



GRUPO BIMBO
GLOBAL AGRICULTURE POLICY
June 2020 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 2020, Grupo Bimbo prioritized 5 objectives for the implementation of the Global Agriculture Policy. Please find the action plan in detail [here](#).

Below are the goals for 2020 and the progress associated during this semester:

- 1. Socialization of Grupo Bimbo's 2025 commitment to purchase certified paper and cardboard with suppliers.** With this commitment Grupo Bimbo has begun the transition of its paper and cardboard packaging from conventional material to certified material, for which the most robust and internationally recognized certification standards have been selected.

In order to provide clarity to our suppliers on this commitment, different remote sessions with suppliers have been coordinated to publicize details of this initiative, as well as the certification schemes accepted by Grupo Bimbo.

Additionally, during this process, suppliers have been invited to join the CDP Supply Chain program, answering both the Climate Change and Forest questionnaires, in order to know the certification standards, they handle, best practices, mitigate possible risks, as well as identify opportunities for collaboration

For Grupo Bimbo, the development of Technical Capacities for our suppliers is very important, so to help them better answer the CDP questionnaires, different online seminars have been coordinated to cover this purpose. In addition, in particular cases, individual calls have been coordinated to review key questions, which when answered contribute to Grupo Bimbo having a better understanding of its supply chain

- 2. Top volume soy suppliers in South America engagement to address social and environmental risks in high priority sourcing regions.** In 2019 Grupo Bimbo mapped its supply chain in Brazil, to identify the monitoring priorities related to the conversion of the critical habitat of the Cerrado. At that time, Grupo Bimbo worked with its main direct supplier of soybeans in Brazil, which represented more than 95% of all soybean oil purchased in this region. Currently, engagement with this supplier continues to identify measures undertake to address environmental risks and opportunities for

improvement. In addition, Grupo Bimbo begins this year to work on the identification of sustainable soy initiatives in the region.

During 2020 Grupo Bimbo goes one step further and has started to request traceability from other direct suppliers that represent more than 90% of the volume of soybeans purchased by Grupo Bimbo worldwide, which is considered to be supplying from Brazil and / or other South American countries. The purpose is to identify suppliers that could be sourcing from regions of social and environmental importance such as Cerrado in Brazil or the Chaco forest in Argentina. The results of this study have been delayed by the COVID 19 situation and will be presented in the next progress report.

In addition to the traceability information, Grupo Bimbo is developing an engagement program with those suppliers, which will be implemented in the following semester, to create maturity level baseline on policy implementation.

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, Grupo Bimbo has been working with wheat farmers, here some of the preliminary numbers:

- a) In the Autumn / Winter 2019-2020 cycle, 110 farmers benefited. We have worked with 139 farmers through 7 training events that are held to adopt good agricultural and sustainable practices. 124 of them applied these agricultural practices
- b) Soil: In the last cycle, sustainable practices were applied to 4,300 hectares. Innovative agricultural practices have been applied in these regions supporting 3,401 hectares, of which 2,899 have adopted sustainable agricultural practices
- c) The results of water, air, agrochemical and performance management will be provided in the following progress report

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

- a) In the Spring / Summer 2019 cycle, 299 producers participated in training events (of which 167 farmers in total benefited directly (61 in Hidalgo and 106 in Jalisco).
- b) Innovative agricultural practices have been applied in these regions that support 1,786 hectares (Hidalgo 966 - Jalisco 820).

Regarding water management, with the implementation of sustainable practices in Hidalgo, up to 10% less water was consumed per ton produced compared to plots with technical practices.

4. Animal Welfare: As part of the migration strategy to free-range egg and with the support of the Humane Society International, webinars have been organized within Grupo Bimbo with

the aim of developing technical skills in the team and to communicate the commitment and standards that must be followed to be aligned to our Cage Free Egg policy.

Likewise, we will continue to work on the socialization of our cage-free egg policy, which includes minimum requirements for cage-free farms that meet international standards for animal welfare.

5. Prioritize additional commodity for engagement based on materiality results.

In 2020 Grupo Bimbo will evaluate additional products based on the results of the materiality study, as well as factors such as deforestation / occupational risks, leverage and the region of origin. This will allow Grupo Bimbo to make an informed decision about future investments in responsible sourcing.