



GRUPO BIMBO
Global Palm Oil Policy
Year 7 Action Plan (2022)

Grupo Bimbo launched its Global Palm Oil in September 2015, highlighting a firm commitment to the establishment of a transparent global supply chain in line with the principles of zero deforestation, deforestation, zero exploitation, and avoiding development in peat bogs. Grupo Bimbo is now in the seventh year of implementing these policies and continues to work alongside [Earthworm Foundation](#) to work towards the fulfillment of these commitments.

This year, Grupo Bimbo will continue publishing information closely related to traceability and commitment to our suppliers, with a view to strengthening internal knowledge and capacity as well as supporting rural transformation projects. Specifically, Grupo Bimbo will work towards:

1. **Mapping key suppliers' supply chains.** Grupo Bimbo will work towards the advancement of its commitment as a goal for 2025 to map 97% of its purchase volume for raw palm and palm kernel oil. In order to achieve this, Grupo Bimbo will work with suppliers consisting of both oil extractors and farmers with firmly defined supply chain principles for the obtaining of Fresh Fruit Bunches (FFB). Grupo Bimbo will continue striving for transparency by making its list of oil mills publicly available.

2. **Follow-up of policy implementation with suppliers.** Grupo Bimbo will continue to monitor its direct suppliers, as it has done since 2016, in order to measure progress made towards commitments to zero deforestation and zero exploitation. Dialogues will be fostered with suppliers in order to evaluate progress made during the year, facilitated by the systematic collection and revision of key information. Furthermore, challenges and opportunities will be identified that allow Grupo Bimbo to guide the setting of next steps and expectations depending on each supplier's maturity level. The following points are incorporated into our traceability information:
 - ✓ Existence and content of our suppliers' internal supply policies.
 - ✓ The company's implementation plan and supplier's commitment.
 - ✓ Approaches to improve suppliers' workplace and social practices.
 - ✓ Approaches to enhance land management and countryside conversation practices.
 - ✓ Mechanisms/ processes for managing complaints and issues of supplier non-compliance.
 - ✓ Checks and follow-up.

This information will be used to define suppliers' maturity levels and set objectives for the fulfillment of the same.

A summary of relevant performance indicators will be published on a yearly basis in order to reflect the suppliers' compliance level for Grupo Bimbo's suppliers worldwide.

3. Implementing transformative projects.

In terms of Landscape, Grupo Bimbo continues in its support of the Chiapas Landscape in Mexico, which constitutes one of the company's most important palm oil supply regions. The landscape features two areas of intervention: La Encrucijada y Marqués de Comillas, where actions are carried out to ensure the organization of palm oil cultivation with a view to protecting forests and other natural ecosystems while at the same time guaranteeing means of livelihood for small producers.

During the pandemic, the focus on the landscape was strengthened to further progress on challenges in the palm sector. This mainly revolved around achieving responsible and sustainable cultivation while recognizing social, economic, and environmental complexities related to farming the territory and the vulnerable reality of many of its small producers.

This year, we will continue to carry out activities in the Chiapas Landscape, zeroing in on the following three lines of action in the two key intervention areas previously mentioned. Grupo Bimbo will specifically contribute to:

- Line 1. Resilient Families Farming Businesses, a production and agroforestry diversification project based in La Encrucijada.
- Line 2. Conservation and Restoration, a reforestation project based in La Encrucijada.
- Line 3. Use of the Ground, a project that is based around compliance with the Program for management of La Encrucijada with social extractors and tracking of the High Carbon Supplies (HCS) project in Marqués de Comilla.

In social issues. Bimbo is currently working on an initiative in Guatemala for promoting socially conscious development among palm oil suppliers with a commitment to labor and human rights. Progress made to advancing the initiative will continue during the course of this year, focusing on the following goals:

- 1) Increasing capacity to deal with key social issues
- 2) Generating key knowledge with a view to putting this into practice in the future
- 3) Building relationships between social organizations and palm oil companies.

4. Complaint's channel. Grupo Bimbo will continue monitoring both complaints and non-complying suppliers, which will include approaching direct suppliers to analyze specific circumstances and propose action plans to ensure responsible supply.

5. Monitoring of deforestation. Grupo Bimbo will continue monitoring deforestation this year, through the use of our [Starling](#) tool. During the year, Grupo Bimbo will increase its

monitoring to cover 69%¹ of its supply chain. The company will approach suppliers on a quarterly basis in order to prioritize actions to address deforestation present in their chains.

6. Certified palm oil.

7. Provide information on the implementation of this Action Plan every six months. As part of its active commitment to parties of interest, Grupo Bimbo will continue to publish policy implementation progress updates every six months.

¹ 69% complies with volume data acquired by Grupo Bimbo in the 2020 financial year. This data is subject to change based on the current traceability exercise being carried out by Grupo Bimbo for the present year.