

2021

ASPIRATION

OUR



GROWS

INTEGRATED  
ANNUAL REPORT

If we aspire to **ACHIEVE GREAT THINGS** with clearly-established strategies, we will then be able to **INSPIRE OTHERS.**





MAY EACH HOUSEHOLD HAVE

BREAD ON THE TABLE

☀️ 'may nothing be wasted in our processes'

'CREATING RECIPES WITH LESS AND BETTER INGREDIENTS'

↳  
'that is delicious, nutritional, and healthy'



TRANSFORMING THE FUTURE

'Spreading  
our desire  
to help'

OF THOSE AROUND US

'BECOMING A GREAT  
PLACE TO WORK'

May all of us  
have better  
opportunities



BEING SUSTAINABLE.

RIGHT FROM DESIGN

'that our processes  
do not harm  
the environment'

'Recovering our  
ecosystems'

'INCLUDE ALL OUR  
SUPPLIERS IN  
THESE ACTIONS'

our purpose is:

# NOURISHING A BETTER WORLD

"Delicious and nutritious baked goods and snacks in the hands of all is our mission."

## Philosophy

To build a sustainable, highly productive, and deeply humane company.

## Beliefs

- We value the person
- We are one community
- We get results
- We compete and win
- We are sharp operators
- We transcend and endure
- We act with integrity

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 206 bakeries and other plants and approximately 1,600 sales centers strategically located in 33 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include sliced bread, buns & rolls, pastries, cakes, cookies, toast bread, English muffins, bagels, tortillas & flatbreads, salty snacks and confectionery products, among others. Grupo Bimbo produces over 10,000 products and has one of the largest direct distribution networks in the world, with more than 3 million points of sale, more than 54,000 routes and over 137,000 associates. Its shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and in the over-the-counter market in the United States with a Level 1 ADR, under the ticker symbol BMBOY.

- ARGENTINA
- BRAZIL
- CANADA
- CHILE
- CHINA
- COLOMBIA
- COSTA RICA
- ECUADOR
- EL SALVADOR
- FRANCE
- GUATEMALA
- HONDURAS
- INDIA
- ITALY
- KAZAKHSTAN
- MEXICO
- MOROCCO
- NICARAGUA
- PANAMA
- PARAGUAY
- PERU
- PORTUGAL
- RUSSIA
- SOUTH AFRICA
- SOUTH KOREA
- SPAIN
- SWITZERLAND
- TURKEY
- UKRAINE
- UNITED KINGDOM
- URUGUAY
- USA
- VENEZUELA



**33 COUNTRIES**

**+100**

brands

**+10k**

products

**+54k**

routes

**+3m**

points of sale

**+1,600**

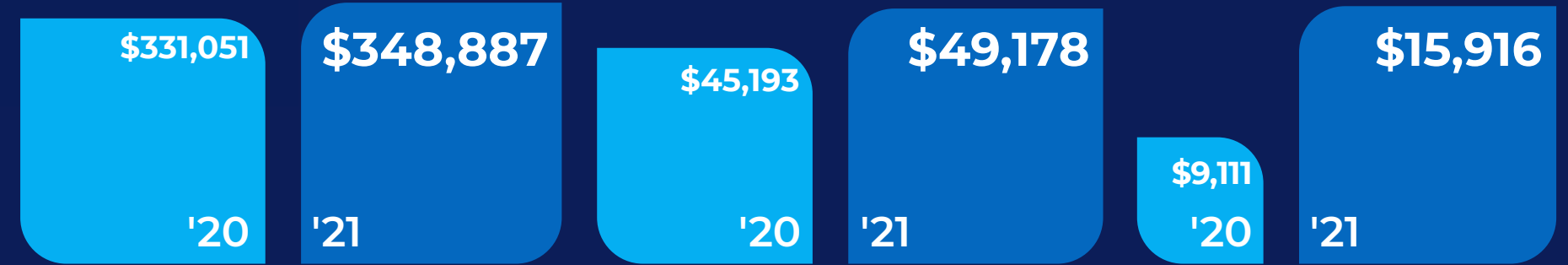
sales centers

**206**

bakeries and other plants

**+137k**

associates



Net Sales

**+5.4%**

Adjusted EBITDA

**+8.8%**

Net Majority Income

**+74.7%**

Two additional plants that operate through strategic alliances.



## Dear Shareholders:

I hope that you and your families are well and staying safe and healthy.

The lessons learned during the pandemic provided us with the tools and capabilities to deliver an exceptional year for Grupo Bimbo in 2021, generating record levels of Sales and Profits, while transforming the business in a complex operating environment.

I'd like to acknowledge the hard work and dedication of our associates, overcoming several COVID-related challenges, while satisfying the strong demand for our products. I want to offer my deepest and most sincere condolences to the loved ones of our 114 associates who were victims of COVID, particularly in the early part of 2021.

These strong results reflect our focus on growth over the long term which has enabled us to reach record volumes, driven in part by successful Revenue Growth Management initiatives across our four regions, most significantly in Mexico and North America. The excellence of our teams, the strong execution of our plans and strategies,

our ample diversification and the strength of our brands continue to be paramount in reaching our goals.

Consistent with our long-term strategy, we continued to consolidate our global leadership and strengthen our local presence with the successful completion of six strategic acquisitions: Popcornopolis and Emmy's Organics in the U.S., Modern Foods and Kitty Bread in India, Medina del Campo in Spain and Aрызta do Brasil in Brazil in the QSR category. Also, we added 11 bakeries to our manufacturing footprint primarily from the acquired assets and closed six in order to optimize our global presence. Unfortunately, we experienced a major fire in our plant in San Fernando, Argentina, compelling its permanent closure.

We made significant progress on our digital transformation journey with, among other things, a successful transition to Oracle's cloud-based ERP that has been implemented in 38% of our operations as of year-end. We reinforced the security of our information systems,



## WE LAUNCH OUR NEW SUSTAINABILITY STRATEGY WITH A NEW LEVEL OF AMBITION AND IN LINE WITH CHALLENGES WE FACE AS A SOCIETY

with technology and advanced monitoring capabilities, and experienced no security breaches in our operations. We transitioned more than half of our global routes to our new Route to Market platforms. Through GB Connected, our Internet of Things platform, we connected 198 out of a total of 206 bakeries, providing real-time data to accelerate decision-making. We add value to our customers and consumers through our Connection Center platform in our main markets and with our digital platform T-Conecta, which is focused on the traditional channel and continued to expand in Mexico. Finally, we continue to envision the benefits of robotic process automation and AI-powered application startups.

In response to the increasingly dynamic marketplace, in 2016 Grupo Bimbo created Bimbo Ventures, a business unit designed to provide a window to the future, through the search for technological solutions. As a result of our presence in innovation ecosystems in the world and our continuous search for disruptive technology and product companies, in 2021 seven food product and technology companies were incorporated into Bimbo Ventures' investment portfolio. We work synergistically with them on projects for improvement of our products and processes.

Last year we launched our new sustainability strategy with a renewed level of ambition and in line with the challenges we face as a society. At Grupo Bimbo we seek to Nourish a Better World for the well-being of people and the planet through three action lines: better nutrition with simple and more natural recipes, fighting against the degradation of nature and empowering communities throughout our value chain.

Some of our most relevant achievements are:

- We are offering products with an improved nutritional quality:
- nearly 100% of our breads, tortillas and buns comply with international standards of saturated & trans fats, sodium and added sugar.
- We signed the commitment to net zero carbon emissions by 2050 following the framework of the Science Based Targets initiative; we achieved 85% renewable electricity across our operations and reduced by 1.2 million kilograms the plastic in our packaging.
- We are active participants in regenerative agriculture initiatives in Mexico and developed our framework for other locations.
- We reaffirmed our commitment to always offer the highest quality products and ensure that our innovations better meet

our consumers' needs every day, optimizing our product portfolio with healthier options including launches such as *Bimbo Cero Cero* and our geographic expansion of Sanissimo.

- We continue strengthening the communities where we have presence with the execution of more than 200 Good Neighbor projects, financial and in-kind support of more than \$143 million pesos, and the participation of our associates in numerous volunteer activities. Likewise, we supported the development of our small business partners in Mexico through training projects, and we also reaffirmed our commitment and support for the UN Global Compact Ten Principles and the Sustainable Development Goals.
- For the fifth consecutive year, we were named one of the most ethical companies in the world according to The Ethisphere Institute, a firm that recognizes companies that consider ethical commitment as one of the guiding principles in their day-to-day operations.
- And finally, we debuted in sustainable financing by renewing our committed revolving credit facility in the amount of \$1.75 billion dollars linked to our sustainability goals: energy and water, providing us with liquidity and flexibility to continue strengthening our financial profile.

Our CAPEX investments reached the highest level in our history. This is not only a reflection of the strong results and the opportunities we are seeing in the markets and categories in which we participate, but also of our commitment to better serve our customers and consumers across our markets and industries. We invested more than one billion dollars, of which 45% was earmarked for growth and expansion projects and the rest to business continuity and the improvement of profitability throughout the entire value chain.

Our performance also reflects substantial and sustainable productivity savings coming from these investments and the restructuring efforts we have made in the past, which have enabled distribution efficiencies, automation improvements and integrated system solutions.

We provided to our shareholders approximately \$6.5 million pesos, through a combination of both share buybacks and dividends.

In summary, our financial results for the full year were outstanding, especially considering the difficult comparison from the remarkable results of 2020, the FX conversion impact, overall inflation and the complicated operating environment in several countries.

We are cautiously optimistic about the future and our ability to navigate the multiple challenges ahead of us, including the Russia and Ukraine conflict, a high inflationary environment, labor shortages and supply chain disruptions in several countries, and consumers' reaction to the economic challenges they face. We are taking many actions to offset the rising inflation, including price increases, Revenue Growth Management strategies, category and product mix, productivity initiatives, and we continue to proactively look for restructuring opportunities across our geographies.

We remain fully dedicated to the markets in which we participate, and we will continue reinvesting in our business, consistent with our long-term perspective and our commitment to achieving our Mission of *delicious and nutritious baked goods and snacks in the hands of all*.

Thank you for your trust and continued support to Grupo Bimbo.

Sincerely,

**Daniel**



# Our categories

TODAY WE ARE THE GLOBAL LEADER IN THE BAKING INDUSTRY, AND AN IMPORTANT PLAYER IN SNACKS



**1** SLICED BREAD



**2** BUNS & ROLLS



**3** PASTRIES



**4** CAKES



**5** COOKIES



**6** TOAST



**7** ENGLISH MUFFINS



**8** BAGELS



**9** TORTILLAS & FLATBREADS



**10** SALTY SNACKS



**11** CONFECTIONERY

# +100 leading brands

We expanded our international presence thanks to the strength of our most successful brands.

+US \$1Bn



+US \$500M



+US \$250M



+US \$100M

MRS BAIRD'S



Internal information based on estimated retail sales per brand for the last 12 months, at Dec. 31, 2021.

Figures in million US dollars.

# We share our most successful brands throughout the world

Brands which, due to their success, have proven to be the preference of our consumers.



\* Central America, except Belize and islands in the Caribbean..

# Global market share

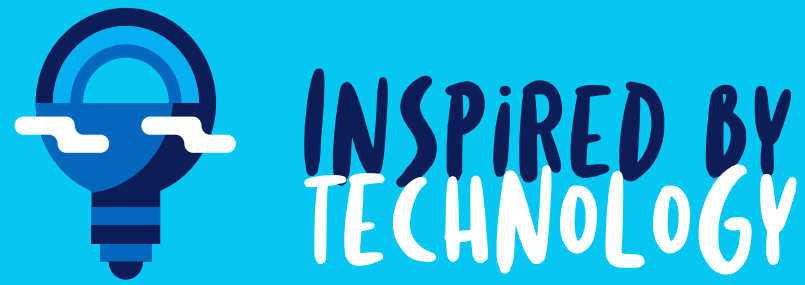
We have 4.0% of the global market share in the baking industry, which translates into an enormous growth opportunity moving forward.

**\$532 bn USD\***  
value of the  
global baking industry



WITH FURTHER OPPORTUNITY  
FOR GROWTH IN THE  
COMING YEARS...

Source: GlobalData 2020  
\* Billions of USD



Bimbo Ventures is our window to the future by searching for technological solutions in innovative ecosystems worldwide. We work and invest in promising startups who have disruptive technological solutions for new products, ingredients, synthetic biology, packaging, digital marketing, eCommerce, new business models, data science, digitization, and operation optimization, among others.

In making innovation our best ally, we meet our sustainability goals to promote healthy diets with nutritional diversity, improve the lives of everyone we approach, and protect and regenerate our ecosystems.

This year, we added seven companies to the Bimbo Ventures portfolio, with whom we worked on synergistic and innovation projects, and to improve our products and internal processes.

**BIMBO**\_Ventures



*eatsane*



## Quality as part of the sustainable value chain

In meeting our commitment to the planet and our stakeholders, resources are optimized to enhance our performance. Additionally, to obtain better results, we join efforts with farmers and suppliers by establishing strategic alliances throughout our value chain -from field production and distribution to the final stage with our customers and consumers.

Therefore, with the purpose of applying best practices to continuously improve our processes, our actions are based on the highest of quality standards and our policies are strictly followed to comply with legislation in all regions where we operate.

Through our quality strategy we strive for certification in all operations, under a program recognized by the GFSI -Global Food Safety Initiative. Currently 177\*\* of our plants are certified, thus meaning that 96% of our products are made in certified facilities.

Moreover, we seek to continuously innovate by adopting new technologies that enable us to operate responsibly.



OUR FOUNDATIONS

**POST\_CONSUMPTION**  
Alliances to encourage post-consumption recycling

**MARKETING**  
+100 brands  
+10k products



**SUPPLY**  
We work with our suppliers to obtain sustainable materials

## SEEKING INNOVATION BY INCLUDING NEW TECHNOLOGIES

**OPERATIONS**  
206 bakeries and other plants in 33 countries  
5 innovation centers

**DISTRIBUTION AND SALES**  
+54,000 routes  
+ 3,000,000 points of sale

\* For greater information: <https://grupobimbo.com/es/nuestro-grupo/politicas>  
\*\* Operations for Morocco, Switzerland, and Kazakhstan are not included because Grupo Bimbo is a minority shareholder.