



GRUPO BIMBO

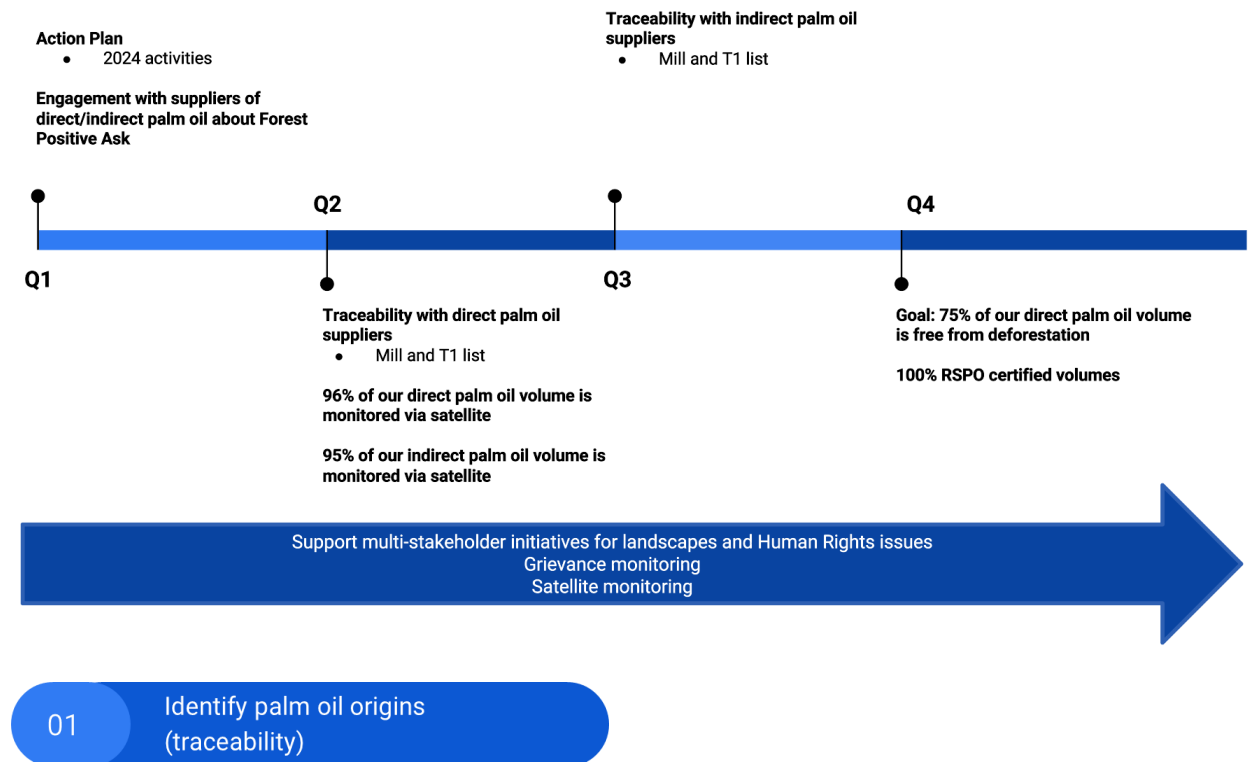
Global Palm Oil Policy Action Plan Year 9 (2024)

At Grupo Bimbo, we have a strong commitment to achieving a responsible supply of palm oil. These efforts are backed up by our [Global Palm Oil Policy](#) and, as every year, we have put together this Action Plan to present the key actions that we will be performing in 2024.

Our implementation plan is based on the following pillars that work in harmony to help us move towards responsible palm oil supply:



Our high-level timeline is as follows:



Annually, we review the origins of the palm oil we source. Today, supply can be identified by country, by mill and, increasingly, we also have wider access to information by plantation. This

analysis allows us to confirm that the strategies to move towards a supply chain free of deforestation and free of exploitation remain up-to-date or, if necessary, refine the strategy. Additionally, we help support transparency efforts in the industry by sharing the list of suppliers and mills on our website after the traceability analysis.

As in 2023, this year we will differentiate our traceability exercise between what we consider direct suppliers of palm oil, who supply us with raw materials for our products, and suppliers who indirectly provide palm oil through the ingredients we source.

02

Engage with suppliers about responsible sourcing

Moving towards responsible palm sourcing is an action that requires the participation of all actors in the supply chain. Therefore, Grupo Bimbo engages in a structured manner with its suppliers to discuss relevant actions in the responsible sourcing of palm oil. We perform the following activities:

- 1) **Strategic engagement:** At the end of 2023 we received the evaluation results from six suppliers so, during this first half of the year, we will have meetings with them to discuss the results and talk about areas of opportunity and improvement. We will then agree on an Action Plan.

Throughout the year, on a quarterly basis, we will follow up on suppliers who responded to the survey in 2023 and with whom an Action Plan was agreed.

- 2) **Supplier assessment:** During the second half of the year, we will assess six suppliers through a survey designed by Earthworm Foundation, where the following topics will be reviewed: a) Responsible sourcing policy; b) The actions to implement it and its own strategy to engage with its suppliers; c) Transformation initiatives that support land conservation and management and/or labor and social issues; d) Grievance management processes; e) Monitoring and evaluation actions, and f) Traceability. This assessment will be done in the second half of the year.

In this way, we seek to cover in a two-year cycle, suppliers representing 95% of our volume of direct palm and 47% of the volume of indirect palm oil.

As part of our awareness strategy and aligned with industry expectations on sustainability, this year we will support suppliers with two training workshops through webinars. The training topics will be identified with the results of the survey, according to the topics that require improvement.

03

Satellite monitoring

In order to continue advancing our goal towards a deforestation-free supply chain, this year we plan to monitor 96% of our direct palm oil volume and 95% of our indirect palm oil volume, with the objective of increasing the scope of satellite monitoring. This will allow us to collect more information to discuss with each supplier about priority areas, improve geospatial supply

information, and actions on identified deforestation alerts. The baseline exercise carried out in 2023 identified that 60% of our direct palm oil volume is deforestation free and we are looking to increase it this year.

04

Support transformation initiatives

Another strategy we carry out to advance responsible sourcing is to support transformation initiatives that are related to our supply chain and that can have a direct impact on identified challenges.

Chiapas, Mexico

We continue to invest in the Chiapas landscape, which is led by the Earthworm Foundation, this addresses two important challenges for us: protecting forests and strengthening the livelihoods of small producers.

This year, the project has been restructured to concentrate efforts on the Chiapas Coast and continue supporting palm management in the territory to reduce its impact on the forests of the Natural Protected Area. This initiative will continue working under the following axes:

- 1) **Supply chain transformation:** Support will continue to be provided to three social mills to finalize the integration of their sustainability policies and responsible sourcing programs, with an emphasis on environmental compliance aligned with No Deforestation.
- 2) **Forest restoration and protection:** Given the importance of the Reserve, there are areas where palm cultivation is not allowed as it drives forest degradation. To address this problem, we will work with the mills to identify Areas with High Conservation Values (HCVs) and Carbon Reserves. We will work with smallholders to carry out productive reconversion in 50 hectares of palm crops, and the Foundation will support the restoration of 36 hectares of riparian and mangrove vegetation.
- 3) **Resilient producers:** Supporting small producers requires not only thinking about improving palm cultivation but also strengthening them to be able to withstand changes in the market and the environment. Therefore, the project focuses on implementing Comprehensive Plot Plans.
- 4) **Ecological agriculture:** We will work with 80 small producers to implement agroecological practices.

Guatemala

This year we will also continue to finance the transformation initiative in Guatemala that focuses on Human and Labor Rights issues in the palm oil sector. This year the initiative will continue working on two axes:

- **At the Sector level (Directly with the Guatemalan Palm Growers Union GREPALMA):** A call will be opened for those companies, members and non-members of

Grepalma that want to work on specific consultancies to strengthen grievance mechanisms, policies and/or protocols. This will also involve the co-creation of improvement plans to close identified gaps, the creation of capacities to facilitate the implementation of said plans and the discussion of next steps for the sustainability of these actions.

- **At the supplier level:** The initiative will follow up on the advice provided to strengthen the Grievance Mechanism. The improvement plan will be collaboratively created to close identified gaps. Likewise, work will be done to create the necessary capacity for the implementation of the actions included in the improvement plan. Finally, for the sustainability of its implementation, discussions will be generated about the next steps to advance this issue.

05

Operate our grievance mechanism

Grupo Bimbo has a [grievance mechanism](#) in which any person, organization or company can report complaints associated with sustainable sourcing in our supply chain. We will continue to operate this mechanism to address and respond to any complaints associated with responsible palm sourcing. which any person, organization or company can report complaints associated with sustainable sourcing in our supply chain. We will continue to operate this mechanism to address and respond to any complaints associated with responsible palm sourcing.

06

Communicate our work in
responsible sourcing

This Action Plan is part of our commitment to transparently communicate our actions in the supply of palm oil. In our June and December progress reports, you will be able to see the progress we have made on this action plan.