

El Puerto de Liverpool

2023 INTEGRATED REPORT



Vibrant experiences



\$19.49
billion pesos in total
revenues, +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.



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.

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 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.

Business segments

We operate in the retail, financial services, and real-estate businesses, and we offer complementary services as well¹. We represent internationally renowned brands in our various formats: Liverpool, Suburbia, boutiques, and in our travel business as well.



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

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)	<ul style="list-style-type: none"> Financial businesses (Liverpool and Suburbia) Insurance Center Comprehensive Family Protection (PIF) 	Galerías
Products/services	Department stores Shops	<ul style="list-style-type: none"> 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
	<p>124 Liverpool stores 1,800,918 m² of net leasable area 124 Click & Collect points 17 Liverpool Express 39 private label brands</p> <p>186 Suburbia stores 673,286 m² of surface area 186 Click & Collect points 7 private label brands</p> <p>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</p> <p>42 warehouses 355,410 m² of surface area</p> <p>Arco Norte Logistical Platform (PLAN) Total land: 1,866,426 m² of surface area</p> <p>Bay 3 Construction area: 277,157 m²</p>	<p>Total value of credit granted in 2023: \$10.65 billion pesos</p> <p>Liverpool Number of credit cards: 5.64 million</p> <p>353,000 new credit cards placed in 2023</p> <p>Suburbia Number of credit cards: 1.62 million</p> <p>239,000 new cards placed in 2023</p>	<p>28 shopping centers</p> <p>696,708 m² Net leasable area</p>



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 year we 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 soft-lines 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 bi-weekly payment system called "Minipagos" nationwide.



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 manage-

ment 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.

Our Liverpool Virtual University is offering
4 new
bachelor's degrees

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 omni-channel 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	<p>By 2040:</p> <ul style="list-style-type: none"> Reduce emissions by 268,000 tCO₂eq, achieving carbon neutrality. Recycle 100% of recyclable waste, incorporating circular economy models in keeping with the available technology. Achieve water balance: <ol style="list-style-type: none"> iReduce potable water consumption by at least 1,070,000 m³. Treat approximately 885,000 m³ of the water we use. Continue and increase rainwater capture. 	<ul style="list-style-type: none"> Emissions of 202,760.10 tCO₂e in 2023, 24% progress towards the 2040 reduction goal. 40% progress towards our waste recycling target. Water consumption of 0.36 m³/m² 	  
Social	<p>By 2030:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	     
Governance	<p>By 2030:</p> <ul style="list-style-type: none"> 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. <p>* Merchandise suppliers with a relationship of more than 1 year and annual purchase volume of more than \$500,000 pesos.</p>	<ul style="list-style-type: none"> 110,395 unique products labeled with sustainable features. 30% of our strategic suppliers audited. 	 

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 incorpo-

ration 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 m³ 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: <i>Tarjeta Garantizada</i> for Liverpool, <i>Minipagos</i> , and <i>Aparta+</i> 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:

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.

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





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: <ul style="list-style-type: none"> • 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	2050
Physical risks	<p>Increase in the intensity and frequency of tropical cyclones</p> <p>By 2030:</p> <ul style="list-style-type: none"> There is too much uncertainty surrounding climate projections, which makes it difficult to predict changes in the intensity and frequency of tropical cyclones. <p>By 2050:</p> <ul style="list-style-type: none"> 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
	<p>Increase in the frequency, intensity, and duration of extreme precipitation events</p> <ul style="list-style-type: none"> 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
	<p>Increase in the frequency and intensity of river flooding</p> <ul style="list-style-type: none"> 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
	<p>Rise in sea level and coastal flooding</p> <ul style="list-style-type: none"> 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
	<p>Increase in the frequency, intensity, and duration of droughts</p> <ul style="list-style-type: none"> 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	2050
Transition risks and opportunities	<p>General climate policies that could raise prices and production costs within the supply/value chain</p> <ul style="list-style-type: none"> 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 emissions 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
	<p>Policies to promote a circular economy</p> <ul style="list-style-type: none"> 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 are 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
	<p>Technological advances focused on a more efficient system for transporting and distributing merchandise, low in carbon and non-polluting</p> <ul style="list-style-type: none"> 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
<p>Introduction and expansion of carbon price fixing mechanisms, like carbon taxes and cap-and-trade systems</p> <p>By 2030:</p> <ul style="list-style-type: none"> 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
<p>Use of technologies to improve energy efficiency and resource consumption in sustainable buildings</p> <ul style="list-style-type: none"> 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

Transition risks and opportunities



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 Gandouf ^{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*

Zahíe 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, 2023². 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



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.



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.



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



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.

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.

El Puerto de Liverpool

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