

ANNEX:

Sustainability Approach

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

In our operations, we actively involve 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 the 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 relate through various channels.

STAKEHOLDER GROUP	VALUE PROPOSITIONS	CHANNELS
Customers/ visitors	<p>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.</p> <p>Build awareness about sustainable development to encourage more mindful purchasing decisions.</p>	<ul style="list-style-type: none"> • 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	<p>Being a team for professional and personal development, opportunities in inclusive environments, opposing all forms of discrimination.</p> <p>Promoting the educational advancement of our employees.</p> <p>Guaranteeing secure work conditions and a culture of wellness.</p>	<ul style="list-style-type: none"> • Work environment evaluation • Ethics Line • Mi Puerto, Cari (Chatbot), internal communication campaigns • General and area meetings • Training sessions, including the Universidad Virtual Liverpool (UVL) platform
Suppliers	<p>Connect with customers through various channels including both physical operations and digital media.</p> <p>Offer convenient business dealings that support long-term relationships.</p> <p>Encourage them to apply best ESG practices.</p>	<ul style="list-style-type: none"> • Order process and tracking • Supplier Portal • Marketplace • Support in external certification of suppliers • Training sessions • Evaluation in responsible sourcing program

STAKEHOLDER GROUP	VALUE PROPOSITIONS	CHANNELS
Community	Promote education as a driver of social development in Mexico. Encourage improvement of educational infrastructure, instructors' capacities and institutional administration.	<ul style="list-style-type: none"> • Volunteer activities • UVL open to the community
	Help address other pressuring issues around us through donations and/or logistical support.	<ul style="list-style-type: none"> • Support for local organizations
Competition	Abide by the applicable regulations, with high ethical standards, free of any anti-competitive practices.	<ul style="list-style-type: none"> • Involvement in industry and business associations
	Help address emerging issues in our area of business.	
Investors	Deliver economic value and a steady evolution of their investment over time. Invite them to participate actively in managing their resources. Transparent reporting.	<ul style="list-style-type: none"> • Shareholders' Meeting • Special section of our website • Reports to Shareholders (quarterly, annual)
		<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.

By this, we pinpointed 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 this exercise, we took the list of potential topics obtained from our previous materiality study and conducted surveys and interviews of key management responsible for relations with each stakeholder group. This gave us an insight into the expectations of employees (as internal stakeholders), customers, suppliers, authorities, investors and the media (as external stakeholders). To complement these efforts, we interviewed senior management to learn about the company's strategic vision. By integrating these efforts, we obtained a dual-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.

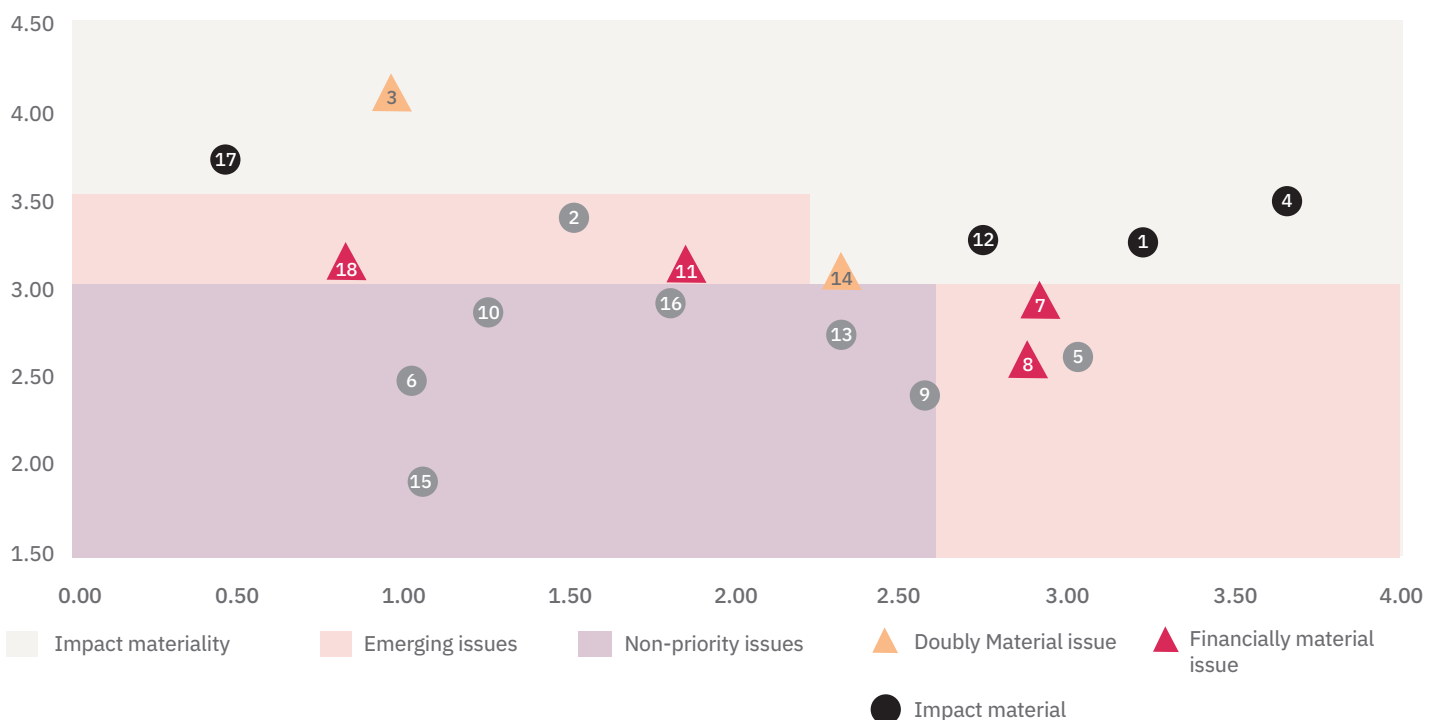
For the first time, we presented the result of both exercises on a single matrix, which was approved by the El Puerto de Liverpool Footprint Desk, a work group in which the Chief Executive Officer participates. Thus, we can visualize the topics that were material in terms of their impact, in financial terms, or both. The results inform our management of corporate risks. They are also 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 issues:** Those that are a priority for our management, which were used as the basis for building our Sustainability Strategy.
- **Emerging issues:** 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) issues:** 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 issues (integrated into the sustainability strategy) and non-priority (non-material) issues.



Type of materiality	Rank	Material issues
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 issues
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.

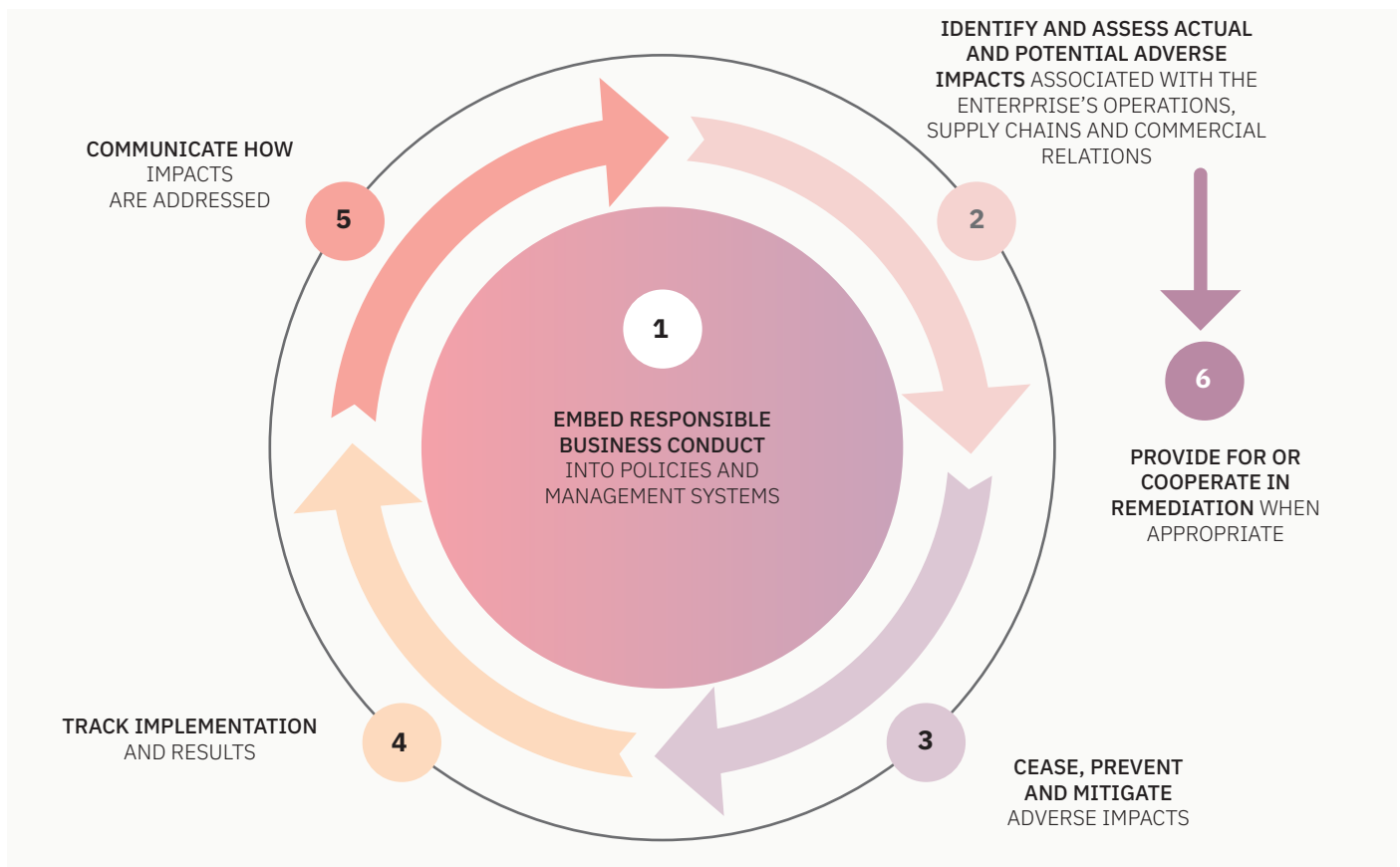
We recognize the human rights consigned in the UN Universal Declaration and in successive international agreements on women’s rights, rights of the child, rights of disabled persons, and of workers themselves, among others.

Our commitment and main guidelines for our employees, shareholders, commercial 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 commercial 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.

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) foster our culture of respect and commitment, through communication and training in our internal human rights policies; 2) identify possible risks in their teams and relations with the various stakeholders.

With our commercial partners, we have a **Sustainable 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 to a stoplight system of risk and those at high (orange) or critical (red) risk 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 MXN500,00 and suppliers of products for operations (goods not for sale).

Furthermore,

- We received notice of possible non-compliance with our policies through Ethics Line.
- We have systems for control, oversight and auditing, to identify and respond actively to risks: a control team, compliance officer and internal audit office, the oversight of the Audit and Corporate Practices Committee, a system which 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	<p>In-house framework for certification of Mexican Standard NMX 025 SCFI 2015, Labor Equality and Non-Discrimination.</p> <p>Includes specific policy on diversity and inclusion.</p>	<p>Regular ethics training for employees.</p> <p>Forum on Gender Equality, Forum on Diversity and Inclusion, incorporation of diversity culture into onboarding.</p>	<p>Tracking through organizational environment survey.</p> <p>“Women who Inspire” training program for employees in leadership positions.</p> <p>Gender wage gap analysis.</p> <p>Review of policies and procedures on inclusive language.</p> <p>Hiring of employees with disabilities.</p>
Employee safety and health incidents	<p>Safety and occupational health policy (new launch).</p> <p>Biosecurity protocols.</p> <p>Psychosocial risk policy developed based on NOM-035-STPS-2018.</p> <p>Medical Emergency Response Protocol.</p>		<p>Emotional support hotline.</p> <p>Comprehensive wellness program: “Creating the best version of me:” health campaigns (e.g. eyesight).</p> <p>Medical service and vaccinations.</p> <p>Mental health screening.</p>

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

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.

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 encouraging human rights.

If one of the potential risks materializes in an impact, we assess each case to involve the team or 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)

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 DG 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 most 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	GOALS 4.1, 4.3, 4.4, 4.5; 4a, 4c	GOALS 5.1, 5.2, 5.5
CONTRIBUTION	Analysis of facilities and positions to identify risks; Medical Emergency Protocol		Internal self-regulation (policies and codes) to avoid discrimination.
	Comprehensive Health Strategy with “Mental Health Interventions for Leaders,” and a psychological counseling hotline.	Performance of Liverpool Virtual University (UVL) to support employees in completing their studies.	We moved forward with our “Women who Inspire” program, increasing the presence of women in upper and senior management who receive mentoring in the Group and are preparing themselves for future promotions.
	Holistic employee health support, on three pillars: mental-emotional, physical and financial.	Leadership program to prepare employees for possible executive succession.	We conducted a salary gap analysis.
	Highway safety training for fleet drivers, supported by insurance companies.	Opening of UVL to the general public with broader educational programs.	
	Continuing application of COVID protocols as the situation evolves.		
INDICATORS	Employee lost time injury frequency rate (LTIFR): 11.78	6,319 employee graduates of the UVL. 14 hours of training average per employee.	40.6% women in upper management 53.9 women in middle management. W 116 women received mentoring (Women who Inspire program)

	7 ACCESSIBLE, CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE
	GOALS 7.2, 7.3	GOALS 8.5, 8.6, 8.7, 8.8	GOALS 9.4
CONTRIBUTION	We use renewable energy for our operations, some of which we generate on our own using solar panels and some acquired externally.	We provide growth opportunities through internship programs for university students.	Our Responsible Sourcing Program also requires us to evaluate suppliers for their environmental practices, encouraging responsible operation.
	At the Arco Norte Logistical Platform (PLAN) we have phased out LP Gas to use clean electricity from an external supplier. We also have efficient systems to reduce consumption.	We are working to gradually hire persons with disabilities in operating positions, beginning by analyzing positions apt for such inclusion.	We have products with certification from the Better Cotton Initiative (BCI), the US Cotton Trust Protocol (USCTP), the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS). With this we use our position as seller to encourage good practices by suppliers.
		Through the Responsible Sourcing Program, we evaluate social aspects in our supply chain such as employee working conditions.	

	7 ACCESSIBLE, CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE
INDICATORS	<p>38% renewable energy (of total consumed).</p> <p>Energy consumption intensity (GJ/m²): 105.49 kWh/m².</p>	<p>150 students in various internship/work-study programs.</p> <p>87% of suppliers audited with low or very risk.</p>	<p>MXN1,328,165,680 pesos in BCI-certified products (sales).</p> <p>MXN188,244,162 pesos in products with other certifications (sales).</p>

	10 REDUCED INEQUALITY	12 RESPONSIBLE PRODUCTION AND CONSUMPTION	13 CLIMATE ACTION
	GOALS 10.2	GOALS 12.4, 12.5, 12.8	GOALS 13.2
CONTRIBUTION	<p>Inclusion initiatives mentioned in SDG 5 and SDG 8.</p> <p>Adaptations to our stores, shopping centers and corporate offices to remove barriers to mobility.</p> <p>We facilitated access to credit. Liverpool offers a card to applicants with no credit history. This year we began the Mini Payments program at Suburbia.</p>	<p>We reduced waste generation by providing recyclable packaging on our private brands, and pursuing circularity strategies.</p> <p>Developed a portfolio of products with sustainable features, which are communicated to customers.</p> <p>Transparency in product information; responsible marketing guidelines.</p> <p>Progress toward initiatives for avoiding food waste.</p>	<p>Progress toward our Net Zero 2040 strategy for Scope 1 and 2 Emissions.</p> <p>LED lighting installed to reduce energy consumption, and solar panels to generate some of our own energy.</p> <p>Progress toward incorporating hybrid and electric vehicles into our distribution fleet.</p>
INDICATORS	<p>22% of credit clients were first-time borrowers.</p> <p>10 Liverpool stores with signage and accessibility criteria</p> <p>143,363 visits to financial education content on the web.</p> <p>17 stores with NMX-R-025-SCFI-2015 certification for labor equality and non-discrimination.</p>	<p>20% of private brand revenues come from products with sustainable features (certification, recycled content).</p> <p>24.47% of waste is recyclable.</p>	<p>82 hybrid and electric units.</p> <p>Emission intensity (S1 + S2): 29.36 kgCO₂e/m².</p>

	16 PEACE, JUSTICE AND SOLID INSTITUTIONS
	GOAL 16.5, 16.6, 16.7
CONTRIBUTION	<p>Codes of Ethics, conduct and integrity for employees, training.</p> <p>66% of employees trained.</p> <p>We require all suppliers to commit in writing to adopt the specific Code of Ethics we make available to them.</p>
INDICATORS	<p>98% of active suppliers signed the Code of Ethics and Conduct at Liverpool, and 100% at Suburbia.</p>