Grupo Bimbo
Global Agriculture Policy
Progress Report, June 2024

At the beginning of the year, Grupo Bimbo published the Action Plan to advance the implementation of the Global Agriculture Policy. In this month of June, we present the report of the main activities that we have carried out in the first half of the year for soybeans, sugar, pulp and paper.

01 Soy

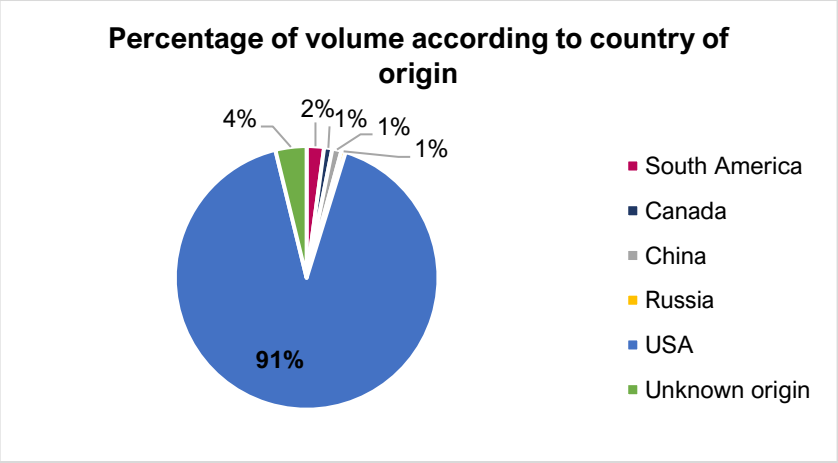
The Global Agriculture Policy covers all our soybean volumes. To move towards compliance with the policy, the main strategies deployed for soybeans – traceability and relationship with suppliers – cover 96% of our volumes.

For the fourth consecutive year, we have carried out the traceability exercise with the objective of understanding our soybean oil supply chain. In 2024, we map 96% of our volume. The list of our direct suppliers can be found using this link.

From the total of our volume:

- 96% of our volume is traceable to the country of origin.
- 4% of our volume is unknown since it was out of the scope of the traceability exercise.

With traceability, we know that 2% of our volume comes from an at-risk origin, namely Argentina (0.59%) and Brazil (1.53%). Below we present a breakdown of all identified origins at the country level:



Part of our strategy to move towards a deforestation and conversion free (DCF) chain is to source from countries with minimal risk associated with deforestation and conversion. This year, we have reached 94% DCF given that the volume comes from an origin classified as minimal risk in terms of deforestation and conversion. At the moment we do not have certified volumes or satellite monitoring.

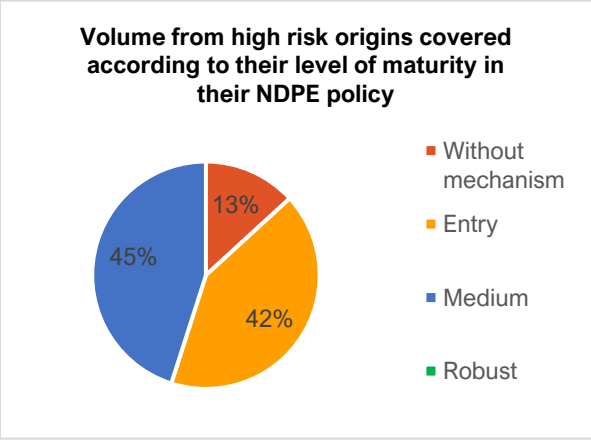
Compared to last year, we have an 7% increase in our DCF score. This score considers 100% of our soybean volumes.

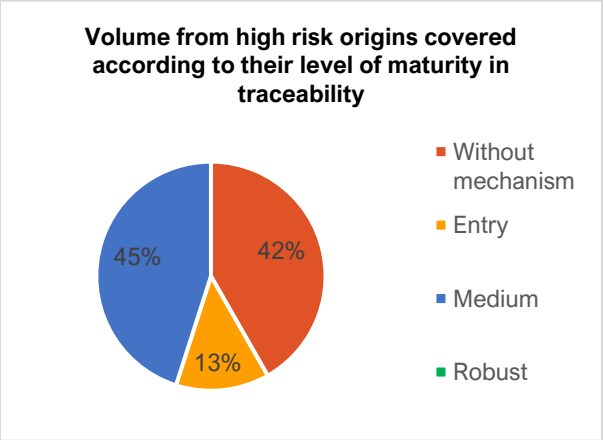
Engagement with our soy suppliers

As part of our strategy towards responsible soy sourcing, we specifically engage with suppliers that we identify through traceability that are directly linked to high-risk origins and are priorities in conversion and deforestation. We did this exercise in the second half of 2023, and although soybeans with these characteristics[1] represented 10% of our volume, the analyzed suppliers covered 44% of our total volume[2].

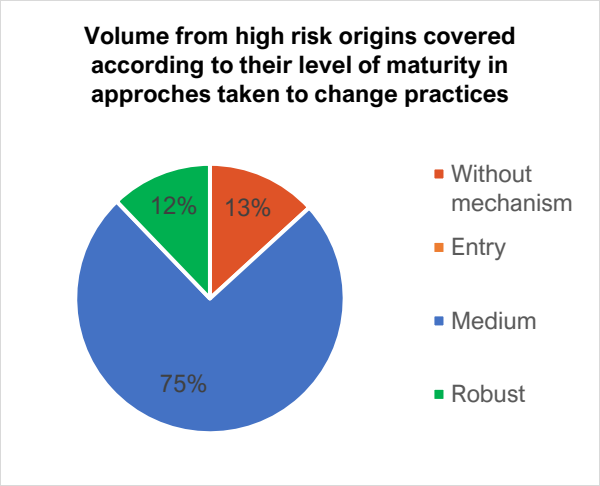
During this engagement we talked about our expectations in the responsible sourcing of soy, which is aligned with the Forest Positive approach of the CGF (Consumer Goods Forum). Additionally, we evaluated them using the following criteria: 1) Responsible sourcing policy; 2) Traceability; 3) Implementation plan and relationship with suppliers; 4) Grievance mechanism and non-compliant supplier process, and 5) Monitoring and Verification.

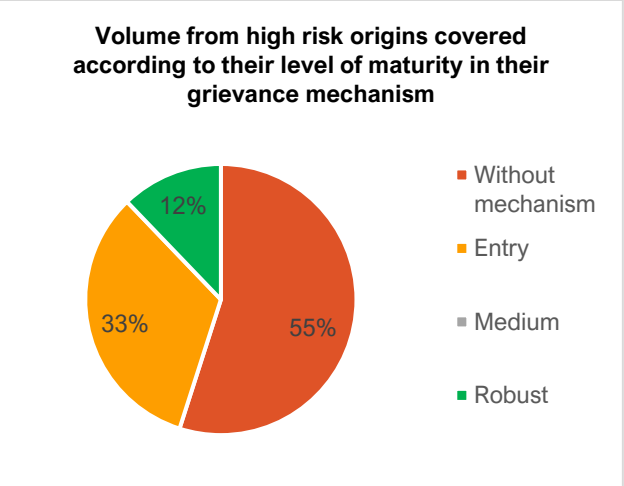
The level of maturity in each topic is rated based on whether or not it meets the criteria for each level. Bearing this in mind, we identified that two suppliers are at an intermediate-advanced level and three suppliers are at an entry level. The main results are detailed below:





[1]Identified through 2022 volumes, during the traceability exercise 2023. There is 4% of the volume not covered in the 2023 traceability exercise.
[2]Volumes corresponding to 2022, traceability exercise 2023.





At the beginning of 2024 we met with our suppliers to discuss the results and align expectations around the responsible sourcing of soybeans, including developing a plan to meet DCF requirements in the high-priority regions.

While this year's traceability exercise indicates that 91% of our traced volume comes from the United States, we will continue to engage with suppliers at a grassroots level to ensure they make progress.

02 Sugarcane



In 2024, we continue to support one of our main cane sugar suppliers through the implementation of practical improvements related to labor issues. This initiative seeks to meet two objectives: 1) Generate experience in one of the mills regarding the implementation of best labor practices, and 2) Based on the implementation, create procedures that allow the actions to be replicated in other mills.

The activities of this first half of the year are the result of the process carried out at the end of 2023 of the mill's self-assessment and the establishment of an Action Plan to solve the identified areas of opportunity.

The actions focused on:

- Training for field personnel on Human and labor rights
- Awareness raising of recruiters of the third party on Human and labor rights
- Enagegement with stakeholders

Finally, the process of self-evaluation of the mill and the establishment of the Action Plan was documented with the intention that other mills of our supplier can replicate them in the future.

03 Paper and cardboard

In the case of paper and cardboard input, our main strategy for the entire category is to increase our volumes of recyclable material and certified material.

Of all our volumes[3] coming from our corrugated boxes and folding cartons categories,66% is recycled material, while 34%comes from virgin fiber. Likewise, from the volume of virgin fiber, 87% is certified, from those certified volumes 14% is under the FSC scheme, 1% under the PEFC scheme and 85% under the SFI scheme.

To advance towards the goals of a deforestation-free supply chain in virgin fiber volumes, the CGF recognizes the following strategies:

- Certified volumes, and
- Volumes monitored through field or remote monitoring.

At this moment, our primary tool for DCF is certification. Therefore, 13% of our virgin fiber volume is DCF since it is under some certification recognized by the CGF with confirmation from the supplier that it comes from a certified source.

Of the total virgin fiber volume (which is the sum of certified and conventional volumes), 12% is FSC certified and 1% is under the PEFC scheme. Although SFI is not yet considered for DCF, 74% of our volume is certified under this scheme.

In addition, to have more information about our supply chain, we carried out a traceability exercise in the second half of 2023, this covered 70% of our volume under the categories of “corrugated boxes” and “folding cartons.” Of the volume of virgin fiber analyzed through this exercise (22,808 MT), it was possible to identify 100% of the country of harvest, the main countries being the United States (75%) and Canada (21%). According to the CGF list of priority countries, 3% of our volume is identified as high priority coming from Brazil[4].

[3] Consolidated purchases 2023 H2.
[4] According to the Interim High-priority Country List from CGF.

04 Cage-free egg

We continue working on our commitment to gradually move towards sourcing eggs from 100% cage-free birds by 2025. We are on track to achieve our goal of 46% by the end of the year, as committed in our 2024 action plan.

We continue to rely on the support of our allies and various civil society organizations experts in the matter, among which the Humane Society International (HSI) is an important example, providing us with information and recommendations to guarantee the animal welfare of birds.

Additionally, we are in talks with our allies to:

- Strengthen our reporting levels, including greater detail at the regional level.
- Ensure updated information on producers and suppliers of eggs from 100% cage-free birds around the world.
- Identify incentives for the industry and producers, including financing tools for the market to develop.
- Continue training the industry with technical workshops led by experts, supporting market promotion of these initiatives.

05 Transparency and communication

The actions we complete during the rest of the year towards the responsible sourcing of the ingredients mentioned above will be included in our December Progress Report.