



**GRUPO BIMBO**  
**GLOBAL PALM OIL POLICY**  
**Action Plan – Year 4**

Grupo Bimbo released its [Global Palm Oil Policy](#) in September 2015, committing to establishing a transparent global supply chain which fulfills the principles of no deforestation, no exploitation, and no development on peatlands. Grupo Bimbo is now in its fourth year of policy implementation, and continues to partner with [Earthworm Foundation](#) (previously The Forest Trust) to put its commitments into action.

This year Grupo Bimbo will continue to publish information related to traceability and supplier engagement, strengthen internal capacity, and support changing practices on the ground. Specifically, Grupo Bimbo will:

1. **Map the supply chains of top suppliers, representing 95% of CPO and PKO volume purchase, to the palm oil mill level**, and to plantation level with suppliers who have well-defined supply bases for their Fresh Fruit Bunches (FFB). This year, in addition to publishing a list of its direct suppliers, Grupo Bimbo will also publish the list of mills in its supply chain.
2. **Track policy implementation with suppliers.** Grupo Bimbo will continue to engage with its top suppliers to track policy implementation progress and follow-up on milestones established in 2018. Grupo Bimbo intends supplier engagement to facilitate dialogue along our supply chain about our expectations regarding supplier participation in fulfilling our commitment to responsible sourcing. This year Grupo Bimbo will perform a more exhaustive review of supplier practices than in previous years in order to capture changes in industry maturity and respond to key concerns raised by stakeholders. Grupo Bimbo will track and evaluate supplier progress according to 8 key categories
  - a. The presence and content of our suppliers' own sourcing policy
  - b. Traceability to mill and plantation level
  - c. Company-level implementation plan and supplier engagement
  - d. Approaches to engaging at the aggregator and landscape level
  - e. Approaches to improving labor and social practices on the ground
  - f. Approaches to improving land management and conservation practices on the ground
  - g. Mechanisms/processes for managing grievances and non-compliant suppliers
  - h. Verification and monitoring

- 3. Continue to build internal capacity for policy implementation** at the business unit level in order to ensure that suppliers are receiving consistent signals from global and local procurement regarding expectations for palm oil policy implementation. Additionally, Grupo Bimbo will increase the field visits from procurement staff in order to engage suppliers.
- 4. Finalize its non-compliant supplier process**, incorporating lessons learned from 2018 cases. Once internal socialization is complete, Grupo Bimbo will publish a summary on its website.
- 5. Implement transformation activities** to understand and address specific policy compliance challenges at the producer level. In 2019, Grupo Bimbo will continue supporting two projects in priority landscapes in the state of Chiapas, Mexico. One neighbors the Monte Azules Biosphere Reserve, and the other the La Encrucijada Biosphere Reserve. Grupo Bimbo is supporting a landscape scale smallholder [High Carbon Stock Approach](#) process in the first case and a multi-stakeholder land-use planning process to preserve an important wetland habitat in the second. After updating its supply chain mapping and analysis of priority challenges, Grupo Bimbo will also explore new opportunities to invest in on the ground change in 2019.
- 6. Report on the implementation of this Action Plan every six months.** As part of its commitment to maintain active communication with its stakeholders, Group Bimbo will continue to publish updates on progress towards implementation of this policy every six months.