



**Grupo Bimbo**  
**Global Palm Oil Policy**  
Progress Report, December 2025

At Grupo Bimbo, December is the time when we take the opportunity to share the activities carried out during the second half of the year. All our actions have contributed to our objective of advancing toward responsible palm oil sourcing, which includes protecting forests and respecting local communities and Indigenous Peoples in the regions where this raw material is cultivated, in line with the activities defined in our [2025 Action Plan](#), guided by our Global Sustainability Strategy.

01

Traceability

Traceability is the foundation for understanding our supply chain and identifying the origins of palm oil. Each year, we conduct two distinct exercises that focus on different stages of our sourcing process.

1. **Direct palm oil:** raw material used in the products we manufacture.
2. **Indirect palm oil:** palm oil that is present in other ingredients we use, such as chocolates or emulsifiers, among others.

Categorization enables us to address the specific characteristics of suppliers involved in each type of sourcing.

### **Direct Palm Oil**

In June, we presented the results of the direct palm oil traceability exercise. For this analysis, we worked with suppliers representing 97% of our volume. As a result, this year we achieved 96%<sup>1</sup> traceability to the mill level, providing us with near-complete visibility of the mills within our supply

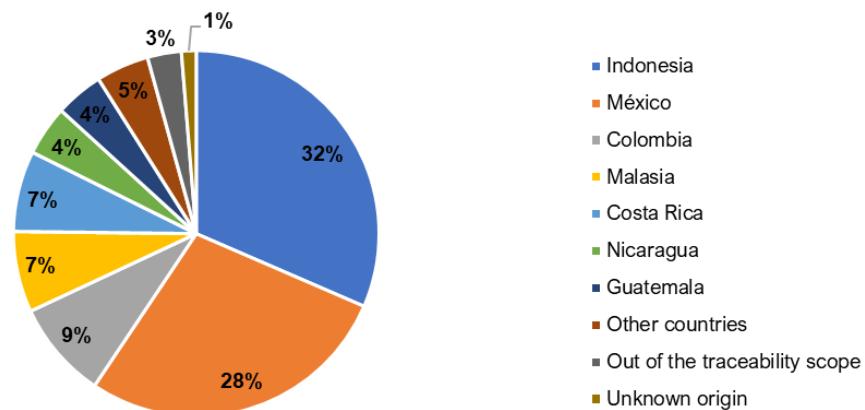
<sup>1</sup> Percentage calculated based on 100% of the volume of direct palm oil. Source: 2025 Traceability Exercise (FY2024).

chain. Likewise, we achieved 52% traceability to the plantation level<sup>2</sup>, reinforcing our commitment to gaining a deeper understanding of the origin of our palm oil.

As every year, you may consult our [direct suppliers](#) and our [list of mills](#).

Below, we present a summary of the main countries of origin of our palm oil and palm kernel oil.

### Country of origin of palm oil and palm kernel oil volumes



*Figure 1. Country of origin of volumes of direct palm oil and palm kernel oil*

### Indirect Palm Oil

For this traceability exercise, we analyzed 94% of the volume classified as indirect palm oil. Considering our total volume, including that which was not part of the traceability exercise, we achieved 92% traceability to the mill.<sup>3</sup> In pursuit of greater detail, we also collected information on the plantations that supply us –this year, we reached 51% traceability to the plantation.<sup>4</sup>

At Grupo Bimbo, we acknowledge the challenge of obtaining plantation-level information, particularly in the case of indirect palm oil. Nevertheless, requesting this data is part of our effort to move toward greater transparency in our supply chain.

Regarding the countries of origin of palm oil, Indonesia and Malaysia account for the largest share of the total volume. Additionally, 2% is classified as having unknown origin, as in some cases

<sup>2</sup> Percentage calculated based on 100% of the volume of direct palm oil. Source: 2025 Traceability Exercise (FY2024).

<sup>3</sup> Percentage calculated based on 100% of the volume of indirect palm oil. Source: 2025 Traceability Exercise (FY2024).

<sup>4</sup> Percentage calculated based on 100% of the volume of indirect palm oil. Source: 2025 Traceability Exercise (FY2024).

suppliers were unable to share this information. The following chart shows the distribution of volumes by country of origin<sup>5</sup>.

### Country of origin of palm oil and palm kernel oil volumes

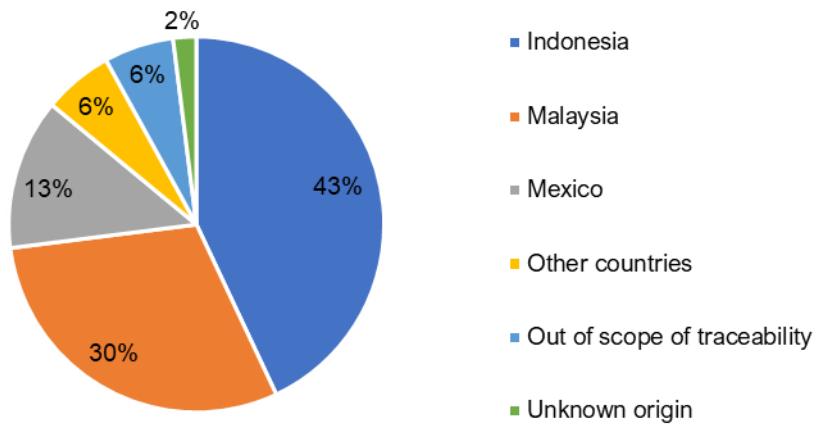


Figure 2. Country of origin of volumes of indirect palm oil and palm kernel oil

As in previous years, you may consult our [list of mills](#) of our [indirect suppliers](#).

02

#### Engage with suppliers about responsible sourcing

Part of our strategy to advance toward more responsible supply chains is to maintain continuous dialogue with our suppliers. Through this engagement, we can share expectations and create spaces to discuss their progress and the challenges they face.

In July, we initiated the evaluation process for a selected group of suppliers. As part of this exercise, they were asked to complete the EPI survey (Engagement for Policy Implementation). This survey assesses the following categories:

1. Responsible sourcing policy
2. Implementation and supplier engagement

<sup>5</sup> Percentage calculated based on 100% of the volume of indirect palm oil. Source: 2025 Traceability Exercise (FY2024).

3. Landscape and social transformation initiatives
4. Grievance mechanisms and non-compliant suppliers
5. Monitoring and verification actions
6. Traceability

Suppliers have already submitted their responses and supporting documentation. At this stage, [Earthworm Foundation](#)<sup>6</sup> is analyzing the information received. The results will be available by the end of December and will therefore be included in the June 2026 progress report. Based on these results, we will seek to meet with each evaluated supplier to agree on an Action Plan that will allow us to continue making progress together.

Additionally, during this year, we also followed up on the Action Plans of suppliers that were not part of this EPI evaluation cycle. This support has been positive, as we received updates on their progress and were able to provide early feedback, enabling us to continue driving continuous improvement.

03

## Tools for Sustainable Palm Oil

At Grupo Bimbo, we seek to ensure that our sourcing does not contribute to forest loss; therefore, part of our work is focused on advancing toward deforestation-free supply chains. To measure our progress, we use two tools: satellite monitoring and the Implementation Reporting Framework (IRF) profiles.

### **Satellite Monitoring**

Each quarter, we analyze our supply chain to identify volumes that are deforestation-free (DCF); opportunities to improve the information available, particularly about traceability to the plantation;

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<sup>6</sup> Earthworm Foundation is an international non-profit organization dedicated to transforming supply chains and promoting responsible practices that protect people and the environment.

and, finally, potential alerts that require joint work with our suppliers to rule out the existence of deforestation.

Given that challenges remain in obtaining complete plantation-level traceability information, this year the methodology used by Earthworm Foundation incorporated additional options beyond georeferencing. These options are aligned with the CGF (Consumers Goods Forum) methodology and are therefore recognized as valid, as they include: volumes certified under accepted chain-of-custody schemes, volumes traceable to a defined area with negligible (or insignificant) risk of deforestation, volumes traceable to an area with a DCF field assessment, and volumes covered by a control mechanism.

In line with the above, a core part of our work with suppliers focused on incorporating volumes under the control mechanism category, analyzing their robustness in monitoring forests and meeting the deforestation-free criterion.

As a result of this process, it was possible to integrate the methodology of one of our suppliers to classify certain volumes as deforestation-free in cases where plantation-level information was not available.

According to the most recent results<sup>7</sup> of our satellite monitoring tool, **85% of our volume is deforestation-free**. Based on these results, we met with suppliers to discuss improvements in data quality, explore alternatives, and engage in dialogue on strategies and next steps to continue advancing transparency and our goals for deforestation-free sourcing.

Below, we present a chart that provides greater detail on the main categories of our satellite monitoring analysis:

- Green: Volume confirmed as deforestation-free.
- Yellow: volume for which information is still insufficient to complete the analysis.
- Red: Volume that may be associated with potential deforestation.

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<sup>7</sup> Third quarter of 2025.

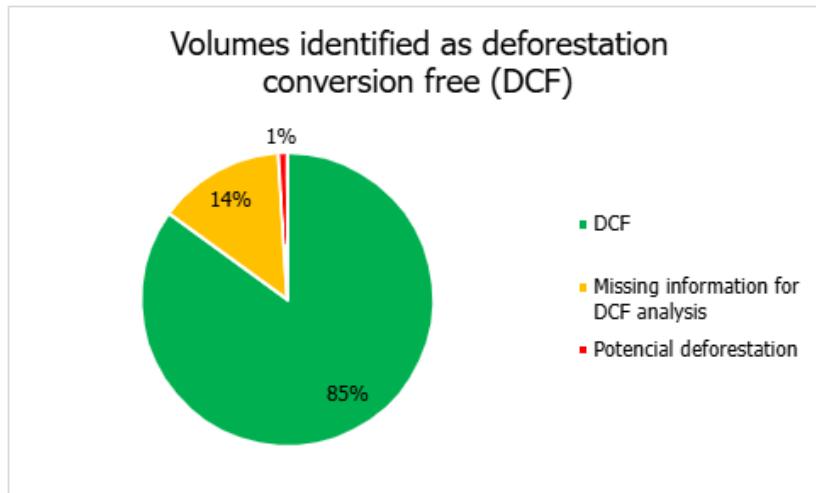


Figure 3. Classification of direct palm oil volumes<sup>8</sup> of deforestation-free status.

## IRF

Continuing our efforts, this year we once again incorporated the IRF profile as a tool to monitor our suppliers' progress on No Deforestation. This framework assesses the level of implementation across six categories<sup>9</sup>, ranging from lack of knowledge of the origin of palm oil (*unknown*) to the most advanced level, in which grievance mechanisms, verification systems, progress in the third-party supply chain, among other criteria, are in place (*delivering*). For more information, please refer to the [webpage](#) dedicated to this tool.

During the second half of the year, we requested that our palm oil suppliers—both direct and indirect, with whom we conducted the traceability exercise—share their IRF profile. We consider it relevant to highlight that, year after year, a growing number of suppliers are able to provide this information. It is important to note that, starting in 2026, new criteria will be incorporated to classify volumes in the highest categories. Therefore, it will be particularly interesting to analyze the results obtained next year, using IRF version 6. Below, we present the main results for 2025 from the IRF profiles (version 5.8).

<sup>8</sup>Calculation based on 100% of the Volume of direct palm oil.

<sup>9</sup>The five categories of the IRF profile are: 1) Unknown, volumes where the origin is not known; 2) Known, volumes where the origin of palm oil is known at least at the mill level; 3) Awareness, volumes where the importance of developing NDPE commitments and advancing on the topic is recognized; 4) Commitment, production with NDPE commitments that has begun working toward implementation; 5) Progressing, production making progress toward fulfilling NDPE commitments; and 6) Delivering, volumes in this category come from production in compliance with NDPE commitments.

## Direct Palm Oil

In the case of direct palm oil, we are pleased to report that volumes<sup>10</sup> under the *delivering* category increased by 17 percentage points, rising from 58% to 75% compared to the previous year. This increase is reflected in the reduction of volumes under the *processing* and *commitment* categories, as some of these volumes may have advanced to the highest category. Five percent of our volume remains under the *unknown* category.

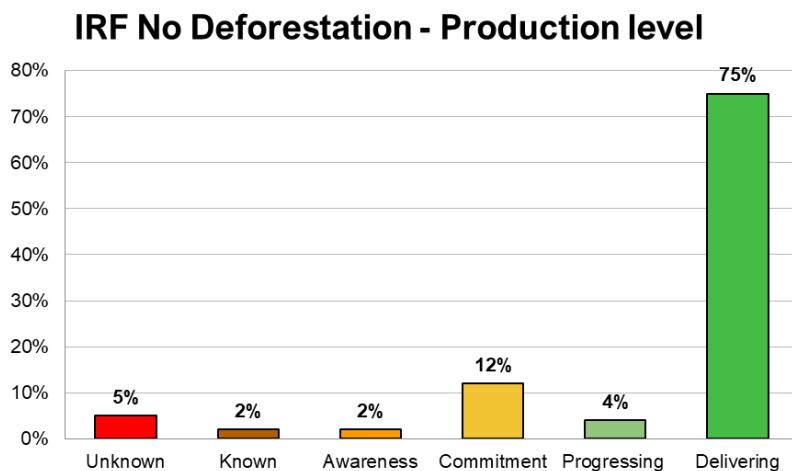


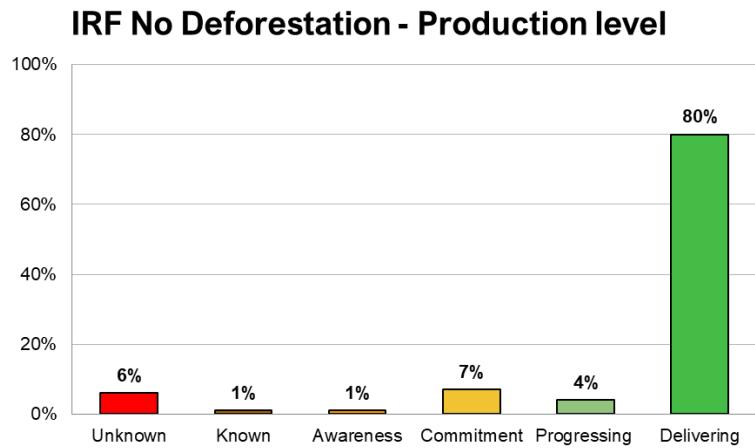
Figure 4. Distribution of direct palm oil volume<sup>11</sup> according to IRF profile categories

## Indirect Palm Oil

As with direct palm oil, we also observed an increase in volumes classified as *delivering*. This category increased from 62% to 80% of the total volume of indirect palm oil. On the other hand, 7% of volumes remain in the *commitment* category and 4% in *progressing*. Finally, in the case of indirect palm oil, 6% of our volume continues to have an unidentified origin, which is consistent with the results obtained in the traceability exercise.

<sup>10</sup> Calculation based on 100% of the volume of direct palm oil.

<sup>11</sup>Percentage calculated based on 100% of the volume of direct palm oil. Source: 2025 Traceability Exercise (FY2024).



*Figure 5. Distribution of indirect palm oil volume<sup>12</sup> according to IRF profile categories.*

Based on the most recent satellite monitoring results and the integration of IRF profiles, we have reached **90% deforestation-free (DCF) volume**. This progress reinforces our commitment and brings us closer to achieving a deforestation- and conversion-free supply chain, while strengthening collaboration with our suppliers.

04

Support transformation initiatives

We recognize that a fundamental component of advancing responsible sourcing is supporting projects that act directly at the base of the supply chain. At Group Bimbo, we provide financial support to two initiatives: one in Mexico, with a landscape-level approach, and another in Guatemala, focused on strengthening the sector.

## Chiapas

The landscape initiative in Chiapas aims to promote actions that reduce forest degradation associated with the La Encrucijada Protected Natural Area and its linkage to oil palm cultivation. At the same time, close collaboration is maintained with smallholders in the region to strengthen their livelihoods and promote more sustainable practices within their production systems.

<sup>12</sup> Percentage calculated based on 100% of the volume of indirect palm oil. Source: 2025 Traceability Exercise (FY2024).

## **Supply Chain Transformation**

During this semester, Earthworm Foundation followed up on the work plan with one of the region's social extraction mills. The mill decided to focus first on adjusting its internal structure, which altered the originally planned sequence of activities

With regard to communications, the mill continues to disseminate its sustainability policies and its Responsible Sourcing Program among its workers and members, as well as with customers with whom it already has commercial agreements.

In addition, the cooperative decided to continue working on other sustainability-related aspects. Accordingly, several tools and procedures were reviewed and updated in coordination with the technical and commercial teams. During this period, one in-person meeting and two virtual meetings were held to analyze and improve its protocols. This work made it possible to identify priority issues that will serve as the basis for agreeing on a support plan for 2026, aimed at strengthening these tools.

At year-end, and in collaboration with the organization *Solidaridad*, workshops on High Conservation Values (HCV) were delivered to producers linked to four extraction mills: Oleosur and Zitihualt in the Soconusco region, Palmosur in Palenque, and Aceites de Palma (Palm oils) in Veracruz. A total of 80 producers participated and also received information on NDPE commitments and good management practices.

## **Forest Restoration and Protection**

As part of the joint work between Earthworm Foundation, the National Commission of Natural Protected Areas (CONANP), and the Coastal Restoration Initiative (RESTCOST), progress was made on restoration actions within the La Encrucijada Biosphere Reserve. During this semester, 30 hectares were identified as potential areas for oil palm substitution, and commitments were secured from three additional producers in the El Herrado community to initiate the crop removal process. Integrated Farm Plans were developed, and a total of 3.3 hectares of oil palm will be removed; to date, 1 hectare has already been cleared.

Currently, the Reserve has five demonstration plots undergoing productive reconversion. Based on these experiences, a Palm Plantation Substitution Plan was developed, which has served as a tool to promote the participation of additional stakeholders.

The government program *Sembrando Vida* (SV) joined this initiative to provide financial support to producers who voluntarily decide to replace oil palms with productive systems permitted within the protected area. It is expected that at least 2,500 hectares will enter this program over the next four years. Earthworm Foundation and CONANP are currently working with SV regional coordinators to align efforts, strengthen technical training, and explore market alternatives for products derived from the new production systems.

In parallel, the development of a detailed High Conservation Values (HCV)<sup>13</sup> study for the Chiapas landscape began. Current progress stands at 40%, and completion is planned for the first quarter of 2026. This study will be shared with industry stakeholders and producers to facilitate compliance with NDPE commitments and promote responsible sourcing across the landscape.

## **Resilient Producers**

During this period, monthly meetings were held to plan the activities of the working group. Technical support continued to be provided to the pilot group implementing diversified practices (11 plots) across cacao, oil palm, mango, and banana crops.

Two training workshops were delivered:

- Post-harvest cacao management with 15 participants, coordinated with the Secretariat of Agriculture and Rural Development (SADER), the National Institute of Forestry, Agriculture and Livestock Research (INIFAP), and El Colegio de la Frontera Sur (ECOSUR) in Tapachula.
- Production of organic fertilizers, with eight producers, organized in collaboration with SADER.

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<sup>13</sup> A study aimed at identifying environmental and social values within productive landscapes. According to the High Conservation Value Network: "An HCV is a biological, ecological, social, or cultural value that is exceptionally significant or of critical importance".

In addition, an experience-sharing Exchange –also coordinated with SADER– was conducted on value addition to cacao beans, with the participation of six producers from the *Sociedad Granos de Montaña*.

### **Ecological Agriculture**

As part of the strategy to strengthen technical advisory services, reduce costs for producers, and establish a local source of organic inputs, a bio-factory was built with the participation of 11 producers. This facility will enable the production of up to 30 metric tons of organic fertilizers annually: 20 metric tons of solid fertilizers (such as *bokashi*<sup>14</sup> and compost) and approximately 1,000 liters of liquid fertilizers (such as *supermagro*<sup>15</sup>). This effort will contribute to gradually reducing dependence on synthetic fertilizer and lowering production costs. Construction materials were provided, while producers contributed to labor.

### **Guatemala**

In 2025, we continued to support Phase 3 of the Social Excellence in the Palm Oil Sector initiative in Guatemala, focused on the implementation and follow-up of Action Plans. Collaboration between Earthworm Foundation and the Guatemalan Palm Growers Association (GREPALMA) has enabled progress toward the central objective: strengthening the social license to operate of palm oil producers and supporting continuous improvement in their social, labor, and environmental standards. The main advances of this initiative are outlined below.

#### **At the Sector Level**

Progress was made in the development of the initiative's technological platform, which will host self-learning materials on Human rights aimed at the stakeholders of Guatemala's palm oil sector.

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<sup>14</sup> An organic fertilizer whose functions include contributing organic matter to the soil and improving its physical properties.

<sup>15</sup> A biofertilizer that seeks, among other objectives, to increase the availability of micronutrients for crops and soil.

In addition, the development of two theoretical-practical guides on community engagement and conflict management were initiated, framed within the principles of Human Rights Due Diligence. These guides are being designed for application in palm oil company operations and will form part of GREPALMA's sustainability strategy.

### **At the Supplier Specific Level**

In late 2024, an initial diagnosis was conducted to a producing company, focused on understanding its context regarding community conflicts and public grievances. This visit made it possible to define an initial roadmap for 2025. By the end of this year, a second visit will be carried out to further examine labor, environmental, and land tenure issues, with the objective establishing a definitive roadmap to guide improvement actions and strengthen relationships with local stakeholders.

A Human Rights Impact Assessment (HRCA) was also conducted for a second producing company. This assessment enabled precise identification of existing social, environmental, and labor gaps. Based on the findings, the company developed an Action Plan to address these gaps. During the next period, continued support will be provided to review progress in its implementation and to ensure sustained improvements in labor conditions and the well-being of communities within its area of influence.

05

Operate our grievance mechanism

At Grupo Bimbo, we consider it essential to have a mechanism that enables us to address sustainability-related grievances associated with our supply chains. Each year, we review traceability information to identify potential links to existing grievances and also monitor the emergence of new situations that may involve our direct or indirect suppliers.

To manage these cases, we follow the steps described at the [link](#) provided. It is important to note that, given our position within the supply chain, close collaboration with our suppliers is essential to ensure the proper handling and monitoring of each case.

As part of our commitment to transparency and accountability, in January, we will present the Action Plan that will guide our work toward responsible palm oil sourcing throughout 2026. In addition, we will continue to inform our stakeholders of our progress through the June and December reports for the following year.

This journey is not without challenges, but we are convinced that every step matters. We will continue to drive actions that generate a positive impact across our value chain and contribute to building a more sustainable future for all.