



**Towards
Zero
Waste**



**Convert into
Regenerative
Agriculture**



**Net Zero
Carbon
Emissions**



BAKED FOR NATURE




Towards Zero Waste

our commitment:

PROMOTING A CIRCULAR ECONOMY AND REDUCING WASTE

throughout our value chain with sustainable packaging, efficient operations, and food and water waste reduction.





Waste reduction can be a means for organizations to achieve environmental, social and economic objectives, suggesting a change in production and consumption models to embrace this challenge throughout the world. We are committed to a circular economy and to reducing waste throughout the entire value chain, by means of 3 material subjects that are priorities for Grupo Bimbo: Packaging, Food Waste, and Water.

Sustainable packaging

Our packaging is essential to maintain our products with food quality and safety in the best possible conditions as required for our consumers, and to avoid food waste throughout the value chain.

With this in mind, we have projects aimed at improving packaging quality while also using the materials needed to ensure the properties required for product protection, also ensure that these materials can be easily recycled and the existence of necessary mechanisms and alliances in the countries where we operate, with the purpose of being able to achieve post-consumption recycling at the end of the useful life.

Therefore, our goal for 2030 is to have 100% of our packaging supporting a circular economy.

As a result of this commitment, we work with the Consumer Goods Forum in the plastics coalition, where, with other manufacturing and commercial companies, topics on the impact of the use of plastics are defined regarding the impact of the use of plastics, such as its design and the circular economy-related principles.



Our path towards zero waste

By 2025,
100% of our packaging
will be recyclable, compostable,
or biodegradable

90%
of our packaging
are recyclable in
2021



Material optimization

Those that do not perform a function to protect the product, preserve the shelf life and/or quality.

Non-recyclable materials



Biodegradable

Use additives in polyethylene and polypropylene packaging in countries with less infrastructure for waste management and with greater risk of leaks to the atmosphere. These materials comply with ASTM 6954 standards and local regulations.

Compostable

Limiting the use of fossil-based plastic resin. The compostable materials we use comply with ASTM 6400 or EN 13432 standards and legal requirements established by local areas.

Renewable

Use of renewable-sourced packaging materials such as paper or non-food bioplastic.



Materials with recycled content

Recycled paper and plastic to limit the production of new material in the market, and to promote a circular economy.

Reusable packages

Implementation of packaging forms that can be reused.

A PACKAGING REDUCTION

Our progress

- Throughout this year Brazil reduced its Bisnaginhas packaging weight by 17%.
- Mexico eliminated the use of internal wrapping for its Oroweat bread; plastic straws were eliminated from Nito and Gansit milk drinks, Ricolino reduced multi-packaging weigh by 33% in their products.
- The USA reduced bag weights for private label bread by 7%.
- Spain reduced bag weights by 14% for its white bread.
- In the UK, bagel bag weights were reduced by 10%

-4.8
million kilos of plastic eliminated since 2010

-1.2
million kilos less used in 2021



B PACKAGING TECHNOLOGY

We did a first exercise in Brazil changing the material for the bag ties to recyclables ones.

We worked with our community of experts, where, packaging subject-matter leaders, share best practices and project progress.

Through quantitative and qualitative KPIs every quarter is evaluated the progress and it is accountable to the Global Sustainability Committe and the Steering committee.

Materials by weight and volume (metric tons)

149,263
renewable

81,436
non-renewable

230,699
total

72,322
recyclable

30,290
bio-degradable

12
compostable



**CIRCULAR
ECONOMY AND
POST_CONSUMPTION**

By 2030 our goal is to guarantee that 100% of our packaging supports a circular economy and so we are fostering recycling projects. Spain launched the first bag for Oroweat Bread and Artesano Bread with 30% post-consumption recycled material.

We continue working in collaborative alliances to drive and promote post-consumption recycling in those countries where we are present.

Spain and Portugal

We worked with Ecoembes and Ponto Verde, conducting recycling process with civic participation; in recent years we have accomplished positive results of 32% and 8%, respectively.

Brazil

We collaborated on the program DE A MÃO PARA O FUTURO (Together for the Future), which was able to recover 22% of all packaging placed on the market from participating companies, equaling over 655 tons recovered and sent to recycling from 2013 to 2020.



**BIMBO VENTURES
ACCELERATOR**

Solutions for driving a circular economy, the development of novel materials, or models for reuse were evaluated. We worked with over 40 startups from 10 countries.

Thanks to the IDB (Interamerican Development Bank) and to Masschallenge for their support in performing this evaluation and driving talent.

**6 companies pre-selected
3 pilot programs**

Latin Centro

In collaboration with the ANDI industrial chamber, 174 tons were recovered jointly with the member companies, the first year in which a plan of this type for multi-material handling was accomplished.

Latin Sur

Our Uruguay associates created eco bricks with the plastic collected in their homes, as well as from operation waste. This was possible thanks to the EcoLadrillos organization.

Mexico

In unison with ECOCE and other companies, we continue promoting a material handling plan that was able to collect 12,313 tons in addition to the 4,400 tons already collected in 2020.

After several years of testing, also in alliance with ECOCE and with our supplier, Fredher, we achieved the first exercise in circular economy principles, creating plastic pallets made of recycled material: 20% post-consumption plastic wrappers, and the remaining 80% from other recovered hard plastic.



+47,000
pallets made with post-consumption recycled materials purchased in Mexico in 2021



In Uruguay, the eco bricks are donated to a center that receive 120 children, to build a playhouse

Canada

We joined Canada Plastics Pact to recycle over 170 tons of plastic from our packaging.

100% of paper and cardboard comes from certified Sustainable sources.

Likewise, we worked on jointly recovering post-consumption packaging with Stewardship, in Ontario, Quebec, Manitoba, Saskatchewan, and British Colombia.

United States

With our ally, Terracycle, we were able to recover 3.55 tons of post-consumption plastic from our Little Bites products, as well as 1.85 tons of bread bags.

December 2021 marked our greatest month in collection drives since the beginning of the program, recovering 41,134 packages.

Waste



Grupo Bimbo guidelines establish that all organizations must ensure proper waste management, which encompasses processes for collection, transportation, disposed, and treating waste to be given alternative reuse, or to be eliminated.

The waste we produce come primarily from raw materials, processing, packaging (primary and secondary), maintenance (machinery and vehicles), cleanup, restrooms, and cafeterias.

Our commitment is to divert 100% of our waste from landfill, prioritizing reuse and recycling.

57
bakeries and other plants with zero waste sent to sanitary landfills

90%
recycling in 2021



INTEGRATED WASTE MANAGEMENT (TONS)

	2017	2018	2019	2020	2021
Recyclables	271,861	326,906	291,534	332,586	385,736
Non-recyclables	21,414	43,896	18,209	16,552	30,595
Special handling	9,289	10,618	9,506	7,596	13,081*
Hazardous waste	486	549	356	1,051	1,093**
Total waste	303,050	381,969	319,605	357,785	430,506

*The increase in the category of Special Handling is mainly due to the improvement in the measurement process and increased generation; Regarding the category of Sludge from Treatment Plant and Grease Traps, the increase is due to the technological improvement in treatment plants to increase reuse, aligned with the 2025 objective of 100% of the volume of treated water, as per the 2025 objective of 100% of treated water volume.

**Accounting of hazardous waste production in Mexico corresponds only to hazardous waste directly produced by manufacturing processes.

Our Accomplishments

Mexico y Latin Sur

Identifying and changing of packages due to bulk handling of some of our raw materials. Up to 2021, we have refrained from producing 290 tons of waste, reducing the use of plastic.

Latin Center

An area was set aside in the raw materials warehouse to conduct reverse logistics with our suppliers, reducing monthly waste by 3 tons.

Visual guides implemented for collection center containers to facilitate waste separation and increase recycling.

Italy

Substituting industrial and broken pallets with rebuilt ones, thereby saving on 713 pallets, which is equivalent to 13,119 kilos of plastic saved.

Barcel y Ricolino

Repairing wooden pallets with planks from deteriorated pallets, thus avoiding the waste of 8,452 tons of wood in 2021.

Mexico

A pilot project implementation to reuse cardboard boxes in the Barcel Lerma plant, and therefore in 2021 we were able to recover 720.07 tons of cardboard and give it a second use.

Food Waste

Being a food company, our commitment is to avoid waste as much as possible and ensure sustainable destinations.

Global production of food is enough to nourish all of the earth's inhabitants. Unfortunately, access to food is not equal, either due to food waste or climate effects.

This problem is taken into consideration in our projects, aiming to reduce food waste by 50%.

Aware as we are of this, we have undertaken actions geared to preventing this problem and we focus on two lines of action.

Our path to zero waste



Reducing food waste from the origin: all those ingredients or products not destined to consumption.



Ensuring a sustainable destination for waste if recovery is not possible after consuming: disposal for animal feed or for composting.



**REDUCING
FOOD WASTE
PRODUCED**

We will continue driving our WoW (War on Waste) initiative, which has 5 pillars.

86%
Progress in
WOW initiative



Waste Committee / returns

This is the basis for identifying areas of opportunity through root-cause analysis.

Back to basics

Encouraging staff area to facilitate the work of its associates.

A culture of How Can I Be of Assistance?

Encourages staff area to facilitate work for operations associates so they may concentrate on achieving quality requirements and objectives.

Sales and Operations Planning

Aligning value chain with market demand.

The path to reliability

Ensuring proper operability of machinery and equipment to maintain optimum levels of reliability and profitability.

An increase of 6.7% at Grupo Bimbo level vs baseline for 2020, regarding absolute waste produced, including Company growth.

In addition to WoW, in all operations we continue working on identifying enhancements that impact global KPI.

Worthy of mention are the business units that achieved reductions.

Latin Centro – Enhancements to decoration and flour application processes

Mexico – Collectors for crumbs produced during handling and slicing.

Learning Communities

Food waste is one of the topics discussed in the Green Logistics community, sharing learnings and best practices.

Furthermore, each month, Global Sales shares Revista Verde with important information on the progress of sustainability projects and food waste in returns.

-20.4%
Brazil
-5.9%
LAS
-1%
BBU



Sustainable Destinations

Aware of the responsibility we have to reduce food waste, at Bimbo we have the practice of making donations to food banks in the US and Latin America.

In turn, we send 94% of the food waste generated for animal consumption, compost or destinations approved by the different international protocols; Therefore, during 2021, Grupo Bimbo sent only a total of 9,518 tons of waste to the landfill.

Alliances

Grupo Bimbo has entered into collaborative alliances with different organizations, such as:

Pacto por la Comida

Mexico

The first voluntary pact among companies in Latin America driven by the BAMX (Mexican Food Bank) and WRAP (Waste Resources Action Program) that contributes to the sustainable development initiative -Zero Hunger- and to Responsible Production and Consumption.

#SinDesperdicio

Latin America and the Caribbean

A platform headed by the IDB that seeks innovation initiatives, public policies, and enhanced communication and training on food loss and waste.

Food Waste Action Coalition

An initiative launched by the CGF (Consumer Goods Forum) aimed at accelerating sustainable change and reducing food loss in supply chains throughout the world.

Too good to go

Europe

One of the Waste Warrior brands that joins forces with others to implement actions combating food loss and waste.

Water

Life on earth exists thanks to the presence of water, which helps regulate climates, is a source of oxygen, a means for transporting nutrients all over the planet to be used by all organisms, and, obviously, is essential to agriculture.

We approach the subject of water in two major blocks: what we use in operations and comes from different sources such as wells, municipalities, rain water pipes; and what we use for agriculture, which can be observed in regenerative farming practices.

The primary use of water in our operations takes places during cleaning processes and, therefore, optimization is vital to achieving our water saving goals.

We look for alternative water-use technologies and to improve treatment and reuse in discharges.

In 2020, new reduction goals were established, taking into account a methodology known as context-based goals (WRI Aqueduct) in which water stress is analyzed in the geography where our sites are located.

Our goal is to achieve 20% reduction, by 2030.

+5.5%
increase in
water reuse
vs the 2020
baseline

74
sites worldwide
with rainwater
harvesting
systems

87%
Reuse of
water vs the
2020 baseline

114
vehicle washing
arches

271
water recyclers in
sales centers

-4%
less water used
per ton
produced in
plants

Optimized cleaning processes

(Annual savings)

Use of dry steam cleaning machines for cleaning

- Mexico - 594m³
- Latin Centro - 120 m³

Use of new generation rinse-free chemicals

- Mexico - 3,201 m³

Dry cleaning in vehicles

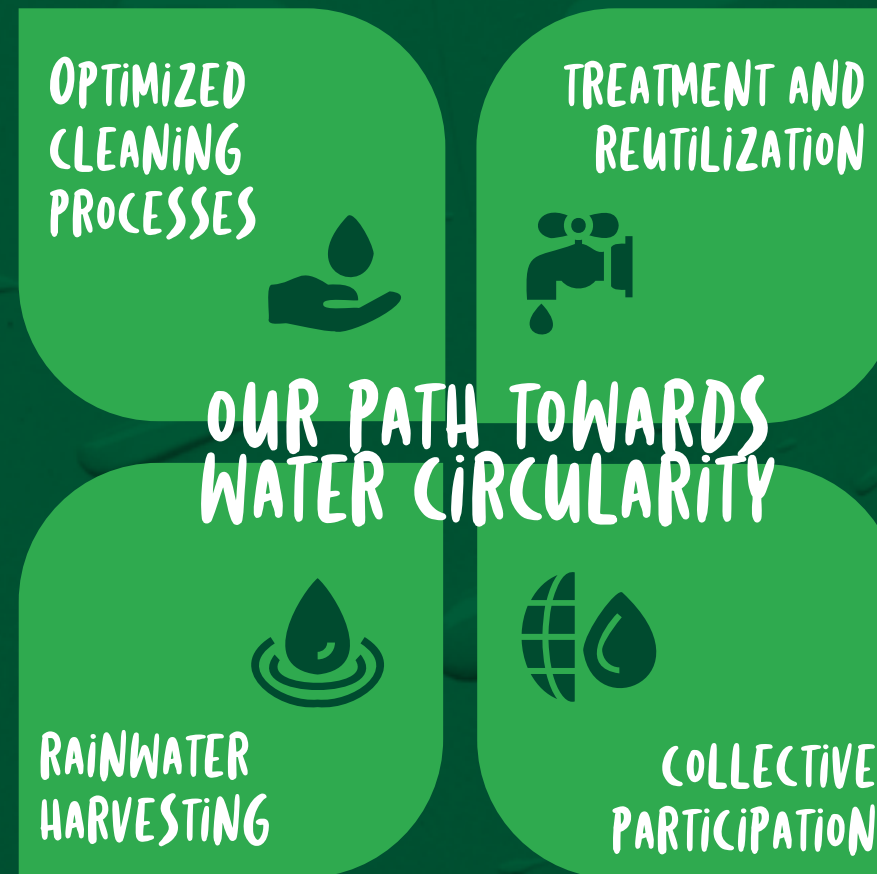
- Latin Sur - 1.2 million liters
- Brazil 2.1 - million liters

Reverse osmosis system installed

- QSR - 1.9 million liters

Rainwater system

Currently, we have 74 sites around the world with rainwater systems. This practice originated in our sales centers, seeking to have alternative water sources for vehicle washing and general services. Last year, we began by replicating in operations having a treatment system for water use.



Treatment and Reuse

Percentage of treated water reutilization	2019	2020*	2021
Total water treated (m ³)**	675,798	683,740	745,886
Total water reuse (m ³)**	516,785	559,989	597,684
Reuse percentage (%) vs 2020 baseline	75.60%	81.90%	87.40%
Increased % of reuse vs 2020 baseline	-	-	5.50%

* Verified baseline
 ** Data verified by third party (Carbon Trust)

Collective participation

We joined the alliance Charco Bendito to recharge aquifers and improve water availability in communities. Activities included the planting of 10,000 trees, 20 days of irrigation, and 15 has. of cleanup, in addition to our already existing participation in the water fund -Agua Capital.



Net Zero Carbon Emissions

our commitment.

ACHIEVE NET ZERO CARBON EMISSIONS BY 2050

maximizing the use of renewable energy and optimizing the use of our resources to minimize CO₂ emissions





A carbon footprint represents the impact on our environment caused by human activity. In other words, the environmental mark left on the planet by a person, product, or organization as a result of day-to-day actions.

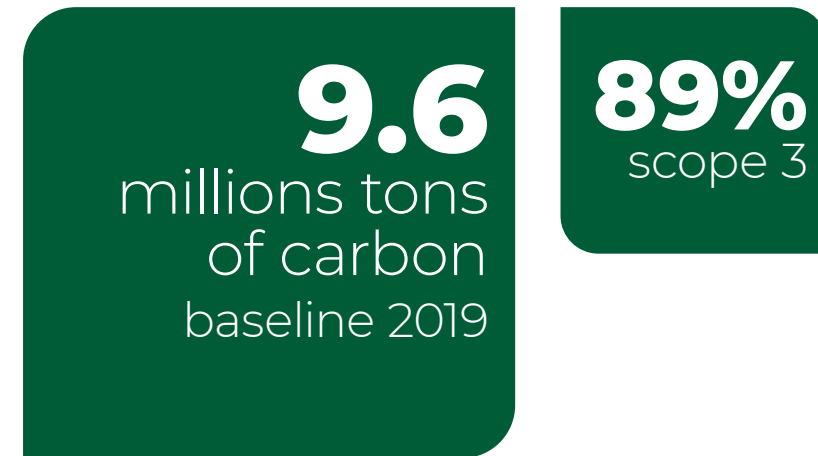
We know that to stop the effects of climate change and prevent irreversible catastrophic impacts, it is essential to reduce the carbon footprint by taking actions to limit global warming to 1.5°C above pre-industrial levels.

Our commitment to net zero carbon emissions by 2050 is based on the SBT (Science-Based Targets) initiative.



99 photovoltaic rooftops (83,000 panels)
as part of our commitment
to net zero carbon emissions

Our total emissions Baseline 2019



In total, only 11% of our GHG (greenhouse gas) emissions fall into the fields of Scopes 1 and 2.

Furthermore, Scope 3 emissions are those indirectly produced to conduct our operations, representing 89% of all our GHG emissions.

Scope 1

Direct emissions from fuel used in bakeries and other plants, vehicles, and refrigerants.

Scope 2

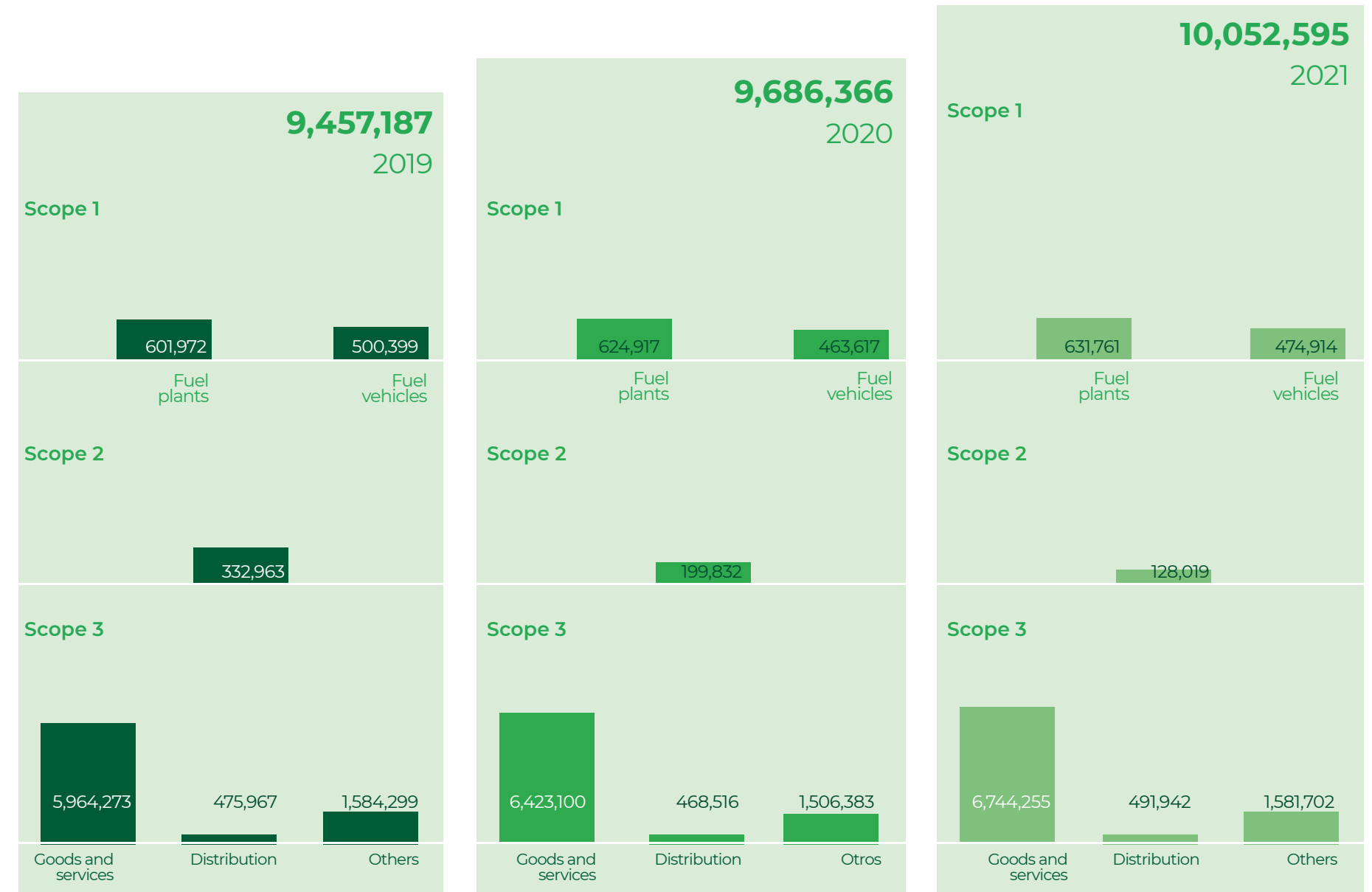
Emitted directly from the electricity we use in our bakeries and other plants, vehicles, and refrigerants.

Scope 3

Indirect emissions within our value chain produced by a third party, for raw materials, services, investments, and outsourced distribution.

We have reduced our scope 2 emissions by 60% as compared to our baseline when considering that our Company has grown 10% in tons of production.

Aware that there are many challenges ahead, detailed planning is required for short, medium and long-term objectives leading to net zero carbon emissions.



Carbon Trust Assurance Limited (CTA) was commissioned by Grupo Bimbo to provide an independent assurance level in its statement on Greenhouse Gas Emissions 2021. Report criterion chosen by Grupo Bimbo was the GHG Protocol, concluding that based on work done by Carbon Trust and evidence provided by Grupo Bimbo, it has received nothing that would indicate that the selected information had not been prepared correctly, in all material aspects, according to Information Criteria.

Our path towards Net Zero Carbon Emissions

Strategy design and planning

For several years we have been working on plans designed to reduce our carbon footprint:

In 2014, we developed our first electric vehicle and today we have 1,400 units.

After initiating our journey in 2012 with the Piedra Larga windfarm in Mexico, in 2018, we joined the RE100 initiative, committing to the use of 100% renewable energy by 2025.

By 2021, we are the first Mexican food company to sign the commitment to net zero carbon emissions by 2050, with objectives validated by Science-Based Targets, and part of the UN Race to Zero campaign through the Business Ambition initiative for 1.5°.

Decarbonizing our energy sources

By 2025 we will have reached Scope 2 zero net carbon emissions, which are caused by all the electricity sources used within our processes.

Our approach for 2030 includes:

- Energy efficiency
- Elimination of fossil fuels
- New technologies in vehicles for zero carbon mobility
- Plan for change in refrigerants
- Sustainable buildings
- Low-carbon supply

Decarbonizing direct operations and supply chain

By 2040 we should be nearing scope 1 zero net carbon emissions; that is, direct emissions generated in our internal operating processes, such as the fuels used in our ovens or delivery fleets.

We will by then be working with the regenerative agriculture initiative as one of the most important ones for Grupo Bimbo, and developing our forest improvement strategy.

Decarbonizing indirect operations

Lastly, we will conclude the decarbonization of our scope 3 emissions (indirect emissions) which are produced by third parties within our value chain to make our products available to all.

- Zero carbon mobility / supply
- Key raw materials with regenerative agriculture
- Alliances with customers
- Low-carbon investments



Energy Efficiency

Efficient use of fuels and energy to reduce fossil fuel use. We reduced the use of thermal energy by 4% in our bakeries and other plants, as compared to 2019 per ton of production.

During 2021, Bimbo Mexico initiated a new practice: electric motor driven pumps for work with dough, producing a 12% saving in the use of electricity for air compressors and which was replicated in 14 production centers, thus saving over 300,000 kWh in four months.

Our achievements

Follow-up on our mandatory practices:

- The use of ultrasonic chambers to detect leaks, with annual savings of: Barcel, 69,925kWh; China, 180,000 RMD
- Eliminated use of compressed air, with annual savings of: Europe, 31.5% in electricity using vacuums.
- Implementation of automatic stops in production lines for Latin Centro and Mexico, saving 5,000 kWh per month.
- Heat-recovering humidifiers in production lines: implemented in all new steam chambers in Mexico.
- LED lighting, with annual savings of: US, 10.5 MWh in 20 production centers for 12 sales centers.
- Replacements with high-efficiency motors: LatinCentro, 20% less energy used as compared to conventional motors.
- Heat recovery from ovens and compressors to heat water, with savings of: Italy, 4% in total use of natural gas; Monterrey, Mexico: 20% in energy use for ovens.
- Conventional boilers replaced with high-efficiency boilers: reducing CO2 emissions by 200 MT per year in the US.



THE INTERNET OF THINGS

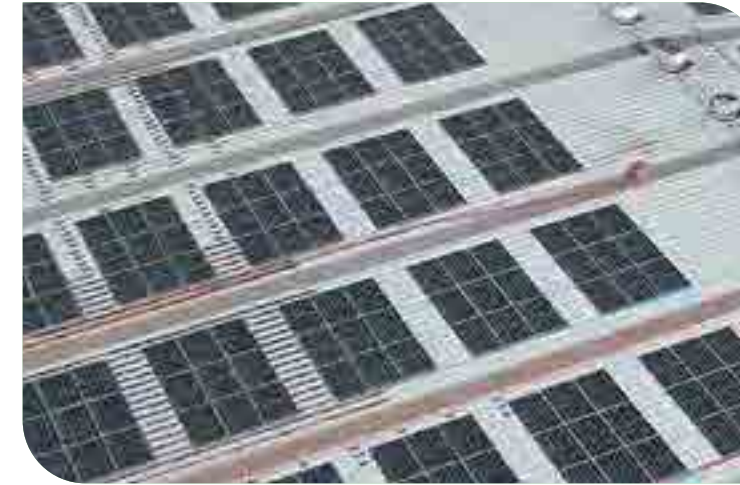
Bimbo and Barcel: Our replication system of GB Connected determines potential savings in gas, electricity, and water usage in the different production lines.

This plan connects and manages savings and efficiency actions in all our production sites, sales centers, and distribution centers.



Renewable Energy

- In April 2021, Chile became 100% renewable through the signing of an agreement for the supply of solar and wind energy. Together with our solar roof in Ideal (the largest in South America) and the Nutrabien solar roof, we have been able to make our products with clean energy. Furthermore, our new Chillán plant will be created with renewable energy covered under the same agreement.
- Panama becomes 100% renewable through a PPA agreement for hydroelectric and wind energy that supplies our plant. In this manner, Panama becomes the first country in Grupo Bimbo to operate with clean energy from water, the sun, and from the wind.
- Some 533 new electric vehicles with lithium battery technology are added to our delivery fleet for Bimbo Mexico and Barcel, powered by wind and solar energy that allows us to emit 5,300 tons less of CO2 a year. All these vehicles are manufactured by our Moldex affiliate.
- There are 15 sales centers equipped as Sustainable Sales Centers, fed by solar energy, operating with electric vehicles and energy efficiency models that enable us to manage vehicle charging and optimize our use of resources.
- Barcel Monterrey has its first storage system, representing an advanced technological solution, storing 500 kW of solar energy for later use. This makes it the first plant having a zero carbon emissions solution as its primary energy backup system, eliminating the use of diesel generators.
- In August 2021, the storage system for the Metropolitan Distribution Center began operating, which is fed by solar energy from the largest roof of its kind in Mexico, with 2.2 MW installed. Said system allows for self-sustainability at the site.
- BBU uses almost 418 million kWh of green energy per year, sufficient to meet 100% of energy needed for the organization. BBU ranks 41 on the EPA national listing of the top 100 users of green energy of the Green Energy Association.



-60%
less scope 2
emissions vs
2019 baseline



Refrigerants

In accordance with our Refrigerant Policy, we closed 2021 with over 57% of natural refrigerants, maintaining our annual plans per organization regarding the change and adjustment in each operation.

Electromobility

The company’s road to electromobility began in 1994 in downtown of Mexico City with recreational vehicles adapted for goods distribution, and in 2012, Moldex a subsidiary of Grupo Bimbo, offered the first vehicle Bimbo offers the first vehicle developed for the for the group with 100% Mexican engineering and Today, the number of electric vehicles globally has grown to 1,400 units in circulation, with the 3rd generation of electric light vehicles vans with improvements in sustainability, safety and functionality, with 90km of autonomy, reverse range, reversing alarms, charge indicators, regenerative braking indicators, regenerative brakes and high-efficiency batteries reducing up to 3300 kg CO₂e per year per unit.

In other countries we have made progress in terms of actions aimed at reducing the amount of emissions released into the atmosphere, such as:

Certification “Sello verde de verdad” Bimbo Colombia

Colombia follows our commitment to sustainable practices such as: washing stations, GNV vehicles, ecological image, dry washing, tractor-trailers with EURO IV, 100% electric vehicles, ECO transportation, and 100% gas trucking rigs.

Transporte Limpio Program LAS Giro Limpio

The Energy Sustainability Agency of Chile recognized Ideal SA with Clean Line of Business certification for its transportation fleet, voluntary national program that certifies and recognizes efforts by transportation companies in the field of sustainability and energy efficiency, as well as load generators who prefer carrier companies.

Intermodal (Vehicles and Logistics)

We optimize our distribution processes with Intermodal, a project using marine and rail transportation, which has allowed for improvements in delivery times and reductions in our carbon footprint. To date, the organizations that follow this practice are: Mexico, Canada, and Latin Centro. Through these efforts we have been able to reduce emissions of 25,283 MT of CO₂, which is 254% less emissions than the figure posted for 2020, which is the year we began this practice.

FLEETS WITH ALTERNATIVE ENERGY SOURCES

3,681
Delivery fleet
Grupo Bimbo



1,550
Other
EURO
technologies

19%
Uses
particulate-filter
technology

1,410
Electric
114
Hybrids



Convert into Regenerative Agriculture

our commitment:

ENRICH SOILS, CAPTURE CARBON, ENHANCE SOIL HEALTH,

reduce greenhouse gas emissions, build resilient ecosystems, making efficient use of resources needed in production.





Aware of the need for practices that enable us to contribute to enhanced production systems and to the sustainable supply of raw materials, we promote the empowerment of farmers and suppliers, thereby protecting nature at the same time.

Promoting a resilient food system by guaranteeing that 200,000 hectares of wheat are grown with regenerative farming practices by 2030, to ensure that by 2050, 100% of our key ingredients are produced through this type of practice.

Our path to regenerative agriculture

At Grupo Bimbo we are committed to promote regenerative agricultural systems, biodiversity, and ecosystem health through specific regional practices aimed at minimizing soil disturbance, improve water cycles, reduce our carbon footprint, promote farmer development, and source sustainable raw materials.

We have two pilot programs in Bimbo Mexico since 2018; in unison with CIMMYT (the International Center for Maize and Wheat Improvement) we have encompassed sustainable wheat farming practices in Sonora and Sinaloa; and for maize in Jalisco.

Furthermore, through QSR in France and in coordination with our primary customers, we have a project in place in this region.

This year we have consolidated the work done thus far with a global approach, establishing the bases and operations guidelines, whereas the pilot program in Mexico shall continue moving forwards towards meeting local goals, as well as disseminating and implementing practices that help farmers be more efficient in the use of resources, and to reduce carbon and water footprints.

SOME ACTIONS DURING 2021

A

Preparation of a manual with practices that can guide stakeholders including suppliers, regarding the development and implementation of regenerative agricultural processes.

B

Visits to key wheat and maize suppliers in Mexico and the United States to understand the regional context.

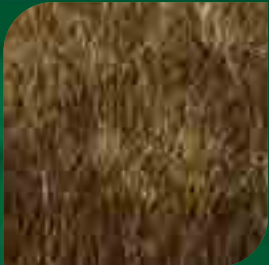
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Reinforcing with business units the advantages of these regenerative agricultural practices.

Some of the regenerative agricultural practices with the greatest impact on reducing carbon and water footprints are: incorporating crop rotation; implementing beneficial microorganisms to increase plant and soil health; and agricultural technology that generates greater water and fertilizer efficiencies.

With the purpose of strengthening communities throughout Mexico, we began a program with Educampo that encompasses the concepts of associativity, agricultural economics, and technical training for cacao farmers, as part of our Social Investment programs.

20,000
hectares of
regenerative
wheat farmed



We continued working with CIMMYT in evaluating farmers as per the regenerative practices implemented, and we detected specific training needs.

During the 2021 spring/summer maize cycle in Jalisco, over 7,000 tons were harvested, in a surface area of 900 hectares, with the participation of 41 farmers.

For the 2021-2022 fall/winter maize cycle in Sinaloa, there are 2,100 hectares that are expected to produce at least 20,000 tons under regenerative farming practices.

For wheat crop rotation, in 2021 we began a sesame project in Sinaloa, planted with the same practices and guaranteeing purchase for food purposes by the Company in Mexico.

1,856
hectares of
regenerative sesame
farmed with
109
farmers



Innovative and enhanced plots

In 2021, the setting up of school plots began as a complement with the purpose of implementing regenerative practices to test different technologies and software to reduce carbon footprints and demonstrate the benefits they can provide farmers in increased crop profitability.

Therefore, one of the objectives is for farmers to witness the benefits and adopt them more and faster.



90%
of potato supply
comes from
certified farmers



Potato

Regenerative practices were put into place for 430 hectares of potato, which include crop rotation and cover crops.

Furthermore, our suppliers perform good farming practices with international standards, improving resource management in the production process. Consequently, 90% of current production is GlobalGap-certified, the private-sector food-certification standard most accepted in the world.

In line with developing new regions, potato was planted in Jalisco and the State of Mexico, and we continue searching for new varieties that provide added benefits to farmers, both in yield and in quality.

Our achievements

Aware that regenerative agriculture goals are ambitious, we nevertheless know that with hard work, creativity, and close ties with our farmers, growers, suppliers, scientists, governments, and colleagues this aspiration will become a reality, transforming into a more resilient food system.

- Building alliances with strategic partners to continue implementing regenerative agriculture for key crops for Grupo Bimbo.
- Using electronic crop-monitoring platforms in real time for decision making.
- Creating workshops for strategic suppliers and industry benchmarks, in alliance with universities and other research agencies.



- Promoting the use of new seed varieties in crops of primary interest for Grupo Bimbo, which help to reduce the use of agrochemicals and irrigation cycles, thus optimizing harvest periods.
- Scaling our regenerative agriculture projects in the North American, especially in Kansas where the pilot program for regenerative wheat will be deployed.
- As a second phase, we identified strategic suppliers for pilot-program deployment, also in North America, putting in place the Grupo Bimbo's Global Regenerative Agriculture. This focuses on responsible cropping practices, to serve long-term soil health and to serve our farmers as well.

Sustainable supply



Sourcing

Grupo Bimbo takes the relationships it builds with suppliers very seriously, to establish strategic and long-term relationships that are mutually beneficial. We prioritize collaboration and joint efforts, thus being able to create a comprehensive and successful value chain throughout the years.

We rely on our suppliers as strategic allies who join efforts towards meeting common objectives. Furthermore, we continue working with tools that inform us on the current situation of our suppliers of key raw materials, thereby identifies strengths and areas of opportunity, and helping to develop capacities and achieve ongoing improvement in sustainability performance levels.

Since we support local consumption, in places like Mexico 97% of sourcing of strategic categories like raw materials and packaging is with local communities.

We have SME development programs under our Deseo (Desire) program, we have supported 442 small and medium-sized enterprises through ongoing education in quality-related subjects like food safety, the environment, ethical process standards to facilitate the managing of their businesses.



214
strategic suppliers evaluated globally



Palm Oil

Palm oil is an essential raw material for Grupo Bimbo, so we continue mapping and supporting the supply chain of our primary suppliers in terms of extraction and planting, with suppliers who have well-defined supply bases for their FFBs (fresh fruit bunches).

In keeping with our Global Policy on Palm Oil, we continue updating traceability data for the supply chain. This year, the focus was on 17 suppliers who represent 95% of total palm oil volumes. The data supplies information on refineries, sellers, and plants, helping to make decisions on primary challenges and establishing areas of opportunity in supplier performance.

RAW MATERIAL	GRUPO BIMBO VOLUME	MILL TRACEABILITY	PLANTATION TRACEABILITY
Palm Oil	99.5 %	94 %	64 %
Palm Kernel Oil	0.5 %	100 %	16 %

In line with Consumer Goods Forum commitments and work done with Forest Positive, we drive collective actions so industry may put a halt to deforestation, forestry degradation, and conversion stemming from the impact of supply chains for key raw materials.

We have achieved considerable success regarding mill traceability. In 2016 we reported 86% for palm oil, as opposed to 94% nowadays, and 76% for palm kernel oil, versus 100% today. Furthermore, Grupo Bimbo increased the traceability scope, going from 90 to 95% of supplied volume.

Evaluated items:

- Supply policy existence and content of its suppliers
- Traceability at extraction and plantation levels
- Implementation plan for the company group and supplier commitment
- Transformation in action: refining, additive, and landscaping levels; labor and social relations, and soil handling and conservation
- Claims management mechanisms and processes
- Verification and monitoring



We have observed considerable progress in the maturity of our suppliers. Among the achievements made is the significant advancement made in deforestation monitoring. In addition, 100% of suppliers evaluated have responsible sourcing policies, noting significant robustness of these policies, which is in line with Grupo Bimbo's policy, as well as with industry expectations.



282,046
small farmers

46%
participate in landscaping programs

197,335
hectares of forest included in conservation, recovery, and/or reforestation programs

Transformation Projects

We continue participating in the project to support GREPALMA (Guatemala Farmers Guild).

In 2021, the project focused on developing capacities in social issues identified as priorities for the industry, and in creating the opportunity for dialog between civil society and palm oil companies.

Therefore, with the purpose of creating this dialog to identify the primary challenges and possible solutions for the industry, we held a workshop on Social Operating Permits and two training courses:

- Prior Free and Informed Consent and Consultation Processes
- Protection for Human Rights Defenders



Conservation Projects

Investments were made in two landscaping projects in the state of Chiapas, Mexico. The region is a priority because it represents 60% of palm oil volumes for Grupo Bimbo and it is considered an area of the highest risk for deforestation in Latin America.

The pilot programs follow ARC (Atlas reservas de carbono) methodology, which consists of pinpointing forest areas that should be conserved, as opposed to other areas, as part of non-deforestation commitments. Work is currently being done on mapping High Carbon Reserves which will be shared next year with extractors and ejidos (Mexican communal farm areas).

The project in La Encrucijada Biosphere Reserve, where agricultural expansion impacts critical mangrove and swamp habitats, focuses on protecting native ecosystems and improving how farmers make a living, by complying with the Program for Managing Protected Natural Areas and which has been divided into three lines of action:

A. Small Farmer Resilience

Socioeconomic and environmental diagnostic research was conducted during the first half of the year with the pilot groups, with the purpose of creating an action plan for 2025. Some 22 Comprehensive Plot Plans were updated with the farmers who, based on recommendations, have changed their views on how to manage their land.

As part of the plan, experiences were exchanged among cacao farmers and palm growers having livestock activities were identified. A workshop was held specifically with them, teaching them responsible ethno-veterinarian livestock practices.

Today we now have a study that identified possible financing mechanisms to help small farmers.

B. Conservation and Recovery

Maintenance of 15 hectares of mangroves reforested in the core area during the previous year continued during the second half of this year, and 5 hectares of mangroves lost to the fire were replanted. This was done in collaboration with social and private mills in the region, in addition to support received from two refineries. A total of 3,557 buttonwood and red mangroves were planted. The participating community group also participates in earthworm composting.

C. Soil Use

In coordination with the Reserve administration, work continued with the social extractors to prepare an Action Plan in compliance with the Management Program for La Encrucijada. Informational and awareness-raising workshops have been offered to the leadership, technicians, and delegates on how to improve the perception on compliance with this instrument. Likewise, assistance has continued (technical information and certain raw materials) for those farmers who decided to eliminate palm from the core area of La Encrucijada.

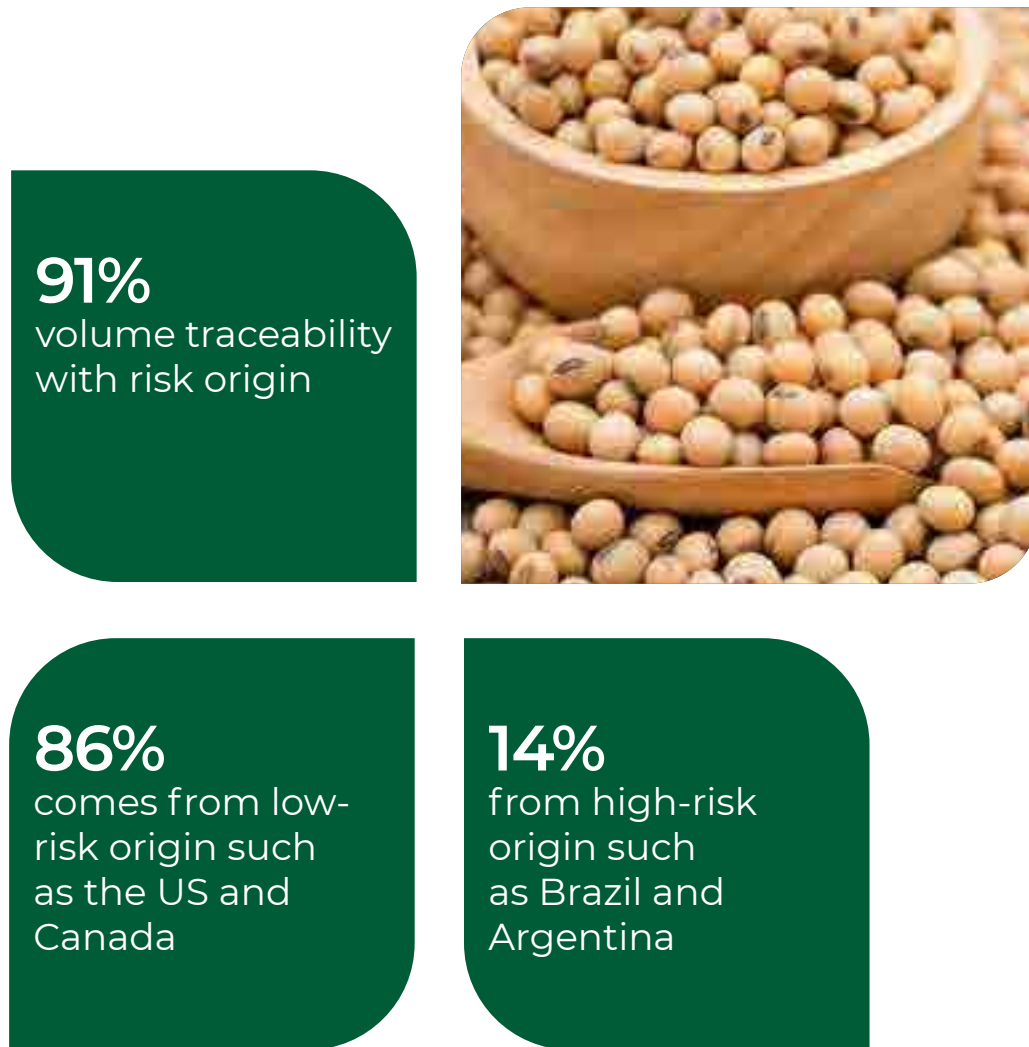


Monitoring of Deforestation

Throughout 2021, Grupo Bimbo monitored the deforestation of its supply chain through the use of Starling, satellite-based technology created by Airbus and the Earthworm Foundation. In addition to using this tool, suppliers covered by this monitoring have been approached to continue forward in verifying the alerts of detected deforestation. Deforestation monitoring is possible thanks to, among other things, industry efforts that have produced sufficient information to detect and act regarding deforestation linked to the palm oil supply chain. During the second half of the year, Grupo Bimbo has covered 51% of its volume, closing the year with 34% of its volume free of deforestation. In keeping with commitments assumed in the Consumer Goods Forum, Grupo Bimbo monitors and verifies non-deforestation within its palm oil supply chain.

Soybean

We continue mapping the soybean supply chain and its byproducts, in compliance with our policy and the commitments assumed as member of the Consumer Goods Forum, achieving the following results:



Grupo Bimbo has continued rapport with its suppliers who, representing 91% of the risk volume, are key to the South America region in evaluating their achievements in the following matters:

- 1** EQUIVALENT POLICY
- 2** TRANSFORMATION INTO ACTION
- 3** TRACEABILITY
- 4** CLAIMS MECHANISMS

The transformation project responds to risk management of the supply chain in Mato Goso, Sorriso, Brazil where Grupo Bimbo will support a capacity-building plan through an alliance between the Earthworm Foundation and Clube Amigos da Terra de Sorriso.

The purpose is to create capabilities in workers to mitigate the impact of the use of chemicals on the health and safety of both the environment and the workers themselves. The project is tied to the Regional Pact PCI Sorriso, consisting of 13 publicsector signees (state and municipal levels), the private sector, civil society, and farmers.

Furthermore, Grupo Bimbo, in collaboration with Blue Number and with one of the most important soybean suppliers in the US, will provide follow-up and will feed a digital platform that enables the mapping of the soybean supply chain in said country.

As part of the dialog held with suppliers, the following subjects were evaluated:

- Responsible Sourcing Policy
- Implementation plan
- Status report
- Claims mechanism
- Free monitoring of deforestation and conversion

Sugar

We have defined a supplier baseline and begun traceability with 73% scope on sugar cane supply (sugar from other sources such as beets has not yet been evaluated).

In 2021 we dialogued with suppliers to discuss improvement opportunities in the sections established and which remained reflected in an action plan that will be evaluated each year.

Risk analysis of the countries of origin will continue based on traceability results, and with visits to key sugar operations. With the lessons learned we will be ready to the critical path for responsible sugar supplies.

In the aim to better understand the supply chain, industry realities, and their challenges, in alliance with the Earthworm Foundation, one of the key sugarcane suppliers in Mexico was visited. We were able to identify improvement opportunities for alignment with Grupo Bimbo's Global Policy on Agriculture, which includes labor and human rights subjects.

Among potential lines of action for 2022, we identified the following:

- The need to develop a Social Permit for Operation.
- Disseminating and communicating commitments in human rights throughout the entire supply chain.
- Ensuring respect for human rights in the most vulnerable links of the chain.
- Reinforcing an internal operations claims mechanism and for external said operations.

With this first pilot program, we feel there is an opportunity to transform the sector, and we will define a line of work with the supplier that approaches the identified challenges.



Key aspects of supplier evaluation

- | | |
|--|--|
| 1 Governance or Internal Politics | 5 Complaint mechanisms and non-compliant supplier |
| 2 Human rights | 6 Transparency |
| 3 Traceability | 7 Verification |
| 4 Change approach | 8 Certification |

Cage-free eggs

Animal wellbeing is part of the principles established and recognized by Grupo Bimbo within its Global Policy on Agriculture and its Sustainability Strategy, so that all operations and sourcing may gradually head towards a production system where the five animal liberties are respected: no hunger, thirst and malnutrition; freedom from fear and suffering; freedom from physical or temperature discomforts; free of pain, injuries, and disease; the freedom to express normal patterns of behavior.

Grupo Bimbo has deployed a strategy of migrating to cage-free chicken eggs, considering the following aspects:

Cage-Free Egg Steering Committee

Although we have not progressed as quickly as desired concerning this important subject, we continue moving forward in certain markets, with favorable results. Consequently, we have created this committee, a multi-disciplinary team that strives to drive the transition to a supply chain of cage-free chicken eggs.

Supplier Development

In collaboration with the HSI (Humane Society International), we have been working on technical and awareness training, both with our internal teams and our suppliers as well.

Supplier Certification Guidelines

Together with HSI work is being done to create an informative guide for our suppliers on the certification systems having the proper standards of animal wellbeing.

Commitment Status

By the close of 2021, we achieved an egg supply chain that is 100% cage free in the UK, with a considerable accomplishment of 26.3% and 31.1% in Canada and Latin Centro, respectively.



100%
cage-free
chicken eggs
in the United
Kingdom



Cocoa

As part of the Supplier Relationship Management program, sustainability has been included as an additional pillar for supplier evaluation. During evaluation, initiatives they have in place are checked, regarding environmental and social subjects, in compliance with the Global Policy on Agriculture. As part of the process, we later share with them the results of said evaluations.

To continue with our support of Mexican farming, we offer a technical training and follow-up program on sustainable practices for small cocoa farmers. In addition to perfecting their production processes, it guarantees the sale of their production to Grupo Bimbo. The program will be performed with ECOM Agroindustrial Corp Limited, one of our major commercial partners. The purpose is to support 17 farmers from three municipalities in Chiapas: Hiuxtla, Villa Comaltitlán, and Huehuetán. The desired result of this program is to create a cocoa value chain in the state and increase consumption.

Paper and Cardboard

It is a pleasure to report that we have over 70% accomplishment worldwide in our goal for 2025 of sourcing certified or recycled paper and cardboard.

In some countries like Mexico, Canada, UK, Morocco, and China, the progress in transitioning to sustainable paper and/or cardboard packaging has achieved 100% accomplishment.

As part of the transition program, we continue reinforcing capacity-building with our suppliers, and for the third consecutive year we welcomed them into Carbon Disclosure Project Supply Chain program. With this program they will have the possibility of sharing their sustainability-related strategy and vision, and provide detailed information on Climate Change and Forests.

One of the primary achievements of this program is the mapping of our suppliers' maturity level, with whom we have the possibility of preparing training, as their needs dictate.



OF OUR PAPER AND CARDBOARD PACKAGING
COMES FROM CERTIFIED, SUSTAINABLE,
OR RECYCLED SOURCES.

Environmental Standards



Biodiversity

Biodiversity conservation is a commitment to protect our ecosystems. In response to this objective, Grupo Bimbo decided to update our risk identification study in biodiversity, which will help to establish specific plans and activities to be implemented in the coming years.

In 2021 we conducted our first pilot project: Adopting Forestry Communities.

This project, in alliance with Reforestamos and Bioforestal Soluciones Sustentables, was implemented in six communities throughout the State of Mexico, in the Izta-Popo volcano region.

The surface area for the project is 8,013 hectares of temperate forest, where approximately 31,380 tCO₂e (tons of carbon dioxide equivalent) will be removed from the atmosphere annually.

In turn, it is estimated that the potential infiltration of ground water in the incidence area for the project will amount to 28,920,302 m³ per year.

The project created 55 temporary jobs for 53 men and 2 women, with an average age of 39.

Sustainable Buildings

Among our mandatory practices are those related to sustainable property where we conduct our activities.

In order to obtain information on the degree of maturity regarding sustainability standards in our work centers, we used a digital platform to analyze our progress and areas of opportunity per establishment, allowing us to establish timely action plans.

578

sales center
evaluated around
the world in 2021

Standardized Practices



Energy

Replacing conventional lighting fixtures with high-efficiency LED, and the use of translucent ceilings to obtain natural lighting, and the incorporation of renewable energy.



Water

Implementing dry-washing techniques with eco-friendly products made from biodegradable materials that have no negative impact on the environment.



Fleets

The use of emission-reducing technologies in the renewal of fleets

A preventive maintenance program for our fleets



Soil

Visually inspecting vehicles to prevent hydrocarbon spills on floors.



Waste

Material separation, standardized shrink wrap, certain materials returned to guarantee their correct disposal for recycling.



Fuels

Monthly control and record keeping on fuel use by our fleets.



Management and legal compliance

Awareness campaigns for environmental improvements in sales centers, in addition to keeping a list of applicable legal documents.



Refrigerants

Compliance with standards established under regulations in force in the country, by sales centers using refrigerants gases in equipment such as autovend, air conditioning, or cold rooms.