

Aalsea



**SUSTAINABILITY
PROGRESS REPORT
2019**

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1. Letter from our CEO

Alsea has distinguished itself throughout its history for its tenacity, sustained growth and authentic commitment with its employees.

We start 2020 with a never-before-seen panorama, as humanity the COVID19 pandemic faces us with one of the greatest challenges at the global level and brings us significant economic, social and environmental consequences. In this context, communicating our commitment with sustainability and transparency cannot be left behind, which is why we extend this Sustainability Summary, as a sign of our deep interest in keeping our stakeholders informed and demonstrating why Sustainability is for Alsea, the way to win.

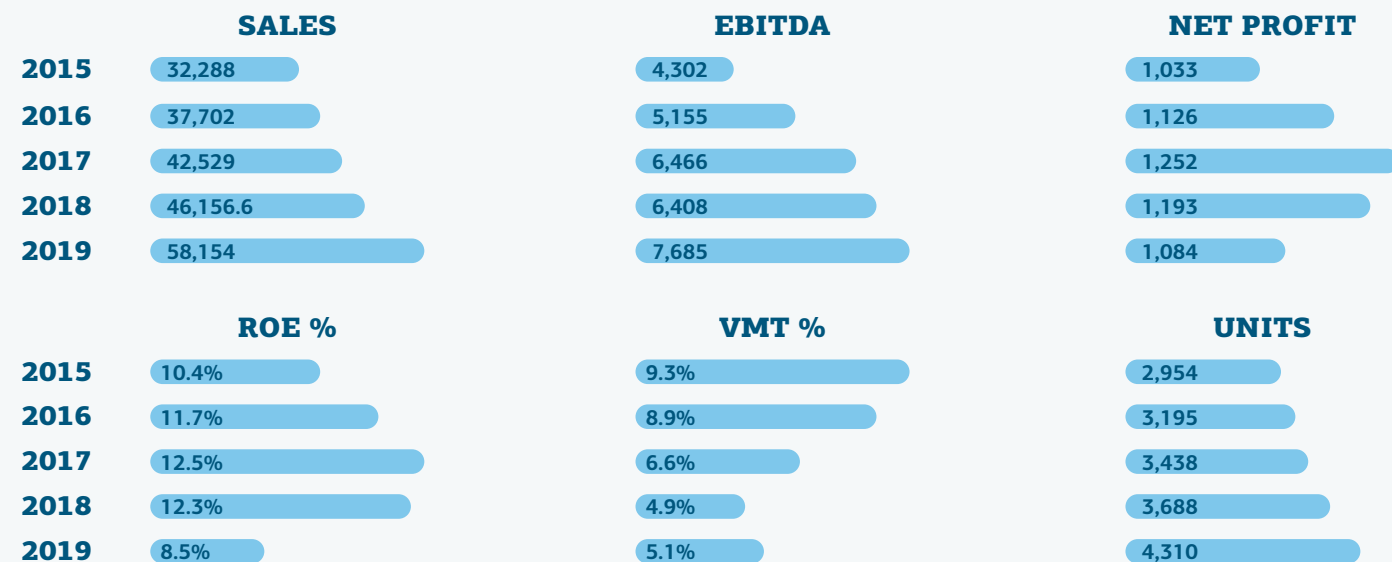
Although the first semester of 2020 has challenged entire industries and economies, it is very clear to Alsea that our commitment must be with our employees. By ensuring their well-being and taking the necessary measures for the continuity and resilience of the business, we can continue to create value for our customers, investors, and the communities in which we operate.

This is the message that we want to transmit through this publication: all our energy is in taking care of our people, all our commitment is in creating value through our business and our entire culture is based on commitment, transparency and sustainability.

Alberto Torrado Martinez
Alsea´s Chief Executive Officer



2. Financial Summary



Outstanding Results¹

	CAGR ⁵ 2013-2018	Annual Increase	2019 ⁶	%	2018	%
Results						
Net sales	20.6%	26.0%	58,154.6	100.0%	46,156.6	100.0%
Gross profit	21.4%	28.2%	40,990.6	70.5%	31,969.1	69.3%
Utility operation	25.5%	38.8%	4,570.9	7.9%	3,293.6	7.1%
EBITDA ²	22.4%	19.9%	7,685.6	13.2%	6,408.3	13.9%
Consolidated Net Income	11.7%	-4.8%	1,084.7	1.9%	1,139.3	2.5%
Balance						
Total active		36.1%	76,412.2		56,155.6	
Cash		32.1%	2,625.4		1,987.9	
Liability with Cost		-0.9%	25,381.9		25,610.0	
Majority Stockholders' Equity		-17.2%	9,581.0		11,573.2	
Cost effectiveness						
ROIC ³		-24.8%	7.9%		10.5%	
ROE ⁴		-30.9%	8.5%		12.3%	
Stock Market Data of the Share						
Price		-2.6%	49.83		51.15	
Earnings per share		-7.5%	1.11		1.20	
Dividend		N.A.	0		0.78	
Book Value per Share		-0.5%	13.20		13.26	
Shares Outstanding (Millions)		0.3%	838.5		835.6	
Operation						
Total Number of Units	9.1%	16.9%	4,310		3,688	
Collaborators	6.2%	13.3%	81,126		71,621	

(1) Figures in millions of nominal pesos and under IFRS standards (they do not include the effect of IFRS 16, nor the effect related to the restatement of hyperinflation in Argentina), except data per share, number of units and collaborators.

(2) EBITDA is defined as operating income before depreciation and amortization.

(3) ROIC is defined as operating income after taxes between net operating investment (total assets-cash and temporary investments - no-cost liability).

(4) ROE is defined as net income divided by stockholders' equity.

(5) ROIC and ROE 2019 consider the results of acquisitions in the last twelve months.

(6) CAGR Compound Annual Growth Rate from 2014 to 2019.

2. Our way of winning

We are the largest restaurant operator in Latin America and Spain, and a leading regional player in global brands within the food segments fast food, coffee shops, casual food and family restaurant.

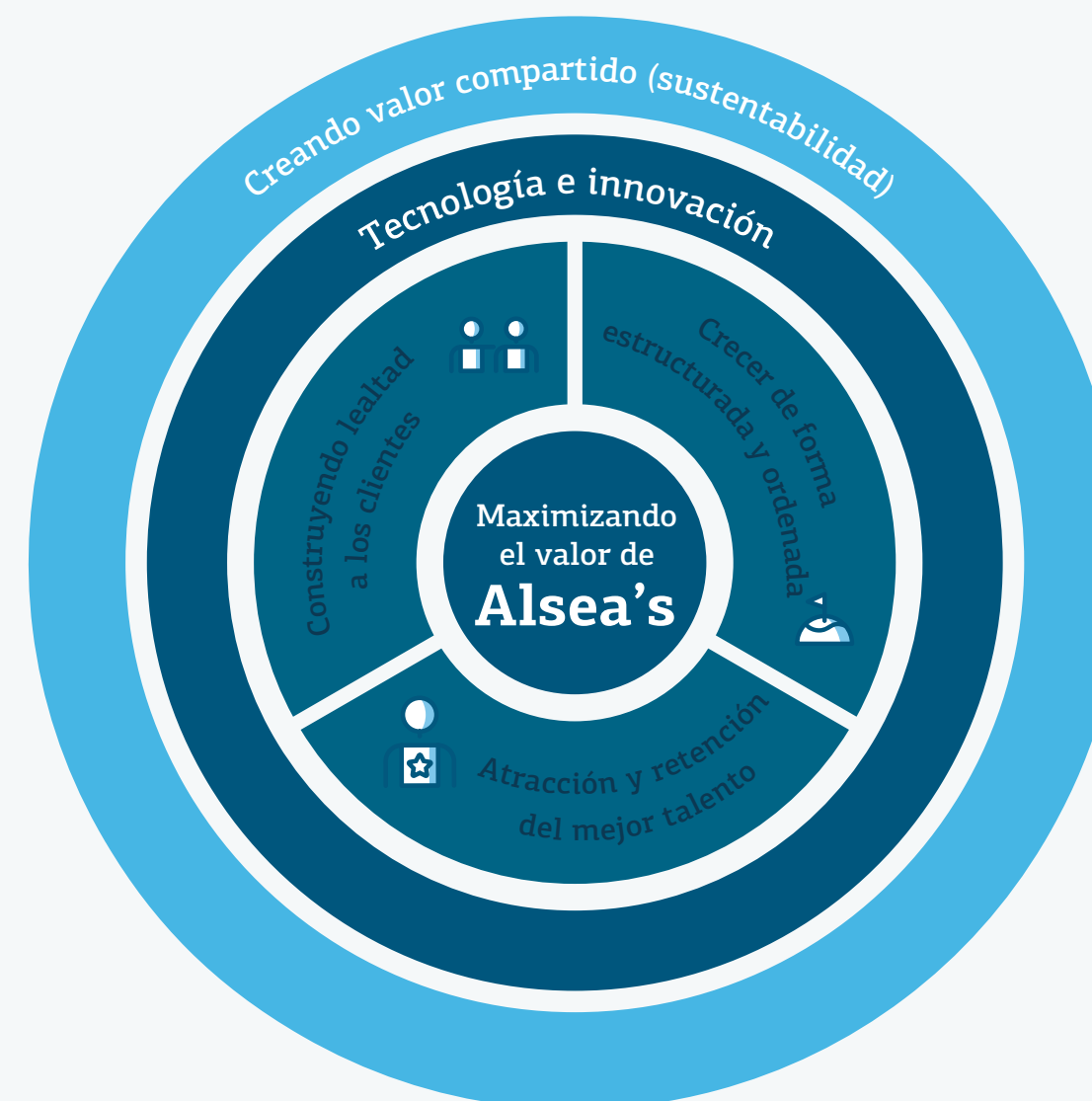
We have a broad and diversified portfolio with brands like Domino's Pizza, Starbucks, Burger King, Chili's Grill & Bar, PF Chang's, Italianni's, Vips and VIPS Smart among others.

The company's business model includes support for their brands through a Center of Shared Services, which provides all the Processes Administrative and Development, as well as the Chain of Supply.

As of December 31, 2019
we operate 4,310 units in



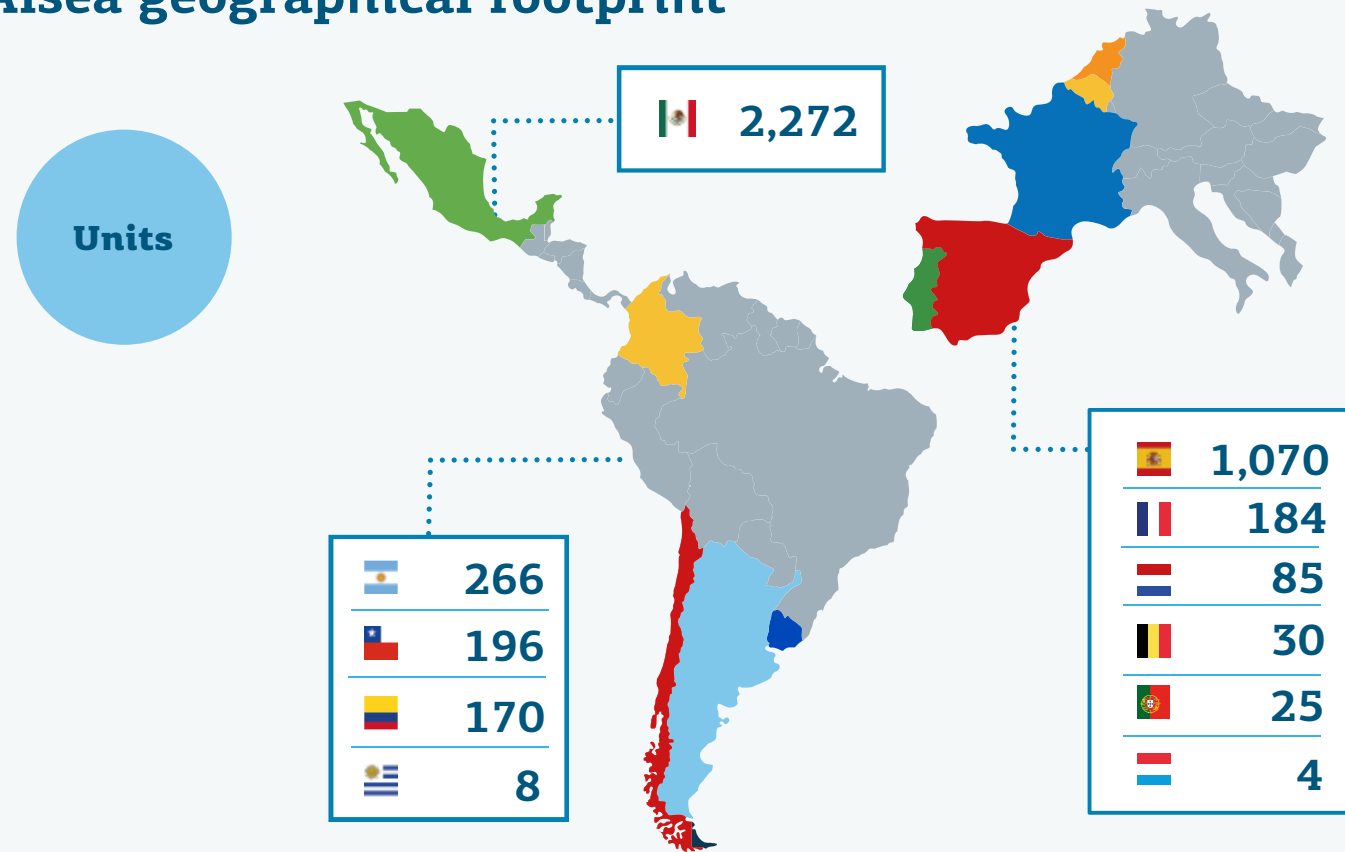
We execute with agility to offer an experience surprising our clients and guaranteeing results extraordinary, bringing happiness even in the smaller details. Our strategy consists of attract and retain the best talent to build and increase the loyalty of our customers and power grow in a structured way through innovation, technology and creating value for all our groups of interest.



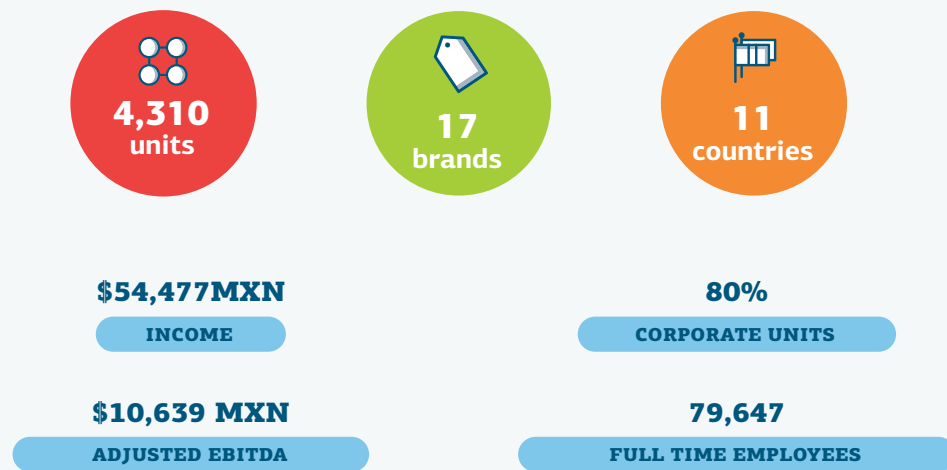
2.1. Alsea in general number

Geographical

Alsea geographical footprint



The most outstanding



QSR 38%	Coffee Shop 36%	Casual Dining 16%	Family Dining 9%

2.2. Challenges and strategies at the end of 2019

Mexico

Challenges

1. Slow growth of the Mexican economy and likely impact on consumption
2. G&A reduction and efficiency
3. Strengthen Domino's Pizza against its competitors and take advantage of customer demand through aggregators
4. Growth in orders and sales in the same store for Italianni's and El Portón
5. Adopt the best technology to improve the customer experience
6. Improve the operational efficiency of the COA

Strategies

1. Offer an excellent service in our stores, improve quality and innovate our products
2. New organizational structure and empower our store managers (Managing Owner)
3. Strengthen our sales through delivery of food (through aggregators and service own delivery), incorporate Domino's Pizza into the aggregators market and improve our delivery time promise
4. New development strategy for brands of Mexican food
5. Digitize the entire restaurant experience while establishing links with our consumers through our loyalty program multi-brand
6. Continue to improve chain operations of supply

South America

Challenges

1. Macroeconomic conditions in Argentina
2. Recent events in Chile and possible impacts on the economy
3. Relevant competition for Starbucks in Colombia
4. Divestment in brands that have no scale in their country
5. G&A reduction and efficiency

Strategies

1. Maintain volume and traffic in Argentina
2. Take advantage of high profitability and potential relevant for expansion in Chile
3. Differentiate our Starbucks service from competition and continue to gain marginality in Colombia through our operations of Dominos Pizza
4. Divestment in countries with growth potential limited
5. Use corporate restructuring to simplify operations and empower managers brands

Challenges	Strategies
<ol style="list-style-type: none"> 1. Implement a unique model for success operational 2. Transfer of best practices from countries where ALSEA has operations in France and Benelux 3. Conclude the first phase of synergies 4. Application of the ALSEA management model 	<ol style="list-style-type: none"> 1. Integrate and simplify the operating structure 2. Application of the ALSEA culture in new acquisitions 3. Execution of new synergies during the process of request 4. Boost and reorder marketing investments, apply best practices to training programs loyalty and data-driven innovation

2.3. Sustainability Model and Social Responsibility

A. Sustainability model

Sustainability is a fundamental value of the business.

In this way, we contribute to economic development sustainable and the interests of society, assuming responsibility for direct and indirect impacts of our activity in the different stakeholders with whom we interact.

Our Sustainability Management Model is formed by 4 commissions that report to the Committee of Sustainability made up of the senior management of the Company.

The Committee identifies the needs of the groups of interest, defines the sustainability strategy and supervises the fulfillment of the proposed initiatives by commissions. Our management, action plans and goals are aligned with our objectives of business, and priority aspects resulting from our materiality.

Also, as part of our commitment to achieve a better future for all, we align ourselves with the Global Compact Principles and the Goals of Sustainable Development established by the Organization of the United Nations.



SUSTAINABILITY MODEL



COMMUNITY DEVELOPMENT

We seek the food security of communities vulnerable and promote human development, through initiatives that favor education and employability.



QUALITY OF LIFE

We promote the integral development of our collaborators, facilitating the conditions for that harmonize your personal and professional life and we provide health and safety programs occupational.



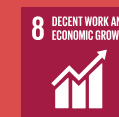
RESPONSIBLE CONSUMPTION

We promote a balanced lifestyle by integrating the pleasure of quality food and healthy coexistence in combination with physical activity.



ENVIRONMENT

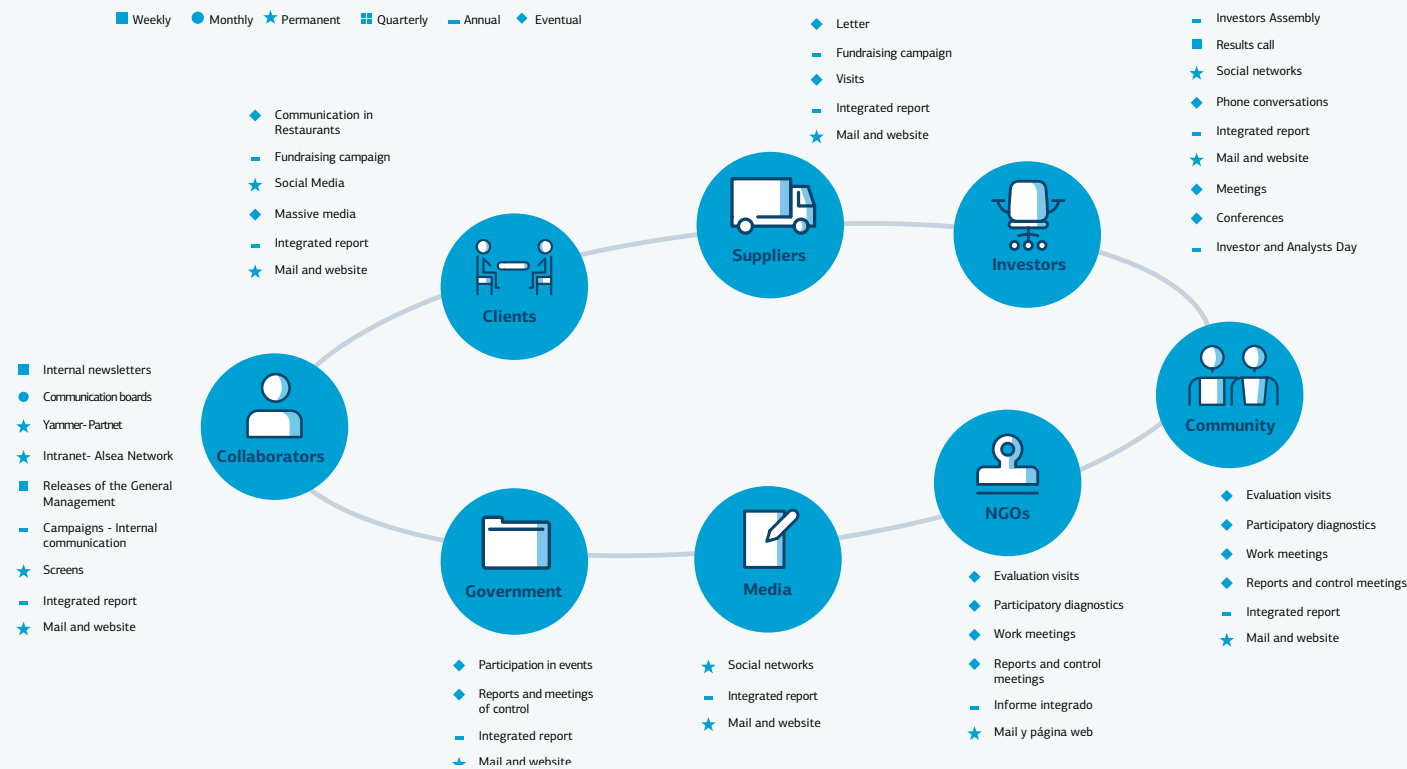
We promote the care of the environment, through the efficient use of resources: energy, water, inputs and waste.



RELATIONSHIP WITH STAKEHOLDERS SUSTAINABILITY MODEL

At Alsea we are committed to our stakeholders, since they are the basis of our growth in the market. We are attentive to know what their common needs and expectations are and attend them. That is why we implement different mechanisms to know their opinion directly, clearly and in a timely manner. For us it is very important to maintain good communication with clients, suppliers, collaborators, investors, the government, authorities, the community and any other organization with which Alsea may have a positive or negative impact. Because connecting with our stakeholders is an important element for building a solid future.

MEANS OF COMMUNICATION AND INTERACTION:



B. Alsea's position on sustainability and SR issues

Social Responsibility is one of the seven areas strategies of Alsea and represents a fundamental value of the business since in this way we ensure our contribution to sustainable economic development and interests of society as a whole, assuming the responsibility for direct and indirect impacts of our activity in the different stakeholders with whom we interact.

The RS area has been transformed and has adopted the sustainability or ESG issues of the company. Being a transversal value for the company we believe that both corporate citizenship and sustainability are strategies to create value for all of our stakeholders. We structure this management to through commissions and a sustainability committee. These commissions are directed by different directors of the company

The organization has been around three decades actively contributing to the economic, labor, social and environmental improvement in countries where Alsea operates, with a corporate behavior that is responsible, solid and transparent.



C. Commissions

Since 2011 Alsea has strengthened its management of Social Responsibility and sustainability by professionalizing its structure, which today is made up of a Sustainability Committee, made up of the highest executives of Alsea, led by Alberto Torrado, Chairman of the Board of Directors.

The Sustainability Committee is committed to identifying the expectations and needs of the various groups of interest of Alsea, as well as define the sustainability strategy, approve, and supervise compliance with the programs and initiatives of the commissions.

The organization manages four strategic commissions, which are made up of change agents in the following areas:

D. Materiality



Alsea is committed to identifying material aspects, which is why since 2015 and every 2 years it has been carried out the materiality study, which takes into account the requirements established by the prescribers sectoral, social and voluntary in economic, social and environmental matters.

Similarly, during 2018 Alsea Argentina and Alsea Chile carried out their materiality study for the first chance. With the intention of consolidating in a single report all the materialities of the various geographies. We will soon carry out a single materiality study that consolidates the topics of interest in the sector at the global and to help us identify potential and relevant issues of all our stakeholders that will determine the company's Sustainability strategy in the coming years.

2.4 Key initiatives by commission



We promote the integral development of our collaborators, facilitating the conditions for them to harmonize their personal and professional life and we provide occupational health and safety programs.

2019 results in Mexico

1) Occupational safety

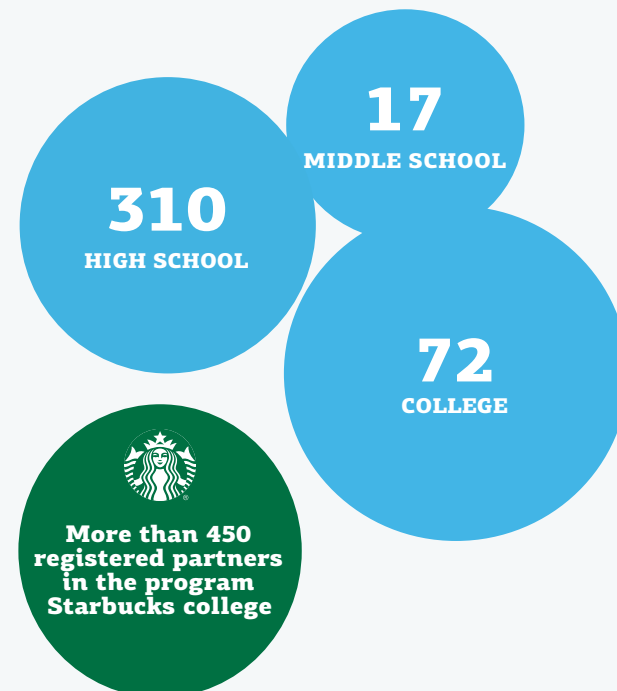
We work in legal compliance, prevention and attention to emergencies.

2) Culture of labor diversity and inclusion



3) ABC Alsea

Program that promotes the completion of studies our collaborators with a total of 399 collaborators enrolled in the program.



4) Monthly break for Managers

Program that grants 2 consecutive rest days of rest per month. 54% of our management staff participating.



We promote a balanced lifestyle integrating the pleasure of a quality meal and a healthy coexistence in combination with physical activity.

2019 results in Mexico

1) Nutritional communication

All our menus are updated with caloric content included.

2) Sustainable Consumption

Brands without Styrofoam, without plastic bags and with straws that are biodegradable.

3) Sustainable Supply

Coffee from the Chiapas cooperative for El Gate and purchase of tilapia from a local supplier.



We promote the care of the environment through the efficient use of resources: energy, water, inputs and waste.

2019 results in Mexico

1) Reuse and decrease of water

Treatment plants, Flow reducers, Low consumption bathrooms.

2) Energy efficiency

Led lighting, water heaters.

3) Automation

Stores Preview 158/170, CO2 Reduction, Purchase clean energy.

4) Energy efficiency

Reduction of more than **53,000** tons of CO2, Waste reduction, **850,229** liters of oil recovered.



We seek the food safety of vulnerable communities and promote human development through initiatives in favor of education and employability. The members of these commissions together with a support team, ensure the implementation, fulfillment and evaluation of objectives of the sustainability and Social Responsibility plan.

2.5 Most important strategies and results

A. Technological Ecosystem

At Alsea we firmly believe that state-of-the-art technology is essential to maintain a competitive advantage in the future. That is why, for some years now, the company has decided to structure and improve the technological ecosystem of the company.

World trends and best practices at a global level are inclined towards the modernization of processes, services and products. That is why Alsea has delved into the technological tools that should be used.

These technological tools will be powered by real data of our clients, of the infrastructure scientific research and the information may be consolidated in a only customer profile. This will allow us to understand better to our clients and to be able to maintain an advantage competitive in the markets where we operate.

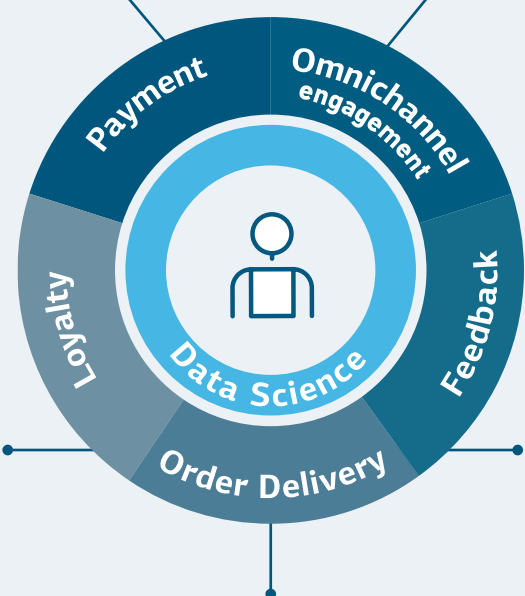
Here is a general outline of the ecosystem technology that Alsea is creating.

Payment: ability to make payments from apps and WOW wallet

Omnichannel Engagement: Customer communication through any channel: email, SMS, etc.

Loyalty: personalized loyalty program that offers experiences, products and points

Feedback: get feedback of customers through digital media



Order delivery: provide mobile orders and delivering for all our brands

B. Recognitions and badges



S&P Dow Jones Indices “S&P DJI”, the largest global index provider, together with the Mexican Stock Exchange (BMV), the second largest stock exchange in Latin America, announced today the debut of the S & P / BMV Total Mexico ESG Index , the latest member in S&P DJI’s growing family of global ESG indices, which are based on some of the most followed country and region-specific benchmarks in the world. Alsea has been part of this index since June 2020.

During 2019, Alsea stood out for its commitment to Sustainability as the company was recognized for the second time as part of the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI). It was an achievement since we were the only multinational company in the restaurant industry that qualified in the Latin American Integrated Market.



Alsea has been recognized since 2012 by the Mexican Center for Philanthropy (CEMEFI) as a Socially Responsible Company. This distinction is awarded to those organizations or companies that reliably demonstrate that they have institutional principles and projects in favor of their various interest groups. Obtaining the badge represents the recognition and validation of a third party, of responsible practices, but above all, it commits to redouble efforts to always seek the benefit of all stakeholders, by offering high-quality products, contributing to comprehensive development of employees, promoting a business culture based on ethical standards, supporting the conservation of natural resources, caring for the welfare of neighboring communities, among many others.

Since June 19, 2011, Alsea joined the United Nations Global Compact, which is the most important global initiative in Corporate Social Responsibility, which promotes the adoption of ten universal principles related to the defense of Human Rights, the Labor Standards, the Environment and the fight against Corruption.

By adhering to this Pact, the company undertakes to reaffirm and promote these principles in its business strategy, in such a way that its operations benefit societies throughout the world. With this integration, all who make up the great Alsea family foster a culture in which they live and comply with these principles

The 10 principles of the Global Compact are:

one

Companies must support and respect the protection of universally recognized fundamental human rights, within their sphere of influence.

two

Companies must ensure that their companies are not complicit in the violation of human rights.

three

Companies must support freedom of association and the effective recognition of the right to collective bargaining.

four

Companies must support the elimination of all forms of work forced or carried out under duress.

five

Companies should support the eradication of child labor.

six

Companies must support the abolition of discriminatory practices in employment and occupation.

siete

Companies must maintain a preventive approach that favors the environment.

eight

Businesses should encourage initiatives that promote greater environmental responsibility.

nine

Companies must favor the development and diffusion of technologies that respect the environment.

ten

Companies must work against corruption in all its forms, including extortion and bribery.

C. Key results

Alsea appoints a Chief Digital Officer:

Being aware of the transformation of consumer habits that our clients have experienced in recent years, where the use of technology has become a watershed, since the end of 2019 we have detected the need for a Directorate to lead the strategy of the digital experience we offer to guests.



Environmental KPIs coverage increased:

Year after year the company improves the measurement and coverage of its environmental KPIs. This year we have 94% coverage for our environmental KPIs.



LEED certifications in Chile:

In Chile, work is being done on LEED (Leadership in Energy and Environmental Design) Certifications for Starbucks stores, to achieve the best sustainability standards through design and construction strategies and practices.



149 stores in Argentina comparable to 2018:

We reduce energy consumption by 8.5%, equivalent to 876 tons of CO2 and 4.2% of the annual expenditure for this concept.

Our portfolio in 2018:

In 2018, our portfolio was 85% conventional energy and 15% clean energy, in 2019 we managed to reduce the purchase of conventional energy to 55% and 45% was from a mix of clean technologies.



2.6 Alsea Foundation

In 2004 Fundación Alsea A.C. was created, with the mission of being the company's Social Responsibility vehicle that seeks food security for vulnerable communities and that promotes human development through support for initiatives in favor of education and employability.

Through the Alsea Foundation, a social organization that supports civil society institutions to carry out sustainable programs and actions and not of a welfare or paternalistic nature in favor of food, education and employability in Mexico, in 2012 I created the "Movimiento Va on my account" in which through the participation of Alsea, its brands, consumers, collaborators, suppliers, society and / or interest group that wishes to get involved, it is guaranteed that children in food poverty in Mexico have access to a nutritious meal. This objective is accomplished through the construction and operation

of children's dining rooms, which we call "Nuestro Comedor" and which are managed by different strategic allies such as Comedor Santa María A.C, Fondo para la Paz I.A.P. and SEDAC (Education and Development Service to the I.A.P. community).

Currently, there are thirteen soup kitchens, in which more than 5,000 children living in food poverty are served daily. Thanks to all the contributions made, to date we have managed to serve close to three million nutritious meals.

Alsea covers the amount destined to the construction of the dining rooms and the Alsea brands through its collection mechanisms and products with a cause provide the necessary funds to "operate" these dining rooms.

- Inauguration of the 12th "Nuestro Comedor" located in "El Corozal" within the municipality of San Juan de Lachao on the Oaxacan Coast, which is the second that we opened under a community model in collaboration with Fondo para la Paz, I.A.P. and Borda Las Américas.

- The construction of the 13th "Nuestro Comedor" located in San Luis Potosí was completed in collaboration with Fondo para la Paz, I.A.P. and Borda Las Américas, the third under a community model.

- Inauguration of the Cultural Heritage in the offices of the Alsea Support Center with the aim of raising awareness about the child food poverty that we live in our country.

- Beginning of the construction of a new "Nuestro Comedor" located in Cancun hand in hand with a new operator called "Huellas de pan" to open in the first half of 2020.

- We made an alliance with the Royal Holiday Foundation so that our 176 beneficiaries of "Nuestro Comedor" Chalco and their families went on vacation for the first time.

- We delivered 677 school kits to our beneficiaries of the Movement.

- We managed to raise a total of \$11,136,924.06 million pesos in the campaign with clients from October to November 2019.

- We were able to obtain an income of \$15,324,498.21 million pesos from the products caused by the participating establishments.

- We have an Alsea donor network of more than 26 thousand collaborators.



A. Mexico 2019 Results



Movement "Va por mi Cuenta"

Number of nutritious meals served in 2019	<p>855,390 Meals served by Comedor Santa María</p> <p>51,439 Meals served in partnership with "Fondo para La Paz"</p> <p>14,913 Provided by Fundación Por un Hogar</p> <p>131,040 Food rations delivered through Save the Children</p> <p>In total 1,052,782 meals served in Mexico during 2019.</p>
Number of dining rooms in 2019	<p>1 School</p> <p>3 Community</p> <p>9 Urban</p> <p>In total 13 dining rooms in operation and 1 more under construction.</p>
Number of families / people benefited in 2019	<p>2,498 Dining Rooms Va por mi Cuenta</p> <p>97 Food to Share</p> <p>33,954 Food for All</p> <p>Total more than 36,549 benefited families</p> <p><small>*Those of Save The Children are not considered, nor those of Por un Hogar because we do not have the data</small></p>
Volunteer hours	4,757 Volunteering at the Mexico Office Support Center
NGOs supported	12
Children	<p>4,420 of the dining rooms Go on my own</p> <p>1,491 from the Fundación Por un Hogar dining room</p> <p>504 support to Save The Children</p> <p>438 of the program "Alimento para compartir"</p> <p>152,671 of the alliance with "Alimento para Todos"</p> <p>Total 159,525 beneficiaries of Va por mi Cuenta</p>
Donations in kind (ton)	176.0853 ton of feed

Causes / Resources allocated (%)

Feeding	\$ 31,816,786 (59.92%)
Community development	\$ 5,000,000 (9.42%)
Citizen participation	\$ 3,215,000 (6.05%)
Education and employability	\$ 6,173,054 (11.63%)
Variable donations	\$ 2,050,000 (3.86%)
Emergencies	\$ 25,862 (0.05%)
Education and employability	\$ 6,173,054 (0.18%)
Associations in which Alsea participates	\$ 96,101 (8.90%)

Total expenses of Alsea Foundation in 2019

\$53,100,941

INTEGRA; Opportunity and Employability Fund

During 2019 we invested

to 15 institutions

in Mexico, Chile, Argentina and Spain

+ 340 thousand dollars

benefiting +4,600 young boys

in situation of vulnerability



190 children benefited



During 2019, we carried out 5 volunteer activities in which collaborators of existing brands in the cities of Colombia participated. During these visits, entertainment activities were carried out for the children, they were offered breakfast or snacks and recreation (magic show, chef's show, balloon twisting, puppets and little faces). Also, \$ 4,000,000 Colombian pesos were donated in food and approximately 100 toys during the year.

Supported Institutions

Association of Women Artisans Luz y Vida	Missionaries of Christ the Master
Funsodelpo Social Foundation for the development of the well	ABC Prodein Charitable Association Christian Promoter of Integral Development
Semilla y Fruto Social Foundation	Health Secretariat of the Mayor's Office of Sabaneta

Support Center and Supply Chain

Brands	Starbucks, Burger King, Domino's, Archies, P.F Changs
Number of Volunteering	200 *Approx. 40 people per visit
Hours of Volunteering	30 hrs *Approx. 6 hours per volunteer

Spain 

Institution	Kilos o piezas	Valor económico
Food (Marco Luna Association, Food Bank, CEAR, Altius Foundation, Bobath Foundation, Fundaci'no Exti, Foundation Little Wish, I Have a Home Foundation, Thyme Foundation, Home yes, Messengers of Peace, Forgotten, Luz Casanova Foundation)	2775,4 Kilos	13,383.12 €
Furniture (CEAR, Vallecas Coordinator, Feel Awad, Fundación Adra, Fundaci'no Tomillo, Grupo Amas, Fundación Luz Casanova, Pinardi)	596 furniture	
Hazlo posible		9785
CEAR		5000
SERES		18000
Voluntare		1500
WWF		500
Acción contra el Hambre		23885
Manos Unidas		100
Fundación Hogar Sí		1000
Fundación Tomillo		1500
Asoka El Grande		1000
Luz Casanova		3221

VIPS VIPS SMART

They have carried out 31 volunteer activities, impacting 838 beneficiaries. Of these 31 activities, 21 have been in training and mentoring actions for young people in vulnerable situations of the entities: Fundación Tomillo, Asociación Pinardi, and Fundación Secretariado Gitano and 10 activities have been of social intervention through competitions of pizzas or sandwiches made in our establishments and a participation in the world homeless event in Madrid.

GINOS RISTORANTE

This year Ginos has focused on young people in vulnerable situations, through 12 training and mentoring sessions, and 1 specific social action activity with a pizza workshop. 200 young people have benefited. The entities with which it has collaborated are Fundación Éxit, Fundación Tomillo, Asociación Pinardi and Down Córdoba.



Fridays has participated in a volunteer activity focused on skills training for young people at risk of exclusion with Fundación Tomillo, 17 young people having enjoyed the action.



Wagamama through its action “the meaning of rice” established a link with Luz Casanova, an entity that among other things has a soup kitchen, the volunteers participated in the dining room and in the food collection.



Starbucks in Spain has its own brand program to serve the refugee community, divided into two independent programs: Spanish classes for those refugees who have been in Spain for less than 6 months and do not yet have authorization to work and training sessions and mentoring for refugees who have been in Spain for more than two years and are prepared for their employment.

94 volunteers have participated in the Spanish classes, for 226 hours and impacting 205 refugees. 46 volunteers have participated in the skills training project, for 321 hours and impacting 54 beneficiaries.

Additionally, a High Impact Volunteering campaign (NGO counseling) has been carried out in which **47 volunteers have participated, dedicating 564 hours.** Also, specific actions of community volunteering have been organized, which have been enjoyed by **383 beneficiaries.** The organizations have been Aula Toledo, Fundación Tomillo, Down Asturias, Asoka, Flsat, Fundación Secretariado Gitano, Cruz Roja and Rey Ardid.

The support staff this year has participated in 14 activities, all of them focused on the training and development of skills and competencies for vulnerable groups and a support action in a solidarity career. **417 young people from Fundación Tomillo, Pinardi, entreculturas and Fundación Once have benefited** from these actions.

During 2019, two large campaigns have been promoted in collaboration with social entities that are part of our community. At Christmas, in collaboration with the Tengo Hogar Foundation, we made the wishes of **40 boys and girls come true whose families are in vulnerable situations.** In September, to facilitate the return to school of the most vulnerable families in a poor neighborhood, school supplies were collected.

Chile

In Starbucks Chile each store sponsors a foundation or institution that is close to the sector where the store is located, therefore the type of beneficiaries varies according to each store and multiple activities are carried out during the year. In addition, at Christmas time, the stores invite their customers to leave gifts in baskets that are placed in the same store, which are later delivered by the Partners to the sponsored Foundations / Institutions.

The first Alsea Corporate Volunteering was held, which benefited three kindergartens in the communes of Quilicura, Lo Espejo and Puente Alto that belong to the Hogar de Cristo network. 83 collaborators from all brands and the Support Center participated, benefiting 247 children and 30 preschool educators.

Campaign for the collection of school supplies (March) and Campaign for the collection of personal hygiene supplies for homeless people (it was also added to the entire operation, August) together with Fundación Hogar de Cristo.

Christmas Fair with Meaning: instance in the Support Center where foundations and entrepreneurs were given the opportunity to come and sell their products to our collaborators. Alsea provided the space, we served them with coffee and Starbucks products.

Argentina

Arcoiris Project

Since 1988, the commitment to diversity has been present in everything we do at Starbucks. In 2019, in Buenos Aires, Argentina, we created the Arcoiris Project: a program that frames different actions with the aim of celebrate and continue working on this commitment.

Flexer Foundation

With the Flexer Foundation in 2019, as we have been doing for more than 10 years, we joined the #PoneteLaCamiseta campaign during February (Month of the fight against childhood cancer), we collaborated with the recreational events organized throughout the year and In December, at Starbucks stores, for each seasonal reusable cup sold we donate a cup of milk for the children who attend. For #PoneteLaCamiseta we collected 1,300 signatures supporting a Comprehensive Assistance Act for Young People with Cancer and we delivered more than 300 campaign t-shirts in exchange for donations to raise funds for the foundation. **In recreational events for children, we volunteer more than 350 hours and make donations of our products.**

Fundación Sí

We started our relationship with Fundación Sí in 2018, with a donation of US \$ 10,000 for the “If they can” program, a program that accompanies community kitchens throughout the country. In 2019 we made a donation of US \$ 9,000.00 for the “University Residences” project, where the foundation supports young people from vulnerable populations who otherwise could not access the dream of completing a university degree. Additionally, we participated in the “Solidarity Mission 2019” organized together with Radio Metro and Telefé, the television channel. The Solidarity Mission is held every year and is a large-scale collection for the canteens that the organization assists within the framework of the “Yes They Can” program. The call was made through the media and thousands of people gathered to leave their donations on July 24 in the City of Buenos Aires. From Starbucks, to accompany Fundación Sí, we delivered coffee to all those people who came with the cold to leave their donation.

The collection reached 295 kitchens in the interior of the country and that day, in just one day, we completed 220 hours of community service

Community Leaders

Through Community Leaders, our Partners lead projects together with an NGO of their choice and seek to change the reality of vulnerable populations in their community. During 2019 we had 13 Community Leaders projects that carried out activities consistently throughout the year. To encourage the organization of these activities, specific campaigns were carried out at different times of the year, such as Global Month of Good in April (820 hours of volunteering), A Toy for a Smile in August for Children's Day (more than 600 toys and 256 hours of volunteering) and the Christmas campaign in December (200 hours of volunteering).

In 2019, we reached 2,180 hours of community service in total, including all these initiatives and those that were organized for each Community Leaders project according to their particular needs. Together we show that many little people, by doing little things, can change the world.

Sagrada Familia Foundation

The foundation seeks to promote human development through access to decent housing and adequate habitat. As a result of the remodeling we carry out to ensure an amazing service to our clients, we have furniture that we will no longer use. We deliver this furniture to Sagrada Familia so that it can give it a second useful life and sell it at affordable prices to low-income families so that they can improve their living conditions.

In 2019 we have donated more than 50 armchairs, 150 tables and 250 chairs.

Stacker day volunteer

It is a non-profit organization that helps reduce hunger, improve nutrition and avoid food waste.

Those foods suitable for consumption and that do not arrive to be sent to our points of sale due to their next expiration date, are sent to the Food Bank, which then takes care of the distribution among social organizations that feed people on the spot. need.

In 2019 we delivered more than 5,400 boxes of food.

Stacker day voluntario

For the fifth year in a row, BURGER KING® hosted Stacker® Day. People who came to any of the brand's stores were able to buy their Combo Stacker® with a 50% discount. With this purchase they collaborated with the solidarity cause.

This year and as part of Burger King®'s commitment to the community, each Combo Stacker® sold collaborated with Suena Eh, the record label that gave voice to neighborhood artists. This musical project brings together singers from vulnerable neighborhoods who tell their experiences through genres such as trap, beatbox, cumbia, reggaeton, rap and freestyle with the aim of developing their artistic career and thus making themselves heard.

Not only was Suena Eh made visible (more than 2 million views in advertisements), but a significant social investment was made in the amount of ARS \$ 800,000 = USD \$ 18,059 (3-Jul USD \$ 1 = ARS \$ 44.30).

In previous editions, BURGER KING® supported different initiatives of this type such as the Argentine Firefighters Foundation during 2018 and Gino Tubaro and his Atomic Lab organization in 2017. Both events attracted thousands of fans throughout the day that were held. They came together to help and enjoy the Stacker® at half price.

Uruguay

CEPRODIH

It is a non-profit civil association, founded in Montevideo (Uruguay) in 1998, with the mission of assisting and promoting the most vulnerable families, especially women with children at high social risk: unemployment, domestic violence, homelessness during the pregnancy. These factors threaten the dignity of women and have a direct impact on the living conditions of children.

This year we carried out two great actions with them (in addition to Food Share):

1) Co-Organization of your New Year's Eve Kermese. Annual event of the foundation to deliver diplomas to the women who were trained in the year, and offer entertainment and games to their children. 30 Partners participated in this volunteer action, making a total of 180 Hours.


2) Purchase of End of Year Gifts. Instead of investing in commercial Christmas baskets, we purchase an end-of-the-year gift from the foundation for each Partner.

They were made by the mothers in different gastronomy and textile workshops.




3. Our Performance

This table presents a summary of the main ESG indicators that we manage at Alsea. To keep us in line with a transparent and efficient communication, this report and table were prepared with reference to the standards GRI global reporting.

2018-2019 ESG Performance

Governance	Units	2018	2019	YoY	GRI	ODS and UN Principles
Corporate Governance						
Number of women in Board of Directors	Number	1	1	0%	405-1	 Principle 6
Number of independent directors	Number	5	5	0%	102-22	Principle 10
CRM						
Customer satisfaction	% of customers surveyed	88	66*	N/A	"102-43 102-44"	
Privacy Protection - IT						
Total number of claims received in relation to privacy protection of clients' information	Number	0	0	0%	418-1	

Environmental	Units	2018	2019	YoY	GRI	ODS and UN Principles
Emissions GEI						
Coverage of environmental indicators	%	> 75% of operations or income	% > 75% of operations or income	=	"102-45 102-46"	Principle 7,8,9
Scope 1: Direct Emissions	Ton CO2 Eq	98925	109217	Subió 10%	305-01	
Scope 2: Indirect Emissions	Ton CO2 Eq	156860	150249	Bajo 4.3%	305-02	
Energy Consumption						
Non renewable fuels bought or consumed	MWh	418542	368194.6922		302-01	
Non renewable Electricity Purchased	MWh	325195	432024.4707	25% grow up	302-01	
Other non renewable energies purchased	MWh	0	0	=	302-01	
Total non-renewable energy consumed	MWh	743737	800219.1629	7% grow up	302-01	
Water Consumption						
Water from municipal sources	Millions of cubic meters	3.250774	2.5169	33% go down	"303-03 303-04"	
Consumption of water from underground and surface sources returned to its source with a quality higher than that of the extracted water	Millions of cubic meters	0.028213	0.0502861	44% go down	"303-03 303-04"	
Total water consumption	Millions of cubic meters	2.780612	3.019818	8% go down	"303-3 303-4"	

Social	Units	2018	2019	YoY	GRI	ODS and UN Principles
Collaborators						
Total number of employees	Number	71,000	79,647	11% grow up	102-8	Principle 3 y 4
Number of women	%	47	47	=	102-8	 Principle 6
Percentage of women in management positions	%	45	48		102-8	 Principle 6
Percentage of employees that are part of a labor union	%	80	73	7% go down		Principle 3
Commitment of the employees (percentage of actively committed employees)	%	53	63	10% grow up		
Engagement survey coverage	%	92	92	=		
Equal remuneration	SEE TABLE		SEE TABLE		G4-LA13	
Corporate citizenship and philanthropy						
Dedicated contributions to charitable donations	%	29	29	=		 Principle 5
Contributions dedicated to investments in community	%	71	71	=		 Principle 1 y 2
Dedicated contributions to commercial initiatives	%	0	0	=		
Philanthropic contribution in cash	Mexican pesos	50,344,476.00	52,834,710.59			
Value of donations in kind	Mexican pesos		3,584,391.63			
General expenses linked to corporate citizenship	Mexican pesos		3,239,773			

4. Looking to the future, acting in the present

Derived from the COVID-19 crisis, Alsea faced various challenges in order to guarantee the continuity of its operation, as well as the attention to the different needs of its stakeholders.

For this, various actions were carried out, among which stand out :

1) Health and well-being of our employees, clients and communities in which we operate.

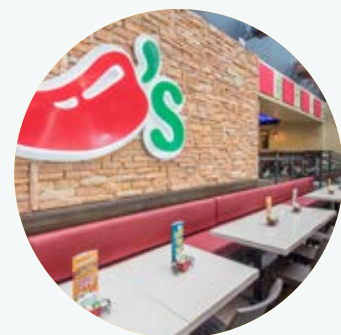
2) Financial sustainability of the company

3) Adapting to the new reality and new ways of operating as the pandemic recedes and restaurants reopen.

We have worked to successfully position Alsea for the new post-COVID-19 reality. We have made significant strides in digitizing our operations and the customer experience, from order to delivery, and by getting to know our customers better through our Starbucks Rewards apps, Domino's Pizza OLO (Online Ordering) and Club VIP Loyalty, Foster's Hollywood Fosters and Wow Rewards, together reaching more than 18 million customers. Alsea has long been a leader in home delivery through its Domino's Pizza brand and we are now leveraging that experience to expand the reach of the other brands within our portfolio.

With our multi-national scale, global brands, a huge customer base, investments in new trends such as dark kitchens and other factors, we believe that Alsea is the best positioned to make home delivery a profitable success.

Positioned for the post COVID-19 world. We believe that the consumer will change once the pandemic is over and will focus more on health and hygiene, home delivery, digital communication and brands with strong reputations. The consumer is likely to have less money and will therefore focus more on value. The restaurant industry will change. It will decapitalize and it will be more difficult to obtain credit, which almost certainly means a rationalization of brands and a reduction in market capacity.



Going for our Heroes was created, an initiative to support people who as a result of COVID-19 are in a state of vulnerability.

The most outstanding initiatives are:

- Delivery of pantries for the beneficiaries of the dining rooms of the Va por mi Cuenta movement, to date 7,185 pantries have been delivered. Starting in June, an alliance was signed with La Comer and Fundación Alsea for the delivery of pantries. From August to December, operations will resume.
- 274 tons of feed have been granted as of June 1, in all the markets in which Alsea operates.
- 4,620 food rations were delivered to patients and relatives of patients at the XXI Century Hospital through our partner "Por un Hogar"
- Through Fund for Peace I.A.P. Food security is guaranteed for 620 beneficiaries from indigenous communities in the states of Oaxaca and San Luis Potosí, who are also supported with the purchase and distribution of medical supplies to care for COVID-19 patients.
- 1200 pantries were delivered to collaborators who are single mothers.
- In alliance with the IMSS Foundation, from April 17 to June 2, 38,604 rations of prepared food will be delivered to health workers at the Siglo XXI and La Raza hospitals.
- A donation was made to the National Network of Food Banks for the comparison of 11 tons of grains benefiting 2,759 families in 11 states of the Mexican Republic.
- In order to benefit our employees severely affected by COVID-19, an Emergency Fund was created in conjunction with Starbucks International to support employees from Mexico, Chile, Colombia, Uruguay and Argentina.
- The Alsea brands in the different markets have made donations of their main products (Pizzas, coffees, hamburgers, fried rice, etc ...) to the health personnel who attend the emergency throughout their territories.
- To support the communities, Va por Nuestro Héroes was created, an initiative to support people who are in a state of vulnerability as a result of COVID-19.

How will Alsea react?

Our goal is to be leaders in home delivery and in providing the best digital experience for our customers, adapting our marketing and distribution to achieve this goal. We will invest and grow our WOW Rewards loyalty program to create greater loyalty, a channel of communication and database analysis. We will ensure that our brands and menus are aimed at the most value-conscious consumers. We will be very disciplined in the use of capital, achieving the greatest possible synergies between our different business units, minimizing unnecessary expenses and optimizing our real estate footprint. We are working on a series of strategic alliances with banks, cinemas and retailers to boost human trafficking.

Throughout this process, Alsea will remain closely with its franchisors, primarily Starbucks, Domino's Pizza, and Burger King. We believe that as the world copes with this crisis, consumers will gravitate towards the more recognized brands and franchisors will rely more on the strongest operators.

