



Palm Oil Responsible Sourcing Guide 2024

1. Scope

This guide applies to all our direct suppliers across their entire operations, and we also extend this guidance to indirect suppliers with the objective of fostering compliance throughout our entire supply chains.

The guidance has within its scope all palm oil and palm kernel oil used in Grupo Bimbo products.

2. Related documents

This guide complements our [Global Agricultural Policy](#), which contains our environmental and social expectations for the responsible sourcing of agricultural raw materials.

3. Criteria

To move towards a Deforestation and Conversion Free (DCF) supply chain, we ask our suppliers to align with the following criteria:

No deforestation or conversion of natural ecosystems

Protect forests and natural habitats by preventing conversion of High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests and habitats such as peatlands, wetlands, savannahs.

No development on peatlands, regardless of depth

Conversion of peatlands (regardless of their depth) is prohibited, including development of farms or grazing land. Existing plantations on peat should follow Best Management Practices, but we strongly recommend that producers identify and work to restore critical peatland domes on existing plantations.

No illegal or destructive burning

Suppliers will not use burning for land clearing or other developments unless there is evidence that burning is legal and controlled and does not result in additional land use change.

Traceability

Grupo Bimbo will conduct at least an annual traceability exercise to identify sourcing origins. Suppliers should provide information at the mill level and work towards gathering plantation level information.

Cut-off date

Grupo Bimbo aligns with the sectoral cut-off date of December 31, 2015.

4. Means of verification

Grupo Bimbo will use the following tools to advance in our DCF goals:

Certification

In Grupo Bimbo we recognize that certification can be a tool to address deforestation risks and we will assess its usage. As such, we recognize RSPO segregated volumes as DCF. In case of MB volumes, DCF controls must be in place to manage uncertified components.

IRF Profiles

We recognize NDPE – IRF profiles as a tool to understand and track progress towards NDPE commitments, where volumes that are verified in the delivering category are recognized as DCF. We request that all our suppliers generate their IRF profiles and preferably verified by a third party.

Satellite monitoring

Grupo Bimbo will use satellite monitoring as a tool to assess its DCF status. When needed, we will request the collaboration of our suppliers to work collectively to address improvement opportunities and deforestation alerts.

5. Implementation

To facilitate implementation of our [Global Agricultural Policy](#) and Palm Oil guide, Grupo Bimbo has established two categories of palm oil sourced:

- **Direct palm oil:** Palm oil and palm kernel oil that we use as a raw material to manufacture our products.
- **Indirect palm oil volumes:** Palm oil and palm kernel oil that comes in other ingredients that we source. For example, chocolates, emulsifiers, among others.

6. Our ambition

Under this framework, we will work with our suppliers to make progress to achieve the following:

- 100% of our direct palm oil and palm kernel volumes to be Deforestation and Conversion Free by the year 2025.
- 100% of our indirect palm oil and palm kernel volumes to be deforestation and Conversion Free by the year 2030.