

1. Purpose

Establish the general guidelines for granting donations and regulating relationships with third parties that receive them.

2. Scope

This policy applies to the Business Unit Presidents, affiliates, and subsidiaries of Grupo Bimbo, in its different locations and functions that have a budget assigned for “donations – social impact”, and/or to those who do not have an assigned budget but need to grant a donation for unexpected situations.

3. Definitions

Donation: Any payment made in cash or in-kind. A donation usually refers to support for a specific purpose (e.g. research, education, etc.). A donation usually represents aid for social responsibility or basic human needs (e.g. support for people in a natural disaster).

Extraordinary donation: A economic or in-kind donation that exceeds the approved “donations – social impact” budget or from a not authorized Business Unit, and it is granted for an unexpected situation.

Donations in-kind: Ready-to-expire products made by the company that have low turnover or expired promotions or new launches that we want to promote, as well as goods that are owned by Grupo Bimbo but are not used or are obsolete (e.g. computers, spare parts, furniture, etc.).

Marketing with a cause: A marketing strategy to contribute to a social or environmental cause to which the brand is related. The marketing strategy requires partnering with a recognized nonprofit organization that works to contribute to the cause in a specific community. It seeks to achieve a clear link between the company, the cause, and the final consumer, to contribute to the solution of the problem and benefits for the brand.

Public sector: A group of institutions or bodies that are part of the public administration of a country, state or municipality.

Social Impact: Effect of the actions taken by Grupo Bimbo in the communities where the company operates. It is measured throughout the value chain in order to know the contribution of these actions in favor of sustainable development and collective well-being.

Social Investment Committee (SIC): Body composed of the President of the Committee, the Chairman of the Board of Directors of Grupo Bimbo, shareholders of the Board of Directors and a technical secretary (the Global Institutional Relations Department Vice President), which shall be governed by the by-laws of the Committee itself.

4. Responsibilities

Social Investment Committee:

- Defines the topics and related interests that will be supported by Grupo Bimbo, such as promotion of physical activity, environment preservation, education, community development and the rule of law and governance.
- Approve the “donations – social impact” budget of the Business Units during the last quarter of the year prior to the one that is approved, based on the results of each company.
- Authorize financial donations when necessary.

Global Institutional Relations Department:

- Distribute the guidelines and strategies to follow in order to grant donations.
- Communicate to each business unit the amount of economic and Good Neighbor donations authorized by the Social Investment Committee.
- Request follow-up and control reports for business units, affiliates, and subsidiaries of Grupo Bimbo, as well as for the associations supported.
- Report this information every six months to the Social Investment Committee and at the necessary time periods in other forums.
- Monitor compliance with the guidelines of the Social Investment Committee.
- Forward the extraordinary donations to the Social Investment Committee.
- Authorize economic and in-kind donations of Mexico of less than USD\$ 2,000, as well as manage the “donations – social impact” budget of the country.

Business Units, affiliates, or subsidiaries of Grupo Bimbo:

- Submit the “donations – social impact” budget to the Social Investment Committee for approval.
- Send quarterly reports to the Global Institutional Relations Department on the follow-up and control of donations delivered in cash and in-kind, as established
- Obtain approval from the Global Legal and Compliance Department for applications received from the public sector.
- For “Marketing with a cause” campaigns, the authorizations of the President of the Business Unit or country manager, and the authorization of the CEO of Grupo Bimbo are required. The process will be through the Global Marketing and Institutional Relations Departments.
- For extraordinary donations, ensure compliance with all the guidelines established in this policy.

Business Unit Presidents: Evaluate and authorize donation requests received by their Business Units in accordance with the “donations – social impact” budget authorized by the Social Investment Committee, as well as to forward the requests received from the public sector to the Global Legal and Compliance Department to obtain their approval.

Global Legal and Compliance Department: Approve or reject requests received from the public sector by ensuring compliance with the integrity policy and notify the corresponding Business Unit.

5. General guidelines

At Grupo Bimbo, we believe that a donation must benefit the common good, promoting a favorable image of the company in the community and among our consumers according to our philosophy. Therefore, it is Grupo Bimbo’s policy:

- To grant donations to civil institutions with proven references regarding their mission and integrity, and that are legally recognized, adhering to the **GGB-004 Global Integrity Policy**.
- Obtain a deductible voucher for the cash or product delivered, if applicable, and according to the requirements and limits of deductibility established by the tax authorities of the country that grants it.
- Obtain a thank you letter for donations in-kind, including donations to food banks, specifying the quantity of the product or good delivered with the assurance that they will not be sold.
- Obtain authorization from the Global Legal and Compliance Department for requests received from the public sector for donations in cash and in-kind.
- Request all the extraordinary donations, previously authorized by the Business Unit President, to the Global Institutional Relations Department, to obtain the approval from the Social Investment Committee.
- In case of natural disasters, the donations that the Business Units allocate for this purpose, whether in cash or in-kind, must comply with the **FGB-IR-04 Global Disaster Policy**.
- Only the profitable Business Units may have a “donations – social impact” budget to grant it, either economic or in-kind.

- All types of donations must comply with these guidelines.

Types of donations

Economic donations

- Donations will focus on projects that support the promotion of health and physical activity, conservation of the environment and promotion of education within local communities; any separate project must be submitted to the Social Investment Committee for approval.
- The Social Investment Committee will authorize the annual “donations – social impact” budget of Grupo Bimbo, which will be around 2% of the majority net profit of the previous year, and the allocation to each Business Unit will be based on the profit obtained by each of them in the preceding year.
- Donations must be made in the local currency of the Business Unit granting them and must be reported in the same way.

Good Neighbor

- This assistance will be given to the neighboring communities around the plants, distribution centers or sales centers, within a radius of less than 5 kilometers of these; any exception should be submitted to the Global Institutional Relations Department.
- The Social Investment Committee will authorize an annual budget per work center, depending on its size. This budget should be used for projects that benefit the community in terms of health and welfare, physical activity, safety or environment.
- When a project is related to public institutions, it should be authorized by the Global Legal and Compliance Department to ensure compliance with the ***GGB-004 Global Integrity Policy***.
- The projects must be linked to volunteer campaigns to encourage the participation of our associates in focus areas of the company. Volunteering should only be performed during non-working hours and the invitation to participate can be extended to family and friends. In the case of parks, fields, or remodeled recreational areas, the Vice President of the Business Unit will seek to have appropriate landscaping (ideally, plants on walls) and a brand presence.
- It is the responsibility of the maintenance, people and operations departments of each bakery, sales center or distribution center, to maintain in good condition the projects of the good neighbor of previous years.

Donations in-kind

- Grupo Bimbo may grant donations in-kind only to non-profit institutions.
- Lonchibon and El Globo are the only brands of Grupo Bimbo not authorized to give donations; however, each Business Unit will determine which brands will also not authorize, taking into account the cost and shelf life.
- The quarterly donation reports sent to the SIC must consider the unit cost (included only raw materials, labels, and manpower), without exception.
- For the Global Energy Race (GER) 2 slices of bread per kilometer of each participant are authorized and will be delivered to the food banks approved by each Business Unit.

Food Banks:

- Products that could not be sold to our different customers or outlets, can be donated to food banks. These products must have a shelf life of at least 3 days and must be in compliance with the legislation in each country.
- The Vice President of the Business Unit should authorize the food banks in each country.
- These donations should only be donated when the volume of non-salable product on-hand exceeds the capacity to recover costs associated with them through a revenue-generating recovery options.

- The above also applies to the case of returned products.

Donations for Disuse or Obsolete

Computers, spare parts, furniture and other items owned by Grupo Bimbo, that are not being used or are obsolete, can only be donated to non-profit institutions.

6. Responsibility / Ownership

The Global Institutional Relations Department is the assigned owner of this policy and is primarily responsible for its contents, updating, monitoring of its compliance and submission for approval before the Internal Control and Risk Assessment Department, the Steering Committee and CEO.

7. Updates

The changes implemented between versions are described below:

Revisions / History of revision				
Version	Revision Date	Updated by	Approved by	Main Changes
1				<ul style="list-style-type: none"> • All GB forms of donation were included.
2	August 17, 2017	Martha Eugenia Hernández Morales	Social Investment Committee	<ul style="list-style-type: none"> • Name changed from Donations Committee to Social Investment Committee.
3	November 12, 2019	Martha Eugenia Hernández Morales	Social Investment Committee	<ul style="list-style-type: none"> • The quarterly donations report sent to the SIC changed from 40% of the wholesale channel price to a unit cost. • The maintenance guidelines to the good neighbor projects were added, • Guidelines to manage projects related to public institutions were added.
4	June, 2020	Martha Eugenia Hernández Morales	Social Investment Committee	<ul style="list-style-type: none"> • The term "Social Impact" was added to the policy's title. • The guidelines about extraordinary donations were added.