



FOOD LOSS & WASTE COMMITMENT

A. OBJECTIVE

The objective of this document is to provide a comprehensive overview of Liverpool's commitment to reducing food waste within our restaurant division. We aim to highlight the importance of responsible food management and the impact it can have on our communities and environment. By outlining our strategic measures and initiatives, we seek to demonstrate our dedication to minimizing food loss and waste and to inspire others to join us in this endeavor.

B. SCOPE

This document focuses on Liverpool's efforts to manage and minimize food waste within our restaurant division. While primarily a retail company, we operate a small division of restaurants within our stores, which generates some food waste. Our commitment extends to various aspects of our operations, including the employee dining room, food distribution centers, and restaurant operations. We aim to address food waste at different stages, from inventory management to production processes, and to foster employee awareness. Additionally, we recognize the importance of collaboration across the supply chain and have implemented initiatives to optimize logistics and promote sustainable practices with our suppliers, distributors, and retailers.

C. COMMITMENT AGAINST FOOD WASTE

As Liverpool, although primarily a retail company, we also operate a small division of restaurants within our stores. Consequently, we do generate some food waste from these dining establishments. However, we are fully aware of this issue and have taken steps to manage and reduce food waste within our restaurant division.

At Liverpool, we stand unwaveringly committed to the reduction of food loss and waste, recognizing the profound impact such efforts can have on our communities, environment, and overall sustainability. Building upon our past initiatives, we pledge to implement a series of strategic measures and initiatives that align with our values of responsibility and social impact.

We are committed to avoiding food waste, primarily in the operations of our dining rooms, restaurants and in the food distribution center for our restaurants. Each week, we donate unconsumed food in good condition to a food bank through the "Al Rescate Por México" program.

Food Loss & Waste Initiatives

Building upon these foundational efforts, Liverpool pledges to advance our commitment to minimizing food loss and waste, reinforcing our dedication to responsible business practices and societal impact.

1. Programs Established for Rigorous Measurement: Liverpool has implemented programs and metrics, such as a comprehensive software modernization initiative for restaurant management. This strategic investment aims to enhance information availability, enabling meticulous control over raw materials and facilitating the monitoring of food waste to reduce it effectively. The modernized software provides Liverpool with valuable insights into various operational stages, allowing the identification of areas for improvement and the refinement of food loss and waste reduction strategies.

As part of these initiatives, Liverpool has introduced a meticulous control log within its commissary, documenting reasons for loss. Additionally, a daily assessment identifies surplus food items eligible for donation to food banks. Through this proactive approach, Liverpool has donated an impressive 1,655 kilograms of food, reinforcing the commitment to minimizing food waste and contributing positively to community welfare.

2. Holistic Programs to Minimize Volume: Building upon the achievements of 2023, Liverpool has seamlessly integrated comprehensive initiatives across our employee dining rooms, food distribution centers, and restaurant operations. The successes of the past year have laid a robust foundation and served as a crucial pillar for the strategic vision to further reduce food loss and waste in the upcoming years. The invaluable insights gained during the 2023 have paved the way for a proactive approach in 2024 and beyond.

Throughout 2023, Liverpool diligently monitored losses in all Restaurants and Gourmet Experiences, establishing a solid understanding of the challenges and opportunities. The pilot program, initiated during 2023 and set to continue in 2024, focuses on one of the country's highest-volume restaurants. This ongoing initiative aims to capitalize on the successes of 2023 by identifying root causes, exploring control alternatives, and assessing the feasibility of diverting surplus food items for consumption before reaching expiration dates. The positive outcomes of this continued pilot program, including the donation of 155 kilograms of food, underscore the pivotal role of 2023 as the catalyst for Liverpool's ongoing commitment to minimizing food waste and optimizing operational efficiency.

- 3. Transparent Breakdown of Volumes:** Liverpool takes pride in transparently providing a detailed breakdown of food loss and waste volumes, meticulously categorized by food types and lifecycle stages. This commitment to transparency not only aligns with our core values but also enhances our ability to target interventions effectively and identify areas of improvement. Currently, we have established these indicators exclusively for our commissary, recognizing it as the focal point where we exert the most control over inventory and processes.

Description	Unit	2022	2023
Food waste	kg	Not measured	2286
Food donation	kg	341	1810
Annual sales of food categories	Pesos	\$40,329,096.00	\$50,080,023

- 4. Clear, Measurable Targets Achieved Across the Organization:** At Liverpool, our commitment to making progress towards avoiding food waste is exemplified through the implementation of initiatives across our organization. During 2024, we will actively monitor losses in all Restaurants and Gourmet Experiences, laying the groundwork to define reduction objectives for the year 2025. These initiatives are strategically designed to ensure continuous progress and tangible outcomes, aligning with our overarching goal to reduce food waste.
- 5. Collaboration Across the Supply Chain for Reduced Waste:** Liverpool's commitment extends beyond its immediate operations to collaborative efforts with both upstream and downstream partners. Engaging with suppliers, distributors, and retailers, we have successfully optimized logistics and implemented sustainable practices, significantly reducing overall food loss and waste in the value chain through initiatives such as coordinating with our distributors of perishable products. When we request our distributors to maintain a stock for us, we ensure that any product not delivered to our restaurants before its expiration date is promptly donated to the Banco de Alimentos de México (BAMX), one of the largest food banks in Mexico. This collaborative approach not only minimizes waste but also contributes to supporting community initiatives and aligns with Liverpool's commitment to responsible and sustainable practices across the entire supply chain.