931 of transaction costs before taxes.

2 In the Ordinary General Shareholders' Meeting, held on March 16, 2023, the shareholders agreed to increase the reserve for the acquisition of their own shares up to $8,000,000.

At the ordinary General Shareholders' Meeting, held on March 10, 2022, the shareholders agreed to increase the reserve for the acquisition of their own shares to $8,000,000.

The reserve for the repurchase of shares represents the reserve authorized by the Stockholders in order for the Company to be able to acquire its own shares, provided the criteria set out in the bylaws and in the Securities Market, Law is met.

The balance of the reserve for the acquisition of own shares as of December 31, 2023 and 2022, is $8,004,370 and $7,992,585, respectively.

21.3 The reconciliation of the reserve for the valuation of derivative financial instruments is as follows:

		Interest rate swap
At January 1, 2022	$	1,234,483
Plus: Change in fair value of hedging instrument		(1,791,940)
Less: Reclassification of OCI to results		796,560
At December 31, 2022		239,103
Plus: Change in fair value of hedging instrument		(2,167,188)
Less: Reclassification of OCI to results		2,062,400
At December 31, 2023	$	134,315

The income of the year is subject to the legal provision that requires at least 5% of the income of each year to be used to increase the legal reserve until it is equal to one-fifth of the amount of paid-in capital.

21.4 The balances of the tax accounts of stockholders' equity are:

		December 31, 2023		2022
Capital contributions account	$	146,171,364	$	121,306,698
After-tax earnings account (CUFIN)		205,909,929		182,893,707
Reinvested after tax earnings account (CUFINRE)		192,338		183,774
Total		352,273,631		304,384,179
Average weighted number of ordinary shares to determine the basic earnings per share at December 31, 2023 and 2022	$	1,342,196,100	$	1,342,206,042

21.5 Tax provisions related to stockholders' equity:

Dividends to be paid will be free from income tax if they come from the CUFIN. Any dividends paid in excess of CUFIN and reinvested CUFIN (CUFINRE) will cause a tax equivalent to 42.86%. The current tax is payable by the Company and may be credited against its current income tax of the year or the year on which it is paid. The remaining amount may be credited in the following two fiscal years against the tax of the year or against the provisional payments. Dividends paid coming from profit previously taxed by income tax will not be subject to tax withholding or additional tax payment. Income tax law sets the obligation of keeping CUFIN with profit generated up to December 31, 2013, and starting another CUFIN with profit generated from January 1, 2014.

Note 22 - Income Tax:

22.1 The income tax for the period is calculated by applying a 30% rate on the taxable profit. The income tax is integrated as follows:

		Year ended December 31, 2023		2022
Income tax	$	8,587,116	$	7,045,102
Deferred income tax		(1,089,033)		(1,248,190)
	$	7,498,083	$	5,796,912

Movements in deferred tax were as follows:

		December 31, 2023		2022
At January 1	$	4,606,567	$	3,074,691
Effect on the statement of income		1,089,033		1,248,190
Effect on the other comprehensive income		330,163		283,686
At December 31	$	6,025,763	$	4,606,567

22.2 The deferred tax balance is composed as follows:

	December 31, 2023	2022
Deferred income tax asset:		
Tax loss carryforwards	$ 1,706,372	$ 1,631,732
Lease liabilities	4,231,985	4,082,711
Provision for credit losses	1,995,505	1,761,398
Provisions, employee benefits and others	2,982,777	2,672,227
Inventories	244,337	252,430
Cash flows hedges	62,912	55,115
Investment in share of associates	587,862	425,032
Financial asset at fair value through other comprehensive income - Net of income tax	309,821	297,603
Other items	381,126	326,415
	$ 12,502,697	$ 11,504,663

	December 31, 2023	2022
Deferred income tax liability:		
Real estate and property, furniture and equipment	$ 1,167,031	$ 1,507,354
Right of use assets	3,756,207	3,703,586
Intangible assets	1,307,486	1,377,826
Prepayments	190,485	217,593
Supplies	38,177	50,220
Other items	17,548	41,517
	6,476,934	6,898,096
Deferred income tax	6,025,763	4,606,567
Asset tax recoverable	8,679	24,247
Total deferred income tax asset	$ 6,034,442	$ 4,630,814

Net movements of deferred tax assets and liabilities during the year are explained below:

	Tax loss carryforward	Provision for credit losses	Provisions Employees benefits and others	Lease liability	Right of use assets
At January 1, 2022	$ 1,659,002	$ 1,749,761	$ 2,940,340	$ 5,184,496	$ (4,793,406)
Charged / credited to the statement of income	(27,270)	11,637	(268,113)	(1,101,785)	1,089,820
Other comprehensive income	-	-	-	-	-
At December 31, 2022	1,631,732	1,761,398	2,672,227	4,082,711	(3,703,586)
Charged / credited to the statement of income	74,640	234,107	310,550	149,274	(52,621)
Other comprehensive income	-	-	-	-	-
At December 31, 2023	$ 1,706,372	$ 1,995,505	$ 2,982,777	$ 4,231,985	$ (3,756,207)

	Investment properties, furniture and equipment	Investment in shares of associates	Inventories	Intangibles	Other [1]	Total
	$ (2,450,199)	$ 191,588	$ 218,657	$ (1,548,714)	$ (76,834)	$ 3,074,691
	942,845	233,444	33,773	170,348	163,491	1,248,190
	-	-	-	-	283,686	283,686
	(1,507,354)	425,032	252,430	(1,378,366)	370,343	4,606,567
	340,323	162,830	(8,093)	70,880	(192,857)	1,089,033
	-	-	-	-	330,163	330,163
	$ (1,167,031)	$ 587,862	$ 244,337	$ (1,307,486)	$ 507,649	$ 6,025,763

The deferred tax due to the existence of undistributed earnings in the subsidiaries has not been recognized because the Company is able to control the timing of the reversal of the temporary differences associated with the investments or such gains are not subject to income tax payment come from the CUFIN.

At December 31, 2023, the Company has unamortized tax loss carryforwards for income tax purposes, to be indexed in the year in which they are applied, for a restated amount of:

Year	Amortizable tax loss
2026	$ 3,994
2031	3,790,160
2032	1,740,334
2033	153,178
	$ 5,687,666

In determining deferred income tax at December 31, 2023 and 2022, the Company applied to temporary differences, the applicable rates according to their estimated date of reversal.

22.3 The reconciliation of the legal income tax rate and the effective rate, stated as a percentage of the profit before income tax, is as follows.

	Year ended December 31, 2023	2022
Profit before income tax	$ 26,999,297	$ 23,194,151
Statutory rate	30%	30%
Income tax at statutory rate	$ 8,099,789	$ 6,958,245
Plus (less) effects of taxes of the following items:		
Non-deductible expenses	419,073	376,244
Non-taxable income	(188,410)	(9,963)
Annual inflation adjustment taxable deductible	(129,029)	(17,702)
Equity in the results of associates	34,011	48,574
Investment property, furniture and equipment	(919,272)	(1,480,727)
Cost of sales update	(129,335)	(115,340)
Dividends received from abroad	104,213	-
Update of tax losses	(72,181)	(87,782)
Other permanent items	279,224	125,363
Income tax	$ 7,498,083	5,796,912
Effective income tax rate	28%	25%

Note 23 - Segment information:

Segment information is reported based on the information used by the Financial Review Committee in making strategic and operating decisions. An operating segment is defined as a component of an entity in which there is separate financial information that is evaluated regularly.

IFRS 8 requires disclosure of assets and liabilities pertaining to one segment, if measurement is regularly provided to the decision-making body; however, with respect to the Company, the Financial Review Committee only evaluates the performance of the operating segments based on an analysis of income and operating profit, but not of each segment's assets and liabilities.

Liverpool commercial segment

Includes the sale of clothing and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products through department stores that operate under the name Liverpool, "Liverpool Duty-Free and boutiques such as "Banana Republic", "GAP", "Pottery Barn", "West Elm" and "Williams-Sonoma". It also includes the operations of our website www.liverpool.com.mx, Liverpool pocket, marketplace and phone sales. The store formats of this segment are mainly focused on the income population A, B and C +, according to the National Statistical and Geography Institute (INEGI) criteria.

Suburbia commercial segment

Includes the Suburbia stores and the operative division of purchases, commercial planning, product design and commercialization (CATMex). Suburbia offers a wide selection of products but mainly its own brands such as Weekend, Non-Stop, Contempo, La Mode, Metropolis and Gianfranco Dunna in the stores and our website www.suburbia.com.mx, focused on the population of income C and D +, according to the INEGI criteria.

Real estate segment

The real estate segment is an important complement for the Liverpool commercial segment. The Company operates shopping centers known as "Galerías", through which it leases commercial spaces to tenants dedicated to a wide variety of businesses that provide a greater number of potential customers for departmental warehouses.

Credit segment

The credit segment is an important complement to the Liverpool and Suburbia commercial segment. The Company finances its clients in the form of "Liverpool and Suburbia" departmental credit cards, which customers can buy exclusively at Company stores. Additionally, the Company operates the "LPC" and "Suburbia" credit cards, the former can be used to acquire goods and services both in the chain's stores and boutiques and in any store throughout the world operating with VISA cards.

23.1 Income and results per segment

The Company reports its results for each operating segment at the income, costs and expenses, and operating profit level. The other income statement items are not assigned, as they are managed on a corporate level.

The following is an analysis of income and results per segment to be reported:

Year ended at December 31, 2023:	Commercial									
		Liverpool		Suburbia		Credit		Real Estate		Consolidated
Net income	$	153,606,381	$	21,582,062	$	16,268,496	$	4,534,684		195,991,623
Cost and expenses		(137,084,235)		(20,314,410)		(6,865,446)		(2,121,744)		(166,385,835)
Operating income	$	16,522,146	$	1,267,652	$	9,403,050	$	2,412,940	$	29,605,788
Timing of revenue recognition:										
Over time	$	153,606,381	$	21,582,062	$	16,268,496	$	4,534,684	$	195,991,623

Year ended at December 31, 2022:	Commercial									
		Liverpool		Suburbia		Credit		Real Estate		Consolidated
Net income	$	138,862,181	$	20,249,719	$	13,199,946	$	3,721,874		176,033,720
Cost and expenses		(124,453,111)		(19,135,263)		(5,149,407)		(1,780,560)		150,518,341
Operating income	$	14,409,070	$	1,114,456	$	8,050,539	$	1,941,314	$	25,515,379
Timing of revenue recognition:										
Over time	$	138,862,181	$	20,249,719	$	13,199,946	$	3,721,874	$	176,033,720

The information disclosed in each segment is shown net of eliminations corresponding to transactions conducted between Group companies. Inter-segment results and transactions are eliminated at the consolidated level, forming part of the Group's final consolidation. This form of presentation is the same as that used by Management in its periodic review processes of the Company's performance.

Taxes and financing costs are viewed at the Group level and not within the reporting segments. As a result, this information is not shown in each reporting segment. Operating income is the key performance metric for management, which is reported on a monthly basis to the Company's Corporate Governance.

23.2 Geographic information

The information by geographic segments of the Company is reported including the commercial and credit segment, using the following zones:

	Year ended December 31,			
		2023		2022
Ciudad de México and Estado de México	$	50,785,032	$	49,591,064
Hidalgo, Puebla, Morelos, Guerrero, Veracruz and Tlaxcala		33,619,675		25,989,819
Nuevo León, Tamaulipas, Chihuahua, Coahuila, Sinaloa, Sonora and Durango		30,660,287		28,424,885
Jalisco, Michoacán, Colima and Nayarit		20,337,889		19,106,944
Chiapas, Tabasco, Quintana Roo, Yucatán, Campeche and Oaxaca		16,640,533		15,469,228
Guanajuato, Querétaro, Aguascalientes, Zacatecas and San Luis		16,915,433		15,530,725
Other		22,498,090		18,199,181
Total	$	191,456,939	$	172,311,846

Note 24 - Costs and expenses by nature:

The cost of sales and administration expenses are comprised as shown below:

	Year ended December 31, 2023	2022
Cost of merchandise	$ 109,813,339	$ 101,159,387
Cost of distribution and logistics	5,802,971	5,153,211
Inventory reserve	1,255,149	1,264,374
	116,871,459	107,576,972
Personnel compensation and benefits	23,908,219	21,083,453
Services contracted	5,570,536	5,100,840
Depreciation and amortization	5,396,894	5,171,085
Provision for impairment of loan portfolio	2,889,335	1,791,024
Leases	164,708	226,902
Repairs and maintenance	2,842,652	2,472,391
Electrical power	1,340,782	1,193,506
Supplies	1,721,316	1,676,341
Advertising	2,347,414	2,006,489
Other [1]	3,332,520	2,219,338
Total	$ 166,385,835	$ 150,518,341

[1]. Includes, among others, insurance premiums, travel expenses and property tax.

Personnel compensation benefits are comprised as follows:

	Year ended December 31, 2023	2022
Salary and bonds	$ 20,096,326	$ 17,794,307
Commissions paid to sales staff	3,064,543	2,710,341
Other payments	747,350	578,805
	$ 23,908,219	$ 21,083,453

Note 25 - Contingencies and commitments:

25.1 Contingencies

The Company is involved in various lawsuits and claims arising from the normal course of its operations, none of which is of importance, both individually and in aggregate, so it is expected that they will not have an important effect on your financial situation and future consolidated operating results.

25.2 Commitments

During the year 2018, the Company signed with a subsidiary of Infraestructura Energética Nova, S. A. B. de C. V. (IEnova), an agreement for a period of 15 years of sale of electricity, said power plant is located in Sonora.

In 2019, another agreement was signed with IEnova for a period of 15 years for the purchase and sale of electric power, said power plant is located in Chihuahua. In December 2020, the Company signed a power purchase agreement with Energeo Los Molinos, S. A. P. I. de C. V. for a period of 15 years and considers 54 load centers. On August 8, 2022, said agreement was terminated.

During the fiscal year 2020, the Company signed an agreement with Iberdrola, S. A. de C. V., starting the supply in December of the same year. This agreement includes 21 load centers with a duration of 5 years.

In January 2021, a second agreement was signed with Iberdrola Clientes, S. A. de C. V., to supply three load centers in the country's peninsula of Yucatán. The duration of this agreement is 5 years.

Note 26 - Authorization of issuance of consolidated financial statements:

The consolidated financial statements were authorized for issuance on february 23, 2024, by the Board of Directors and are subject to approval by the stockholders' meeting.

Information for shareholders

(GRI 2-3)

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This 2023 annual report may include certain expectations regarding the results of **El Puerto de Liverpool**, S.A.B. de C.V. and its subsidiaries. These projections are based on Management's assessments and on current information known to the company; however, expectations may vary depending on events and circumstances beyond the control of **El Puerto de Liverpool**, S.A.B. de C.V. and its subsidiaries.

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