

1. Purpose

Establish the general guidelines for the leadership potential evaluation of Grupo Bimbo's associates.

2. Scope

Applies to all managers of all Business Units of Grupo Bimbo with associates from administrative to VP level, whose performance (individual contribution and behaviors) has been evaluated with a minimum rating of "3 – Meets expectations" and above.

3. Definitions

Learning agility: An associate's ability and willingness to learn from lived experiences and apply this acquired knowledge to successfully perform in new situations.

Global leadership potential pool: Associates identified as "future leaders" who, in addition to mastering English or Spanish besides their native language, have global mobility, sustained performance and the possibility to be candidates for a higher position in Grupo Bimbo within the following three years.

Local leadership potential pool: Associates identified as "future leaders" who are not bilingual or who do not have global mobility, but do have the possibility to be candidates for a higher position within the country they currently live in.

Derailers: Trends or predictors that, if not managed or controlled, can lead to behaviors with negative consequences in the person's development.

Sustained performance: An associate's performance, which during 3 consecutive years (counting the current year), has been evaluated at least with "3 – Meets expectations" in the individual contribution.

Talent availability: Corresponds to the four criteria that are identified during the leadership potential evaluation: language, mobility, sustained performance and academic profile.

Future scenario: Future position that the direct manager envisions for the associate, in which the associate could take on new responsibilities.

Potential map: Represents 3 classifications in which the associate could be located (future leader, business pillar and business foundation) in relation to his/her potential within a 3-year outlook.

Promotion term: Period in which the associate will be ready to grow to a higher position than the one he/she currently holds.

Leadership potential: Ability, interest and likelihood that an associate has to develop required skills to perform successfully in more challenging leadership roles.

Leadership predictors: Elements that predict the ability and interest that an associate has to influence or motivate other people towards working for a common purpose.

Flight Risk: Probability of an associate choosing to leave the company.

Potential and development session: Meeting where the direct managers of the evaluated associates participate, along with their peers and next level manager, to review and reach a consensus about the leadership potential and the development actions of the associates.

4. Responsibilities

Direct manager: Evaluate each direct report in all aspects of the process and register such evaluation in *GB Talent*. Present in the potential and development session the potential map classification in which direct reports were placed. Give feedback to direct reports regarding their strengths, opportunities and development actions.

Global People Department: Establish the guidelines of Grupo Bimbo's leadership potential process. Annually determine and communicate the period for the leadership potential process. Report to Grupo Bimbo's Steering Committee the results of the potential and development sessions. Outline the potential pool.

Local Talent Areas: Follow up on the compliance of the evaluations according to the established calendar. Advise managers and associates during the process. Lead the potential and development session and during the session act as mediator in the cases that require it.

Associate: Register and regularly update their own information in the universal profile and request feedback from the direct manager.

5. General Guidelines

During the leadership potential evaluation process, it is Grupo Bimbo's policy that any direct manager who is required to carry it out, complies with the following guidelines:

Evaluation

- Only associates whose performance (individual contribution and behaviors) has been rated with "3 – Meeting expectation" or higher can be evaluated.
- By not considering in this evaluation associates with behavior ratings of "1 – Unsatisfactory" or "2 – Needs improvement", the direct manager must focus on improving the evaluated associate's behaviors.
- By not considering in this evaluation associates with individual contribution ratings of "1 – Unsatisfactory" or "2 – Needs improvement", the direct manager must focus on improving the evaluated associate's individual contribution or on exiting the associate, depending on the corresponding rating.
- The process of the leadership potential evaluation must:
 - Be completed between March and June, reviewing the progress of the development actions in December.
 - Have the following components:
 - Leadership potential detection: valuation of learning agility, assessment of leadership predictors and identification of derailleurs
 - Definition of promotion term and future scenario
 - Flight Risk determination
 - Talent availability review
 - Identification of clear and precise strengths, opportunities and development actions
 - Placement of the associate on the potential map with a 3-year visibility for each cycle
 - Execution of potential and development sessions to identify strengths, opportunities and development actions of each evaluated associate.
 - The strengths, opportunities and development actions identified in the evaluation will be part of the feedback conversation with the associate after the session closing period. The development actions can become part of the individual development plan that the associate registers on *GB Talent*.
 - The direct managers, with advisement of the local People and Talent Development areas, must follow up on the compliance of the defined development actions, as well as of the individual

development plan which is agreed upon with each associate and must be aligned to these development actions.

- A “future leader” that is promoted and considered as a high potential who is ready to move forward in own development, will be able to be evaluated again as “future leader” in the newly acquired level, as long as it is confirmed as such in the potential and development session; however, with a promotion period determined as medium or long term.
- The results of the evaluation are current until the next leadership potential process.
- The associates that have less than 3 months at the Company will be placed as “business foundation”, since it is expected for them to assimilate to their current position.
- For associates who have a new manager within the 3 months prior to this evaluation, their potential map placement may be kept the same as the previous year. If the associate, for any reason, does not have a placement from the previous year, then the new manager must evaluate accordingly.

Leadership potential pool

- The associates evaluated as “future leader”, will be part of the global or local leadership potential pool and will be considered as candidates for positions that involve a level promotion.
- A “future leader” that does not have language and/or global mobility, can only be part of the local pool.

Promotions

- For internal promotions, more than one candidate will be required and there must be diversity among them. For first executive / director and VP positions, it is required to have gender diversity among candidates. If a female candidate is not found within the company for such level of job position, external female candidates must participate for diverse talent.
- The Global People Department and local counterparts will give the approval for promotion movements to ensure that business units are taking into account and prioritizing the potential pool, as well as they will guarantee internal promotion process transparency.
- An associate with leadership potential who does not have sustained performance will not be able to be promoted to a higher position.
- The associates evaluated with a potential map classification other than “future leader”, will be considered in final candidate lists for promotions to the next level, only when there are no candidates in the potential pool; this can also happen when there are candidates in the potential pool, but the associate is not available to change residence, or cannot take the position due to personal motives, job compatibility, etc. In any case, the corresponding promotion must be justified by indicating the reason for such decision.

Potential map

The process and classification of the authorized potential map acknowledged by Grupo Bimbo are those that are mentioned in this policy and further detail can be found in the process guide located in GB University.

6. Responsibility / Ownership

The Global People 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 Global Internal Control and Risk Management Department, the Steering Committee, and CEO.

7. Updates

The changes implemented in between versions are described below:



Global Policy of Leadership Potential Evaluation

Global Talent Development Department

FGB-HR-07

Revision / History of the revision

Version	Revision Date	Updated by:	Approved by	Main Changes
1				