



GRUPO BIMBO GLOBAL AGRICULTURE POLICY PROGRESS UPDATE– DECEMBER 2021

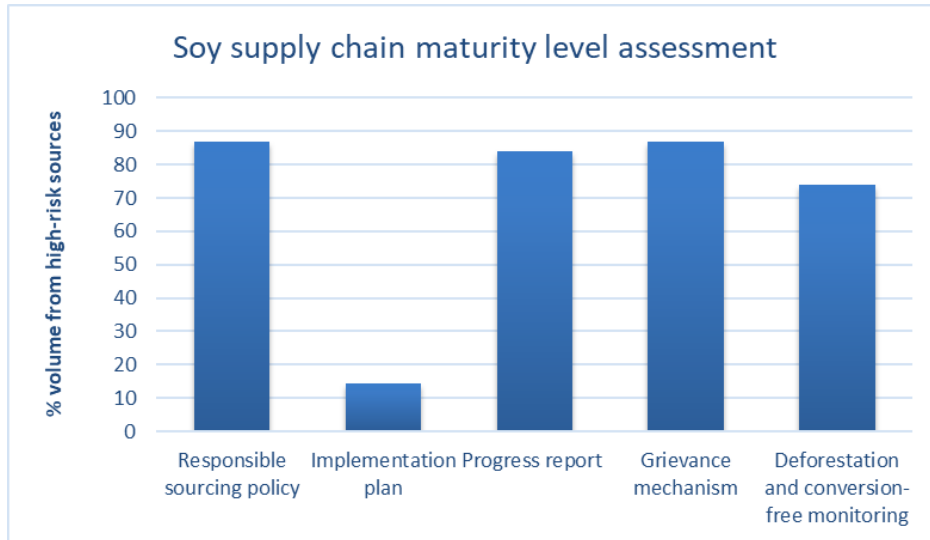
In 2017, Grupo Bimbo published its Global Agriculture Policy, outlining its vision for agricultural practices aimed at supporting economic, environmental and social resilience, its commitment as an organization to promoting these best practices across all of its supply chains and the strong expectations that its providers seek to implement of all described aims. Grupo Bimbo's Global Agriculture Policy is based on lessons learned during the implementation in progress of its Global Palm Oil Policy, launched in 2015. Further details about Grupo Bimbo's goals and progress pertaining to palm oil can be found by [clicking here](#).

During 2021, Grupo Bimbo has prioritized 6 key goals for the implementation of its Global Agriculture Policy. You can [click here](#) to explore the action plan and first progress report for 2021 in more detail.

In this document, we outline the progress made on our action plan during the course of the second semester:

1. Soy

During the second semester, as part of the sustainable soy program, Grupo Bimbo organized and fostered dialog with suppliers, providing a space for our key suppliers of this product to give us detailed information on the progress made for each of the KPIs considered for evaluation. Below, you'll find a graph outlining the current status of suppliers that demonstrates 91% of estimated product volume originating in areas deemed to be of high-risk. As a key lesson learned, we observe that a significant range of diversity exists in terms of supplier maturity reflecting both size and awareness of key issues centered on responsible sourcing.



Sustainable sourcing policy: The supplier has a responsible sourcing policy covering soy supply chain

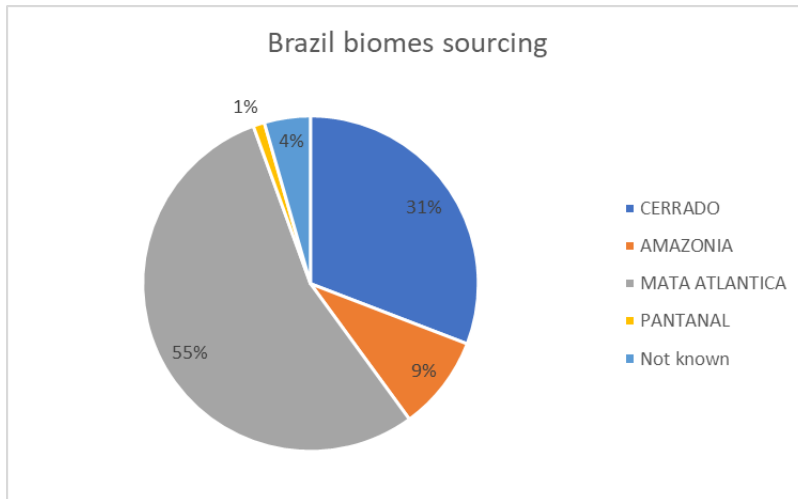
Implementation plan: The supplier has developed an implementation plan designed to comply with policy commitments

Progress report: The supplier provides public information related to its progress towards the achievement of milestones under a scheme of fixed deadlines and compliance with its policies on responsible sourcing.

Complaint reporting & whistleblowing :The supplier has implemented a public complaint and/or whistleblowing channel. (Independent of quality).

Deforestation & conversion-free monitoring: The supplier carries out monitoring activities related to supply chain deforestation (for example, field visits, spatial monitoring, civil society monitoring, etc.) (self-reported by the supplier)

Similarly, the chart found below details 94% of the total amount originating in Brazil, identified by means of product traceability, in order to identify the biomass with greatest impact on the soy supply chain.



This year, Grupo Bimbo a transformation project centered on soy that is designed to correctly manage supply chain risk in Brazil. The project is located in the state of Mato Grosso, in the municipality of Sorriso, where Grupo Bimbo intends to support a capacity building training plan in partnership with Earthworm Foundation y Clube Amigos da Terra de Sorriso. The goal is to foster supply chain workers' skillsets and abilities in order to reduce risk posed by the use of chemicals for both worker safety and environmental impacts. The project is linked to the Pacto Regional PCI Sorriso (Sorriso PCI Regional Compact)- comprised of 13 entities from the public sector (at state and municipal level), private sector, civil society and producers.

Grupo Bimbo performs continuous follow up on the agreements and initiatives of the Cerrado Work Council in its role as signatory of the Cerrado Manifesto.

Furthermore, Grupo Bimbo has concluded its work with Earthworm Foundation alongside Blue Number in the US with a highly positive result. This partnership centered on the launch of a digital platform facilitating the mapping of soy supply chains across the country. Grupo Bimbo will continue to closely monitor this project and offer expert technical input in response to the crucial need for detailed traceability with the objective of strengthening the useability and efficiency of the platform for responsibly sourced soy producers.

2. Sugar cane

During the second semester, Grupo Bimbo has continued striving to define a baseline its sugar cane supply. In the first trimester, Grupo Bimbo fully identified its supply chain traceability and launched an outreach exercise aimed at key suppliers. During the course of the second semester, Grupo Bimbo has grown its understanding of this supply chain through field visits with the end goal of understanding in more detail the daily realities and challenges faced by the industry.

Through its alliance with Earthworm Foundation, Grupo Bimbo conducted a visit to one of its main sugarcane suppliers in Mexico, where we identified opportunities for improvement in terms of alignment with Grupo Bimbo's Global Agriculture Policy including topics pertaining to

workplace conditions and Human Rights. Among its potential lines of action for 2022, Grupo Bimbo has identified the following:

- Need for the development of a social license to operate
- Awareness and communication on Human Rights issues at every stage of the supply chain
- Guaranteeing workplace rights for those in the most vulnerable parts of the supply chain,
- Strengthening the internal complaint reporting and whistleblowing policies pertaining to operations and wider departments

After the launch of this first pilot program, Grupo Bimbo has identified a clear opportunity to transform the sector and plans to consolidate a line of action that encompasses the range of challenges identified in our work with the supplier in the year 2022.

Additionally, Grupo Bimbo has carried out a detailed risk assessment for sourcing countries which have been identified as part of the exercise in traceability.

3. Wheat & corn

Grupo Bimbo continues in the expansion of its regenerative agriculture for wheat and corn, implementing crop rotation that ensures the guarantees healthy soils and ensures that producers benefit from the generated value chain. Focusing specifically on México, work is underway with CIMMyT (International Maize (Corn) and Wheat Improvement Center), an organization that seeks to disseminate and implement agricultural practices and technology that allow producers to enhance efficiency in water consumption and use of fertilizers, in addition to the introduction of beneficial microorganisms to enhance soil plant health, in turn reducing carbon and water footprint as well as aiding carbon capture.

4. Sustainable agriculture and farming

During 2021, Grupo Bimbo has started working with a greater focus on regenerative agriculture by establishing foundations and guidelines by which Grupo Bimbo plans to operate in the future through its supply chains.

During the course of the second semester, Grupo Bimbo has made tangible progress on this journey by taking the following steps:

- Publishing a manual of best practice to act as a guide for interested parties, including suppliers, in the development and implementation of regenerative agriculture.
- Conducting visits to key wheat and corn suppliers in Mexico and the United States to understand specific regional contexts and better implement regenerative agriculture practices. Grupo Bimbo is conscious of the fact that success comes as a result of

developing region-specific strategies that meet and understand the characteristics and features of each producer, including the challenges they face and their opportunities.

- From an internal perspective, Grupo Bimbo has been carrying out a socialization process centered on regenerative agriculture which is designed to raise awareness on this new company focus across its business units.

The Mexico division is moving forward in a timely manner by working on the following points regarding regenerative agriculture:

- Building alliances with strategic partners in order to continue our work in the implementation of regenerative agriculture for GB's main crops.
- Implementing strategies to promote the reduction of the carbon footprint generated by wheat and corn cultivation, in accordance with the baseline carbon footprint guidelines established in work done during previous years.
- Continuing work focused on the estimation of a carbon footprint baseline for GB's other key crops and ensuring this is in line with the strategy set forward in our commitment to reduce carbon footprint of key ingredients from 2030-2050.
- Using digital platforms as tools for bringing together information in a timely manner in order to take opportune decisions on production processes, in addition to technology that enables us to monitor crops in real time.
- Holding workshops with strategic suppliers and industry leaders with the goal of creating optimized projects with a view to value creation, including the development of alliances with universities and research bodies.
- Promoting the use of new varieties of non-genetically modified seeds for Grupo Bimbo's crops of interest, helping farmers to reduce the use of agrochemicals, streamline harvesting time and reduce irrigation cycles.

Finally, Grupo Bimbo has been working on an action plan due to be presented in 2022 with a view to launching a series of pilot projects to obtain the first measurements pertaining to the analysis of reduced carbon emissions and goals laid out in the Grupo Bimbo Sustainability Strategy.

5. Animal welfare

Animal welfare forms a core part of the principals established and recognized by Grupo Bimbo as part of the framework for our Global Agriculture Policy and Sustainability Strategy, with the goal of ensuring that all operations and suppliers continue their gradual adoption of a production culture and scheme that guarantees the "The five freedoms" globally established for animals: freedom from hunger, thirst and malnutrition, freedom from fear and suffering, freedom from physical or environmental discomfort, freedom from pain or injury and freedom to express their natural behaviors.

In 2015, Grupo Bimbo became the first Mexican food company to commit to a goal of using only cage-free eggs by 2025. Since then, we have worked in coordination with our suppliers and strategic partners to make this transition a reality.

By following this scheme, Grupo Bimbo has begun implementing a process of transition to the use of cage-free eggs using the following strategies.

Cage Free Egg Steering Committee

Given that compliance with this commitment is of utmost importance to Grupo Bimbo's Senior Management Team, a Steering Committee was launched and is comprised of a diverse team of individuals from across all key operations departments with the goal of promoting our transition to the use of cage-free eggs. The committee meets on a trimestral basis and is comprised of directors from Purchasing, Quality control, Marketing, Operations, Research and Development, Sustainability and Corporate Affairs departments.

The committee has put together a specialized work timeline, divided into different teams and monitors progress made towards the initiative.

Supplier Training & development

In partnership with the Humane Society International (HSI) we work to ensure both technical and awareness training for our internal teams and suppliers alike, with the goal of promoting enhanced knowledge of issues around animal welfare, production systems and best practices for producers who have already undergone successful transitioning.

We also draw on the extensive scientific training provided by HSI to develop a manual outlining minimum standards and requirements for Animal Welfare, which we have shared and discussed with all of our suppliers.

Certification guide for suppliers

In partnership with HSI, we worked to put together a guide for all of our producers which provides information on different certification schemes. These guides ensure alignment with adequate animal welfare standards in order to guarantee that laying hens enjoy the freedoms mentioned in this report.

Current progress

As of yearend, we have achieved a 100% supply of cage-free eggs in the United Kingdom. In the same way, considerable progress has been made in Canada with a figure 26.3% and in Latin Centro which comprises Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama y Venezuela, with 31.1%

The current challenges caused by the COVID-19 pandemic and subsequent financial crisis has slowed the evaluation and transition process of many of our suppliers in adopting the scheme. Despite this fact, Grupo Bimbo is putting even more emphasis on fostering and promoting this transition in all of our providers , with a view to continue progressing in in the regions with the

greatest opportunity for improvement We will continue striving to accelerate the evolution of this market in the region in order to transition to a scheme of 100% cage-free eggs.

6. Certified and / or recycled paper and cardboard

Over the year, tangible progress has been made towards the commitment to 100% use of certified or recycled cardboard by the year 2025. It's with great pleasure that we can announce a 75% global improvement. In some of our regional organizations including Mexico, Canada, United Kingdom, Morocco and China, the switch to sustainable paper and/or cardboard has now reached 100%.

It's important to outline that Grupo Bimbo is continuously strengthening capacity building for our suppliers as part of this transition program. Part of this work allowed us to welcome our most strategic suppliers on the Carbon Disclosure Project supply chain program. This program gives our suppliers the opportunity to share their strategies and vision on a diverse range of topics including sustainability issues, while at the same time providing us with more information around climate change and sustainable management of forests.

The development of our Supplier Maturity Mapping System is a key achievement made possible by this program, allowing us to design training programs specifically targeted to the needs of individual suppliers.