Grupo Bimbo
Global Palm Oil Policy
Progress report, December 2024

In 2024, we have implemented different activities with the aim of moving towards a Forest Positive palm oil supply, that is, one that conserves forests and respects communities. This progress report seeks to share with the general public the actions and key achievements during the second half of the year.

01 Traceability

As we have done in previous reports, in order to better understand and advance the responsible sourcing of palm oil, we have divided our suppliers as follows:

1) Direct palm oil: Raw material that we use for the products we manufacture.
2) Indirect palm oil: Palm oil is included in other ingredients that we use such as chocolates, and emulsifiers, to name a few.

This separation allows us to establish differentiated strategies and move forward more forcefully.

In the first half of the year, the direct palm oil traceability exercise was carried out, which can be consulted at June Progress Report.

Indirect palm oil

This year, we carried out the traceability analysis for 96% of our volume. Considering the entirety of our volume in 2024, we have a mill traceability of practically 96%.[1]. On the other hand, this year additional criteria were included to integrate traceability to the plantation; therefore, we had a 20% reduction in our indicator, leaving a traceability to the plantation of 42%. Although it is a reduction, we consider that given the importance of having information at the farm level, increasing the requirements is positive.

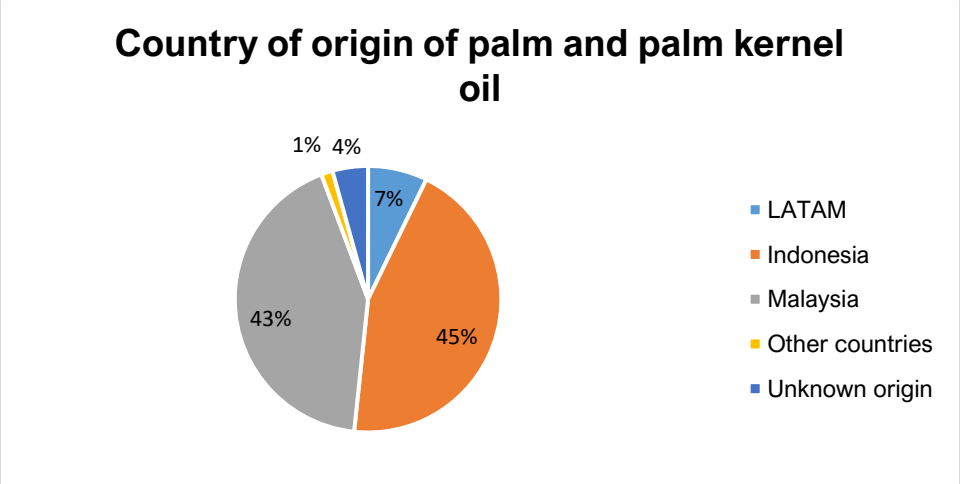
Furthermore, we consider this level of traceability to plantation to be indicative of the level of transparency maintained by our indirect palm oil suppliers in the supply chain. We will continue to work and discuss with them to move towards greater transparency.

[1] *All scores consider the total volume of indirect palm oil.*

The detailed information is as follows:

Indirect Palm Oil		
	Traceability to mill	**Traceability to plantation**
Palm oil	85.67%	50.72%
Palm kernel oil	99.93%	38.59%

Furthermore, thanks to the traceability exercise, it is possible to identify the country of origin of the palm oil. In this case, there are two main countries of supply, which are Indonesia and Malaysia. In addition, there is 4% of the volume considered to be of unknown origin because the volume was not within the scope of the traceability exercise. Below, you can see the country of origin graph in greater detail.[2].



The list of mills linked to our indirect suppliers can be reviewed at this link.

02 Engage with suppliers about responsible sourcing

For Grupo Bimbo, it is very important to continuously engage with our suppliers to understand their progress and challenges around responsible palm oil sourcing. Therefore, during the second half of the year, we began the engagement process with selected suppliers with the aim of completing the EPI (Engagement for policy implementation) survey[3]. The survey seeks to evaluate suppliers in the following areas:

1) Responsible sourcing policy;
2) Implementation and relationship with suppliers;
3) Landscape and social transformation initiatives;

[2]The analysis considers the total volume of indirect palm oil.
[3] Engagement for policy implementation

4) Grievance mechanism and non-compliant suppliers;
5) Monitoring and verification actions,
6) Traceability.

Suppliers have already responded, and Earthworm Foundation is currently analyzing the information and documentation shared. The results will be available at the end of December, and we will report on them in the June 2025 progress report. In addition, in the first quarter of 2025 we will meet with our suppliers to jointly establish an Action Plan; this will seek to establish commitments based on the strengths and areas of opportunity to increase the performance of our suppliers in NDPE.

In addition, during the second half of the year we met with suppliers who did not carry out EPI exercises in 2024 but who have a 2023 Action Plan. The objective is to be able to follow up on the established commitments and understand the potential challenges they face in implementing them.

03 Monitoring for a deforestation free supply chain

Grupo Bimbo has a strong commitment to moving towards Zero Deforestation, and one of the strategies to monitor our progress is satellite monitoring. Every quarter we analyze our chain to identify those volumes free of deforestation and also the volumes in which actions need to be taken to progress.

The latest analysis indicates that 70% of our volume[4]**It is deforestation free[5].**Today we are also engaging more closely with our key suppliers so that we can continue to make progress towards deforestation-free sourcing.

As a complementary strategy, we maintain the commitment to have 100% RSPO certification.

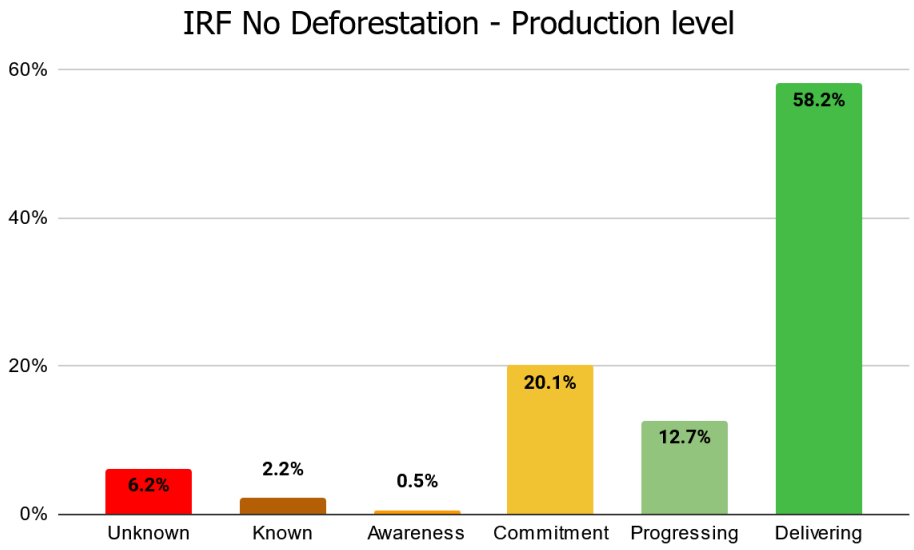
In addition to our satellite monitoring strategy, and in alignment with the Consumer Goods Forum, we collect the IRF profiles of our suppliers, both direct and indirect. It is important to mention that this year we increased the number of suppliers who were able to respond to our request, which speaks of the progress of the sector in integrating this tool. On the other hand, although the response rate has increased, there are still three suppliers with verified profiles. For more information, you can consult the **Web page** about this tool.

For direct palm oil suppliers and according to the profiles and volumes we source[6], we had a 9% increase in the delivering category, going from 49% to 58%. We also increased our volume in the

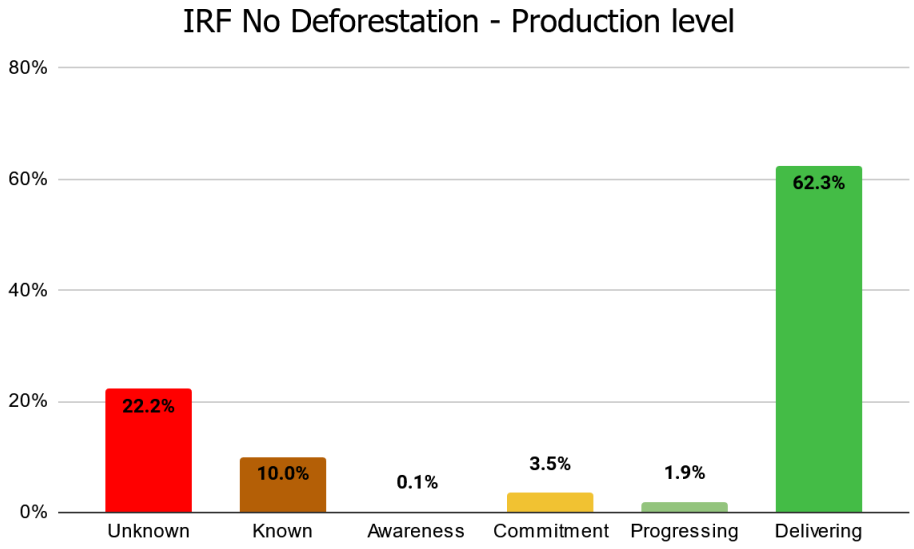
[4]Calculation made on the total volume of direct palm oil.
[5]Part of the volume not confirmed as deforestation-free is due to the lack of geolocation information for the plantations, so we will continue to engage with our suppliers to achieve greater transparency and meet our 2025 goal.
[6] Calculation made on the total volume of direct palm oil.

progressing category, going from 7% to 13%. 20% of our volume is in the commitment category, volumes under this category require being within an NDPE Action Plan.

On the other hand, compared to last year, we have reduced our volume under unknown, or "unknown" although we have an area of opportunity to reduce the 6% that we still have in this category.



This year we also compiled IRF profiles for our indirect palm oil suppliers to provide another tool to understand our suppliers' NDPE progress. In the chart below you can see the percentage of our volume[7] that is in each category. On the positive side, 62% of our volume is being delivered. On the other hand, we still have an area of opportunity to bring volumes from unknown and known categories into better performance categories.



[7] Calculation made on the total volume of indirect palm oil.

04 Support transformation initiatives

As part of our responsible sourcing strategy, at Grupo Bimbo we seek to financially support projects that are related to our supply chains and that seek to address issues associated with sustainability. As in previous years, we are investing in two initiatives, one related to landscape and another associated with promoting Human Rights.

Chiapas

This landscape initiative aims to contribute to reducing forest degradation associated with oil palm cultivation in the Encrucijada Protected Natural Area. The initiative also seeks to support small producers in the region to improve their livelihoods while advancing the sustainability of their palm oil crops.

Supply chain transformation

During the second half of the year, work was carried out with a mill to institutionalize its sustainability policy. Likewise, the mapping of tools and procedures that will be integrated into the Responsible Sourcing Program was started. This program seeks to establish in an operational manner the guidelines and structure necessary to fulfill the sustainability commitments with its partners, suppliers and clients. Although the design of this program is still in progress, one of its objectives is for the mill to be able to inform its business partners in a transparent manner about the requested sustainability requirements.

In addition, as part of the activities to transform the supply chain, two workshops were held in coordination with CONANP-Encrucijada, a refinery and a mill. A total of 42 small producers, who are also partners of the mill, participated. These workshops were aimed at communicating the sustainability requirements and their means of verification for these requirements.

Forest Restoration and Protection

In the workshops mentioned in the previous section, Responsible Sourcing information was shared, along with discussions on the importance of the Encrucijada Natural Protected Area (ANP), forest protection regulations, and the core zone; it was also complemented with the topic of areas with High Conservation Values (HCV) with a focus on market sustainability. These actions will allow producers to identify, understand and take actions to comply with the Natural Protected Area Management Program, respect the HCVs, promote good management practices on their plots and be responsible with the ecosystem.

With allied organizations: a collaboration agreement was signed with the Restcost initiative (Coastal Restoration) to implement a work plan that will contribute to actions for the conservation, restoration of mangroves and substitution of oil palm cultivation in Encrucijada. Two Planning

meetings were held with CONANP-Encrucijada to identify the riparian and mangrove areas to be restored.

In coordination with CONANP - Encrucijada, areas with dispersed palm trees are being identified within the ANP to carry out a monitoring strategy and a work plan where other actors such as Restcost will be involved for the control or eradication of palm trees in these areas. Currently, an area of approximately 135 hectares has been identified.

Resilient Producers

In this second half of the year, eight producers have received technical assistance with their Comprehensive Plot Plan (PIP, per its acronym in Spanish) and a PIP was also finalized with a producer who is partner of a social mill. From a productive diversification approach, workshops for Cocoa Management have continued in coordination between EF and the Secretariat of Agriculture and Rural Development (SADER) with 10 Palm-Cacao farmers with whom four workshops and an exchange of experiences were carried out to learn about the derivatives of cocoa transformation. A Sustainable Livestock workshop and an exchange of experiences were also held in coordination with SADER and the National Institute of Forestry, Agricultural and Livestock Research (INIFAP). This workshop was attended by 14 Palm-Livestock Producers, which will allow farmers to strengthen good practices in their different productive activities within their plot.

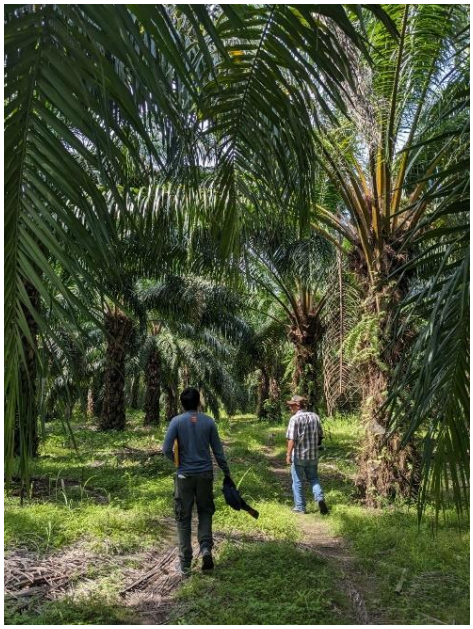


Illustration1. Technical assistance to producers

Regenerative Agriculture

As part of the follow-up to soil monitoring using the Chromatography methodology in Palm Growers' Plots, three PIPs were updated with producers under the focus of regenerative agriculture practices. A work plan is being developed with the sustainability area of this mill to support these producers with the aim of serving as demonstration plots for these practices.

To determine the profitability of regenerative practices, 18 producers who have been implementing these practices for more than two years were identified and selected. They were interviewed and their plots were visited to obtain the necessary information to carry out the economic and productive analysis. This information complements the model of the transition process to regenerative practices without putting the producer's productivity at risk.

Guatemala

In the second half of 2024, Grupo Bimbo continued to financially support the Social Excellence in the Guatemalan Palm Oil Sector project. This initiative, implemented by EF in collaboration with

the Guatemalan Palm Growers Association (GREPALMA), focuses on improving social, labor and environmental standards within the palm oil industry. As part of the Phase 3 work plan, Grupo Bimbo supported the following activities:

At the sectoral level

Training Platform for Palm Oil Producers: An initial framework for a platform was designed to provide self-learning materials on Human Rights. The target audience for this platform will be the palm oil sector in Guatemala.

At the specific supplier level

Human Rights Compliance Assessments: Assessments were conducted for two palm oil producing companies. The objective was to assess their current social, labour and environmental practices and collaboratively develop improvement plans to address any identified gaps. Action plans are in the development phase and are intended to be formalised with the producing companies by the end of December.



Illustration2. Workshop with workers from a palm oil producing company

05 Operate our grievance mechanism

Our grievance mechanism aims to be a space to address complaints that may be associated with sustainability issues in our supply chains. Our mechanism has a procedure that dictates step by step the actions we take when receiving a grievance associated with our direct or indirect suppliers.

We invite you to review our mechanism on our website.

06 Transparency and communication

As part of the transparency exercise, we will share our Action Plan to continue moving towards sustainable palm oil in early 2025. Also, as every year, we will share our progress in the reports of June and December of the following year.