

Grupo Bimbo

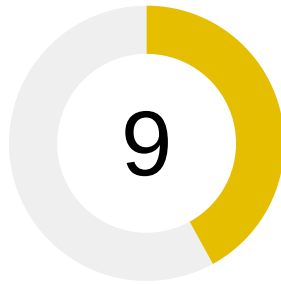
Product categories assessed
Baked Goods|Confectionery|Savory Snacks|Sweet Biscuits, Snack Bars and Fruit Snacks

Percentage of company global sales covered by Product Profile assessment
80-85%

Headquarters
Mexico

Number of employees
134000

Type of ownership
Public



Rank 9 / Score 4.2
Rank 8 (2018)



Product Profile ⓘ¹

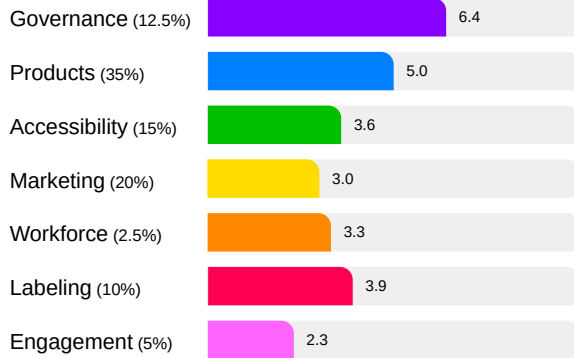
Rank 12 / Score 4.5
Rank 8 (2018) ⓘ²

Important:

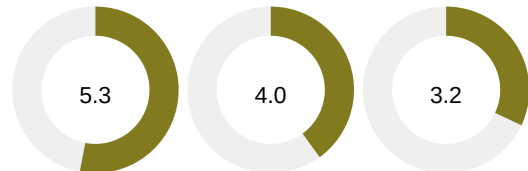
The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

CORPORATE PROFILE

Rank 9 Score 4.2



Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

Main areas of strength

- **SCORING AND RANKING:** Grupo Bimbo ranks 9th in the Global Index. Despite drop in its overall score from 5.0 in Global Index 2018 to 4.2 in 2021, the company has improved its performance in four out of the seven categories. Most notably in Governance (category A) from 4.9 to 6.4, and in Products (category B score from 4.1 to 5.0).
- **GOVERNANCE:** Grupo Bimbo's 'Health and Wellness' (H&W) nutrition strategy, established in 2016, was updated in 2020 and continues to define goals in five areas: 1) Products; 2) Nutritional information; 3) Responsible marketing; 4) Promotion of healthy lifestyles; and 5) Alliances and research. Compared to the Global Index 2018, the company has strengthened its approach to developing products aimed at addressing undernutrition through micronutrient fortification (iron, zinc and vitamin A), with a focus on Latin America. It makes a public commitment to contributing to nutrition-specific SDGs and provided evidence of conducting more in-depth nutrition-related risk assessments (in 2019 across six major markets) at least every two years.
- **PRODUCTS:** Since 2018, the company has released 'Global Nutritional Guidelines' and a Nutrient Profiling Model (NPM) to evaluate and improve the nutritional quality of its products, which has contributed to its stronger performance in category B. The adoption of a formal NPM is considered a best practice by ATNI, as it helps track and monitor companies' commitments to provide healthier products. In addition, the company discloses in its H&W strategy document the accountability arrangements for its Nutritional Guidelines, stating that every quarter, each business unit submits progress updates to the Chief Sustainability Officer. Grupo Bimbo also shared evidence of its 'Global Nutritional Database', used to assess the nutritional quality of its products according to established thresholds. Their Innovation division is responsible for advancing the strategy of, and achieving results in, the development of new products and their formulation. Notably, the company has recently defined trans fats thresholds for both adults and children to less than one percent of total energy for both 'occasional' and 'daily' product segments. In addition, as an International Food and Beverage Alliance (IFBA) member, the company has committed to not exceed two g industrial trans fatty acids (iTFA) per 100 g fat/oil in their products worldwide by 2023.
- **PRODUCTS:** Grupo Bimbo has developed its own 'Nutritional Landscaping' tool to achieve its goal of developing fortified/enriched products for the vulnerable populations. The company shared with ATNI under NDA its 'GB Micronutrient Fortification Guidelines 2020', in which it states its Nutritional Landscaping approach considers international and local dietary guidelines, and recommendations based on science (Codex and local DVR), and micronutrient-related health and nutrition studies and surveys made by the sanitary and local government authorities. This is a positive development compared to 2018.
- **ACCESSIBILITY:** Grupo Bimbo's score in Access and Affordability is lower compared to 2018, but it continues to commit to reach low-income groups with healthy products.

Priority areas for improvement

- **GOVERNANCE:** Despite the company providing limited evidence on linking its Health and Wellness strategy with business objectives and senior leadership business plans, the company is encouraged to adopt industry best practice of publishing a compensation report. Grupo Bimbo showed evidence of incorporating nutrition and health as factors in its mergers and acquisitions – for example, via start-up investments through Bimbo Ventures – but the company has not made a public statement indicating that nutrition is a factor in its decisions and is encouraged to do so.
- **PRODUCTS:** Grupo Bimbo divides its product portfolio into two segments: 'daily' and 'occasional'. The company is encouraged to disclose the proportion of sales derived from each segment, as well as the overall proportion of its global product portfolio that meets its healthy standards (e.g., criteria from company's new nutritional guidelines). The company can expand the number of healthy products it offers and invest in driving their sales in both segments.
- **PRODUCTS:** The company commits to achieving compliance with its new nutritional guidelines regarding maximum recommended limits for nutrients of concern (added sugars, saturated fats, trans fats, and sodium) and positive nutrition in its 'daily' portfolio by 2030. Grupo Bimbo is advised to strengthen its transparency in nutrition reporting as it continues to update its Nourishing a Better World strategy, which defined new ambitions to promote planet-friendly and healthier diets by 2030.
- **PRODUCTS:** While Grupo Bimbo has adopted an NPM and new nutritional guidelines, its targets for sodium, sugars, and saturated fats are focused only on specific product categories. The company does not define thresholds for products in its confectionery category, so could consider expanding targets to all categories, especially products developed for children.
- **ACCESSIBILITY:** The company does not show evidence of how its healthy products are reaching populations experiencing, or at risk of, malnutrition or micronutrient deficiencies (priority populations). Grupo Bimbo is advised to publish its accessibility and affordability policy and improve its governance mechanisms in this area.
- **MARKETING:** Grupo Bimbo is encouraged to strengthen its marketing commitments by explicitly supporting the principles of the International Chamber of Commerce (ICC). The company is advised to: 1) extend the scope of its marketing to children commitments to children under the age of 18; 2) set audience thresholds to 25%; and 3) include secondary schools, areas surrounding schools, and other places where children typically gather (e.g., sport facilities). Grupo Bimbo is encouraged to follow industry best practice of commissioning its own independent marketing to children audits and publicly disclose the results.
- **LIFESTYLES:** While the company's performance has improved slightly compared to 2018, it is encouraged to make a commitment to improve the health and wellness of groups across the food supply chain, and ensure its existing programs are available to all employees. Grupo Bimbo has not yet disclosed a policy on parental leave and is recommended to improve transparency on its breastfeeding support arrangements for all markets. It is also advised to

However, the company is encouraged to publicly disclose its strategies and make an explicit commitment to prioritize only healthy foods, or those meeting nutrition criteria in its nutritional guidelines (for example, only daily consumption products). The company also has examples of a price management mechanism for products meeting its NPM, such as its oven-baked corn cracker brand 'Sanissimo'.

●**MARKETING:** Grupo Bimbo has adopted a new marketing policy, 'This Is How We Do Marketing: Responsible Communication Guidelines,' which covers general aspects for all consumers and for children. The company promises to only advertise products that meet the company's own nutrition criteria to children under 12 years of age.

●**LIFESTYLES:** Compared to 2018, the company has improved its performance by adopting nutrition elements and expected outcomes in its employee wellness strategy. It has adopted an internal tool to monitor outcomes, the 'Global Wellness Observatory', which builds on available health data and metrics (e.g., absenteeism). Grupo Bimbo has global and local wellness committees who review and monitor programs, as well as share best practices among the organization. ● **LABELING:** The company has improved on its commitments and performance regarding the labeling of its products compared to 2018. Grupo Bimbo now presents nutrients on its front-of-pack (FOP) labeling in a numeric format, with the percentage Guideline Daily Amount for multiple nutrients rather than for a single nutrient. The company also now discloses its FOP labeling commitments.

●**ENGAGEMENT:** Grupo Bimbo discloses information about its memberships in industry associations, a positive development compared to 2018. The company is encouraged to improve transparency by, for example, disclosing its spending on lobbying (including third party costs) and political donations (or state if none are made).

avoid brand-level sponsorship in its community-supporting programs, and encouraged to adopt programs which are independently designed and implemented by third parties.

●**LABELING:** Grupo Bimbo has updated its internal 'Global Nutrition Labeling Policy,' and commits to applying Guideline Daily Amounts (GDA) systems in FOP where there is no other regulation. The company could consider making a formal commitment not to provide additional interpretive labelling or other information FOP that directly relates to the message of the mandatory FOP labeling (which may confuse consumers or modify the effect of the mandatory labeling).

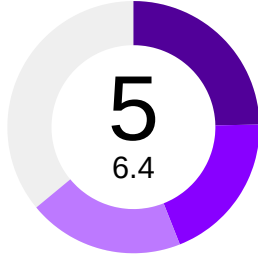
●**LABELING:** Grupo Bimbo has limited commitments regarding the use of health and nutrition claims. To prevent misuse of claims, or the placement of claims on unhealthy products, it is recommended that the company commits to not using claims on products unless they have been pre-determined as healthy by a relevant (and preferably government-endorsed) NPM.

●**ENGAGEMENT:** Grupo Bimbo is advised to publicly commit to only engage with governments, political parties, policymakers, and policymaking bodies in support of measures to improve health and nutrition. The company has significant scope to improve transparency on its lobbying practices, and is encouraged to establish a mechanism for corrective action by conducting regular internal/independent audits on lobbying practices, and publicly disclose expenditure and memberships in trade associations.

●**ENGAGEMENT:** The company is engaging with relevant stakeholders in the development of nutrition-related non-commercial programs (for example, CGF Collaboration for Healthier Lives), but is encouraged to expand this approach to its commercial activities. For example, the company could consider creating a formal panel of experts with a broad range of expertise, and seek their advice on how to prevent and address all forms of malnutrition.

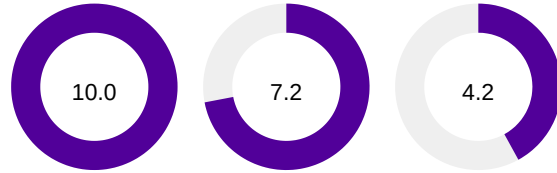
CATEGORY ANALYSIS

GOVERNANCE



- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

Commitment Performance Disclosure



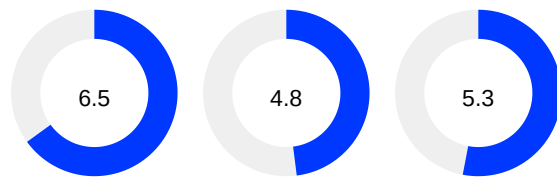
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

PRODUCTS



- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

Commitment Performance Disclosure

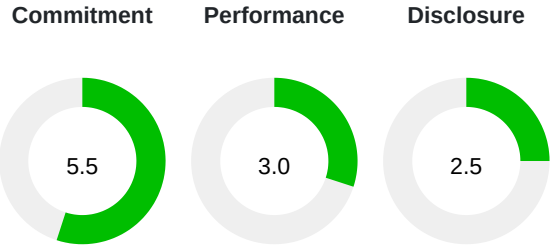


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ACCESSIBILITY

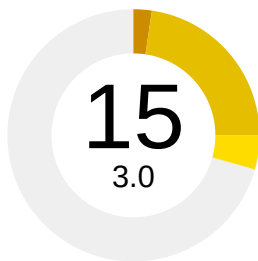


- C1 Product pricing
- C2 Product distribution

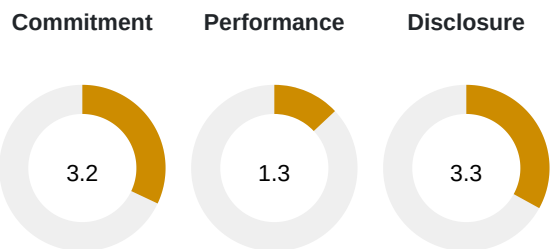


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

MARKETING



- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

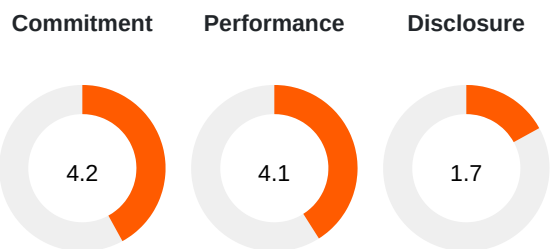


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

WORKFORCE

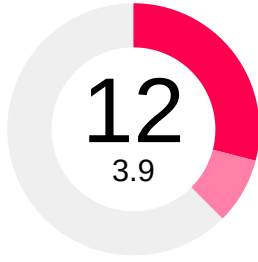


- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health



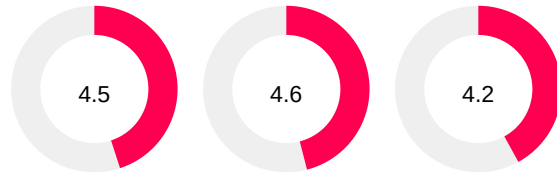
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

LABELING



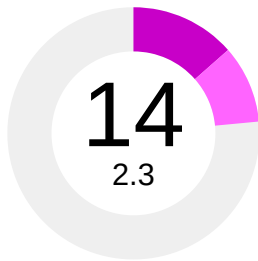
- F1 Product labeling
- F2 Claims

Commitment Performance Disclosure



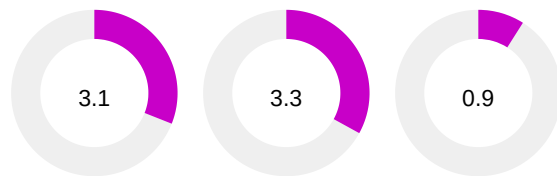
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

ENGAGEMENT



- G1 Influencing policymakers
- G2 Stakeholder engagement

Commitment Performance Disclosure



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DETAILED PRODUCT PROFILE RESULTS^{1 3}

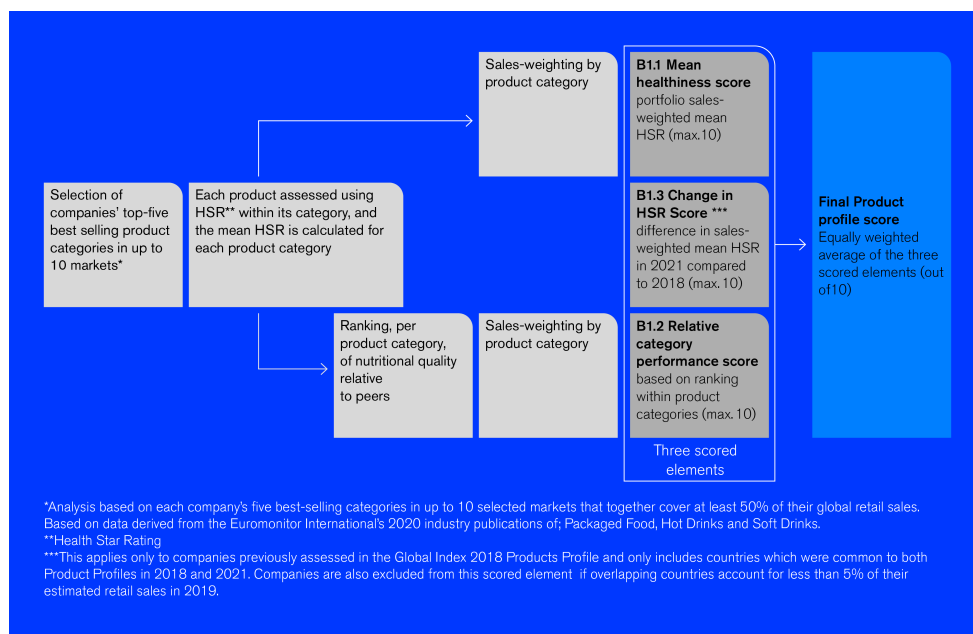


12

Rank 12 / Score 4.5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



Grupo Bimbo has been assessed for the second time in the Global Index Product Profile. In the previous assessment, four of the company's markets were selected, and a total of 477 products analyzed – accounting for approximately 70-75% of global retail sales in 2017, excluding baby foods, plain tea, and coffee. In this Index, a total of 991 products have been analyzed across six of the company's major markets. Products from the top five best-selling product categories within each market are included. In 2019, these products accounted for 80-85% of the company's global retail sales, excluding baby foods, plain tea, and coffee.

Brazil and Canada are new countries included in this iteration. In 2018, a total of five product categories were covered by the assessment, compared to four categories in 2021. Products from the 'Spreads' category were assessed in 2018 but not in 2021.

In this Product Profile assessment, Grupo Bimbo's scores 5.5 out of 10 (B1.1) in the mean healthiness element, 8.1 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers, and 0 out of 10 (B1.3) for changes in nutritional quality (mean HSR) over time. This results in Grupo Bimbo obtaining an overall score of 4.5 out of 10, and ranking 12 out of 25 in the Product Profile.

B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	6 Countries included	Range of global sales included 4	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥ 3.5 stars)	% retail sales healthy 2019 (≥ 3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥ 3.5 stars) 5	No. products assessed	% products suitable	% sales from suitable
2.7	Brazil, Canada, China, Mexico, UK, USA	80-85%	991	41%	45%	46%	992	5%	3%

- A total of 991 products manufactured by Grupo Bimbo, sold in six countries, covering four product categories, were included in this Product Profile (baby foods, plain tea and coffee were not assessed). The company's sales-weighted mean HSR is 2.7 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 5.5 out of 10 for Grupo Bimbo. The company ranks nine out of 25 companies in this first scored element (B1.1).
- Overall, 41% of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥ 3.5). Together, these products accounted for an estimated 45% of Nestle's retail sales of packaged food and beverages 2019 in the selected markets (excluding baby food, plain tea, and coffee). Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 46% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 5% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 3% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR>=3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category) 6
Confectionery	62	0%	1.2	1	2nd out of 6
Baked Goods	709	55%	3	2	2nd out of 9
Savoury Snacks	111	18%	2.1	2.2	6th out of 8
Sweet Biscuits, Snack Bars and Fruit Snacks	109	1%	1.5	2.2	5th out of 8

- For Grupo Bimbo, 'Baked Goods' was the next best performing category, where a total of 709 products analyzed obtained mean HSR of 3.0 out of 5. 'Confectionery' (1.2) had the lowest mean HSR of all product categories included for Grupo Bimbo.
- For two out of the four categories assessed, Grupo Bimbo's products perform better than the mean HSR of companies selling products in the same categories. These are the following product categories; 'Baked Goods' and 'Confectionery'.
- Grupo Bimbo scores 8.1 out of 10 in this second scored element (B1.2), ranking fifth out of 25 companies. This is based on its ranking compared to peers within the four categories, using the scoring system set out in ATNI's methodology.

B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
China	20	91	2.1	2.5
Mexico	225	349	2.6	2.3
UK	16	16	3.5	3.8
USA	216	334	2.9	3
TOTAL	477	790	2.7	2.7

- Grupo Bimbo showed no increase in mean HSR between the 2018 and 2021 Product Profiles (mean HSR=2.7 to 2.7). The change in HSR score only takes into account the four countries included in both 2018 and 2021 assessments.
- Adjusting scores by country sales weighted estimates (which gives more weight to company's largest markets), Grupo Bimbo achieves no increase in mean HSR between 2018 and 2021, resulting in a score of 0 out of 10 on this element using the scoring system set out in ATNI's methodology.

Full Product Profile report: https://new-l40rlzsq.accesstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

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Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. In the Global Index 2018, the Product Profile Assessment was conducted as a separate assessment. The results were based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products.
3. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
4. Retail sales data derived from Euromonitor International.
5. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
6. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank $10/10 = 100\%$ performance score; tenth out of 10: inverted rank $1/10 = 10\%$ performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.

