

GRUPO BIMBO GLOBAL AGRICULTURE POLICY 2020 Action Plan

In 2017, Grupo Bimbo published its <u>Global Agriculture Policy</u> outlining its vision for agricultural practices that support economic, environmental, and social resilience, its commitment to promote these practices throughout its supply chains, and its expectations for suppliers to drive implementation. Grupo Bimbo's Global Agriculture Policy builds upon lessons learned through the ongoing implementation of its <u>Global Palm Oil Policy</u>, published in 2015. Details related to its palm oil goals and progress can be found <u>here</u>.

In 2019, Grupo Bimbo published its first <u>Global Agriculture Action Plan</u>. Progress on this plan can be found <u>here</u>.

In 2020, Grupo Bimbo will continue to work on Global Agriculture Policy implementation, prioritizing five objectives. Specifically, Grupo Bimbo will:

- 1. Socialize Grupo Bimbo's 2025 commitment to purchase certified paper and cardboard with suppliers. As part of its 2025 packaging commitment, which includes a commitment to reduce the use of plastic along its value chain through compostable, recyclable and biodegradable materials, Grupo Bimbo will be transitioning its paper and cardboard packaging from conventional to certified material. In 2020, Grupo Bimbo will be selecting certification standards by region, documenting which suppliers currently have the capacity to provide certified material, and communicating the 2025 commitment to its direct suppliers so that they can begin to plan certification if not already in place.
- 2. Engage top volume soy suppliers in South America to address social and environmental risks in high priority sourcing regions. In addition to its Global Agriculture Policy commitments, Grupo Bimbo is a signatory of the Cerrado Manifesto and is a member of the Cerrado Working Group. In 2020, Grupo Bimbo will continue to engage its top volume soy suppliers in Brazil, using the traceability and risk analysis conducted in 2019, to address social and environmental challenges in priority sourcing regions. Direct supplier engagement will be conducted in parallel to activities outlined by the Cerrado Working Group. Additionally, Grupo Bimbo will begin engaging top suppliers to collect traceability data for Argentina in order to map risks associated with soy expansion in the Chaco Forest.

- 3. **Ongoing implementation of corn and wheat pilots,** in partnership with the International Maize and Wheat Improvement Center (CIMMYT) we will continue working on the implementation of the conservation agriculture process to achieve the objectives of resource optimization, we have four main indicators: Water, air, soil and agrochemicals
- 4. **Animal Welfare,** in 2020 one of our main objectives is to establish specific targets that can help us track progress and implement best practices across our BU, considering that we will continue working on the socialization of our cage-free egg policy and keep the collaborative partnership with Humane Society International (HSI).
- 5. **Prioritize additional commodity for engagement based on materiality results.** In 2019, Grupo Bimbo conducted a materiality assessment of its global agricultural supply chains. Palm oil and soy came out as top commodities for Grupo Bimbo's stakeholders, which clearly aligns with Grupo Bimbo's priorities as demonstrated through its Palm Oil Policy and commitment to the Cerrado Manifesto. In 2020, Grupo Bimbo will be evaluating additional commodities based the materiality results and factors such as deforestation/labor risks, leverage, and region of origin. This will allow Grupo Bimbo to make an informed decision about future investments in responsible sourcing.

Grupo Bimbo will report semi-annually on progress towards these objectives.