



GRUPO BIMBO

Regenerative Agriculture

Progress report, June 2023

Regenerative Agriculture

The objective of the present report is to provide information to our stakeholders and the general public about the main actions we carried out during the first half of the year in terms of our progress toward the Group's commitment to source 100% of our key ingredients from land farmed using regenerative agricultural practices in 2050.

It is important to mention that efforts toward achieving this commitment are based on the following components:

- 1) Strengthening our strategy:** This consists of institutional efforts that allow us to align our framework for achieving regenerative agriculture.
- 2) Widening of our efforts in the field:** We focus on developing pilots and initiatives in the field, in different parts of the world and for different ingredients.
- 3) Transparency:** We communicate our efforts, progress and learning about regenerative agriculture in a way that is open to others.



During this semester, we have concentrated our efforts on fieldwork. For this reason, we've given more details on that area in this report.

1) Strengthening our strategy

With the aim of preparing our company-wide efforts, members of different departments participated in June in our first internal workshop. This workshop aimed to discuss progress criteria and indicators for regenerative agriculture, in addition to strengthening and develop internal capacities in regenerative agriculture.

In the first half of the year, we honed our internal framework for regenerative agriculture, using a process of consultation with our strategic suppliers and local agronomic experts in the US and Mexico. This framework will allow us to create a common link between the diverse range of regenerative agriculture initiatives, ensuring the placement of our key pillars of **improving soil health, improving biodiversity and ecosystem health, and improving grower communities** at the forefront of the work. This framework is a combination of a practice-based and results-based approach, enabling the producer community to engage at whatever stage of the process they are at, in order to provide education, technical assistance, and financial support for continuous improvement. We will meet with our key suppliers in North and South America in the second half of the year to implement this framework as we expand our program to more countries and ingredients. Our goal for this year is to integrate 150,000 hectares into our program.

2) Expanding our efforts in the field

At Grupo Bimbo, we understand that promoting regenerative agriculture depends on the different regions and ingredients involved. Bearing this in mind, we decided to promote a series of pilots in different countries, as well as opting to use different key ingredients in order to generate levels of knowledge that will allow us to scale these practices in the future. Our main advances this semester are detailed below.

The US

In the first half of 2023, we launched our wheat pilot in the state of Kansas, which is being developed in partnership with growers, one of our strategic wheat suppliers, and the [Earthworm Foundation](#) (EF). In February we met in Kansas to signal the start of activities through the launch of a workshop on Regenerative Agriculture led by [Understanding Ag](#), an organization that helps producers improve their soils using regenerative agriculture practices. Representatives from Grupo Bimbo, Grain Craft, EF, producers and [MKC Producers Ag\(MKC\)](#) also participated.

As part of this pilot, MKC helps to generate a direct link with the producers and generates a model based on "train the trainer" who can then teach others. The objective is that the participation of agronomists, who make up part of MKC in regenerative agriculture training, allows them to see the value of these practices and develop knowledge and skills that they can share with producers who are not currently participating in the pilot.

In April, we went on a field visit to five pilot farms to learn about grower practices and share information on regenerative agriculture. Additionally, soil tests were carried



out on two farms to observe their conditions and talk with the producers about the results. Meanwhile, Understanding Ag has provided follow-up and recommendations to producers with a view to improving soil qualities and establishing strategies for the following season throughout the process.

In the coming months, *Understanding Ag* will continue to be a reference resource for the producers participating in this pilot. In the fall, with the support of our partners, we will complete the gathering of information and EF will carry out the analysis of the lessons learned from this pilot. The objective is for this pilot to help us understand how to support our suppliers that do not have a regenerative agriculture program. This action is designed to help define our scaling strategies in the field.

Mexico

In terms of regenerative wheat, we increased the number of hectares planted, and a volume of just over 44 thousand metric tons was harvested in the states of Guanajuato, Sinaloa, and Sonora. Along with these results, we achieved a potential reduction of up to 59% in CO₂e/Ha emissions and a reduction of 15% in the consumption of water.

In terms of regenerative corn, we increased the number of hectares planted and saw a production of just over 28 thousand metric tons in the states of Sinaloa and Jalisco. We achieved a potential reduction of up to 75% in CO₂e/Ha emissions and a reduction of 3% in water consumption when compared to the last agricultural cycle using traditional agriculture.

Thanks to the participation of the [Educampo](#) organization, we have been able to identify specific training needs across topics such as organizational governance, human development, and resource management in the states of Sinaloa, Sonora, and Jalisco.

In terms of agricultural technology, we have performed pilots that have made significant progress in terms of our Regenerative Agriculture KPIs to increase water efficiency, biological pest control, and data management.

Latin America

During this semester, we began the deployment of activities oriented towards regenerative agriculture in the Latin American regions where Grupo Bimbo is present.

3) Transparency and communication

In December 2023, we will report the progress achieved both in strengthening our regenerative agriculture strategy, and in our continued efforts to enhance our activities in the field.