

1. Purpose

To establish the general guidelines for the elaboration of the sales and operations plan.

2. Scope

This policy is applicable to the associates of the supply chain areas of all Business Units of Grupo Bimbo that are connected to the sales and operations plan.

3. Definitions

Forecast: It is a sales estimate or projection of a certain product in a future period.

Consensus of the demand plan: Process by which the commercial areas and the main actors in the supply chain are aligned in a collaborative manner upon a certain demand, based on a sales forecast.

Consensus of the supply plan: Process by which the commercial areas and the main actors in the supply chain validate the scenarios generated either to choose one or to require a new scenario for the supply plan.

Demand planning: Process to estimate the market and consumer needs.

Supply planning: Forecasting process aimed to satisfy future demand.

SKU (*stock-keeping unit*): Refers to a unit or specific article stored in a certain place.

4. Responsibilities

Business Units Vice Presidents: Primarily responsible for acknowledging, complying, and requiring compliance with what is established in this policy.

Global Operations Department: To define the tools and systems required for the management of the sales and operations plan.

Business Unit supply chain area: To generate detailed procedures at an operative level related to the sales and operations plan.

Business Unit commercial areas: To generate the sales forecast and to enforce the agreed sales plan.

5. General guidelines

Demand planning

a. Forecast generation

The logistics functional areas of each Business Unit, in conjunction with the commercial areas, must generate a forecast that serves as a base for the consensus sessions to be held with the supply and sales chain. Therefore, the logistics functional areas of each Business Unit must establish a process regulating the forecast generation which must comply with the following:

- Define a time period for historical data.
- Define a timeline for the forecasts generation.
- Review and select the forecast model that best suits the sales plan.
- Establish the scope (Business Unit, country, region, channel, operation).
- Establish the level of detail of the information (category, client, SKU, etc.).

- Align the demand plan with the roles and responsibilities of the commercial team.
- Define an elaboration and frequencies timeframe.

b. Consensus of the demand plan

The logistics functional areas of each Business Unit are responsible for the consensus of the demand plan, therefore, they must comply with the following:

- Define a consensus calendar with the commercial areas.
- Define a collaboration and frequencies timeframe.
- Define the main actors that will take part in the consensus.
- Establish a coordination mechanism to validate and review the process.
- Follow up on the assertiveness indicators of the forecast.

c. Publication of the demand plan

The logistics functional areas of each Business Unit must:

- Publish the demand plan through official media for its acknowledgement by all actors in the supply chain.
- Define the main actors that will have access to the published demand plan.

Supply planning

The supply chain areas of each Business Unit participating in supply planning must:

- Validate the availability and supply of materials.
 - Analyze the execution capacity of the current and projected situation.
 - Consider inventory levels.
 - Evaluate the productivity of production lines.
 - Validate transportation availability.
 - Define a centralized team that complies with the planning responsibilities of the supply in a holistic way in order to satisfy the demand in a timely manner and at the lowest cost possible.
- a. Generating scenarios*
- In order to create a supply plan, it is required that the logistics and operations areas of each Business Unit generate different scenarios aligned with the plan of the published demand. Each scenario must include the following variables:
- Installed manufacturing capacities.
 - Manufacturing costs.
 - Availability of raw materials and supplies.
 - Transportation capacities.
 - Timeframe / transportation distances.
 - Distribution costs.
 - Availability of logistics resources (in-house or outsourced).
 - Storage capacity.
 - Storage costs.
 - Costs of warehouses operation.
 - Inventory procedures.
 - Manufacturing plan to acknowledge the amounts to be produced by each SKU.
 - Inventory plan to acknowledge inventory volumes of each SKU in each logistic node.
 - Distribution plan to acknowledge the amounts of each SKU to be distributed among each logistic node.

b. Consensus and supply plan generation.

The logistics areas of each Business Unit must comply with the following:

- Define a consensus calendar.
- Define the main actors that will take part in the consensus.
- Define a coordination mechanism to validate and review the scenarios.
- Evaluate scenarios according to what makes the most business sense and focused on providing the best service to the consumer.

c. Publication of a single sales and operations plan.

The logistics functional areas of each Business Unit must publish a single sales and operations plan, visible and accessible to all actors in the supply chain and commercial areas.

General aspects

- During the sales and operations planning process, associates must adhere to the **GGB-005 Global Policy on Confidential Information**.
- The logistics functional areas must validate the load and quality of the data used as supplies for the sales and operations planning sub-processes (e.g. correct data in forecasts, capacities, costs, inventories, updating and treatment of catalogs)
- To facilitate the management of the supply chain, each area of the supply chain must define a segmentation of all of its SKUs according to product characteristics and the needs of each area.
- The logistics functional areas of each Business Unit must follow up on the sales and operations plan to analyze and detect any deviations and opportunities and make any necessary adjustments or action plans through the coordination mechanisms.

6. Responsibility / Ownership

The Global Logistics 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:

Revision / History of the revision				
Version	Revision Date	Updated by:	Approved By:	Main Changes
1				