



Global Policy for the Management of Promotion

Global Quality and Food Safety Department

FGB-QS-05

1. Purpose

To establish general guidelines for the management of product promotions, ensuring compliance with to legal and food safety requirements.

2. Scope

It applies to all employees who request or manage promotions and their promotional items, in all Grupo Bimbo Business Unit.

3. Definitions

Functional barrier: Consists of one or more layers of materials and objects, in contact with food, which prevents (n) the migration of substance(s) behind it (them) towards the food.

Free samples: Consists of the delivery of limited and packaged quantities of finished food products to the consumer.

Permit: Requirements or requests established in the local legislation for the launch of promotions and/or draws.

Promotions: Set of incentives, generally short-term, designed to stimulate the purchase of certain products in the consumer, which can be:

- **Price:** A temporary discount percentage is granted on the price of a product to the public, in a certain distribution channel, country, region, chain, store, brand or product, as applicable.
- **Product:** An additional product is offered, different from the regular presentation: extra product for the same price, or a gift product obtained when buying another of the same brand or another.
- **Exchange:** A product, item or stamp is offered for the swap of wrappings, or the exchange of wrappings plus a certain amount of money.
- **Coupons:** A coupon within a product that can be exchanged for a certain amount of money in the purchase of another product, or, for a free product from the same brand or another.
- **Raffles and draws:** The right to participate for free in a drawing or raffle of articles or services for the purchase of a product, governed by certain legal regulations.
- **Promotional items.** Give away items that can be inside ("in-pack") or out ("out-pack") of the package.

Shared promotions: Products of Grupo Bimbo brands and/or other associated brands.

In-pack promotions: Those contained within the primary or secondary packaging that may or may not be in contact with the product.

Out-pack promotions: Those that may contain a promotional item or coupon, which may have a trademark or trade name of the Grupo Bimbo products, and which will not be in direct contact with the product.

Sachet: It is a small size bag, hermetically sealed that contains some food product inside, such as sauces, dressings or other food.

Sticker: It is a support of text or images printed on a polymer film or on paper with a thin layer of adhesive at the back.

4. Responsibilities

Global Quality and Food Safety Department: To emit and communicate the regarding food safety guidelines to the safety and quality leaders of each Business Unit.

Local Marketing Team: To generate the promotion plans and establish the goals of the promotion with the respective sales area. Coordinate the feasibility of the promotion process as well as its management (request and preparation of business proposal), with the Operations and Procurement, Research and Development of Packaging, Safety, Legal Areas and Technical services of the Business Unit. Measure the promotion results during the period of validity in order to make the necessary adjustments, and also at the end for success assessment. Validate the veracity of the information on the rules and characteristics of the promotion in all communications that have a reference to it, complying with what is established in the promotion plans. Manage permits with the applicable government offices (e.g. promotions involving lottery draws).

Local Team of New Products Development and/or Packaging Research and Development: To validate and deliver the viability of the promotions according to industrial tests; to emit promotion specifications according to the technical data and safety sheets issued by the supplier.

Food Safety and Quality Leaders of the Business Unit and/or Technical Service Leaders: To assess the technical information. To carry out safety and quality tests according to the specifications. Keep the required evidence to ensure the implementation of the promotion, according to the guidelines of Grupo Bimbo, and to the safety and quality requirements applicable in the current legislation of the target market. To disseminate the technical information of the promotion among the safety and quality leaders of the plants.

Procurement Area of the Business Unit or country: To negotiate the purchase of promotional items in accordance with the safety and quality specifications authorized by the Business Unit, as established herein. To enter into a legally validated agreement with the promotional items' suppliers to ensure the on-time delivery of promotional materials to the plants.

Legal Area of the Business Unit or country: At the request of the local marketing team, this area must give advice on legal requirements associated with the launch of the promotion in the target market. Provide agreements with clauses that ensure that the responsibilities of the bases and permits of the promotion with all suppliers are included.

Leader of Regulatory Affairs of the Business Unit: To issue and communicate technical and labeling regulations, in accordance with the target market, in order to ensure abidance in labeling and communication in product packaging.

Leaders of Food Safety and Quality at Plant: To perform quality customs and evaluate if the promotional items meet the specifications established before and during the reception at the stores.

5. General guidelines

It is Grupo Bimbo's policy that each local team, from the different areas that manage promotions, comply with the following:

- It is forbidden to arrange promotions with food companies that have similar products to any from the Group's brands, unless, for some strategic reason, it is justified that they have an added value for a brand.
- To encourage the use of promotions of Grupo Bimbo shared brands.
- To follow the **FGB-MK-04 Global Policy of Product Communication and Advertising for Children.**

- The local marketing team must:
 - Establish the cost-strategy of the promotion, as well as the considerations that each one of the involved areas must have: plants, marketing, operations and sales, among others, such as:
 - Defining if it will be a promotion or sampling, depending on the objective pursued.
 - Production capacity.
 - Promotion's beneficiary.
 - Assemble prices, if applicable.
 - Costs of promotional or promotion.
 - Additional labor required.
 - Point of sale material (promotional support).
 - Specific advertising for the promotion.
 - Cost of exchange centers
 - Recovery for the sale of promotional items, and others.
 - Request approval to the legal area, and food safety and quality of the Business Unit to ensure that promotions or associated items comply with the applicable legislation in the target market, including permits or legal procedures, as well as inform the Global Marketing Area regarding global brand promotions (Bimbo, Marinela, Tía Rosa, Oroweat, Thomas, Sanissimo, Pingüinos, Little Bites, Latte, Takis, Donuts, Rustik, Artesano, Sara Lee, Weikis, Vital, Tenderflake, etc.)
 - To deliver to food safety and quality of the Business Unit area the "Technical information for promotion approval" format attached in this policy with the supporting documentation required or what is determined by the Business Unit for such purpose.
 - Check that the communication regarding the promotion matches the approaches and characteristics defined in the promotion plans.
 - Stick to the authorized budget.
- Prior to the promotion's launch, the Business Unit's food safety and quality team must validate that the promotional items comply with the guidelines mentioned in the following section, as well as the reliability of the methods and specifications declared by the supplier in the technical specifications and security sheets.

Requirements for promotion in terms of food safety

The local marketing team that requests an in-pack or out-pack destined to enter the processes in the plants, promotion must specify and request the following information to the provider through the procurement area:

- General description of the promotional article, broken down in the technical data sheet of the product, considering the following:
 - Appearance, color, smell and dimensions. For dimensions, values specified in ranges, with units of measurement (e.g., ml, %, etc.) must be described.
 - It has to include the content of applied coatings such as inks, adhesives or other similar materials used on the surface, as well as the type of certifications that guarantee their food grade.
 - Declaration of origin of the materials: new and/or reprocessed.
 - Degree of flammability of the item.
 - Ability to keep its integrity under freezing condition
 - Instructions for use in case of assembly and description of intended use.
- Submit in writing the applied methods for the determination of each of the declared parameters of the product, referring to materials and objects intended to come in contact with food (e.g. AOAC, AOCS, Food Chemical Codex, USS Pharmacopeia, Standard Consumer Safety Specification, SR.817.023.21, ASTM).
- If there were methods implemented by the provider, describe them and clarify that it is a self-developed technique.
- It is necessary to have a program of Good Manufacturing Practices to avoid contamination of the promotional by a foreign matter.

The local marketing, food safety and quality teams of the Business Unit must ensure that every promotion (in-pack or out-pack destined to enter the processes in the plants) meets the following characteristics:

- The promotional design must be greater than 3.5 cm and pass the throat test, as well as NOT contain:
 - Sharp cutting edges
 - Fragile items or that need assembly smaller than 3.5 cm that can be ingested or inhaled.
 - Removable parts.
- Promotional items with the shape of a product replica (e.g. biscuit, cake, snack, etc.), must be larger than 3.5 cm (assuring that they passed the throat test), and also must include the caption "This product is not food".
- The packaging material that wraps the promotional item must be sealed and must not deform.
- All promotional products that are in direct and indirect contact with the product must have a functional barrier that prevents any migration of solvents or other substances into the food.
- All promotional products that are in direct contact with the product must have a letter of guarantee that states material used are food safe and meant to be used in the food production.
- No in-pack promotion should be made of metallic or magnetic parts, as it will interfere with the metal detection system.
- They must not contain toxic substances or additives that alter the functionality and/or quality of food, nor above the limits allowed by local legislation.
- They must have a cautionary caption that alerts on the use of the promotional item, in accordance with the applicable legislation of the target market, and also describe the recommended age of use.
- In the case of crossed or shared promotions such as samples of other products or food products (sachets), the following should:
 - Comply with the labeling legislation of the country where it will be marketed.
 - Include the expiration date and lot, preferably with a high or low relief on the print, so the ink does not get in contact with the product and it cannot be removed.
 - Ensure that the expiration date is not less than the useful life of the finished product in which it will be included.
 - Have the technical sheet of the food content, indicating: declaration of ingredients, allergens, storage and handling conditions, as well as delivering quality certificates in each batch, which include: microbiological, physicochemical and food safety analyses, such as heavy metals and toxins, according to the applicable regulation.

"Technical information for promotion approval" format establishes the minimum requirements; however, it is not limiting. Each Business Unit may establish additional requirements.

Normative references

The associations, agencies and reference frameworks that served as the basis for the preparation of this policy are listed below, but this does not exempt the Business Unit from consulting additional sources that apply in its geographic region or destination market.

- *American Association of Analytical Communities (AOAC).*
- *American Oil Chemists Society (AOCS).*
- *Food Chemical Codex.*
- *USS Pharmacopeia.*
- *Standard Consumer Safety Specifications.*
- *ASTM (American Society for Testing and Materials).*
- *FHSA - Federal Hazardous Substance Act*
- *Title 16 Code of Federal Regulations of the US Food and Drug Administration (FDA).*
- *Regulation (EU) No 10/2011 of the commission of January 14, 2011, on plastic materials and objects intended to come into contact with food.*
- *Directive 2009/48/EC of the European Parliament and of the Council of 18 June 2009 on the safety of toys.*

- ASTM F963. Standard specification of consumer safety for the safety of toys.
- Swiss Ordinance SR.817.023.21 Materials and articles in contact with food.
- NOM-252-SSA1-2011. Environmental health. Toys and school items. Limits bioavailability of heavy metals. Chemical specifications and test methods.
- NOM-015/1-SCFI / SSA-1994. Safety and commercial information on toys - Safety of toys and school supplies. Limits of bioavailability of metals in articles covered with paints and inks. Chemical specifications and test methods.

6. Responsibilities / Property

The Global Quality and Food Safety 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 Steering Committee and CEO.

7. Annexes



Annex I

8. 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				
2	Sept 2018	Elvia López	Mitzy Vite	The responsibilities section was added, and the content of the policy was modified. Global Regulations references were added. The coding was updated according to the documentary control of Quality Systems.