



**GRUPO BIMBO**  
**GLOBAL AGRICULTURE POLICY**  
**December 2019 Progress Update**

In 2017, Grupo Bimbo published its [Global Agriculture Policy](#) outlining its vision for agricultural practices that support economic, environmental, and social resilience, its commitment to promote these practices throughout its supply chains, and its expectations for suppliers to drive implementation. Grupo Bimbo’s Global Agriculture Policy builds upon lessons learned through the ongoing implementation of its [Global Palm Oil Policy](#), published in 2015. Details related to its palm oil goals and progress can be found [here](#).

In 2019, Grupo Bimbo has prioritized five objectives for Global Agriculture Policy implementation. Below is a summary of these objectives and associated progress:

1. **Publish a Global Agriculture Toolkit for suppliers**, describing 19 key aspects (see table below) of the Policy in order to clearly outline Grupo Bimbo’s expectations for implementation and support and strengthen supplier practices.

<i><b>Social</b></i>	<i><b>Environmental</b></i>	<i><b>Economic</b></i>
<a href="#">Child Labor</a>	<a href="#">Healthy Soils</a>	<a href="#">Smallholder Engagement</a>
<a href="#">Forced Labor</a>	<a href="#">Water Management</a>	
<a href="#">Wages &amp; Working Hours</a>	<a href="#">Responsible Pest Management</a>	
<a href="#">Harassment &amp; Abuse</a>	<a href="#">Air Quality</a>	
<a href="#">Respect for Diversity</a>	<a href="#">Waste Management</a>	
<a href="#">Freedom of Association</a>		
<a href="#">Health &amp; Safety</a>		
<a href="#">Safe Accommodation</a>		
<a href="#">Employment Contracts</a>		
<a href="#">Ethical Recruitment</a>		
<a href="#">Free, Prior, and Informed Consent (FPIC)</a>		
<a href="#">Access to Remedy</a>		

2. **Conduct a Materiality Assessment** for Grupo Bimbo’s agricultural supply chains in order to identify issue, commodity, and regional priorities related to economic, environmental, and social impact. Between and June and October 2019, Grupo Bimbo consulted NGOs, clients, business organizations, scientific institutions, suppliers, and internal stakeholders to understand these priorities. The key conclusions of this study were:
  - a. Grupo Bimbo’s stakeholders view Latin America as *the* priority region for the company to address supply chain impacts.
  - b. The most relevant issues for Grupo Bimbo’s stakeholders were:

- i. Labor issues – specifically health and safety, child labor, forced and bonded labor, access and equality for women, and minimum wage.
  - ii. Environmental issues – specifically deforestation, water management, air quality (including greenhouse gas emissions), and destruction of other native vegetation.
- c. When stakeholders were asked which products, they considered to be the most relevant for Grupo Bimbo to address, palm oil was the unanimous first choice across stakeholder groups and soy a clear second.
3. **Ongoing implementation of corn and wheat pilots, in partnership with the International Maize and Wheat Improvement Center (CIMMYT)** the conservation agriculture process is implemented to achieve the objectives of resource optimization, we have 4 main indicators: Water, air, soil and agrochemicals.

- **In the States of Sonora and Sinaloa in Mexico, we have been working with wheat farmers, here some of the preliminary numbers:**

- a) We have worked with 139 farmers through 7 training events which are held in order to adopt good agricultural and sustainable practices. 124 of them applied these agricultural practices.
- b) Soil: Innovative agricultural practices have been applied in these regions supporting 3,401 hectares of which 2,899 has adopted sustainable agricultural practices.
- c) Water Management: Represented savings of 16% compared to the previous cycle (without intervention).
- d) Air Quality: The indicator measures the average consumption of total fuel per ha in Project plots. Fuel consumption is related to an equivalent in emissions (kg CO<sub>2</sub>/ha)

Previous reference 273 kg CO<sub>2</sub>/ha

Current measurements showing benefits:

State:	m <sup>3</sup> /ton
Sonora	191
Sinaloa	203

- e) Agrochemicals: Products with high environmental impact have been identified in the different production regions of both wheat and corn and replaced by new generation products with low environmental impact. In some cases, it has been possible to replace chemical products with biological products to control pests and diseases.
- f) Yield: The total average yield is:

State	Tons/ha
Sonora	6.1
Sinaloa	5.8

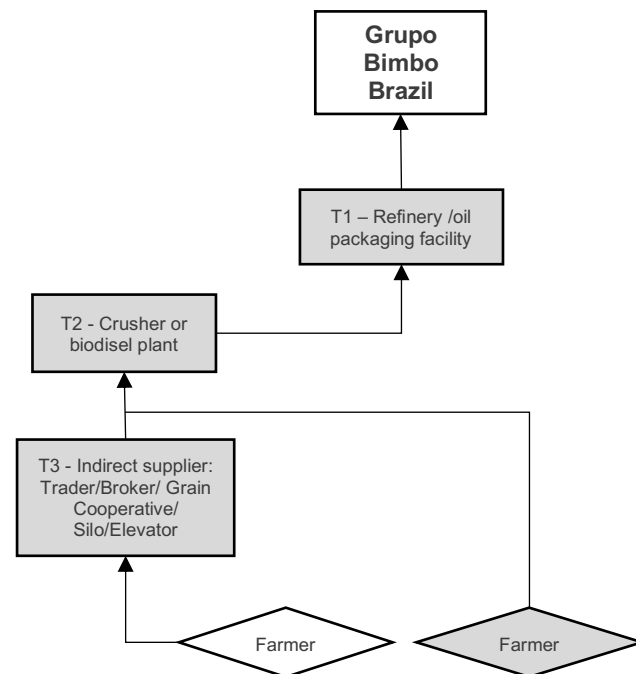
- **In the States of Hidalgo and Jalisco in Mexico, we have been working in our second period with corn farmers**

- We have worked with 96 farmers (Hidalgo 58 – Jalisco 38) through training events (hidalgo 3 – Jalisco 2) which are held in order to adopt good agricultural and sustainable practices.
- Innovative agricultural practices have been applied in these regions supporting 1466 hectares (Hidalgo 975 – Jalisco 491).
- Main KPI's Soil, Water, Air Quality and Agrochemicals are in progress and should be ready by the end of February 2020.

4. **Map its soy supply chain in Brazil** in order to identify priorities for follow-up related to the conversion of critical Cerrado habitat. Grupo Bimbo is a signatory of the [Cerrado Manifesto](#). Between August and October 2019, Grupo Bimbo engaged with its top direct supplier of soy in Brazil (representing more than 95% of all soy oil purchased). The mapping encompassed:

- The identification of refineries (T1) that supplies refined soy oil to Grupo Bimbo Brazil.
- The identification of oilseed crushers (T2) that supply crude oil to refineries.
- The number share and municipality of origin of indirect suppliers (cooperatives, crusher, elevator and reseller) and direct suppliers (farmer) of soybeans to oilseed crushers.

Grupo Bimbo is in the process of defining its follow-up actions based on this traceability exercise and will outline next step in its 2020 Global Agriculture Implementation Plan.



5. **Animal Welfare:** We start a partnership with Humane Society International (HSI) to continue working on the implementation of the cage free egg migration strategy considering HSI expertise and knowledge on this matter.

We will continue working on the socialization of our cage-free egg policy, which comprises minimum requirements for the cage-free farms that meet international standards for animal

welfare. Cage-free migration will be implemented gradually and regionally by mapping the availability and capabilities of suppliers (aligned to our Global Policy)