GRUPO BIMBO

Sound growth

2013 INTEGRATED ANNUAL REPORT

Planet

We use renewable energy and the new technologies to reduce our environmental footprint.

Associates

We work on programs for our associates' professional and personal development.

Community

We work on programs for the development and wellness of the communities where we have presence.

Wellbeing

We improve the nutrimental profile of our products, through research and development strategies.

Contents

Our Mission

To nourish, delight, and serve our world.

Our 2015 Vision

States what we look forward to become in one year: the best baking company in the world and a leader in the food industry, where our people make the difference every day, according to these five strategic pillars:

- A company with trustworthy, leading brands for our consumers.
- Our customers' preferred supplier.
- A forward-looking and innovative company.
- A strong and sound company.
- An extraordinary place to work.

GRI
2.8

Data Highlights

Net Sales*[1]	2013	2012	% Change
Consolidated	**176,041**	**173,139**	**1.7**
Mexico	73,179	70,491	3.8
United States	79,767	78,927	1.1
Latin America	21,822	22,674	-3.8
Iberia	5,323	5,182	2.7

Operating Income*[1]	2013	2012	% Change
Consolidated	**10,490**	**7,387**	**42.0**
Mexico	9,556	7,922	20.6
United States	2,613	1,118	>100
Latin America	-1,168	-1,101	6.1
Iberia	-545	-570	-4.4

Net Income*[1]	2013	2012	% Change
	4,778	**2,431**	**96.5**

Net Majority Income*[1]	2013	2012	% Change
	4,404	**2,028**	**>100**
Earnings per share[(2)]	0.94	0.43	>100
Total Assets	134,727	137,140	-1.8%
Total Liabilities*	86,944	90,082	-3.5%
Shareholders' Equity*	47,783	47,058	1.5%
Total Debt/EBITDA	2.3x	3.0x	-
Net Debt/ Stockholders' Equity	0.79x	0.80x	-
Return on Assets (ROA)	3.3%	1.5%	-
Return on Equity (ROE)	9.2%	4.3%	-

***Figures expressed in millions of nominal pesos.**
(1) Consolidated results exclude inter-company transactions.
(2) Data in Mexican pesos based on outstanding shares of 4,703,200,000 for 2011, 2012, and 2013.

Key Facts and Figures

Focus on innovation:
4 innovation & nutrition centers in the Americas.

Work was begun on the creation of an Ethics and Compliance Committee.

Capital investment, which reached a record US$543 million, was used primarily to modernize and expand the presence of our manufacturing facilities.

Successful track record of profitable growth through a combination of organic performance and strategic acquisitions, backed by a conservative financial policy.

The largest wind farm in the global food industry, which provides energy for our operations in Mexico.

Operating income registered an important increase of 42%, with an expansion of 1.7 percentage points in the operating and EBITDA margins to 6.0% and 9.8%, respectively.

Consolidated net sales rose 1.7% from 2012, to Ps. 176,041 million.
This reflected stable organic growth in local currencies across all regions.

Total Net Sales registered on 2013

MXN$176.0

BILLION

Our brands enjoy leadership positions in the categories in which we compete.

Modernization and expansion of our asset base, with 144 plants in 19 countries.

We increased the number of man-hours of Human Rights training given, from 73,368 in 2012 to 113,314 in 2013.

Marinela Mexico won the National Quality Price in Mexico.

We made substantial progress in the area of divestitures and synergies in the integration of Sara Lee in the United States; productivity initiatives further improved efficiency.

Grupo Bimbo's distribution network, as well as the ones in other companies, works under a program of continued visits to the point of sale. In some cases, these can be as often as three times a day to the same establishment.

40
Plants

63
Plants

GRUPO BIMBO today

Mexico

United States

Over
125,000 associates

More than
10,000 products

More than
2.2
million points of sale

31
Plants

9
Plants

1
Plant

Latin America

Iberia

Asia

Over **52,000** Distribution routs

19 Countries

Net sales of MXN$ **176,041** million

Donation to non-profit organization **2%** of 2012 net profit

GRI
11
12
29
311

Letter to Shareholders

I am pleased to report a very good year for Grupo Bimbo in 2013, in which we accelerated the integration of major acquisitions,

generated the highest EBITDA in our history, we continue the investments in modernizing our facilities and production lines, and we made significant progress on our strategic initiatives and sustainability performance, and delivered solid financial and operating improvements, including a rapid de-levering of our balance sheet. These milestones are all the more notable in the context of global economic volatility and still weak consumer demand in many of our markets.

Key developments in the year

Across the company we focused on a number of priorities, perhaps most importantly the multi-year effort to be a low-cost producer. A key component of this initiative is the transformation of our manufacturing base into a more efficient and flexible system. To that end, we invested record capex in the year for new production lines and plants such as Lehigh and Rockwall in USA; Mogi das Cruzes, Brazil; and expansions in Tenjo, Colombia and Quilicura in Chile. Several similar projects are planned for 2014, which will structurally improve our ability to compete in the coming decades.

Beyond our asset base, the product portfolio has also benefited from innovation, with new product launches and line extension in all our markets. Furthermore, R&D teams in each of our organizations are working on formulations and portion sizes aligned to our health and wellness initiative. We also believe physical activity is essential for building a healthier society, and supported large-scale events in 2013 such as the Bimbo Bakeries Veteran's Walk and Run in Boston and *Circuito Bimbo* Walk and Run in Mexico City.

The company is one of the main references in the food industry in terms of the use of renewable energy. In 2013, we continue to leverage innovation as a means to improve business processes and reduce our environmental footprint. We launched our first Green Sales Center, where vehicles approaching the end of their useful life are up-cycled and converted into electric cars by Grupo Bimbo engineers, thereby reducing our carbon emissions. This technology allows our distribution fleet to work with energy produced in the *Piedra Larga* wind farm, located in Oaxaca, México.

To further reinforce a culture of environmental stewardship, we co-sponsored the program *"Limpiemos Nuestro México"* (Let's Clean Mexico) for the fifth time, with the participation of more than 62,000 of our associates and friends as part of our volunteer efforts.

All these efforts are deeply aligned with our 2015 vision to be the best baking company in the world and a leader in the food industry, where people make the difference every day. As such, our strong operational performance in 2013 reinforces our belief that doing good and doing well can be synonymous.

Looking at performance on a regional basis, our operation in Mexico enjoyed banner sales and profits on the back of continued efforts in marketing and distribution. We launched a number of successful new products such as the Madalenas and the Oroweat product line, and we continue to drive improvement in top line performance through innovation efforts.

In the United States, volumes strengthened over the course of the year, we increased our market penetration and saw strong momentum in new products, notwithstanding the required divestitures in California related to our Sara Lee acquisition. Furthermore, we enhanced the manufacturing platform with the addition of facilities state-of-the-art facilities in Texas and Pennsylvania, the latter which started up operation in early 2014, generated significant savings through synergies and waste reduction initiatives to achieve improvements in the operation performance.

In Latin America, volumes and sales rose in local currency thanks in part to ongoing market penetration efforts across the region. The restructuring in Brazil is on track, with some advances, although that market will continue to face challenges. We made a bolt-on acquisition in Argentina, the baking company Alimentos Valente, and expanded our facilities in Chile and Colombia, two promising markets for our business.

Lastly, in Iberia, we made important progress in strengthening our operation by focusing on brand differentiation, new product launches, expanded distribution into mom & pops, and solid execution at the point of sale.

Financial results

Net sales in 2013 rose 1.7% over 2012, to MXN$176 billion, reflecting solid organic performance in all markets that was somewhat offset by the impact of exchange rates in Latin America and the United States. Consolidated gross margin expanded 1.6 percentage points to 52.3%, reflecting lower average raw material costs, in Latin America, Iberia, and Mexico, the latter benefited mainly from the positive impact of the ongoing exchange rates, the manufacturing efficiency in Latin America and a more efficient manufacturing footprint in the United States resulting from the ongoing asset strategy.

Profit before other income & expenses rose 27.6% to MXN$13.5 billion, while operating income, which includes integration expenses and other extraordinary items, increased 42% to MXN$10.5 billion, with a 1.7 percentage point expansion in the margin to 6.0% , this performance mainly reflects synergies and waste reduction initiatives in the United States. Net majority income more than doubled to MXN$4.4 billion while the margin expanded by 1.3 percentage points to 2.5%.

The balance sheet remains solid and flexible. Total debt at December 31, 2013 was MXN$40.3 billion, compared to MXN$42.0 billion in December, 2012. The disciplined focus on cash management helped bring down the total debt to EBITDA ratio from 3.0 times at December, 2012 to 2.3 times in December, 2013.

Outlook

We enter 2014 with measured optimism regarding a more robust global consumption environment to support continued growth, while operational performance is expected to reflect the ongoing integration of Sara Lee in the United States and our strategic initiatives to lower cost and increase efficiency. In early 2014, we announced the agreement achieved with Maple Leaf Foods Inc. for the acquisition of Canada Bread Company Ltd. which will further support our global growth strategy with entry to the Canadian and United Kingdom markets once all the legal requirements are fulfilled.

GRI
4.2
SO4
PR8

We are mindful of the increased global attention to health and obesity issues which has been reflected in the fiscal reforms in Mexico. These factors can deeply change society for the better, and we will strive to maintain the value we offer to our customers and consumers as we evolve to meet and anticipate the market's needs and challenges.

In accordance with above, we are adding "Productivity and growth culture" as a fifth global strategic initiative in 2014 to complement our current four (health, nutrition & wellness; low-cost production; talent development & leadership management model; and global procurement), by which we look to advance the value-creation ethos of our founders.

We have also recently formed an Ethics and Compliance Committee reporting directly to the Board. The Committee will recommend policies, review internal controls and procedures, coordinate internal audits and manage our anonymous complaints hotline for associates, suppliers, and clients' concerns, among other responsibilities, and will also enforce our zero tolerance policy towards any internal or external violations of the law.

The Committee will focus on the following areas of legal compliance, in order of importance: anti-corruption, transactions with restricted parties, economic competence, money laundering, and the protection of personal data, all matters in which the Group has a zero tolerance policy.

I am pleased to report that the Board of Directors has approved the administration of the past fiscal year, as well as the report to the Board. This approval is based on the opinion of our auditors, and the Board considers the Group's financial statements to have been prepared in accordance with International Financial Reporting Standards (IFRS); the accounting policies and criteria were applied consistently and appropriately to the circumstances of this Group, and the financial information faithfully and reasonably reflects the position and results of this Corporation.

As in the past, together with this report, we are presenting Shareholders with the following:

- **REPORT OF THE AUDIT AND CORPORATE PRACTICES COMMITTEE**
- **REPORT ON COMPLIANCE WITH FISCAL OBLIGATIONS**
- **REPORT ON PRIMARY ACCOUNTING AND REPORTING POLICY AND CRITERIA**
- **REPORT ON THE COMPANY'S FINANCIAL POSITION**

In closing, I would like to extend my appreciation to our global team of more than 125,000 Grupo Bimbo associates for their commitment and hard work, as well as to our customers, suppliers, partners and communities for their continued confidence and support.

SINCERELY,

Daniel Servitje
Chairman and Chief Executive Officer

About

Grupo Bimbo 2013

We are guided by our values, which place people first. Our commitment to WELLBEING, THE PLANET, COMMUNITIES AND OUR ASSOCIATES is the cornerstone of our business model and our growth strategy.

Global leadership, local commitment

Sixty-eight years ago, we at Grupo Bimbo made a commitment to preparing products that meet the needs and preferences of our consumers.

At Grupo Bimbo, S.A.B. de C.V., we are the largest bakery company in the world in terms of production volume and sales. We are a modern, innovative company, firmly committed to caring for the environment and promoting the welfare of communities. We have a portfolio of more than 10,000 products, distributed among more than 100 highly prestigious umbrella brands, and we are present in 19 countries of the Americas, Asia and Europe: Argentina, Brazil, Chile, China, Colombia, Costa Rica, El Salvador, Spain, the United States, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Uruguay and Venezuela. We have our distribution network, that covers more than 52,000 routes and 2.2 million points of sale.

We have 144 plants: 40 of them located in Mexico and 63 in the United States, our two largest markets. Our headquarters are in Mexico City, the capital of the country in which our Group was born. Our work force is made up of more than 125,000 associates. Since 1980, our shares have been listed on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and since 2011 we have been included in the Mexican Stock Exchange's Sustainable Index.

Grupo Bimbo is a global bakery industry benchmark and one of the leading food companies in the world.

Some of our best-known brands are: Bimbo, Marinela, Barcel, Ricolino, Oroweat, Arnold, Mrs. Baird's, Thomas', Brownberry, Entenmann's, Pullman, Plus Vita, Nutrella, Sara Lee, Fargo, Lactal, Silueta, Ortiz, Martínez, Eagle, Tía Rosa, Stroehmann, Freihofer's, Wonder, Vero, El Globo, Milpa Real, Lara, Coronado, Earthgrains, Maiers, Ana María, Gabi, La Corona, Del Hogar, Holsum, Heiners, Rainbo, Sunbeam, D'Italiano, Colonial, Firenze, San Luis Sourdough, Saníssimo, Lonchibon, Chick's, Ball Pack, Monarca, Cena, Laura, Europa, Tradição, Fuchs, Mamá Inés, Los Sorchantes, El Maestro Cubano.

Some of our brands:

Responsible Financial Policies

Flexible capital structure.

Rapid de-leveraging: Target <2x.

Investment grade ratings: Baa2 / BBB / BBB (Moody's / Fitch / S&P).

Strict handling of Capital Expenditures.

Conservative dividend policy.

Responsible risk management.

We build a sustainable future

Wellbeing

- Directives of the World Health Organization and the United Nations Food and Agriculture Organization (FAO).
- Elimination of trans fats from 99.5% of our products.
- 131 Products with added elements and nutrients to enrich their nutritional profile.

Planet

- Opening of the first Green Sales Center.
- Conversion of 73 electric cars within Grupo Bimbo.
- 17.7% reduction in energy consumption.
- We Recycled 91.41% of the waste generated by all of our organizations.

Community

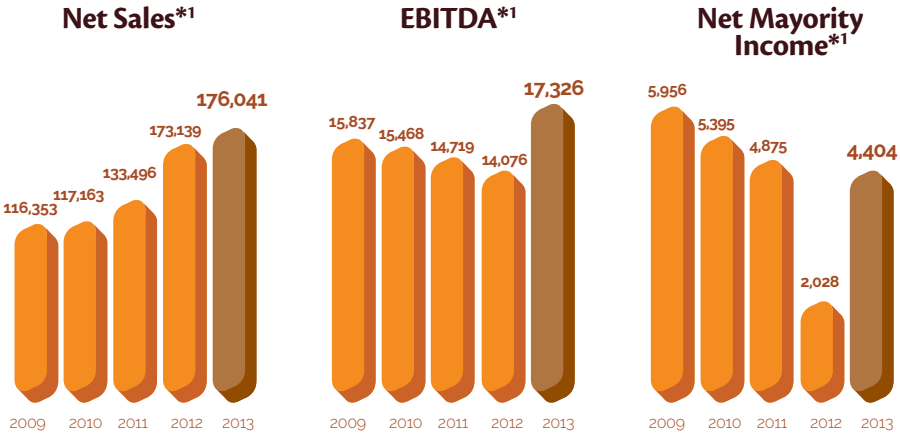
- 68,537 active volunteers.
- 94 "good neighbor" projects in 15 countries.
- 2.0% of net profits of 2012 donated to almost 300 non-profit organizations.

Associates

- More than 1,200,000 hours of annual training.
- Solid Code of Ethics.
- Training focused on talent development.
- Culture of health and wellness in all our plants and offices.

GRI
2.3
2.7
2.8
2.9

Solid Economic Performance and financial stability



*Figures expressed in millions of nominal pesos.
(1) Since 2011, numbers are expressed in accordance with International Reporting Standards (IFRS). Previous years are expressed in compliance with Mexican Financial Reporting Standards (NIF).

Because we believe and

create

Distribution network and manufacturing facilities.

More than **52,000** routes

Experience in transporting high volume

More than **2.2** million points of sale

144 plants in 19 countries

Creation of long-term value

GRI
4.1
4.2
4.3
4.4
4.5
4.7
4.9
4.10

Our Corporate Governance

Board of Directors

We are aware of the significance and relevance of Corporate Governance for our stakeholders, and for this reason we follow the best international practices in this field, as well as those suggested by institutions like the Mexican Stock Exchange.

The highest governing body of this organization is the Shareholders' Meeting, which has the authority to appoint members of the Board of Directors.

In keeping with Grupo Bimbo's corporate charter, the Board of Directors must be made up of between five (5) and a maximum of twenty-one (21) regular members, at least twenty-five percent (25%) of which must be outside members.

The Board of Directors, appointed and ratified during the General Extraordinary and Ordinary Shareholders' Meeting held on April 9, 2013, and effective as of July 1 of that year, is made up of seventeen (17) regular members , who will remain in their post until the persons appointed to replace them assumes his or her duties.

The Board of Directors is the governance body in charge of determining the company's long-term business strategy, approving its main business decisions, overseeing management, managing risks, monitoring regulatory compliance, and choosing, evaluating and dismissing (when necessary) the Chief Executive Officer and other key company executives.

Our governance bodies are integrated by renowned professionals of great reputation, technical experience and knowledge of the industrial sector in Mexico.

GRI
4.6

Characteristics of our Corporate Governance

The main governance bodies of Grupo Bimbo are the Shareholders' Meeting and the Board of Directors. The Board of Directors is supported by the specialized work of various Committees, whose purpose is to pursue matters of interest in greater detail, in keeping with the law and good corporate practices.

For more information, see the section entitled "Management and Shareholders" of the annual report filed with the Mexican Stock Exchange. Available online at www.grupobimbo.com

Transactions with Related Parties and Conflicts of Interest

We have introduced various policies to ensure that our decisions and relations are independent and transparent, including the "Policy on Transactions with Related Parties" and "Policy on Conflicts of Interest."

Our Policy on Transactions with Related Parties has the purpose of making sure that any transaction between Grupo Bimbo and a related party is conducted at fair market prices and conditions.

The Policy on Conflict of Interest is intended to avoid allowing the personal interests (financial or other) of our associates to influence the performance of their duties.

In order to carry out its duties, the Board of Directors is supported in turn by three committees.

GRI
4.11

In order to carry out its duties, the Board of Directors is supported in turn by three committees:

Audit Committee

The Audit Committee is made up solely of Independent Members and its primary duties are: to ensure that Grupo Bimbo operates in accordance with the applicable laws and regulations, with the faculty to evaluate and supervise administrative efforts regarding compliance with accounting policies and practices and the performance of Grupo Bimbo's internal and external auditor or auditors; investigate violations of internal control and internal auditing policies; and evaluate risk management policies, among others. The Audit Committee may also express its opinion on relevant modifications or changes in the accounting policies, criteria and practices by which Grupo Bimbo's financial statements are prepared, as well as the execution of relevant or unusual transactions, and may issue opinions regarding transactions with related parties.

Chairman: Henry Davis Signoret

- Arturo Fernández Pérez
- Thomas Heather Rodríguez
- Agustín Irurita Pérez
- Ignacio Pérez Lizaur

Evaluation and Results Committee

This committee analyzes and approves the general compensation structure for executives of Grupo Bimbo, as well as general compensation policies and guidelines and development programs for executives and associates of Grupo Bimbo and its subsidiaries. The Committee also analyzes the financial results of Grupo Bimbo and their impact on the general compensation structure of the Group.

Chairman: Raúl Obregón del Corral

- Thomas Heather Rodríguez
- Nicolás Mariscal Servitje
- Edmundo Vallejo Venegas
- Daniel Servitje Montull
- Roberto Servitje Sendra (until July 1st, 2013)

Finance and Planning Committee

Analyzes Grupo Bimbo's long-term strategies and its primary investment and financing policies, identifies its risks and evaluates policies for managing those risks, and submits these evaluations for approval by the Board of Directors.

Chairman: José Ignacio Mariscal Torroella

- Javier de Pedro Espínola
- Ricardo Guajardo Touché
- Luis Jorba Servitje
- Raúl Obregón del Corral
- Daniel Servitje Montull
- Guillermo Jorge Quiroz Abed

Regular Members	Time on the Board (years)	Position
Henry Davis Signoret	12	Independent Member
Arturo Fernández Pérez	4	Independent Member
Ricardo Guajardo Touché	8	Independent Member
Thomas Heather Rodríguez	1	Independent Member
Agustín Irurita Pérez	7	Independent Member
Luis Jorba Servitje	4	Board Member
Mauricio Jorba Servitje	17	Board Member
Fernando Lerdo de Tejada Luna	2	Board Member
Nicolás Mariscal Servitje	5	Board Member
José Ignacio Mariscal Torroella	24	Board Member
María Isabel Mata Torrallardona	5	Board Member
Raúl Obregón del Corral	16	Board Member
Javier de Pedro Espínola	2	Board Member
Ignacio Pérez Lizaur	2	Independent Member
Jorge Pedro Jaime Sendra Mata	Less than 1 year	Board Member
Daniel Servitje Montull	19	Board Member / Chairman
Edmundo Vallejo Venegas	1	Independent Member

Regular Secretary	Secretary Pro Tem
Luis Miguel Briola Clément	Pedro Pablo Barragán Barragán

Board Member Experience

Daniel Servitje Montull
Chairman of the Board and Chief Executive Officer of Grupo Bimbo, S.A.B. de C.V.

Member of the Board of Directors of:
- *Grupo Financiero Banamex, S.A. de C.V.*
- Coca-Cola Femsa, S.A.B de C.V.
- *Instituto Mexicano para la Competitividad, A.C.*
- The Global Consumer Goods Forum.
- Latin America Conservation Council (The Nature Conservancy).
- Stanford GSB Advisory Council.
- Chairman of the Board of Aura Solar Corporation

Henry Davis Signoret
President of *Promotora* DAC, S.A.

Member of the Board of Directors of:
- Kansas City Southern.
- *Telefónica Móviles México, S.A. de C.V.*
- *Alcanza Seguros, S.A. de C.V.*

Thomas Heather Rodríguez
Partner, Ritch, Mueller, Heather y Nicolau, S.C.

Outside Board Member and Chairman of the Audit Committee of:
- *Grupo Financiero Scotiabank Inverlat, S.A. de C.V. and subsidiaries*
- GSF Telecom Holdings, S.A.P.I. de C.V.
- *Grupo Industrial Maseca*, S.A.B. de C.V.
- Gruma, S.A.B. de C.V.
- Member of the Advisory Council of Harvard University's International Financial Systems Program.
- Member of the Best Corporate Practices Committee of Mexico's Business Coordinating Council.

Edmundo Vallejo Venegas
Professor of Corporate Policy, *Instituto Panamericano de Alta Dirección de Empresa-Ipade*.
- Former Chairman and CEO of GE Latin America.

Nicolás Mariscal Servitje
CEO of *Grupo Marhnos*.
- Member of the Board of Directors of la *Fundación Mexicana para el Desarrollo Rural, A.C.*

Raúl Obregón del Corral
Alianzas, Estrategia y Gobierno Corporativo, S.C., Directing Partner. Proxy Gobernanza Corporativa, S.C., Associate.

Member of the Board of Directors of:
- *Grupo Palacio de Hierro, S.A.B. de C.V.*
- Invermat, S.A. de C.V.
- *Altamira Unión de Crédito, S.A. de C.V.*
- *Activos Turísticos de México, SAPI de C.V.*
- *Fondo Nacional de Infraestructura*, outside board member on the sub-committee for evaluation and finance.
- *Instituto Tecnológico Autónomo de México*, member of the Board of Governors.

Alternate board member and Member of the audit and corporate practices committees of:
- *Industrias Peñoles, S.A.B. de C.V.*
- *Grupo Nacional Provincial, S.A.B. de C.V.*

Alternate board member of
- *Valores Mexicanos, Casa de Bolsa, S.A. de C.V.*
- *Crédito Afianzador, S.A.*

Ricardo Guajardo Touché

Member of the Board of Directors of:
- *Grupo Financiero BBVA Bancomer, S.A. de C.V.*
- *Instituto Tecnológico y de Estudios Superiores de Monterrey.*
- *Grupo Fomento Económico Mexicano, S.A.B. de C.V.*
- Coca-Cola FEMSA, S.A.B. de C.V.
- *Grupo Industrial Alfa.*
- *El Puerto de Liverpool, S.A.B. de C.V.*
- *Grupo Aeroportuario del Sureste, S.A.B. de C.V. (ASUR).*
- *Grupo COPPEL*
- Grupo Vitro.
- Vice President of *Fondo para la Paz*, a community fund for areas suffering from extreme poverty.
- President of SOLFI *Microfinanzas.*

Agustín Irurita Pérez
National Board Member and Member of the Executive Committee of the *Confederación Patronal de la República Mexicana (Coparmex).*

Member of the Board of Directors of:
- *Cámara Nacional de Autotransporte de Pasaje y Turismo* (Lifelong Board Member).
- *Grupo Comercial Chedraui, S.A. de C.V.*
- *Fincomún Servicios Financieros Comunitarios, S.A de C.V.*
- *Grupo Financiero Aserta, S.A. de C.V.*

José Ignacio Mariscal Torroella
Executive President of *Grupo Marhnos*. (Infrastructure, Housing and Real Estate Developer).

Member of the Board of Directors of:
- *Afianzadora Aserta, S.A. de C.V., Grupo Financiero Aserta, S.A. de C.V.*
- *Grupo Calidra, S.A. de C.V.*
- Arko.
- City Express
- *Aura Solar*
- Executive Committee and the Office of the Chairman of Coparmex.
- Vice President of *FinComún Servicios Financieros Comunitarios, S.A. de C.V.*
- Chairman of the *Comité por Una Sola Economía, Todos Dentro de la Ley*, of the *Consejo Coordinador Empresarial (CCE).*
- Commissioner of the Human Development Committee of Coparmex.
- Vicepresident of International Affairs at Coparmex.
- Member of Executive Board of Business and Industry Advisory Committee (BIAC) to the OECD.
- President of the *Fundación León XIII.*
- Member of the Board and the Executive Committee of the *Unión Social de Empresarios Mexicanos (USEM).*
- Former Chairman and Board Member of UNIAPAC and *Fundación Uniapac.*
- Former Chairman and Member of the Oversight Committee of IMDOSOC.

María Isabel Mata Torrallardona
CEO, Fundación José T. Mata.
- Member of the Board of Directors of Tepeyac, A.C.

Luis Jorba Servitje
CEO of *Frialsa Frigoríficos, S.A. de C.V.*

Chairman of the Board of:
- Efform, S.A. de C.V.

Member of the Board of Directors of:
- Texas Mexico Frozen Food Council.
- International Association of Refrigerated Warehouses.
- World Food Logistics Organization.
- World Group of Warehouses.

Arturo Manuel Fernández Pérez
Rector of the *Instituto Tecnológico Autónomo de México (ITAM).*

Member of the Board of Directors of:
- *Industrias Peñoles, S.A.B. de C.V.*
- *Grupo Nacional Provincial, S.A.B. de C.V.*
- *Grupo Palacio de Hierro, S.A.B. de C.V.*
- *Valores Mexicanos, Casa de Bolsa, S.A.B. de C.V.*
- *Grupo Financiero BBVA Bancomer, S.A. de C.V.*
- *Fomento Económico Mexicano, S.A.B. de C.V.*
- *Fresnillo, P.L.C.*

Mauricio Jorba Servitje
Chairman of the Board of Directors of Bimbo Iberia.
- Member of the Board of Directors of VIDAX.
- Member of the Board of Directors and Administration of
- *Promociones Monser, S.A. de C.V.*

Javier de Pedro Espínola
Chief Administrative and Financial Officer of MXO Trade, S.A. de C.V.

Member of the Board of Directors of:
- Global Biotherapeutics.
- Industrias Rampe.
- MXO Trade, S.A. de C.V.
- Fundación José T. Mata.

Ignacio Pérez Lizaur
Partner: *Consultores Pérez Lizaur, S.C.*

Member of the Board of Directors of:
- Central American Bottling Corporation.
- *Fundación Mexicana para el Desarrollo Rural A.C.*
  Newell Rubbermaid Inc.

Fernando Lerdo de Tejada Luna
Chairman and CEO of *Asesoría Estrategia Total, S.C.*

Member of the Board of Directors of:
- *Consultoría Estratégica Primer Círculo, S.C.*
- *Fundación Mexicana para el Desarrollo Rural, A.C.*
- Advisory Board Accenture, S.C.

Consultant to:
- Breskem Idesa, S.A.P.I.
- *Asociación Mexicana de Industrias de Investigación Farmacéutica* (AMIIF).
- *Asociación Nacional de la Industria Química* (ANIQ).
- *Hewlett Packard* (HP).
- *Instituto Nacional de las Mujeres* (INMUJERES).
- *Banco Nacional de Comercio Exterior* (BANCOMEXT).
- *Grupo Aeroportuario del Pacífico, Sureste y Centro Norte* (GAP).

Jorge Jaime Pedro Sendra Mata
Administrator of JJ *Textiles, S.A.*

Member of the Board of Directors of:
- Advance Design Center, Inc.
- db Homes, S.A.
- JRPVJ, Inc.

Management Committee

Daniel Servitje Montull
Chief Executive Officer of Grupo Bimbo

Joined Grupo Bimbo in 1982 , earned his undergraduate degree in Business Administration and MBA from Stanford University in the United States.

He is a member of the Board of Directors of *Grupo Financiero Banamex*, Coca-Cola Femsa, the *Instituto Mexicano para la Competitividad*, the *Consejo de Proveedores de* Walmart Mexico, The Global Consumer Goods Forum, and Latin America Conservation Council (The Nature Conservancy).

Pablo Elizondo Huerta
Senior Executive Vice President of Grupo Bimbo

Employed with Grupo Bimbo since 1977. Studied Chemical Engineering. Completed the Advanced Management Program at Harvard Business School.

Javier Augusto González Franco
President, Bimbo, S.A. de C.V.

Joined Grupo Bimbo in 1977. Earned a degree in Chemical Engineering and an MBA from *Universidad Diego Portales in Chile*. Completed the Advanced Management Program at Harvard Business School and the Breakthrough Program at the IMD in Switzerland. Chairman of the Board of CONMEXICO (*Consejo Mexicano de la Industria de Productos de Consumo, A.C.*) since 2009 to 2013.

Alfred Penny
President of Bimbo Bakeries USA.

Joined Grupo Bimbo in 2009. He has 33 years experience in the food industry, working at different companies and positions. The most recent is the position of Executive Vicepresident at BBU. Complete dan MBA in Finance at the New York University and a College degree of Business Administration at Long Island University.

Gabino Gómez Carbajal
President, Organización Barcel, S.A. de C.V.

Joined Grupo Bimbo en 1981. Undergraduate Degree in Marketing and Master's in Business Administration from the University of Miami. Member of the Board of Directors of CONMEXICO and member of Food Group.

Miguel Ángel Espinoza Ramírez
President, Latin America South

Joined Grupo Bimbo in 1981. Studied Industrial Engineering and completed the Advanced Management Program at Harvard Business School en 2006.

Guillermo Jorge Quiroz Abed
Chief Administration and Financial Officer, Grupo Bimbo

Joined Grupo Bimbo in 1999. Obtained a degree in Actuarial Studies and an MBA from IPADE. Member of the Board of Grupo Altex and Fincomun.

Raúl Argüelles
Chief Human and Corporate Relations Officer, Grupo Bimbo

He joined Grupo Bimbo in 2011. He studied Industrial Engineering at the UNAM, and concluded a Master in Administration Engineering at the Stanford University. He is member of the Board of Directors of the US-Mexico Foundation.

Reynaldo Reyna Rodríguez
Chief Information and Strategy Analysis Officer

Joined Grupo Bimbo in 2001. Studied Industrial and Systems Engineering and obtained a Masters' Degree in Operations Research and Finance from Wharton University.

For more information, see the section entitled "Management and Shareholders" in the annual report filed with the Mexican Stock Exchange.

GRI
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Our Code of Ethics

Our Code of Ethics is the formal statement of this company's values, ideals and conduct, the core document that governs our daily operations.

Accordingly, we work day in and day out to enforce and apply this code in all of our daily interactions with our co-workers within the organization and those with whom we interact on the outside. We are confident that with this Code and good corporate practices, we will be able to remain an extraordinary place to work.

To this end, our Code establishes a number of precepts, one of the most important of which is that each associate should be respected and have a space appropriate for his or her development, in a climate of equal opportunity and free of discrimination. This principle is backed up by our Internal Promotion Policy.

Associates who become aware of any violation of the Code of Ethics may tell us about it through our *"Línea Comenta"* (Comment Line) hotline, a communication link for complaints and suggestions, and through the annual labor satisfaction survey. The process of investigating, following up on and ruling on such violations is reported on a quarterly basis to the Audit Committee of the Board of Directors.

The Code also establishes our support for our associates' involvement in local labor organizations, and encourages them to participate in professional associations and other private organizations, and to exercise their political rights, although this company does not support any ideology or party affiliation.

Grupo Bimbo does not contribute to political candidates or parties, because such matters lay outside the sphere of our professional activities.

GRI
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SO7

Ethics and Regulatory Compliance

In 2013, Grupo Bimbo created an Ethics and Compliance Committee that reports directly to the Board of Directors, the Audit Committee and the Office of the Chief Executive Officer.

Its duties are to promote the Group's ethical values, as established in its Code of Ethics, and to strengthen compliance with the regulations that govern Grupo Bimbo in the various countries in which it operates. At Grupo Bimbo, we have a Code of Ethics approved by the Board of Directors.

Our Code of Ethics establishes Grupo Bimbo's commitments to society, the government, and the competition, as well as to our associates, suppliers, consumers, clients, partners and shareholders. In other words, the Code of Ethics is the core document that governs our conduct in daily operations.

In addition to the Code of Ethics, there is the company's Code of Corporate Governance, which is a compendium of various documents that regulate the Group's corporate governance. These include its corporate charter, the rules of the various committees of the Board of Directors, and the main policies on operation of the company's key governance bodies.

In addition to the Code of Ethics, there is the company's Code of Corporate Governance

Among the policies that apply internally to Board Members and Key Executives are: I. Transactions with Related Parties; II. Dispensations; III. Use or Enjoyment of Property; IV: Disclosure of material events to shareholders and the general investing public; V: Restrictions on securities trading; VI. Inside Information.

In the area of regulatory compliance, the Committee is in charge of formulating and recommending policies to the Board of Directors and Chief Executive Officer, reviewing and recommending improvements to internal controls and procedures, coordinating internal audit and compliance supervision programs, conduct special internal or external investigations, administering whistleblower and compliance hotlines for associates and others, and sanctioning conduct that violates internal or external regulatory provisions or rules.

The main compliance issues that are overseen by the Ethics and Compliance Committee, because of their importance, are: Anti-Corruption, Prohibition on Transactions with Restricted Parties, Economic Competition, Money Laundering, and Protection of Personal Information.

With regard to these issues, Grupo Bimbo has a "zero tolerance" policy toward any conduct or activity that infringes on any legal provisions in the countries where it operates, in the areas of Corruption, Transactions with Restricted Parties, Economic Competition and Money Laundering. It also pledges to continuously implement the mechanisms necessary to protect the personal information of clients, suppliers and associates, in accordance with the applicable legal provisions.

sembrando juntos

Our Social Responsibility Strategy

At Grupo Bimbo, we understand that Social Responsibility is the most effective when carried out as a team.

Besides contributing best practices to the organization's management and encouraging compliance with international standards that enable us to be compared against our global peers, it is also a formative influence in our people's professional and private lives.

For these reasons, Grupo Bimbo created the social responsibility communication platform "Sembrando Juntos" in 2012, which guides our actions to work together with others to the benefit of society, the environment, and development.

Under this new concept, we involve our value chain, our consumers and society at large in a program that works along the following lines:

- **CREATING PRODUCTS WITH BETTER NUTRITIONAL PROFILES.**
- **BETTER CARING FOR, PRESERVING AND RESTORING THE ENVIRONMENT.**
- **DEVELOPING THE COMMUNITIES WHERE WE ARE PRESENT.**
- **PROMOTING THE PERSONAL AND PROFESSIONAL ADVANCEMENT OF OUR ASSOCIATES.**


Wellbeing


Planet


Community


Associates

With all value chain participants involved in these socially responsible actions, we intend to enrich and multiply our impact on community development, the economy and the environment.

Sembrando Juntos is the basis for our work on approaching, developing, reinforcing and globalizing Grupo Bimbo's Social Responsibility strategy in line with our current reality.

A number of areas of the company have come together to create a campaign to publicize the Sembrando Juntos program, which will also invite members of the general public to join in becoming socially responsible.

In 2014, we will continue these efforts, including productive two-way communication with our stakeholders. This year, we will be developing a Sembrando Juntos webpage, providing complete information on Grupo Bimbo's Social Responsibility actions and how they contribute to the organization's sustainability. Visitors to the page will also have access to a section for entering comments and any feedback they consider pertinent.

Sembrando Juntos requires the active participation of many people, and to this end, in 2013 we promoted different types of program: the volunteer efforts of our associates, family members and friends, and the Good Neighbor program, in which Grupo Bimbo's plants contribute to the welfare of communities living or working around these facilities. Through these two initiatives, Sembrando Juntos puts its principles into action through the participation of its people.

As in these examples, each of the pillars of our strategy will define clear goals and more precise tools for tracking and measuring its impact.

Within the group, we are also seeking greater integration. The acquisitions in recent years have obliged us to become more efficient, to generate more synergies and promote our Social Responsibility actions in each of the regions around the world where we serve and interact with our clients and consumers.

In 2014, we will be working more closely with the organizations to strengthen their actions to benefit society, the environment and the market. We will be attentive to the needs of each of our stakeholders, who have asked us to create a report that reflects the actions being carried out regionally and which in conjunction constitute a report of global scope.

sembrando juntos

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G4-25

Our stakeholders

In 2013, we reaffirmed our relationship with stakeholders based on our "definition of stakeholders" policy, formulated in 2012, which establishes the following:

- **STAKEHOLDERS ARE GROUPS THAT AFFECT THE PERFORMANCE OF THIS ORGANIZATION OR ARE AFFECTED BY ITS ACTIONS.**
- **THE COMPANY MUST ACCEPT ITS RESPONSIBILITY AND, TO THE EXTENT POSSIBLE, PROMOTE THE DEVELOPMENT OF STAKEHOLDERS IN KEEPING WITH THEIR EXPECTATIONS.**
- **THE COMPANY INTERACTS WITH VARIOUS ORGANIZATIONS ON TWO LEVELS: INTERNAL AND EXTERNAL GROUPS, WHICH ARE DESCRIBED BELOW.**

Internal groups:

In Grupo Bimbo we are committed to our internal stakeholders in the following areas:

- **SHAREHOLDER/PARTNERS:**
  we seek to provide a reasonable and consistent return.
- **ASSOCIATES:**
  we guarantee respect for their dignity and individuality and promote a climate that supports their wellness and development.
- **LABOR REPRESENTATION:**
  we support authentic representation of our workers, with full respect for their freedom of association and a continuing relationship of collaboration and mutual trust.

External groups:

At Grupo Bimbo we are committed to our external stakeholders in the following ways:

- **CLIENTS:**
  providing an exemplary service and seeking to support them in their growth and development through the value of our brands.
- **SUPPLIERS:**
  we maintain cordial relationships, promote their development and cover the cost of their services in accordance with the terms of the contracts we have signed with them.
- **DISTRIBUTORS:**
  we establish working procedures that meet the objectives of the business and are beneficial to both parties.

We value the opinions of each of our stakeholders and worked to strengthen our relationship with each of them on a daily basis.

GRI
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- **COMPETITORS:**
  We compete vigorously and fairly, based on legal trade practices.

- **CONSUMERS:**
  we offer healthy food and variety in our products, through ongoing improvement.

- **SOCIETY:**
  we promote universal ethical values and support economic and social growth in the communities where we are located.

- **GOVERNMENT:**
  we abide by all existing legislation in the countries where we operate, promote close and respectful relations and communication, and collaborate in projects and initiatives that benefit the community.

- **BUSINESS AND/OR INTERNATIONAL ORGANIZATIONS:**
  we share experiences and best practices in a climate of cordiality and respect.

- **COMMUNICATIONS MEDIA:**
  we provide accurate, clear, and prompt information.

- **SOCIAL ORGANIZATIONS:**
  we contribute to the advancement and development of the communities where we operate, by working together with nonprofit social organizations.

Materiality

As a constant at Grupo Bimbo, we believe firmly in the person as the central value of business culture. Accordingly, we keep our stakeholders informed in accordance with the specifications of the International Union of Business Executives, or UNIAPAC.

This policy has given us a guide on forging closer ties with each of them and learning about their interests, concerns and needs, in order to better serve them.

We know that our relationship with stakeholders is highly important for adjusting the expectations of each of them toward our organization. That is why our communications with them involve the support of specialized areas of the company. An analysis by each of the areas involved in executing the company's Social Responsibility Strategy identified the following material aspects:

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G4-27

Stakeholder Engagement

To improve communication with our stakeholders, we have taken on the task of exploring new channels. In 2013, we identified various technological alternatives. We created two applications for electronic tablets, specifically for one of the leading tablet brands on the market, to communicate Grupo Bimbo's Social Responsibility actions in a more interesting and interactive way for our consumers.The first was an app devoted to our Sembrando Juntos Planet pillar, whose purpose is to promote environmental awareness and education. The second is an app that addresses the full Sembrando Juntos program on a general level. Also, in keeping with the principle of "Review," from the guide for preparing GRI reports, the webpage containing our annual report includes a feedback tab, with a questionnaire about our 2012 report.

The survey is confidential, and is composed of questions that enable us to obtain, among other things, a general profile of the participants, technical data like their perception of the quality and amount of information we are reporting, as well as issues in which they are interested or feel are material.

The survey consists of 17 questions divided into two parts:

- **GENERAL REPORT INFORMATION.**
  This section asks readers for their opinion about the quantity and length of the Integrated Annual Report, and also the usefulness and sufficiency of the resources through which the information is presented.

- **REPORT CONTENT.**
  Besides evaluating the quality of the expressed information, these questions seek to determine whether the relevance or hierarchy with which each of the issues that make up the four pillars (Wellbeing, Planet, Community and Associates) is presented is appropriate. The pillars play an important role in this evaluation, since they represent the essence of Grupo Bimbo's Social Responsibility strategy.

We received more than 800 questionnaire responses, which we have used to complement the materiality of this report.

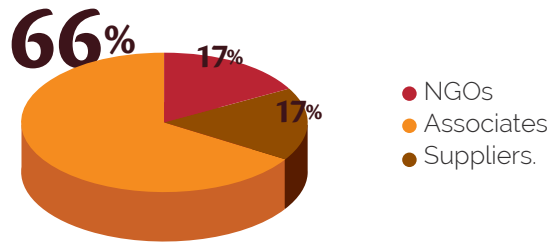
Results:

Profile of survey respondents

To determine a general profile of stakeholders who provided feedback to the Report, the survey asked five general questions about their gender, age group, occupation and level of employment.

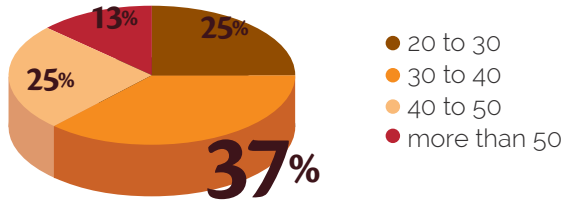
- 66% of respondents were Associates, 17% were representatives from nonprofit organizations and the remaining 17% were suppliers.

Participating Stakeholders



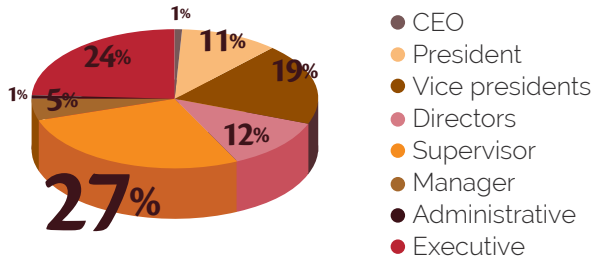
- The greatest proportion of survey respondents (37%) fell into the 30-40 year age bracket.

Age Range



- The most frequent responses to the question about level of employment were Supervisory, with 27%, followed by Executive, with 19% and Manager, with 12%.

Position



We continue to explore alternatives for making the information more accessible and ensuring that it is consistent with what our stakeholders want to know. This is why determining materiality is fundamental for better understanding their preferences and needs.

General report information

The responses were analyzed using the Likert scale and the results obtained were as follows:

- 63% of respondents said the information provided sufficient information in a clear, precise and orderly fashion.
- 63% of participants considered the Report to be of appropriate length for presenting the Company's performance.
- 37% of the stakeholders that participated in the exercise believed that the comparative presentation of program results or recurring practices against previous years was completely useful.
- 34% of respondents totally agreed that the quantitative data and figures on the Company's performance in the economic, social and environmental spheres was sufficient. However, 10% were fully in disagreement with this assertion, which gave Grupo Bimbo an indication of how to improve 2013 Integrated Annual Report, presenting a greater number of quantitative results to reflect the evolution and progress of its actions in various areas of Social Responsibility.

Report Content

The evaluation scale used in this section was numeric, on a scale of 1 to 10, in order to obtain a rating for each of the sections that make up the Integrated Annual Report and identify those that can be improved in coming years. The results were as follows:

Chapter	Rating
About Grupo Bimbo	8.83
Overview	8.55
Corporate Governance	8.38
Our Business Model	8.77
Our Strategy	8.74
Regional Performance	8.43
Consolidated Financial Statements	8.83
Awards and Distinctions	8.42
Sembrando Juntos for your Wellbeing	8.73
Sembrando Juntos for the Planet	8.74
Sembrando Juntos for the Community	8.61
Sembrando Juntos for our Associates	8.46

The chapters that received the best grades were "About Grupo Bimbo" and the "Consolidated Financial Statements," while the "Corporate Governance" section obtained the best rating in the exercise, which gives Grupo Bimbo various opportunities to improve the presentation of information and complementary aspects in this area.

The average grade given to the 2012 Integrated Annual Report was 8.62

GRI
4.17

Hierarchy and structure of Sembrando Juntos: Wellbeing, Planet, Community and Associates

Asked about the relevance of the issues discussed in each of the pillars that make up Grupo Bimbo's Sustainability Strategy, most survey respondents were satisfied with the structure and presentation of the information.

In this section, the questions focused on identifying key issues for the Company by asking whether the issue that each respondent felt was most important was addressed according to their expectations and needs. Based on the responses received, we selected the most frequently mentioned issues and created categories in order to address these, to the extent possible, in the 2013 Integrated Annual Report.

Stakeholders	Pillar	Expressed expectations and needs	Viable responses to expectations in 2013 IAR
Associates, Nongovernmental Organizations, Suppliers	Sembrando Juntos for your Wellbeing	• More detail in the information shown.	• Detailed presentation of actions taken to address each of the strategic lines of Sembrando Juntos Wellbeing pillar.
		• Show more quantitative data that better illustrate our strategy for obtaining the expected results.	• Provide readers with more quantitative information in order to give an overview of the achievements and progress in terms of the nutritional quality of our portfolio.
		• Greater promotion and dissemination (even within the Company), about the qualities of Grupo Bimbo's products.	• Proactively disseminate the benefits of our product portfolio both within and outside the Group.
	Sembrando Juntos for the Planet	• Present the most important environmental issues as part of an overall strategy. • More clarity in presenting goals • Develop campaigns that involve more participants	• Address the environmental issues that concern Grupo Bimbo as a whole, with more detail on the "reducing our Environmental Footprint" Program, in order to explain the efforts and should teach actions taken as a Company and by organization. • Publicize environmental campaigns and programs the company has, through *Reforestamos México, A.C.*, and show the total number of volunteers that have taken part in them.
	Sembrando Juntos for the Community	More detailed information on the value chain, both in the form of presentation and the accompanying explanation.	More clearly show the breakdown of strategic actions and agree that influence toward the value chain, for example, through training of clients and suppliers.
	Sembrando Juntos for our Associates	Show our strategy for developing and training Associates, who are defined as one of the most important assets of this Company.	Provide relevant information about the number of Associates trained in the Code of Ethics and achievements in personnel development through our Virtual University.

We also conducted market studies to learn about the preferences and suggestions of our consumers. These studies evaluated our brands, public perceptions of them what we need to do to continue offering the top-quality products they prefer.

Among these studies, specifically for Mexico, was one focused on learning about and better understanding the social characteristics of Mexicans. The results were an input for preparing an advertising campaign called "*Sueños*" (Dreams) which highlights the best aspects of Mexican youth, particularly the new generation, which has very specific and individual characteristics, like greater self-confidence, the ability to overcome barriers and conviction of the need to work toward their goals. Through this campaign, we strengthened our commitment to Mexican youth, by publicizing success stories about young entrepreneurs who have fulfilled their dreams, in television, social networks and university talks.

Additionally, our directors and executives met with youth in various Mexican universities over the course of the year. Some examples of these events were:

- We participated in the International Ibero Sustainability Congress, organized by the *Universidad Iberoamericana*, in which we spoke with professors about Grupo Bimbo's Social Responsibility programs.

- We gave several talks at the *Universidad Panamericana* and *Tecnológico de Monterrey*, Mexico City and Santa Fe campuses, where in addition to explaining Grupo Bimbo's sustainable actions, executives listened to the concerns and suggestions of students in general and those studying in a field related to Social Responsibility in particular.

Another important contact we pursued in 2013 was with nonprofit organizations, in order to understand their concerns and encourage collaboration. We invited them to visit our Tia Rosa plant in Toluca, Mexico State, followed by a frank interchange of ideas and opinions. The associations asked us for more support courses to enable them to better administer themselves and obtain key measurements of their work.

In 2013, we worked to create closer ties with our associates. We opened more communication channels and improved existing ones, evaluating perceptions within the organization. Furthermore, in addition to the annual labor satisfaction survey, there is constant communication and open dialogue between associates and their superiors in work meetings. We also have the *Línea Comenta* hotline, an increasingly popular communication tool through which associates can suggest ways to improve the application of this company's values and report any actions that violate the Code of Ethics. The *Línea Comenta* process was analyzed in 2013, comparing it with existing systems in other Mexican and foreign companies in order to incorporate the best practices applied another companies. These process improvements will be introduced in 2014, and the *Línea Comenta* hotline will be re-launched in all our organizations. In 2013, the hotline received 615 cases, 589 of which have been resolved and 26 are still in process.

Grupo Bimbo maintains institutional communication with the rest of our stakeholders through various specialized in serving each of them and through the available communication channels, such as corporate webpages, our brands and the Client and Customer Service area (known as SATECC).

For more information about the materiality, consult the appendix table.

Our Strategy and Business Model

In 2013, we continued to pursue actions based on our strategy of communicating social responsibility, integrated into our business model through four pillars: WELLBEING, PLANET, COMMUNITY, AND ASSOCIATES.

What we do and how we do it

Our business consists primarily of the production, distribution and sale of packaged food products. Our sphere of operation is local by nature, due to the short shelf life of our products, most of which are aimed at the general public and characterized by high-frequency consumption.

Throughout the past decade, Grupo Bimbo went from being a regional participant to the world's largest bakery company in terms of production volume and sales.

GRI
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In order to participate effectively and on a large scale in our market, our business model features the following goals and actions:

1. Purchasing and production

GOAL:
To be a socially responsible manufacturer of innovative, high-quality, low-cost products, with an integrated and efficient supply chain of raw materials and packaging.

In order to generate economies of scale in purchasing, we are introducing a global program for key inputs and continue to work closely with suppliers in all of our markets. From the production standpoint, we continue to modernize and improve our asset base. In 2013 alone, we invested US$543 million in expanding capacity, improving efficiency and reducing waste. Our extensive portfolio includes differentiated and novel products for each market, with tasty choices for all times of day and consumer groups. Local production ensures that we develop products that meet the tastes and needs of consumers in each of our markets. Furthermore, our regional research and development efforts guarantee that our innovation plans remain equally competitive.

2. Marketing

GOAL:
To establish emotional ties and forge lasting relations with our consumers.

Our international brand portfolio is without equal in the world. The spectrum ranges from healthy to indulgent and from conventional to premium. Generations of consumers have grown up with our brands, some of which have become true icons in their respective categories. Among our 25 top-selling brands, 10 are ranked first or second in their respective markets. We devote a substantial amount of resources to increasing the value of our brands, with carefully calibrated efforts to reinforce their positioning over the long term.

3. Sales and distribution

GOAL:
To maximize our scope through scales, technology and infrastructure.

Our distribution network, which operates both under the direct store delivery model and through independent operators, is a fundamental competitive advantage.

Our investment in increasing market penetration is supported by category and channel management, as well as substantial point-of-sale execution efforts. In certain markets, we also provide specialized support and services for the retail channel.

GRI
4.11

4. Financial flexibility and solidity

GOAL:
To maintain a financial management strategy based on a firm commitment to profitable and sustainable growth that can benefit all our stakeholders.

We strive to maintain a flexible capital structure, a solid balance sheet and good credit ratings. We also have a successful track record of lowering leverage after a series of large-scale leveraged acquisitions in recent years. We did so through strict management of capex and working capital, which we allocate to products that promote our strategy of low-cost production, support the integration of acquisitions, strengthen our infrastructure and make our operations more efficient. We also maintain a conservative dividend policy in order to balance the current interest of shareholders with our strategy of growth and the needs of the broader community of stakeholders. Our financial strategy is backed by risk management practices used to administer and mitigate our exposure to external variables that could have a considerable impact on our performance, such as the availability of cost of certain inputs and exchange rate fluctuations.

5. Social and environmental responsibility

GOAL:
To ensure that our daily operations are sustained by a framework of responsible business practices that strengthen our competitive advantages and generate value for all our stakeholders.

Our sustainability efforts are based on the four pillars of our Sembrando Juntos platform: **Wellbeing**, which includes product innovation and reformulation, nutritional information for consumers, responsible marketing, promoting physical activity and alliances and research; **Planet**, focusing on reducing our carbon and water footprint, conservation and improvement of the environment, and comprehensive waste management; **Community**, in which we strive to be a good neighbor through volunteer efforts and donations, and contribute to the development our communities and value chain; and **Associates**, for whom we encourage a culture of safety, health and physical activity, promoting their personal and professional development in a climate of equal opportunity.

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SO5

Industry participation

At Grupo Bimbo, we act in accordance with the prevailing legal framework in all countries where we operate, and we therefore participate as a company in seeking to improve all aspects pertaining to our industry.

We are active in various business chambers and organizations, where we seek to identify commonalities, explore proposed alternatives and solve problems.

In Grupo Bimbo we recognize the efforts of the business chambers and organizations, which encourage consensus building and act as facilitators in an interactive dynamic of purposeful cooperation with all the authorities at the various levels of government, promoting, above all, a sense of shared responsibility.

For information about the chambers and associations in which we participate, see the Attachments section.

Sembrando Juntos for your Wellbeing

Wellbeing

Circuito Bimbo (Bimbo Circuit)

For a number of years, mankind has had access to an increasing range of appealing technologies that reduce effort and time spent executing various tasks, and communications and games that can be accessed through computers and handheld devices.

As a result, many societies, among them Mexico, have become increasingly sedentary.

With this in mind, in 2013 Bimbo launched its first "Bimbo Circuit" athletic race, an initiative to activate the Mexican population with a fun and wholesome family event.

On Sunday, July 21, the first race was held along the Reforma-Gandhi circuit in Mexico City, and its purpose was to encourage values like healthy competition, respect, solidarity, trust, passion, family togetherness and integration. With more than 17,000 people of all ages attending, including participants and spectators, a 3K walk and 5K and 10K races were held, in various categories. This first edition of the Bimbo Circuit became one of the most widely attended athletic races of its type in Mexico City.

Besides physically activating the population through walks and races, the Bimbo Circuit offered additional activities to encourage integration and family togetherness.

Some of these activities were:

- **CHILDREN'S ZONE:** A mini gym and a mini park, where kids could enjoy entertainment combined with physical activity.

- **ELECTRONIC ZONE:** Using stationary bikes, people helped generate renewable electrical energy, which was used to recharge their cell phones. Through this activity, families learned that exercising is fun, healthy and productive, because it can be a way to help preserve the environment.

  In the same electronic zone, there were spaces available with electronic consoles that encourage physical activity while interacting with video games.

- **CHALLENGE ZONE:** In this zone there were activities like volleyball, where teams had to catch the ball with a towel and challenge the opposite team to catch it with another towel.

  Other activities in the challenge zone included the balance beam, the ball race, where participants competed inside a giant ball to come in ahead of the others; a gigantic game of Jenga; an obstacle course; and many other fun family activities.

All physical activity should be undertaken with each individual's health status in mind. At this event participants were given a free basic medical checkup. The study included glucose levels, triglycerides and cholesterol, as well as waste, weight and height measurements.

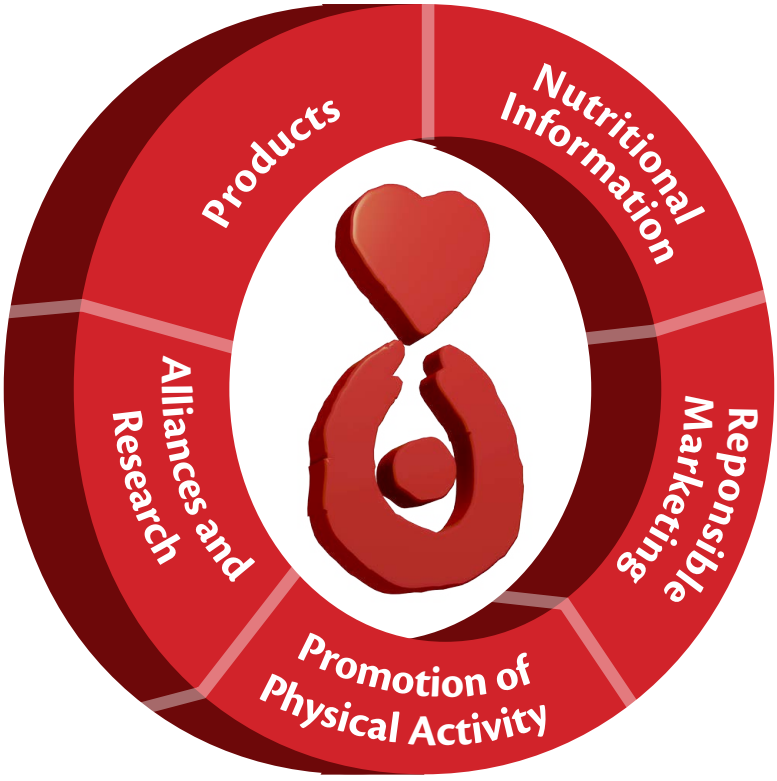
After the medical checkup, participants could visit nutritional education areas, where nutritionists explained how to follow a correct diet.

With all of this, Bimbo Circuit offered a new concept of active family togetherness.

A healthier lifestyle

Through our Sembrando Juntos for your Wellbeing pillar, we reaffirm our commitment to innovation on a day to day basis.

We have created strategic initiatives to offer our consumers a wide variety of products that are part of a healthy diet, and to promote a healthy lifestyle and physical daily activity through measurable brand and action strategies.



Through our Sembrando Juntos for your Wellbeing pillar, we worked consistently on five action lines.

Each of these in turn consists of various lines of strategic action and medium and long-term goals.

Products:

Nutritional profile improvement of our portfolio

Our commitment to offering products that satisfy consumers' needs and meet the recommendations of the World Health Organization (WHO) and United Nations Food and Agriculture Organization (UNFAO), regarding the content of nutrients with a high impact on health, is evident in the actions we take to improve the nutritional profile of our products:

REDUCE nutriments with a high impact on public health, like sugars, saturated fats, trans fatty acids and sodium.

INCREASE the content of beneficial ingredients in nutrients, such as whole grains, fiber, vitamins and minerals, among others.

DEVELOP new options in our product portfolio with healthy nutritional profiles (especially for products aimed at children).

DETECT nutritional deficiencies in vulnerable groups, and as a result, develop products that can help to supplement those needs.

MAKE these options more accessible by lowering prices and making the products more widely available.

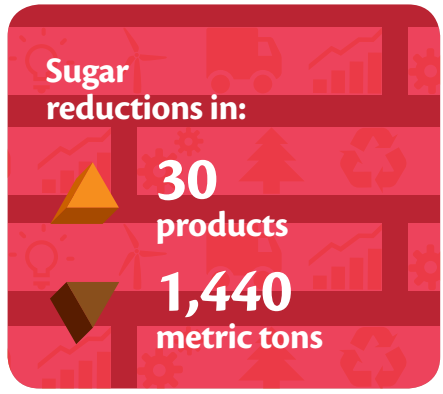
GRI
FP6

Along these lines, in 2013 we worked to reduce sugars, sodium and saturated fats in various products, with the following results:

Reductions

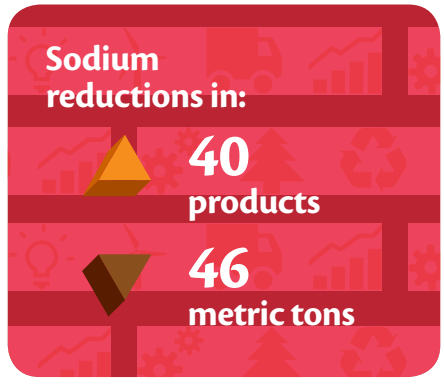
Sugar reduction by organization and by product category:

MEXICO. One product in the cookie category.
UNITED STATES. Three products in the sliced bread category.
LATIN AMERICA. Three products in the cookie category, eight in the pastry category and 14 in the snack cake category.
IBERIA. All of our sliced breads have sugar levels below 3g/100g of product.



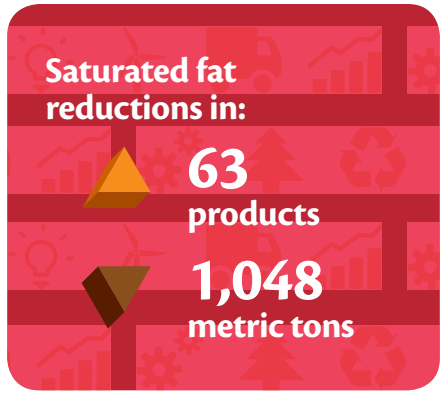
Sodium reductions by organization and by product category:

LATIN AMERICA. 40 products in the sliced bread category.
IBERIA. All of our sliced breads have sodium levels below 1000 mg/100g of product.



Saturated fat reductions by organization and by product category:

MEXICO. 32 products in the cookie and snack bar categories.
LATIN AMERICA. Three products in the cookie and snack bar categories; 12 in pastries and 16 in snack cakes.



At Grupo Bimbo, we reaffirm our commitment to offering products with nutritional improvements, so one of the challenges we have taken on for the coming year is to increase the number of products that have reduced sugar, sodium and saturated fats.

Additionally, at Grupo Bimbo we have a robust research and development program that includes four Innovation and Nutrition Institutes for developing products in Mexico, the United States and Brazil, which help set us to better understand our consumers and continue innovating in the various geographic and demographic zones where our products are consumed, according to their specific needs.

GRI
FP4
FP7
PR1

Launch of various products in Mexico as part of our innovation process

Category	Number of Products
Breads and rolls	12
Snack bars	5
Cookies	19
Snack cakes	10
Pastries	8
Corn	3
Tortillas	4

Nutrient Profiling System

Our innovation process is one of the fundamental ways we are able to continuously improve the nutrient profiles our entire portfolio, either through product reformulation or the development of new products.

We have an internal nutriment profiling system, based on:

- Scientific evidence and international dietary guides
- Disqualifying levels of nutriment content when certain recommendations from international organizations are exceeded.
- Base point scale in accordance to the nutriment levels to reduce (fats, sodium, and sugars) and to increase (fiber and proteins).

Dealing with malnutrition and excess weight

The simultaneous existence of illnesses relating to malnutrition and excess weight due to the lack of micronutriments is one of the most challenging public health problems in developing countries (particularly among the most vulnerable groups, such as children under 12).

Children require balanced diets and a healthy lifestyle that include physical activity as a basic element of their daily routine, in order to attain optimal bodily development. Many of them, however, especially the poorest, do not eat enough, or have limited access to foods that ensure correct nutrition, and as a result, they may be missing nutrients critical to their development and growth, like calcium, fiber, magnesium, vitamin A, B complex vitamins, vitamin C and D, iron, potassium and zinc. The lack of micronutriments, the causes of which are complex and diverse, is correlated with many chronic illnesses and in many cases is due to the insufficient consumption of foods rich in nutriments like meat, eggs, fish, milk, fruits and vegetables.

These micronutriment deficiencies in some at-risk groups, like children, pregnant women or older adults, require food supplements to correct them.

One of the tools we have available for improving health in communities is to take actions to fortify basic foods that our consumers include in their diets on a daily basis, like bread and cereals.

All of the products in our bakery categories are fortified with vitamins and minerals, especially our sliced bread, cookies and snack cakes.

We at Grupo Bimbo reaffirm our commitment to offering product options with better nutriment profiles that are part of correct diets for present and future generations. For this reason, in 2013 we worked to add elements and nutrients to our products, with the following results.

Added elements

	Mexico	United States	Latin America
Bread	10	57	47
Cookies	3	-	-
Pastries	3	-	-
Snack cakes	1	-	5
Tortillas	2	-	-
Snacks	1	-	-
Candy	2	-	-
Total Products	22	57	52

It is important to ensure that all income levels have access to the products we develop to meet their nutritional needs, especially those in vulnerable situations. Accordingly, we try to establish accessible prices in these categories and use popular, widely accepted products as a vehicle to reach our consumers.

We also have the infrastructure to bring our products closer to our consumers, even in the most remote regions.

GRI
PR3
PR6

Nutritional information:

Clear and accessible information for our consumers

Today's consumer is increasingly well informed and concerned about finding alternatives that bring the most benefits. This reaffirms our conviction about sharing detailed specifications with them so that they could make decisions in keeping with their individual lifestyles.

Labeling and nutritional information play an important role in the dissemination of essential information about nutritional value and composition of our products. We pledge to redouble our efforts to provide our consumers with accessible, easy-to-understand nutritional information, in order to help them to make decisions when buying and consuming foods.

At Grupo Bimbo, we sell only products that are permitted under local regulations and comply with 100 percent of regulatory requirements.

Nutritional Labeling Policy

At Grupo Bimbo, we continually review the information presented on our packaging, as well as ingredients and additives used to make them, through established procedures.

As a result of these reviews, and according to our Labeling Policy, our commitments are the following:

- **COMMUNICATE ALL THE INFORMATION REQUIRED BY THE LAWS OF EACH COUNTRY,** and incorporate at least a minimum amount of nutritional information on our packages, detailing the content of nutrients most critical to public health in each portion (energy content, total carbohydrates, sugars, proteins, fats, saturated fats, sodium and any nutrient about which we are claiming some benefit). If this is not possible because of the size of the product and its label, we will make sure this information reaches our consumers through other channels.

- **WHERE THERE ARE NO APPLICABLE REGULATIONS IN FORCE,** Grupo Bimbo will abide by international regulations (Codex) or by the best practices of the many countries where we operate.

- **INCORPORATE OTHER INFORMATION IN ADDITION TO BASIC NUTRITIONAL DATA,** in simple and easy-to-understand front labeling.

In keeping with current legislation 100 percent of our prepackaged products that reach the consumer directly include information about:

- **SOURCE OF THE PRODUCTS COMPONENTS**. Labeling indicates all of the components of the product (list of ingredients).

- **CONTENT OF SUBSTANCES WITH AN ENVIRONMENTAL OR SOCIAL IMPACT.** All ingredients listed in our products comply with applicable laws. In the case of components with a social impact, nutriments with an impact on public health are listed on nutritional labels, indicating the content in the product.

- **DISPOSAL OF THE PRODUCT AND ENVIRONMENTAL IMPACT**. In Mexico, we use biodegradable packaging, which is indicated on the product label.

We also indicate the content of additives and allergens in our products. All of the ingredients and additives used in our products are permitted by law.

Front labeling

We have adopted the front labeling scheme to complement the nutritional information already printed on the back of the food package, and make it more accessible for consumers.

One of the most viable and widely-used form of labeling in the world is modeled after the US Guideline Daily Amounts (GDAs), which are designed to give a general idea of the values a food contains, compared to the established recommendations for healthy adults.

Grupo Bimbo's system for front labeling requires the following:

- **A LIST OF KEY NUTRIMENTS:** energy (calories), saturated fats, sugars and sodium.
- **LOCATION OF NUTRIMENTS** on the front panel to facilitate reading by consumers.
- **CONTENT OF KEY NUTRIMENTS,** referenced to the percentage daily requirement in the diet of the overall population.
- **CLEAR, RELEVANT,** legible and comprehensible format.
- **FACTUAL INFORMATION** sustained by verifiable scientific information.

Applicable to all categories of foods and non-alcoholic beverages without exception.

At Grupo Bimbo, we comply fully with the requirements on labeling of ingredients and nutritional information, and even exceed regulatory standards. On the matter of GDAs, we have a global status of approximately 60%, and we are committed to reach the 100% mark in the second half of 2014.

Statements of nutritional and healthy qualities

For Grupo Bimbo, it is important to clearly and truthfully communicate the nutritional and health benefits of our products.

For this reason, we have a process of internal validation in which our priority is to sustain this type of statement based on rigorous scientific evidence.

We are respectful of the regulatory framework applicable in countries where we are present and verify strict compliance with the defined guidelines for claims regarding any type of benefit in our products. Again, in countries where there are no regulations on this matter, we adopt the best practices of the countries where we are present, or by international regulations like the Codex Alimentarius or other international standards.

GRI
PR6

Responsible Marketing:
Rules for advertising focused primarily on children

At Grupo Bimbo, our advertising campaigns are governed by the principles of our Code of Ethics, so we pledge that these campaigns will contribute to the strengthening of universal ethical values.

Responsible Marketing for children under 12

Following the commitments made before the World Health Organization (WHO) in 2008, at Grupo Bimbo we have pledged to ensure that the marketing we create that is aimed at children complies with the best socially responsible marketing practices established at the global level.

Much of the political attention seen in the international, regional and national spheres has been focused on marketing and advertising for food and beverages aimed at this public. With this in mind, Grupo Bimbo has assumed various commitments that encourage responsible advertising:

- **COMPLIANCE WITH SELF-REGULATORY PROGRAM** for children's advertising.
- **COMPLIANCE WITH THE REQUIREMENTS OF INTERNATIONAL ORGANIZATIONS, LIKE THE WHO**, to include new lines that express an even greater commitment to children's advertising.
- **THE ADOPTION OF PLEDGES**, in which children's advertising is closely linked to nutritional profiles based on scientific evidence backed by world-renowned institutes and organizations.
- **ASSUMING ADDITIONAL COMMITMENTS,** focused on developing nutritional profiles for products that are advertised to children, with the following goals:
  - Ensure that advertising prepared and aimed at children complies with the highest standards of responsible marketing practices established globally.
  - Ensure that those products that we advertise to children represent correct food choices and that the advertising is in the context of healthy lifestyles.
  - Ensure that advertising prepared for and aimed at children is a helpful tool for health education.

On the subject of advertising to children, our compliance with self-regulatory advertising pledges is monitored annually by an independent party defined by the International Food and Beverage Alliance (IFBA), of which we are a member. In the past year, the consultant in charge of this process was Accenture.

Grupo Bimbo Pledge

Advertising messages

In Grupo Bimbo we pledge to develop advertising intended to promote a healthy lifestyle and eating habits among children under 12 years of age, according to the following principles:

- **ADVERTISING FOR PRODUCTS** that represent healthy eating choices, based on nutrimental profiles that are consistent with global standards and based on scientific evidence.
- **ADVERTISING FOR PRODUCTS** that meet the required nutrimental profiles must be developed in the context of a healthy lifestyle, through messages that reinforce the idea of adopting:
    - Correct eating habits, consistent with local criteria established in each country where our products are sold, and with international guidelines based on scientific evidence.
    - Frequent physical activity.
    - Adherence to the established guidelines of the self-regulatory advertising code.

Product Placement

In Grupo Bimbo we pledge not to pay or actively seek to have its products included in programs or editorial content in any media that are aimed primarily at children under 12, for the purpose of promoting the sale of those products, unless they meet the established nutritional profiles.

Product Use / Interactive Games:

Another pledge refers to avoid incorporating the images of its characters or products into any interactive game aimed at children under 12, unless the products represented meet the established nutrimental profiles.

Advertising in schools

Grupo Bimbo pledges not to advertise products in elementary schools unless:

- **THE PRODUCT MEETS** the established nutrimental profiles.
- **THE ADVERTISING IS EXPRESSLY REQUESTED BY SCHOOL ADMINISTRATORS** for educational purposes or in relation to activities that promote a healthy lifestyle, with the supervision of school administrators or parents.
- **IN SOME COUNTRIES THERE ARE LOCAL OFFICIAL GUIDELINES** on the sale of products within schools, and in these cases we pledge to abide by those guidelines on school advertising.

GRI
4.11
FP4

Promoting a correct diet and a healthy lifestyle

We are firmly convinced that a healthy lifestyle can only be obtained through a correct diet and the regular practice of physical activity, both of which are synonymous with wellness.

According to data from the WHO, in developed and developing countries, sedentary lifestyles are considered one of the greatest risks to the population, many times associated with greater access to technology, lack of recreational spaces, the current pace of life, a shortage of time, or problems with crime in public places.

Among the initiatives begun to prevent health risks is the Good Neighbor Program, established by Grupo Bimbo in all our regions, in which we have helped remodel and renovate common spaces close to some of our plants, to encourage physical activity among our associates and the communities that work or live in that zone.

Promotion of physical activity and healthy lifestyles among our consumers

Success story: BIMBO MINI SOCCER Tournament "Futbolito Bimbo"

At Grupo Bimbo, we promote physical activity, love for sports, and family togetherness. That's why in 2013 we once again sponsored the Bimbo Mini-Soccer tournament, which is been held for more than 50 years and has become a tradition not only within our company but in all of Mexico.

This year, for the first time, the event included a 6-day camp designed especially for more than 200 boys, girls and coaches from the eight participating regions who were winners of the tournament. From July 2-6, children participated in a variety of activities like togetherness games, ball passing practice, goal shooting, foot-tennis, foot-baseball, beach football games, nutrition and motivational talks, and recreational and integration games.

To motivate the kids that attended the camp, we invited stars of the Mexican soccer world like Manolo Negreto, who was a member of Bimbo Mini-Soccer in his childhood. Kids were given a chance to hang out with him and learn from his experiences and career.

On Saturday, July 13, Mexico City's central plaza, or Zocalo, was filled with followers of our tournament for the Bimbo Mini-Soccer tournament. In a soccer field set up on the central esplanade, the women's final was played between Morelia and Celaya, and in the men's category, between La Paz and Cancun. The winners were the representatives from Celaya, in the women's category and La Paz, in the men's category. The prize for these two teams was a six-day, all expense paid, trip to Orlando, Florida.

Bimbo Mini-Soccer not only encourages a healthy lifestyle, but promotes values like teamwork, camaraderie and healthy competition, as well as solidarity and perseverance. This year, we once again included the "Green Card" tournament for games, sponsored jointly by *Proyecto Cantera, A.C.*, to award players that showed exceptional sportsmanship on and off the field. Thus, the tournament not only penalizes infractions, but recognizes participants who behave in a positive way.

43 cities in 32 states of Mexico

More than 5,000 games played

More than 80,000 spectators

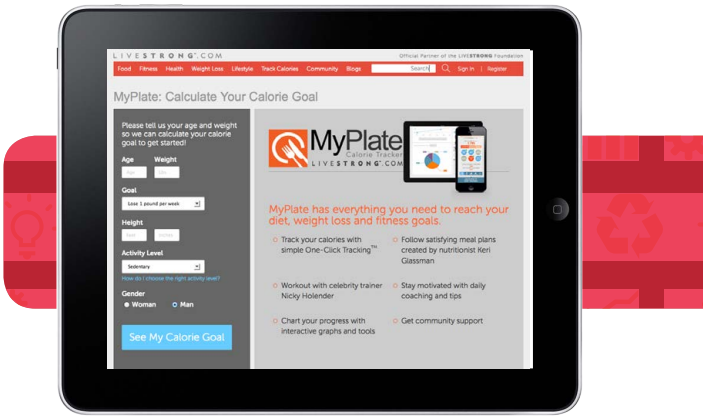
41,000 boys and girls born between 2002 and 2003

3,546 teams from 2,320 schools

With the goal of promoting a healthy lifestyle, we have built up alliances and developed tools that enable us to be closer to our consumers and thus to promote healthy habits, a correct eating, and physical activity with tangible benefits.

Through our website and social networks, consumers of our products and the general public have access to our platforms and general information about diet, wellness and health care, as well as the nutritional profiles of our products. We have a blog called *"Con M de Mamá"* addressed to mothers of children between 0 and 12, that carries articles about childhood nutrition, recipes for kids, and advice.

In the nutrition sections of various of our webpages in Mexico, United States and Latin America, visitors can find links to useful references for eating right and leading a healthy lifestyle, like TheDailyPlate.com, Discover Your Body Mass Index, Get Active – Quick Guide to Healthy Living, *Nutrinotas* Blog (personalized diet plans), practical nutritional lunch options, and others.



Grupo Bimbo's Nutrition Page

Grupo Bimbo's Nutrition page has a section entitled "Meal Plans," where users can find a tool for calculating nutritional recommendations by weight, size, gender, objective and physical activity. Users who access the page receive a personalized eating plan that meets with Mexico's Eat Right Plate, meaning it includes an abundance and balanced variety of fruits and vegetables.

http://www.nutriciongrupobimbo.com/?display=plan
(available only in Spanish)

Healthy Company

Additionally, at Grupo Bimbo we have a program called "Healthy Company," which takes action to promote healthy lifestyles among our associates. One of the actions of this program has been the certification of Grupo Bimbo's company dining rooms in all regions, in which the inclusion of healthy breakfast and lunch menus is one of the key requirements for certification.

Encouraging consumption of fruits and vegetables

To ensure a proper diet and access to critical nutriments and micro-nutrients necessary for the right performance of our body, experts recommend the inclusion of fruits and vegetables in our everyday diet. Various public health programs, like "5 a day," "Dietary Guidelines for Americans" and others, encourage and promote the consumption of these food groups by the general public, and stress their many benefits to human health.

We at Grupo Bimbo understand the importance of encouraging the consumption of fruits and vegetables, so we have developed materials that are published electronically ad in print, recipes and meal plans, which are available through:

GRUPO BIMBO'S NUTRITION WEBSITE
(www.nutriciongrupobimbo.com).

- **HEALTH CONFERENCES AND EXPOS**
- **INTERNAL CERTIFICATION PROGRAM FOR GRUPO BIMBO'S COMPANY DINING ROOMS.**

Among the materials we have developed are the following:

- **Nutrition articles for the whole family:**
  - Eating fruit can help you lose weight.
  - Benefits of fruits.
  - 10 strategies to get kids to eat vegetables.

A fundamental aspect for including fruits and vegetables into people's diets is teaching them where they fit in a general meal plan. We focus on providing attractive, delicious and healthy recipes for preparing fruits and vegetables.

Promoting physical activity
and healthy lifestyles among our associates

The physical and emotional wellbeing of our associates is a priority for Grupo Bimbo. We make an effort to encourage them and their families to adopt healthy lifestyles, through prevention programs.

In Mexico, we have a number of initiatives to reduce the risk of suffering chronic degenerative disease. These include a weight reduction program and an over-40 program, which together have benefited 65,000 associates.

In the US, we developed programs like the Tobacco Cessation Program, which provides various kinds of support to help associates stop smoking, and the Healthy Focus Program, to develop training programs to deal with basic health problems.

In Central America, the "Losing to Win" program encourages associates with weight problems to maintain a correct diet and improve their health. Furthermore, at Grupo Bimbo, we have introduced a series of initiatives to encourage physical activity and the adoption of healthy lifestyles. The following show the results for 2013.

	External		Internal (associates)	
	No. Events	Persons affected	No. events	Persons affected
Mexico	35	796,500	70	22,533
United States	4	11,698	7	--
Latin America	84	33,864	19	1,029
Iberia	12	--	8	--
Total	135	842,062	104	23,562

Some of the activities introduced in organizations are:

- **UNITED STATES AND MEXICO: Barcel Moves your World, impacting 279,500 people.**
- **LATIN AMERICA: "Dancing with Bimbo", impacting 640 persons.**
  - **Venezuela:** "Active break with physiotherapists", impact on 116 people.
  - **Colombia:** Internal soccer tournament, rumba-therapy and yoga, active breaks; impact on 261 people.
  - **Paraguay:** ecological hikes, internal soccer and basketball tournaments; impact on 130 people.
  - **Costa Rica:** "Futsal", impact on 222 people.
- **CORPORATE: Participation in seven health and wellness events and congresses, impacting around 12,000 doctors and patients:**
  - National Conference of the Mexican Diabetes Foundation.
  - National Pediatrics Summit.
  - Mexican Association of Nutritional Faculty Members and Schools (AMMFEN)..
  - Fifth Metabolic Syndrome Conference.
  - International Nutrition and Endocrinology Conference.
  - Expo Nutrition.
  - Race for Patients with Diabetes.

Silueta Bimbo bread joins the international campaign against breast cancer

As a Socially Responsible Company, Bimbo Mexico decided to join the international campaign against breast cancer. The chosen brand was *Silueta* Bimbo, a light bread aimed primarily at women who are watching their health, because it has 42 calories a slice and 50% less fat.

Since 2006, breast cancer has been the primary cause of death by cancer among Mexican women. Most cases occur after 45 years of age, but there are women who develop breast cancer earlier on.

The campaign was launched in October, with the clear goal of raising awareness among the general public about this disease and promoting self-exams and early detection among women.

***Silueta* Bimbo bread** created an alliance with *Asociación Mexicana de la Lucha contra el Cáncer, A.C.* by donating a percentage of the revenues obtained from the sale of the two varieties of this bread – white and high-fiber – to fund 300 mammography studies, support chemotherapy treatment and fund the purchase of breast implants and early detection of cancer.

The campaign was not limited to the economic donations, but also involved:

- **CHANGING THE WRAPPER TO A PINK COLOR SCHEME,** including the traditional pink ribbon, the international symbol for breast cancer awareness.
- **A MEDIA CAMPAIGN ABOUT THE IMPORTANCE OF SELF-EXAMS,** information about the illness and other important data.
- **INTERNAL AWARENESS CAMPAIGN AMONGST ASSOCIATES.**
- **BROCHURES** on how to perform self-exams, distributed in high traffic areas.

This is the first year that Bimbo joined this campaign, and we expect to repeat the campaign in the following years, helping to raise awareness among the general public and encourage the early diagnosis of breast cancer.

Medical visits:

We have provided 18,687 medical visits, where we provide de nutritional benefits of our products; affecting nutritionists, endocrinologists, gynecologists, gastroenterologists and general physicians, through our *Doble Fibra Bimbo*, *Fruttimanía*, *El Buen Cereal Bimbo*, *Barra Silueta* and *Salmas* from *Saníssimo* brands.

In Mexico, we conducted a series of initiatives to reduce the risk of chronic degenerative illness, like the "Weight reduction program," through which we succeeded in lowering 203 associates' weight by a total of 364 kilos after visits with nutritionists, both at the Santa Fe Corporate headquarters and in the Tecnoparque and Marinela Mexico facilities.

Furthermore, under our "Healthy Dining Rooms" program, we diagnosed, trained and certified 36 dining rooms, whose certification processes have the following status:

"Health Dining Rooms" Implementation Plan (Phases)

1) Diagnosis

5 dining rooms

Bimbo Villahermosa, Marinela Villahermosa ,Mundo Dulce, Barcel Gómez Palacio, El Globo.

2) Training

18 dining rooms

Bimbo Santa María, Bimbo Azcapotzalco, Marinela Mexico, Wonder, Galletas Lara, Bimbo Toluca, Suandy, Bimbo Puebla, Bimbo Chihuahua, Bimbo Hermosillo, Bimbo Mexicali, Bimbo Tijuana, Barcel Mérida, Ricolino San Luis, Barcel Atitalaquia, Barcel Mexicali, Bimbo Venezuela Gurenas, Bimbo Colombia Tenjo.

3) Approval for certification

5 dining rooms

Galletas Gabi, Tía Rosa, Bimbo Veracruz, Bimbo Mérida, Barcel Lerma.

4) Certification

8 dining rooms

Bimbo Guadalajara, Marinela Guadalajara, Bimbo San Luis Potosí, Bimbo Irapuato, Bimbo Mazatlán, Bimbo Monterrey, Marinela Monterrey, Ricolino Toluca.

Alliances and research: Strategic alliances

In search of solutions to the problems associated with malnutrition, we forged alliances with various agents, encouraging inter-disciplinary cooperation for effectively addressing these issues on various fronts, through the development of comprehensive programs. These agents include authorities, NGOs and society.

With governments, participating in and supporting the implementation of public health policies.

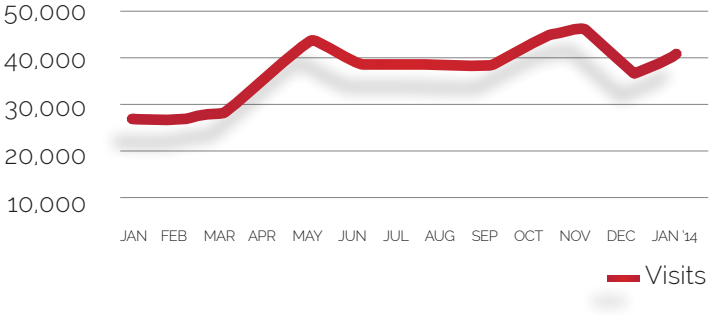
With non-governmental organizations, supporting various programs and actions focused on promoting healthy lifestyles.

With opinion leaders, jointly communicating with consumers on the benefits of healthy eating and an active lifestyle.

With academic and research institutions, moving forward on the innovation of products and technologies that can enable us to offer products with substantially improved nutritional profiles.

- **GRUPO BIMBO'S NUTRITION WEBPAGE.** **Our Nutrition webpage had an increment of 42% of visitor traffic.**

Visits to Grupo Bimbo Nutrition in 2013



Additionally, our webpage included new sections and redesigns, such as:

- **SPECIAL RECIPE SECTION FOR PEOPLE WITH DIABETES,** pregnant women, active sports players, children, low sodium and low calorie diets. New section called "The Eat Right Plate," and glossary of terms.

- **ONLINE INQUIRIES:**
  - **Online nutritionists** to answer individual questions (response in less than 12 hours)
  - **New digital resources.** We join in the YouTube video trend with Bimbo *Nutricápsulas.*
  - **We have info-graphics, e-books and a blog called *Nutrinotas*,** with up-to-date information on Health and Wellness.

Social networks:

- **FACEBOOK: BIMBO NUTRITION.** Approximately 100,000 followers.

  In 2013, the number of Facebook followers grew by 197%. We have a team of nutritionists, recipes with Grupo Bimbo products, capsules, info-graphics, and health and wellness tips.

- **FACEBOOK: *"CON M DE MAMÁ".*** Approximately 50,000 followers.

  In 2013, we saw a 128% growth in the number of followers.

  Valuable content for mothers and children, with practical and nutritious recipes using Grupo Bimbo products.

- **TWITTER.** Approximately 4,500 followers.

- **TWITT CAMS WITH NUTRITIONISTS,** publications and articles about health, wellness, and our products.

Sembrando Juntos for our Planet

Planet

Grupo Bimbo's Ecological Sales Center

Grupo Bimbo has a long history of distribution and businesses in Mexico City, where the company began its operations more than 60 years ago and where it has launched countless projects that demonstrate its commitment to the community and the environment.

Under the PLANET pillar, the environmental arm of Grupo Bimbo's "Sembrando Juntos" corporate social responsibility program, Grupo Bimbo has undertaken a series of tasks in recent years to reduce the environmental footprint of its operations, covering practically all areas of its value chain.

In October 2012, Grupo Bimbo completed an ambitious project with the startup of its Piedra Larga wind farm, the largest in the world serving a food company, and supplies electrical energy from a clean, renewable source to all the company's facilities in Mexico.

At the start of 2013, in order to continue this emblematic project, Grupo Bimbo began to design and build the first Ecological Sales Center, located in historic downtown Mexico City, where all the initiatives of its PLANET pillar come together: reducing carbon footprint, water footprint, integral waste management, natural capital.

Its location was strategically selected for the characteristics of that zone and its current environmental challenges. The Ecological Sales Center will represent the complete cycle of sustainability for the company's operations, using the energy generated at Piedra Larga to move the distribution vehicles that will service that zone.

Grupo Bimbo's first Ecological Sales Center will enable it to combine its efforts in the areas of savings and efficient use of energy, water saving, vehicle technology and integral waste management.

Through the Ecological Sales Center, Grupo Bimbo operates 73 electric vehicles to distribute Bimbo, Marinela and Tía Rosa brand products in historic downtown Mexico City, sustainably and in an environmentally respectful way.

The building was modernized through the following actions:

- Greater use of natural lighting.
- Use of energy-saving lamps.
- Installation of environmentally friendly toilets
- Green walls.
- Air generator.
- Systems for capturing rainwater and using it for building sanitation.
- Water recycling.
- Total recycling of water for vehicle washing.
- Replacement of internal combustion engine vehicles with electrical trucks.

Because of their location in a strategic area of the city, Grupo Bimbo's new facilities are ideal for the operation of electrical vehicles for distribution, particularly because they operate in an area where distances are short and streets are flat, which will enable them to drive at low speeds on all their routes.

Because these are environmentally friendly facilities and have 73 electrical vehicles that will no longer be consuming fossil fuels, Grupo Bimbo can help improve the environmental situation of the nation's capital. The Ecological Sales Center will effectively contribute to reducing emissions of contaminants, preserving infrastructure and improving mobility in a zone of Mexico City that is emblematic to its image around the world.

Our experience on the environmental care has evolved as shown in the graph:

1991
Energy saving policy and rational use of resources

2001
1st "Industria Limipia" Certification

2002
Environmental Management System

2007
"Committed to the environment" program

2012 / 2015
"Sembrando Juntos" Strategy in all value chain

Environmental Footprint

Looking forward to achieve our 2015 Vision, which states that by this year Grupo Bimbo becomes a reference with international recognition in environment aspects, we are firmly committed to safeguarding the environment.

We strive to optimize all our processes to avoid a negative impact on our environmental footprint, and to this end we continue to work our four main action lines: Carbon Footprint Reduction, Water Footprint Reduction, Waste Management and Natural Capital.

Keeping our path on the four action lines:

- Carbon Footprint
- Water Footprint
- Natural Capital
- Waste Management

GRI
EN16
EN18

How we guide our efforts

Carbon Footprint

We established an ambitious goal for 2015, which considers to reduce in 27% our carbon dioxide equivalent emissions tons (CO_2e), which are produced by our facilities and vehicles. This takes 2009, as the baseline year.

In 2013, we implemented several actions to achieve this goal, and to reduce our environmental impact of our operations as well as our suppliers'.

Within our main concerns, is the seek, development, and implementation of new technology alternatives, and good practices that can help us to diminish the emissions that contribute to the climate change. We continue to measure our actions, registering and analyzing the emissions based on the GHG Protocol (Greenhouse Gas Protocol Initiative) and the Mexican Protocol for Greenhouse gas effect) GEI.

We keep on working on the actions reported on previous years, specifically in our 2012 report, since they are permanent initiatives that ensure the reduction and control of our emissions. Additionally, in 2013, we were able to obtain the first results and measurements of some actions implemented in the previous year.

Also we implemented new actions on 2013.

- **PIEDRA LARGA WIND FARM, LOCATED IN OAXACA, MÉXICO.** First operation year.
- **SUB METERING. ENERGY MANAGEMENT & GLOBAL MONITORING**
- **HIGH EFFICIENCY AIR COMPRESSORS.**
- **HIGH EFFICIENCY EQUIPMENT IN THE SERVICE GENERATION SUCH AS**: air compressors and refrigerating compressors.
- **MACHINE ROOMS FREE OF COOLING TOWERS.**

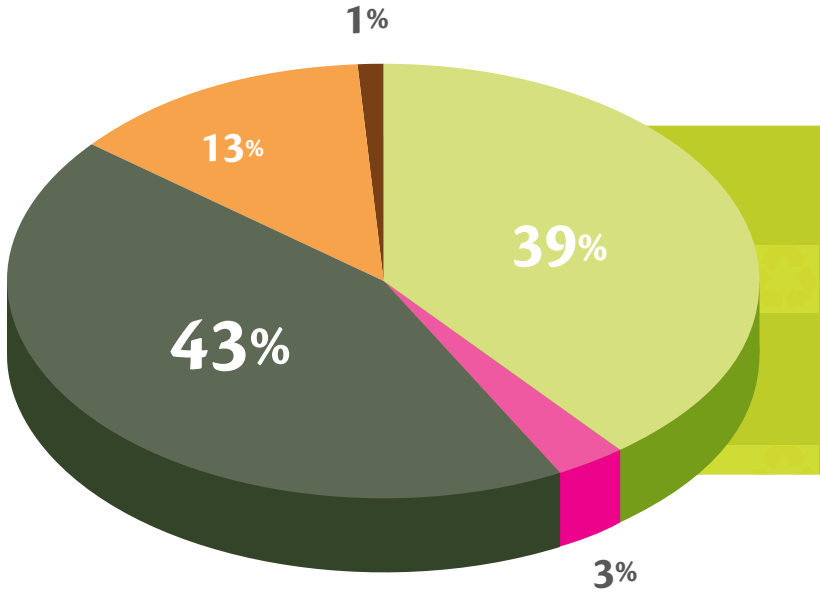
Derived from all our efforts, this year we are able to report emissions for all of our organizations, as follows:

Distribution of fuel use

Emissions T CO_2e				
Grupo Bimbo	2010	2011	2012	2013
Natural Gas Used in Factories	336,211.00	341,495.00	451,354.95	433,959.72
Natural Gas Used in Vehicles	0.00	0.00	0.00	6.87
LP Gas Used in Factories	25,031.00	29,405.00	28,668.50	29,348.01
LP Gas Used in Vehicles	5,824.00	4,276.00	2,828.78	1,623.77
Diesel Used in Factories	4,494.00	4,821.00	5,073.34	5,113.84
Diesel Used in Vehicles	444,012.00	456,960.00	714,265.07	478,237.28
Gasoline Use in Factories	0.00	0.00	0.00	0.00
Gasoline Use in Vehicles	128,302.00	132,840.00	146,009.68	147,875.23
Other factory fuel (fuel oil)	5,841.00	4,451.00	5,520.28	7,657.96
Total Direct emissions CO_2e	950,216.00	974,418.00	1,353,720.60	1,103,822.66
Electricity	287,430.00	286,376.00	424,327.12	300,472.49
Total Indirect emissions CO_2e	287,430.00	286,376.00	424,327.12	300,472.49
Total Emissions CO_2e	1,237,646.00	1,260,794.00	1,778,047.72	1,404,295.15
TOTAL SCOPE 1	950,216.00	974,418.00	1,353,720.60	1,103,822.66
TOTAL SCOPE 2	287,430.00	286,376.00	424,327.12	300,472.49

Fuel Emissions in CO_2e

- Natural Gas Used in Factories
- Natural Gas in Vehicles
- LP Gas Used in Factories
- LP Gas Used in Vehicles
- Diesel Used in Factories
- Diesel Used in Vehicles
- Gasoline Use in Vehicles
- Other factory fuel (fuel oil)



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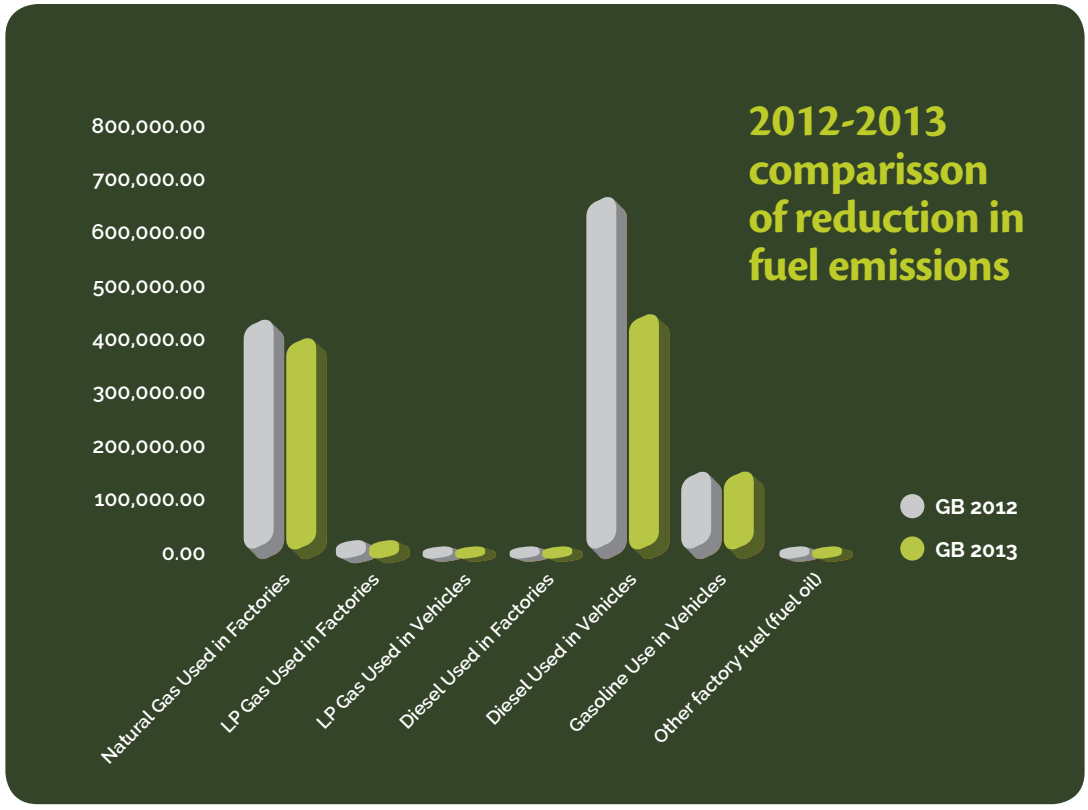

Continuing with our goal and objective accomplishment, we will increase the scope of our measurements to report, as well, as we will continue measuring our operations in the United States and the rest of the Company in accordance with our strategy.

According to the measurements of the NOx and SOx this year, we are working on unification of standards, in some of our organizations, to report in the following years, reason why we are only reporting the United States data.

Tons	
United States (T)	2013
NOx	153.90
SOx	0.92

Note: As part of our indicator information improvement, the United States data was included beginning on 2013.

Additionally, at Grupo Bimbo we approach the management of refrigeration systems and appliances with the highest levels of concern for their potential impact on the environment. We have implemented a Refrigeration Management System, which monitors all our equipment operations. Through the information we will get from this system we will be able to make informed decisions about equipment repairs or replacement, with this program, we ensure our leadership in the sustainable environmental management.

Case Study: Moldex

Electric Vehicles

Daniel Servitje, committed to caring for the environment, envisioned a sustainable vehicle fleet powered by renewable energy.

On September 1, 2012, engineer Arturo García, General manager of Moldex, accepted the challenging of making this vision a reality. He assembled a design team called VEDETEC (the Spanish initials for Electric Vehicles and Technological Developments) out of young Mexican engineers and technicians who shared his passion for this idea, focused on creating an innovative solution to this challenge.

Like any great dream, reaching a solution involved facing and breaking with paradigms, like skepticism over the how the vehicle would function and be driven, time and other pressures. But thanks to these young people eager to help their country, contribute something to the planet and prove that Mexico, too, can offer high-quality innovative products and services, they have carried this dream to unimaginable heights day after day.

The original vision was to convert an internal combustion engine to an electrical one. As the project developed, however, the idea became more ambitious: to design a totally electric vehicle with as many domestically-made components as possible.

The first prototype was a conversion-engine vehicle called the MX45. Conversion—which meant replacing the internal combustion drive train for a 100% electric drive train—was proposed a solution to give an additional ten years of useful life to vehicles in the fleet that had completed their life cycle. In just three months, exhaustive tests were conducted of the design, engineering, programming, manufacturing and performance, to ensure that the technology developed was mature enough to face situations on the road. The team worked steadily despite limited space, labor and tools. The solution led to an order of the first electric vehicle fleet for the Ecological Sales Center. These have been monitored by the Group's Department of Vehicles and Technical Studies, and with its provided feedback the results have been positive.

As the project continued its course, the next goal was to build a completely new vehicle with improved and augmented technology designed by the VEDETEC team. An electric vehicle assembly line was introduced, increasing Moldex's possibilities for technological development, as embodied in the new MX70 unit. Encouraged by these successes, more ambitious projects emerged, such as increased technology, cost reductions, production process streamlining, development of technological improvements, longer useful lives and a more sustainable product.

GRI
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Fuels

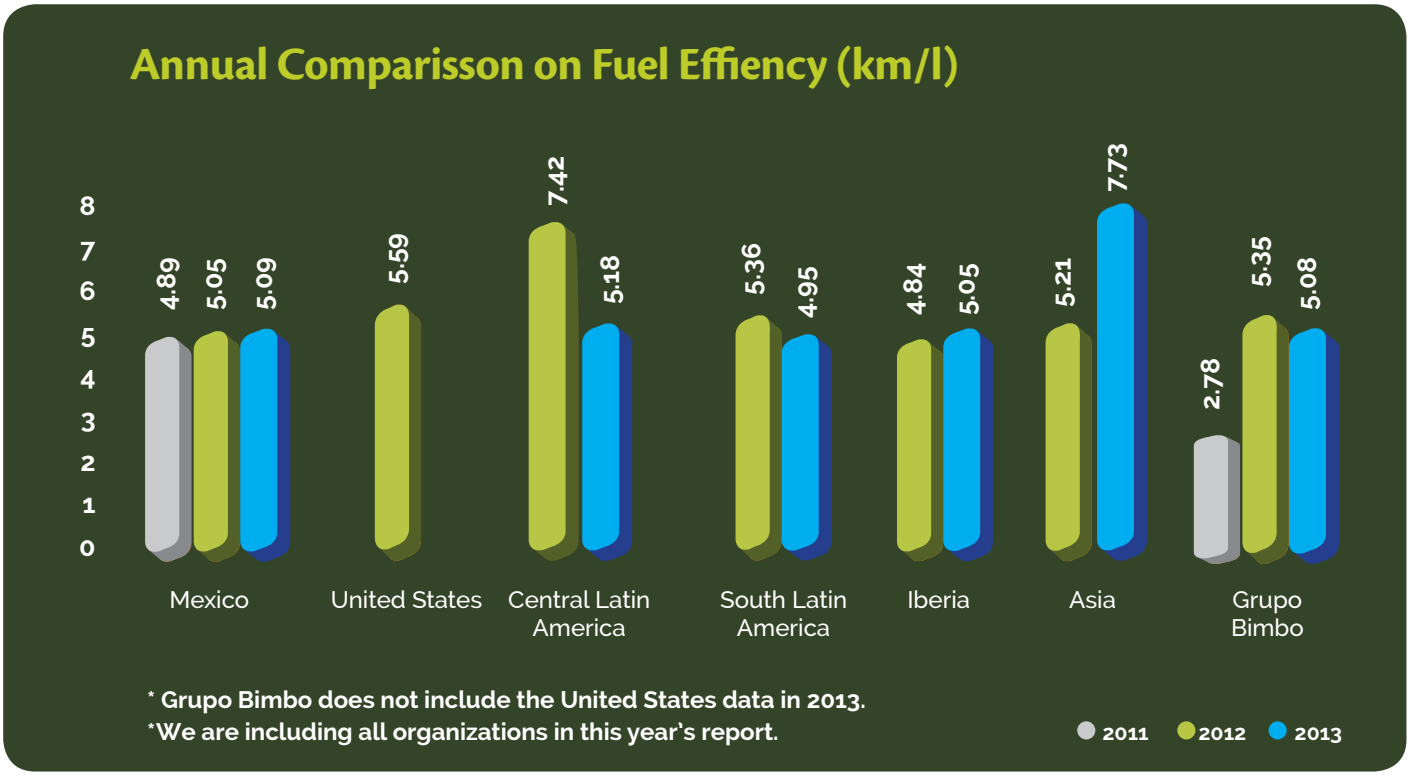
Vehicles

We are also concerned about reducing the impact that the transportation of our products and materials have on the environment. A relevant action in our group is the conversion of our regular distribution vehicles into electrics, made by Moldex, as shown in the study case. We are the first company to develop and assemble electric vehicles for our own deliveries.

Our company, in the United States is piloting several alternative fuel vehicles - Electric Vehicles in New York City, Compressed Natural Gas Vehicles in Ohio, and also Biogas Vehicles in California.

In 2013, we implemented some initiatives that complement the ones that we started on 2012 (See the appendix section). Some of them are:

Initiatives	2013
Training for instructors: Eficient & Technical driving	Shared in facilities and sale centers.
Conversion of fuel vehicles into electric ones	39 trucks.
Auto regulation	1,324 Vehicles
Clean Transport	70 Vehicles
Tests for vehicle conversion, from fuel into Compressed Natural Gas	2 Vehicles
Redesign of 42 feet trailers to increase cargo capacity	118 42 feet trailers.
Integration of Ad Blue or Urea technologies in transports for reducing Greenhouse gases	22 Semi-trailers.
Integration of transports into the EURO4 norm	37 Semi-trailers.
Training on Eficient & Technical driving. (Semarnat)	Continuous Program
Ecologic Sales Center including electric vehicles	73 Electric vehicles.



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Thermal Energy

Continuing the activities under the initiatives and best practices that we established in previous years, looking forward to reduce the thermal energy consumption required by our operations in terms of shutoff controls, equipment optimization, and high-efficiency burners in combustion equipment.

This includes the best practices reported last year, which are:

1. HEAT EXCHANGERS FOR RECOVERING HEAT FROM COMBUSTION CHIMNEYS.
2. MAGNETIC TREATMENT FOR WATER HEATERS.
3. SOLAR PANELS (THERMAL-SOLAR SYSTEMS).
4. HIGH-EFFICIENCY BURNERS.
5. IMPROVEMENT IN STEAM SYSTEMS.
6. EASY HEAT: HOT WATER EFFICIENCY STEAM EXCHANGER.
7. RECOVERY AND CONDENSATION SYSTEMS: TRAPS AND PUMPS.
8. INSTALLATION OF RADIANT SURFACES.

We have made significant progress, as shown below:

Energy Consumption				
Grupo Bimbo in GJ	2010	2011	2012	2013
Natural Gas Used in Factories	6,308,151.37	6,095,813.33	8,038,092.18	8,124,528.58
Natural Gas Used in Vehicles	-	-	-	122.58
LP Gas Used in Factories	424,985.32	465,626.59	453,960.32	464,720.13
LP Gas Used in Vehicles	89,991.08	66,080.26	44,759.30	25,692.52
Diesel Used in Factories	62,086.06	66,603.61	24,866.67	13,827.22
Diesel Used in Vehicles	6,145,778.60	6,315,369.12	9,650,926.42	6,461,792.57
Gasoline Use in Vehicles	1,933,510.29	1,984,229.19	2,108,443.12	2,135,382.42
Other factory fuel (fuel oil)	97,950.19	74,638.08	92,566.54	120,108.49
Total direct energy consumption from non-renewable primary sources (Acquired)	15,062,452.91	15,068,360.19	20,414,993.10	17,346,174.53

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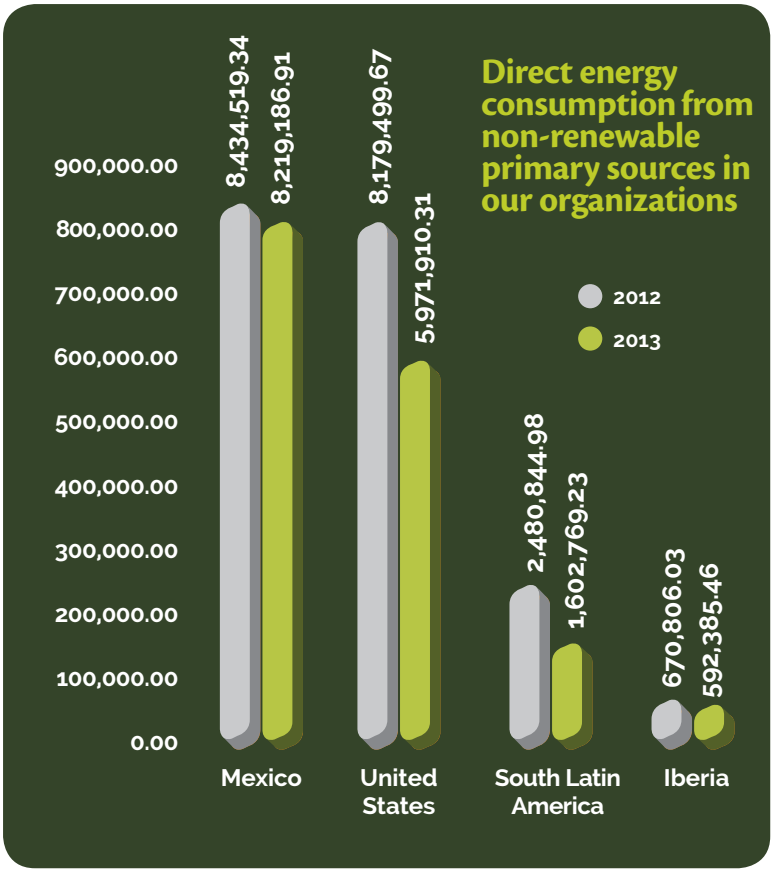
As an example to the improvements that have taken place in our Group, we show the achievement that our organizations in Mexico, United States, Latin America, and Iberia have made:



Reduction of direct energy consumption from non-renewable sources

3,068,818 GJ

2012 vs 2013

Electric Energy

Looking forward to reduce the indirect consumption, we updated some aspects of our operations, through the use of the most recent technologies in the market. This helps us follow the best practices implemented on previous years.

These include, but are not limited to:

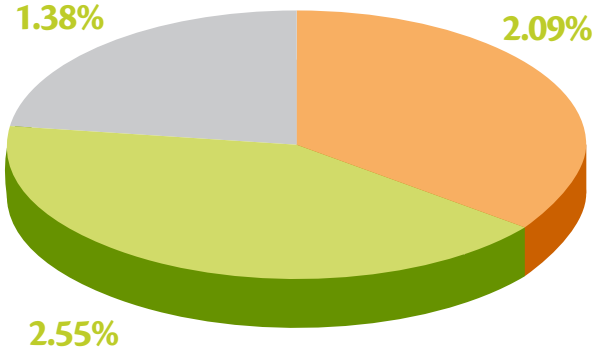
- HIGH EFFICIENCY COMPRESSORS: AIR AND REFRIGERATION.
- REGENERATIVE BLOWERS TO AVOID COMPRESSED AIR CONSUMPTION.
- HIGH EFFICIENCY LIGHTS WITH SAVINGS BETWEEN 30 AND 50% IN ELECTRIC ENERGY CONSUMPTION.
- VARIABLE FREQUENCY DRIVES FOR TORTILLA PRESSES AND EQUIPMENT WITH ENGINES LARGER THAN 30HP, AS WELL AS TEMPERATURE CONTROLS.
- HIGH EFFICIENCY ENGINES.

The next information presents the consolidated consumption of Indirect Energy consumed by our Company.

Grupo Bimbo GJ	2010	2011	2012	2013
Total indirect energy consumption from non-renewable primary sources (Acquired)	2,260,513.13	2,271,171.27	3,072,959.12	2,473,933.00
Wind Energy	-	-	136,185.58	758,391.86
Total	2,260,513.13	2,271,171.27	3,209,144.71	3,232,324.86

We made important electric energy savings in many of our organizations, and were able to measure its efficiency thanks to the implementation of best practices, already mentioned above.

% of Electrical Energy Savings. Efficient Use in relation to the previous year for Organizations with best results



- United States
- Central Latin America
- Iberia

For detailed information, consult appendix section.

Alternative Energies

The consumption of wind energy in Mexico, represents 23% of Grupo Bimbo's total indirect consumption around the world and the 72% of the consumption in Mexico.

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Piedra Larga Wind Farm

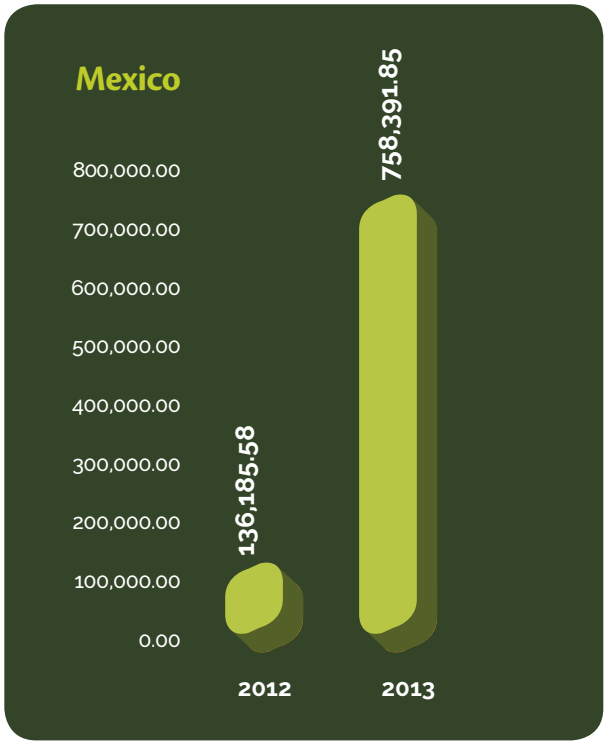
Results of the first year of operation

A little more than a year after starting up operations at the Piedra Larga Wind Farm, clean energy has been supplied to 58 centers, including all of the Bimbo, Barcel and El Globo plants in Mexico, as well as other buildings owned by our company and affiliated companies, avoiding the emission of 130,000 metric tons of CO_2 into the atmosphere, equivalent to the consumption of 172,000 barrels of oil equivalent.

We are proud to note that, in recognition of these benefits, in 2013 the project was awarded the prize for best corporate social responsibility practices by the Mexican Center for Philanthropy (CEMEFI).

The Piedra Larga wind farm, provides electrical energy for the first Ecological Sales Center, which allows that our electric vehicles are transformed into environmental friendly. This is the reason why we call them wind-driven vehicles.

Our Piedra Larga wind farm is already a fact that provides of electrical energy to most of our facilities in Mexico.



As an example, we present the behavior that this aspect had in Mexico. For more details please consult the appendix section.

Our renewable energy consumption increased to 522,206.27 GJ and on 2013 we have the complete data of all Grupo Bimbo including Asia.

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Waste Management

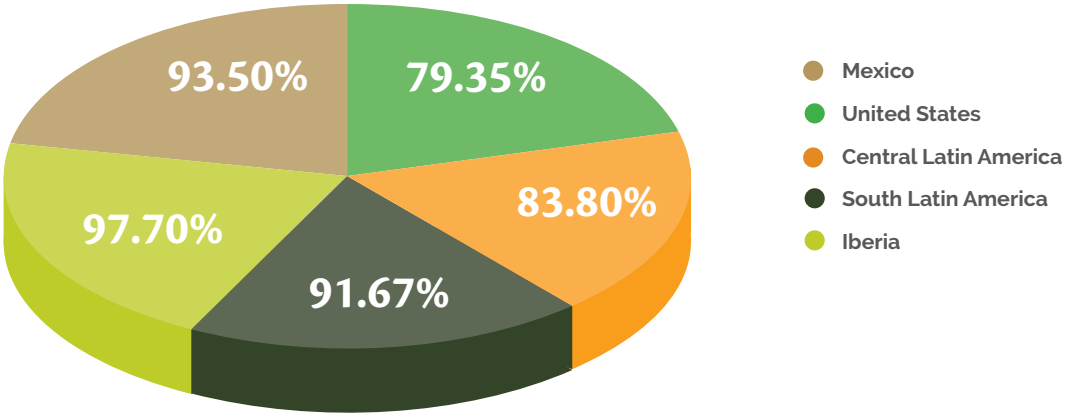
Strategy for this initiative includes aspects that go from programs focused on the waste reduction up to recycling programs through the value chain.

We are searching for innovative and sustainable solutions for waste management, always abiding by the applicable standards and legislations. We are approaching our zero waste goal. Actually, the amount of wastes that are sent to landfills from our operations is minimum, since we have accomplished to value many of the remains. Through our integral program of waste management are recollected, handled, transported, and treated by different methods such as recycling, management, soil remediation, industrial sludge, and others in continuity with our action lines started in 2009.

The following graphs show the amount of wastes generated per organization in Grupo Bimbo. This year, the recycling results were favorable and strengthened our commitment of intensifying each year our environmental initiatives.

In our company, wastes are not transported. The waste disposal is managed by authorized outsourcing.

Percentage of recycled remains, presented by organization.



Total recycling at Grupo Bimbo
147,902 TON

91.41% of the wastes generated by all of our organizations are recycled.

Recycling

TerraCycle

One recycling success story in part of our value chain is the campaign we carried out together with TerraCycle.

In 2012, we strengthened our sustainability strategy by amplifying the potential of our alliance with TerraCycle. In February 2013, we negotiated an expansion into new categories: sweet bakery products, candy and chocolates. Currently our Bimbo, Pan Dulce Bimbo and Ricolino brands are the spokesmen and representatives in the categories of packaged bread, packaged sweet bakery products and candy wrappers.

Two years after we began our nationwide campaign, we have collected more than 1.1 million packages in these three categories, comprising 10 metric tons of bread bags and sweet bakery, candy and chocolate wrappers that are no longer contaminating the environment and have been transformed into raw materials for use in the production of plastic articles. This could not have been achieved without the support of brigade volunteers formed into a total of 2,291 teams, made up of more than 160,000 Mexicans that participated directly in these three brigades.

We maintain close communication with the TerraCycle operation teams, and were able to contribute 1.1 metric tons of obsolete pre-consumption bread bags to the collection effort.

We also introduced alliances with key commercial partners of Grupo Bimbo, promoting similar collection efforts at various other groups and corporations.

One important example is Cinépolis, a movie theater chain that promoted Bimbo's collection program among its almost 12,000 employees at 243 locales, and adapting its day-to-day activities to collect almost all of the Bimbo hotdog roll bags and wrappings of Ricolino products sold in movie theaters throughout Mexico. With this, Grupo Bimbo indirectly helps to sponsor cataract surgery funded by the Cinépolis Foundation and its *"Del amor nace la vista"* (Seeing is believing) program, with funds raised during six month of operation.

Our Entenmann's Little Bites brand has partnered with TerraCycle for a post-consumer recycling campaign of the packaging foil. This program will be expanded to other BBU brands in 2014.

Reduction

Packaging

Caring for the environment begins with proper use of the materials needed for products and packaging. We are always working on managing our materials efficiently, seeking to innovate through environmentally friendly technologies, that allow us to reduce our footprint without compromising the quality of our products.

Following up on our Packaging Optimization Strategy, in 2013 we began to introduce high-performance resin in Mexico, through which we reduced the amount of plastic used in our packaging by 13% for our 450g package of Bimbollos and 19% for the 10-piece bag of Tortillinas. In the United States, we improved the quality of our bags and reduced their thickness, reducing plastic usage by 13% in more than 500 packages. In Latin America we continued this effort, reducing package thickness by 19% in 6 presentations in Brazil, and by 6% in 9 presentations in Chile.

	Thousands of Kg Reduced	Tons de CO_2 Reduced
2010	394,862	704
2011	99,804	155
2012	164,706	274
2013	963,965	1,602

The combination of all these efforts was reflected in a reduction of close to 96,000 kilograms in the amount of plastic packaging released into the environment, equivalent to reducing the amount of carbon dioxide equivalent emitted into the air by 1,600 metric tons.

Also in Mexico, in 2013 we sought out other new alternatives for product packaging. We replaced polystyrene, a plastic used in El Globo sales processes, for a more environmentally friendly material that continues to meet the highest standards of quality, food safety and price. As a result of thorough research and the dedication of our team, we now have a packaging material that is produced with sustainable inputs and processes. The package is made primarily out of cornstarch, and because this is a highly biodegradable material, the normal disintegration time for the plastic has been reduced from an average of 500 years to just 90 to 240 days in a composting landfill.

In 2014, we will continue our projects to reduce the amount of plastic in our packaging, using high-performance resins developed by our Innovation Center together with our Suppliers and Research Centers affiliated with CONACYT; with these resins, we should be able to reduce the amount of packaging material used, improving their technical properties and thus their quality. We will also continue projects to optimize and improve our packing systems to guarantee optimal operation of our value chain, in the interests of further protecting the environment.

Water Footprint

Achieving our water targets remains a challenge, and we have therefore continued applying best practices to further reduce water consumption. In 2013, our global water consumption was of 8'999,545.49 m³.

1. Introduction of dry cleaning technologies.
2. Steam cleaning.
3. Installation of environmentally friendly water saving toilets.
4. Recovery of water for irrigation.
5. Reuse of treated water in cooling towers.
6. Regular checking for leaks.

7. "Grey water" recovery systems.
8. Capture of rainwater in cisterns.
9. Recovery of water used in softening processes.
10. Awareness-raising campaigns.
11. Cooling system: Distributive pumping and automatic flow control.
12. Machine rooms free of cooling towers.

Water Reduction

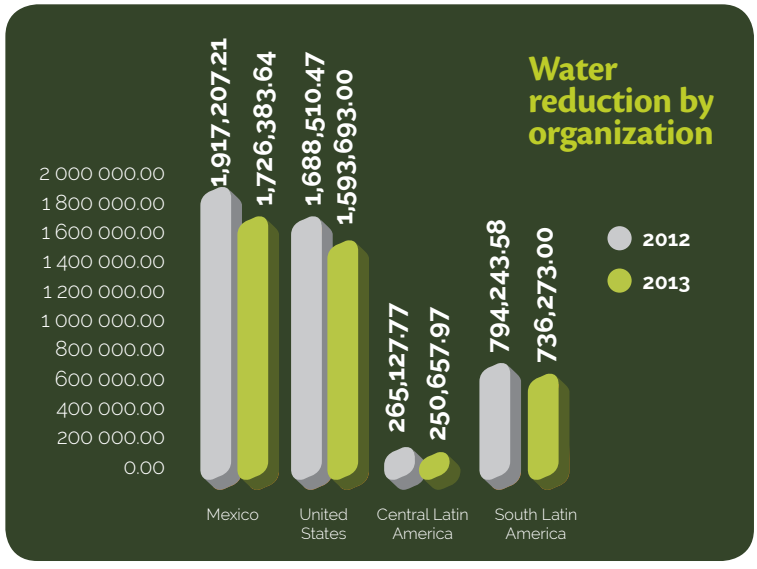
In 2013, this consumption accomplished a reduction in the water use at global entry. This year, for the first time, we used international parameters to raise our measurements in Asia. This included the direct water consumption in this region (see appendix).

Direct water consumption reduction 2012 vs 2013 is

312,479 m³

Grupo Bimbo in m³	2010	2011	2012	2013
Surface water, including water from wetlands, rivers, lakes, and oceans; ground water	1,159,128.00	1,190,956.00	1,548,220.94	1,334,809.51
Rainwater collected directly and stored by the reporting organization			0.00	3,964.60
Municipal water supplies or other water utilities	2,556,650.00	2,653,157.00	3,264,031.75	3,160,998.64
Total	3,715,778.00	3,844,113.00	4,812,252.69	4,499,772.75

Nota: An improvement in the indicator is the caption of the rain water data in the facilities.



Water capture by extraction source

This year we also included information from some of our sales centers where we will keep working on the measurements and water consumption improvements.

Source	Amount of captured water
	2013
Rain water	2,119.00
Municipal water supplies and from other water suppliers	438,883.00
Total volume of captured water	441,002.00

*We will continue working with the measurements to include more sale centers in our report.

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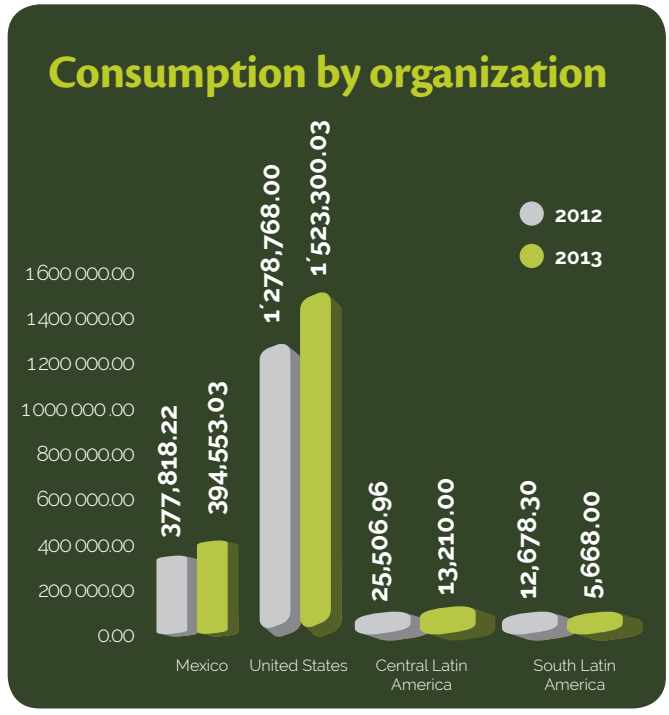
Reuse /water recycling

We continue recycling and reusing water in our water treatment plants located in Mexico, Latin America, Spain and Asia. The reused water from our processes goes through a number of chemical and/ or biological treatments to remove contaminants. The final objective is to recover clean water that meets the parameters set in the regulations and that in turn allows us to reuse it for different purposes such as landscape irrigation, washing vehicles or in cooling towers.

Grupo Bimbo in m³	2012	2013
Total volume of water recycled / reused.	1,278,768.00	1,523,300.03
% of total volume of consumed water that was recycled / reused	33%	32%

We show the following examples with the best performances of our organizations.
To see detailed information on all of our organizations, please see the appendix section.



On the matter of the reported discharge into the Cajititlán Lagoon and the Ideal plant at Quilicura, we have taken note of the events described and took the necessary actions in collaboration with the authorities. We are currently following up on the situation.

Discharged water quality (COD)

Grupo Bimbo	2012	2013	
In cubic meters per year (m³/yr) by treatment method	1,801,862	2,117,430.54	
If reporting organizations pour water effluents or process: report of water quality in terms of total volumes of effluent using standard effluent parameters such as biological oxygen demand (BOD), total suspended solids (TSS).	10,599,049.11	7,309,281.72	kg de removed COD

During the reporting period, there were no significant spills of oil, fuels, and chemicals to report.

Natural Capital

Projects developed with suppliers

Within our "natural capital" initiative, we have taken on the challenge of improving our value chain through ambitious efforts with our suppliers, and are approaching our goals for:

- SUSTAINABLE PALM OIL.
- ENVIRONMENTAL LEADERSHIP PROJECTS WITH OUR MAIN SUPPLIERS.
- ENVIRONMENTAL CONSERVATION AND IMPROVEMENTS.

Some examples of these efforts are:

We introduced a Supplier Development Program, focused on strategic small and midsize enterprises (SMEs) that provide raw materials to El Globo. Simultaneously, we trained and audited suppliers from the replacement category at Bimbo, S.A., In order to learn how they handle their businesses and their attitude toward sustainability. The areas we evaluated were: planning, procurement, production, maintenance, distribution, sustainability and general aspects.

With our top suppliers, we introduced best practices in the area of sustainability, in order to optimize production of potatoes, corn and wheat. We made a continuous effort to improve our best practices in this field by placing a priority on the purchase of environmentally friendly products.

Grupo Bimbo has a local program to migrate toward the sustainable use of palm oil. Our suppliers have pledged to guarantee a sustainable supply of palm oil before 2015, through a procurement certification process.

Additionally, since 2011 we have been working with the Mexican environmental protection agency PROFEPA and our suppliers on a program called "Environmental Leadership for Competitiveness," in which we promote the efficient use of resources through easily applied methodologies. This strengthens our relationship with local and global suppliers by helping them to discover new ways to improve. We now have three generations of suppliers and a total of 42 companies that have taken part of the program.

Another event last year was the International Meeting of Grupo Bimbo Suppliers, in which recognitions were given to suppliers that introduced best sustainable practices in conjunction with our Company. We also updated the checklist that will be included in supplier audits for 2014. With this tool, we will be able to verify the practices of each of our suppliers in the area of sustainability.

In 2013, we completed the Forest Footprint Disclosure questionnaire, which serves as a guide for defining sustainable procurement strategies for our Group.

For the second time, in 2013 we joined forces with Walmart Mexico and Central America in an event called "Together for a Better Planet," in which we had the opportunity to exchange best practices with various companies. We invited our suppliers to share their sustainability programs in order to encourage collaboration in favor of the environment, both within Grupo Bimbo and externally.

We invited more than 30 suppliers that currently work with us to also take part in various discussion panels. During the event, we introduced our new electric vehicles, developed by Moldex. We were proud to see the interest these vehicles attracted, because it tells us that we are the right track for making our sustainability strategy into a globally replicable model.

Through this type of action, we helped our suppliers to improve their business practices and their business conscience, while building a panel of sustainable suppliers.

We are working to comply with all the applicable standards and legislations on environmental matters. If any deviations from these are detected, we carry out a thorough evaluation and investigation of facts and take the corresponding actions and follow up as appropriate.

Social Responsibility guides this Group's daily actions, and is a primordial factor in our economic, social and environmental performance. We operate with the highest quality standards in making our products, and we continuously monitor and check our processes, and introduce measures to improve them by making them more simple and environmentally friendly.

Environmental Conservation and Improvement

In 2012, we had prepared a map to detect possible biodiversity impacts at our 158 production plants.

This exercise helped us to understand how proximity to sites that are a priority for biodiversity and to populations of endangered species affect the risk of an impact on biodiversity. However, the most important finding in this process was that all of the Group's production plants are located in urban or semi-urban areas and that they therefore have little significant impact on these areas as a whole.

Nevertheless, in keeping with local regulations at the Lehigh Valley Plant in Pennsylvania, alternative controls were introduced for rainwater management. Conventional conduits and transmission stations were replaced by rainwater attraction gardens and riparian forested buffer. The attraction gardens enable the facilities to control the replenishment of freshwater, while the riparian forested buffer protects swamps from the impact of erosion caused by runoff. The buffer also provides a satisfactory habitat for wildlife in the zone.

A report published in 2010 by the United Nations Environmental Program (UNEP) entitled Evaluation of Environmental Impacts of Consumption and Production; Priority Materials and Products, demonstrated that the most significant environmental impacts from the food industry are produced in supply chains linked to agriculture, most notably through the emission of greenhouse gases, the omission of eutrophicating and toxic substances, water extraction and land use.

With these findings in mind, in 2013 we redirected our strategy toward identifying how we might be affecting ecosystems through our raw material supply. We focused our strategy on the impact of agricultural and livestock activity that provides the main products we consume at our plants in Mexico.

For 2014, we will identify the risks associated with biodiversity in strategic supply sites for Grupo Bimbo. This will be done spatially and on-site. As a result of these analyses, we will define best production processes to lessen the effects and improve our value chain.

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Also our offices are part of the environmental strategy.

Environmental actions taken at the Corporate Offices of Grupo Bimbo in 2013

In Mexico we carried out the following actions in our corporate offices located in Santa Fe, Mexico City:

- Piping in treated water for irrigation instead of having it brought in on tanker trucks.
- Turning off air circulation units (eight 5 hp units) and instead opening windows and using natural ventilation.
- Change in the water pressure system from five pumps (three 7.5-hp and two 5hp units) for an integrated-frequency automatic startup system.
- Change in elevators (in process) to a system that regenerated energy during braking, based on a Green Power, Permanent Magnet Synchronous Gearless Drive Motor. This system does not generate carbon or oil waste, requires no forced ventilation and is 50% more efficient than the current system. It also has a control panel that eliminates down time and unnecessary movement. Savings are 4kW, 50% of current usage.
- Change of outdoor lighting for LED lights, eliminating half the light fixtures (a savings of 5,000 watts).
- Changing of all the core building lighting to LEDs, reducing consumption by 50% (1,000 watts).
- Changing all the building lighting for a 30% reduction (25,000 watts).

In the United States we carried out the following actions in our corporate offices located in Horsham, PA:

- Senior Sustainability Leadership Team is creating a greener Corporate Office with installation of high efficiency lighting, sensors, hand dryers vs. paper towels, and increased recycling efforts.
- All BBU Bakeries were enrolled in the EPA Energy Star Challenge. The goal is to reduce energy consumption by 10% at each plant over the next 5 years.
- The new Rockwall Bakery was awarded the Silver Certificate by the Leadership in Energy & Environmental Design (LEED)
- The new Lehigh Valley Bakery is expected to be awarded Gold LEED Certificate

GRI
EN11
EN13
EN14
EN15

Reforestamos México

Reforestamos México is a nonprofit organization that works to protect the rain forests and woodlands that this country needs for its development.

Created as an initiative of Grupo Bimbo in 2002, the success of its operations over more than a decade has made it one of the leading rainforest and woodland protection organizations in Mexico.

In order to preserve the natural capital of this nation's forests, *Reforestamos México* seeks to ensure that they generate goods and services in a sustainable manner, bearing in mind environmental, social and economic aspects. Its focus is to empower the individuals and communities who depend on these forests to generate capacities and obtain a dignified income from the responsible use of natural resources.

Reforestamos México works together with companies to invest in reforesting areas with a high conservation value. In 2013, in an alliance with 46 companies, among them Grupo Bimbo, more than 9,100 volunteers were brought together to support the reforestation of 90 hectares of woodlands in priority areas like the Nevado de Toluca in Mexico State and Bosque La Primavera in Guadalajara.

The organization also promotes the relationship between forestry companies and major firms by promoting responsible procurement policies, and beyond that, by helping to develop forestry product suppliers in their value chain.

In 2013, *Reforestamos México* focused on developing a Forestry Business Development Agency model that operates in southeast Mexico. Currently, this agency works with 100 people organized into 10 groups that will become forestry companies with products as diverse as wood and honey, or ecotourism businesses.

Another priority zone is the Nevado de Toluca in Mexico State, where the Agua Blanca community worked with two groups engaged in farming trout, mushrooms, and sheep and operating a tree nursery for reforesting the area.

In 2013, the organization was awarded the status of consultant to the United Nations Economic and Social Council (ECOSOC). It was also named one of the "100 Innovators for the Next Century" by the Rockefeller foundation.

By working together with communities and empowering individuals to develop productive activities in rain forests and woodlands, *Reforestamos México* has increased the number of hectares under sustainable forestry care to a current total of 263,565, and supported the development of 233 individuals from 26 committees in carrying out 27 productive projects.

REFORESTAMOS MÉXICO, A.C.

The Sentinels of Time in Mexico

This mystic living entities have inhabited Mexican territory for hundreds of years, crossing the barrier of centuries and standing witness to our history and the key events that have shaped the nation.

There are thousands of species of Mexican trees, and their existence and diversity benefit the planet and human civilization in myriad ways. These are the sentinels of time.

Identifying the oldest and largest examples and taking action to protect and conserve them is an important task, which ensures the heritage of living species for surrounding communities and gives them an environment that can sustain life.

Reforestamos México, a non-profit organization whose mission is to protect the rainforests and woodlands Mexico requires for its development, has been working to create a registry of Mexico's majestic trees. This registry is a proposal by civil society to prepare a catalog of the most outstanding examples in our national territory, bringing together information on the historic, cultural, religious and environmental importance of these trees.
To support creation of the National Majestic Tree Registry, Reforestamos México created a photo contest called "Sentinels of Time", in which the general public is encouraged to seek out and portray these titans for subsequent classification as "majestic". The first edition was published in 2007, and since then two more have come out.

Since this context began, 2,000 photographs of examples from various regions of the country have been received. The following are a few key facts and figures:

- **12,608 visitors to www.centinelasdeltiempo.org**
- **2,535 users registered at www.centinelasdeltiempo.org**
- **694 nominated photographs**
- **1,979 users registered to vote in the contest**

The most important result, however, has been the registry of 212 majestic trees in 27 states of Mexico. Additionally, and a product of this initiative, alliances have been formed with the government of the state of Oaxaca and municipal governments of Guadalajara, Cuernavaca and San Juan del Río to promote the conservation of stands of such trees.

Together with governments, private enterprise and civil society, *Reforestamos México* is working to make these majestic trees icons that inspire people to live in harmony with the country's rainforests and woodlands. The contest also serves to record the geographic location and characteristics of majestic trees to strengthen the National Mexican Tree Registry. This initiative seeks out the most outstanding examples existing in Mexican territory in order to promote local actions to preserve them.

As we head toward 2015, we will continue our efforts to remain true to our vision, which is approaching culmination. We select the best practices and seek to replicate them in all of our operations and across the entire value chain. We still have a long way to go, but we are sure that with the combined efforts of our associates, suppliers and stakeholders, in 2015 this group will be firmly established as a leading force for environmental sustainability.

Sembrando Juntos for our Community

Comunidad

Dash Berlin

***Fundación Pro Mixteca* is proud of its track record of successful results in the Mixteca region of Oaxaca state, where there are communities living in conditions of extreme poverty.**

The Foundation has developed a series of productive projects that give these people the hope and the tools to seek a better quality of life. All of this helps to reduce levels of poverty and benefits local communities.

Barcel, with the support of the *Fundación Pro Mixteca* and its work in this region of the country, organized a tour by Dash Berlin, one of the world's most popular DJs , to eight cities in Mexico and three communities in the Mixteca zone--Santo Tomás, Nunuma and Cuquila--which *Fundación Pro Mixteca* works with.

The main goal was to build a bridge between young people and involve them more actively in social responsibility while having fun and creating a connection with Barcel's slogan from a musical angle. The slogan, "Move your world," has a double meaning: get active, and improve the world around you.

GRI
EC9

Dash and Barcel representatives were received in the Mixteca region by Doña Tere, Doña Dominga, Doña Evarista and Luz, and together they visited the communities. There they got to know some amazing human beings, with an unparalleled talent for making handmade traditional clothing and other products. Doña Tere gave Dash a traditional serape called a *jorongo* that she had made, exquisitely crafted and designed, for which the performer thanked her and wore for the rest of his trip.

In an exchange of music and culture intended to support progress and development, inhabitants of the zone showed the musician their own dances and music, in the most moving moment of the trip.

In gratitude, Dash and Barcel invited some representatives of the communities to the DJ's concert at the Mexico City Arena. Barcel organized a campaign to publicize the concert with youth through the social networks, inviting them to join in the action and the event. The campaign also urged young people to send in their best ideas for changing the world, and the 250 best suggestions were given free tickets.

A percentage of the box office revenues for the Dash Berlin concert were donated to the *Fundación Pro Mixteca* to continue its efforts with the communities of Oaxaca. The donation amounted to MXN669,200 in addition to the money that women from the region earned in selling their craft at the concert.

The public reaction was extraordinary. There were a total of 20,000 spectators present, along with the news media, who provided excellent coverage of the event.

Thanks to Dash Berlin, who asked to be part of one of Barcel's charitable projects, the work this brand has been carrying up for several years both with DJs and other volunteers, the *Fundación Pro Mixteca* and the tremendous response of the public, the Mixteca community gave all those present a tremendous sense of excitement, social awareness and gratitude, which they will always remember as an experience of enjoyment, movement and shared commitment that will without a doubt "Move your World".

Value Chain

For some years now, at Grupo Bimbo we have sought a closer connection with our suppliers and clients, two essential links in our value chain.

In order to better address this aspect and increase our impact on the community, we worked to reclassify the links in our value chain, defining activities we need to carry out with each of them to satisfy the requirements of our stakeholders.

The result of this work is shown in the chart below, which illustrates the Group's value chain, and the process by which we will be working as of 2014.

Grupo Bimbo's Value Chain

WHERE: Sembrando Juntos	WHAT WE DO: create the best flavor	HOW: we bring our brands closer	WE HAVE THE BEST OPTIONS TO: nourish and delight you.	LONG TERM ALLIANCES.	WHY we work for a better future
SUPPLY	OPERATIONS	DISTRIBUTION AND SALES	MARKETING	CLIENTS	POST CONSUMPTION
33 Suppliers of raw materials audited.	144 Plants in 19 countries 4 nnovation and Nutrition Centers.	More than 52,000 RUTAS DE DISTRIBUCIÓN 1000 DISTRIBUTION ROUTES	More than 10,000 PRODUCTS in more than 100 PRODUCTS	More than 2'2200,000 points of sale	Alliance with TERRACYCLE LIMPIEMOS NUESTRO MÉXICO
• Code of conduct for suppliers • Green Purchasing program	• Piedra Larga Wind Farm • Good Neighbor Program • Reformulation and development of healthy products	• Green Fleet, Ecological sales center	• Responsible marketing • Promotion of a healthy lifestyle	• Training and speciallized consultancies. • Attention for improvements of the operation and management of their business. • Client development	• Sustainable packaging • Terracycle Brigades

OUR ACTIONS

Below we share the progress we have made in the past year and are continuing in 2014.

Clients

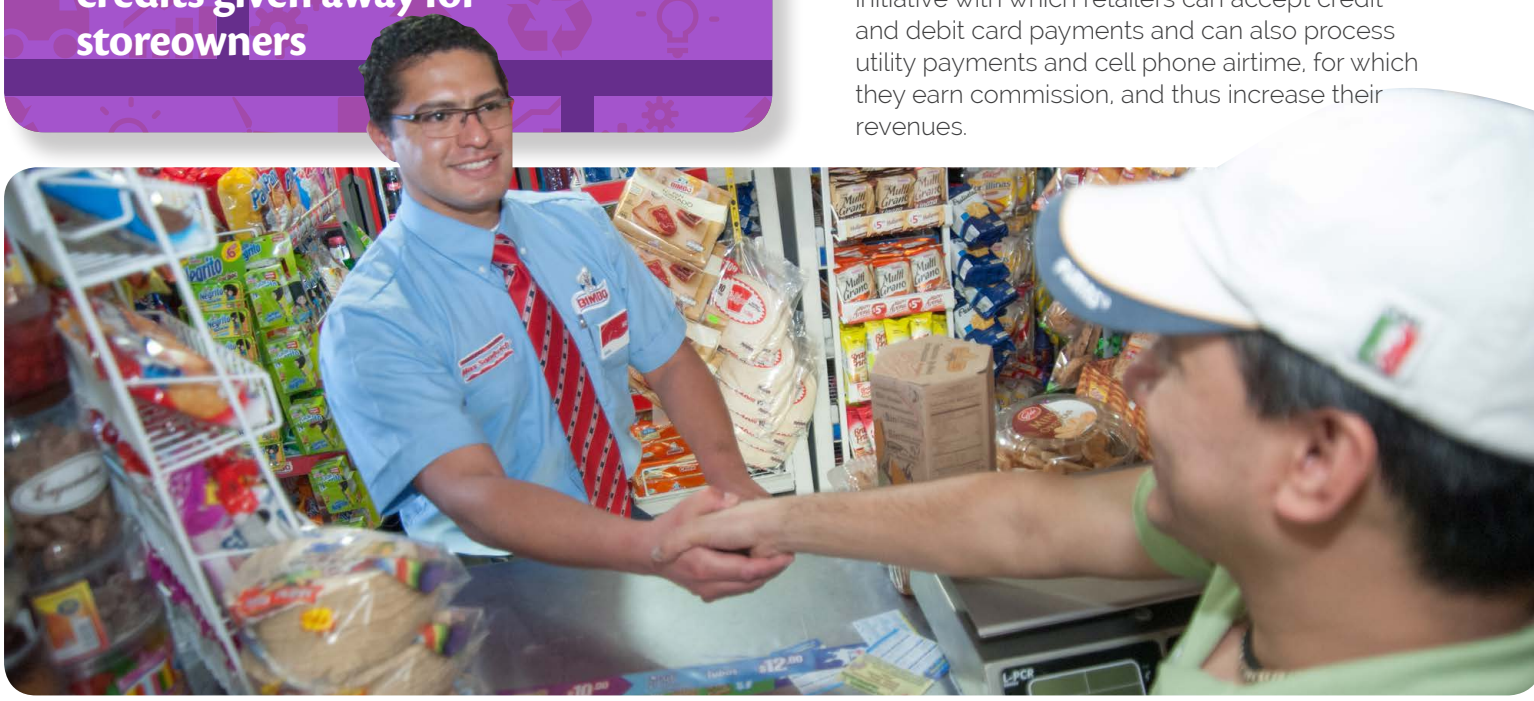
We continue our ongoing pursuit of long-term alliances with our clients, which benefit us all.

We focused on the development of small and mid-size enterprises by providing training and specialized consultancy so that they can improve their productivity and professionalism, and thus increase their revenues and profits.

Main activities:

- In Mexico, service to 137 storeowners in issues relating to the management and operation of their business.
- Loans to 328,898 storeowners in Mexico through the "Pesito" program.
- In Panama, we monthly train storeowners through FUNDAES.
- Remodeling of 49,319 retail local stores. Encouraged by the success of this program, we have introduced a similar type of assistance in other countries, like Argentina.
- Support for the institution *Pro Empleo Productivo*, under which we trained 617 people to start their own business or build existing businesses.
- Together with Visa, in Mexico we began an initiative with which retailers can accept credit and debit card payments and can also process utility payments and cell phone airtime, for which they earn commission, and thus increase their revenues.

328,898
credits given away for storeowners



GRI
EC6
FP1
FP2
FP5

Suppliers

Since 2008, the year in which we formally introduced sustainable practices into our procurement processes, we have been working on aspects like incorporating biodegradable packaging, integrating more certified suppliers in the palm oil and wood categories and finding ways to provide greater clarity and certainty to those who supply us with various inputs and materials.

Another area we worked on in 2013 was developing a supplier sustainability audit. In 2013, we put together an initial sample of 33 suppliers that were incorporated into Grupo Bimbo's audit process. We are looking to voluntarily sign up more suppliers to for the audit, which encourages good documentation practices and accurate record-keeping.

Supplier that specialize in the raw materials used in packaging are evaluated through the international Negotiation, Operation, Innovation and Supply (NOIS) standard. Among the requirements for compliance are: preferably to be manufacturers, to be formally incorporated, and to be in compliance with the laws of the country in which they operate. Last year this audit process was conducted for 127 raw materials and packaging suppliers. Because responsible production is fundamental for Grupo Bimbo, and to ensure our products are completely safe, the audits conducted of our raw materials and packaging suppliers are consistent with certifications backed by the Global Food Safety Initiative (GFSI).

In Mexico, we encourage our suppliers to join in our commitment to human rights. All of the contracts we sign, regardless of their legal nature, include a human rights clause, with which we seek to ensure their commitment for respect and compliance with this principle.

Along these lines, in September 2013, the official supplier of uniforms for Bimbo Iberia, established in Bangladesh, forwarded to us its adhesion to the United Nations Global Compact, as well as the creation of an RSC 2013-compliant Code of Ethics, signed by its top management.

The environmental aspect is crucial, so we focus on working on various actions along our value chain, reviewing our environmental issues with our suppliers. We obtained the following results in Mexico:

- **WE INTRODUCED THE SUPPLIER DEVELOPMENT PROGRAM,** focused on strategic small and mid-sized enterprises (SMEs) that are suppliers of raw materials for El Globo. At the same time, we trained some suppliers for Bimbo, S.A. in learning how to manage their businesses and educating them about sustainability. The areas evaluated were: planning, procurement, production, maintenance, distribution, sustainability and general aspects.

- **WITH OUR MAIN SUPPLIERS,** we introduced best practices in sustainable farms, in order to optimize production of potatoes, corn and wheat. We strive at all times to improve our practices in this field, in order to produce environmentally friendly products.

- **SINCE 2011 WE HAVE BEEN WORKING WITH THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY (PROFEPA)** and our suppliers in a program called "Environmental Leadership for Competitiveness," in which we promote the efficient use of resources through easily applied methods. This has strengthened our relationship of local and global suppliers, who we've also helped to discover alternatives for improvement. We have now worked with three generations of suppliers, with a total 42 companies that have participated in the program.

- **ALSO DURING THE YEAR, WE HELD OUR ANNUAL GRUPO BIMBO** Suppliers Meeting, in which we recognized those who work with our company in introducing best sustainable practices. We updated the verification list that will be included in supplier audits for 2014, so we can review sustainability practices for each of them.

42 suppliers have taken part of the program "Environmental Leadership for Competitiveness".

- **IN 2013, WE FILLED OUT THE FOREST FOOTPRINT DISCLOSURE QUESTIONNAIRE,** which serves as a guide for defining our sustainable strategies regarding purchasing for the Group.

- **FOR THE SECOND YEAR IN A ROW, WE JOINED WALMART MEXICO AND CENTRAL AMERICA IN AN EVENT CALLED "TOGETHER FOR A BETTER PLANET,"** in which we exchanged best practices with various companies. We invited our suppliers to share and collaborate in environmental programs both within Grupo Bimbo and externally.

- **ANOTHER ASPECT OF OUR SUSTAINABILITY STRATEGY IS AN INITIATIVE CALLED "NATURAL CAPITAL,"** designed to promote actions across our value chain. We invited more than 30 suppliers that currently work with us, and participated in various discussion panels. During that event we had the opportunity to introduce the electric vehicles developed by Grupo Bimbo subsidiary Moldex. We were very proud to see the interest these vehicles inspired, which confirms to us that we are on the right track to converting our strategy into a model that is replicable elsewhere in the world.

Through this type of action, we succeeded in improving business practices and raising awareness amongst our suppliers, helping to create a panel of sustainable suppliers.

GRI
EC1
EC8

Community development:
Education; Health and Physical Activity; Environment and Rural Development.

Donations

Reaffirming our social commitment, in Grupo Bimbo we are concerned about caring for and supporting the communities where we operate.

We have various fundamental programs in the following general areas: promoting physical activity and health, environmental conservation, social development and indigenous development, and education.

Through our donations budget (which is regulated by corporate policy), we support these communities. In 2013, we allocated 2.0% of our net profits of 2012, year in which the 2013 budget was assigned, for the support of around 300 charitable institutions with cash and in-kind donations.

2.0%

of our net profits of 2012, year in which the 2013 budget was assigned, for the support of around 300 charitable institutions.

Donation Policy

Most of the countries in which we are present have a budget for community development. This is assigned by the Donations Committee, which is in charge of authorizing projects and amounts. Once a donation is authorized, it is channeled to non-profit institutions that share our key areas of concern.

GRI
4.12
FP4

We promote a healthy lifestyle
We encourage a better quality of life

Health and Physical Activity

One of our primordial concerns is promoting health and nutrition and encouraging physical activity.

As part of our Social Responsibility strategy, in 2013 we supported various institutions dedicated to these goals. **Some of these were the following:**

- **FOR THE FIFTH YEAR IN A ROW, WE SUPPORTED *FUNDACIÓN NEMI, A.C.*** in a cycle of conferences entitled "*Salud en Onda*" (Cool Health) in which high school students from different states of Mexico were invited to lead healthy lifestyles that include a balanced diet and regular physical activity.
- **WE SUPPORTED 19 DELEGATIONS OF THE MEXICAN RED CROSS** in its efforts to efficiently serve people who are too poor to be covered by the Social Security system, through pre-hospital ambulance and inpatient service.
- **WE ALSO BECAME ONE OF THE FOUNDING** members of the institution *"Queremos Mexicanos Activos,"* (We Want Active Mexicans) which promotes physical activity across the nation.
- **WE CONTINUED TO FIGHT AGAINST MALNUTRITION** and support the physical and mental development of highly disadvantaged children through institutions and programs like *Fundación Tarahumara, Nutre un Niño* and *Comer y Crecer, A.C.*

More than
68,000
students, 700 children and 60 families

More than
4,220
medical checkups,
607
patients,
700
consults

More than
950
indirect beneficiaries

Environmental care

Caring for the environment is another part of our Social Responsibility strategy. To this end, we support and promote a number of environmental initiatives.

We channel most of our budget in this area to the development of programs in conjunction with Grupo Bimbo's civil association, *Reforestamos México, A.C.*, which brings together companies, government, organized civil society, farming cooperatives, communities, academy and the news media to ensure the sustainability of the nation's rain forests and its woodland areas and services.

REFORESTAMOS MÉXICO, A.C.

For more information, visit http://www.reforestamosmexico.org/

Rural Development

Together with other institutions, we developed programs to help solve the needs of the most vulnerable rural communities.

Some of these are described below.

- **FOR THE FIFTH YEAR IN A ROW, AND TOGETHER WITH *FUNDACIÓN CIE*, COCA-COLA, HSBC AND *FUNDACIÓN PORVENIR*,** we supported the renovation of shelters for indigenous schoolchildren operated by the National Commission for the Development of Indigenous Peoples. This year we worked on restoring the "General Lázaro Cárdenas" Indigenous School children's Shelter in the community of Santa Cruz de Guaybel, in the municipality of El Nayar, Nayarit, benefiting 104 boys and girls from 22 surrounding communities.

More than
33,500
beneficiaries

Almost
5,500
children benefited

7,150
people trained

- **THE DEVELOPMENT OF MEXICO'S INDIGENOUS AND RURAL COMMUNITIES IS OF THE OUTMOST IMPORTANCE,** so we support various institutions in developing self sustainable communities, positively affecting their quality of life and adding value to society. Some of these are: *Fundación León XIII, Fundación Mexicana para el Desarrollo Rural, México Tierra de Amaranto, Patronato Pro Zona Mazahua* and *Fundación Zona Pro Mixteca.*

- **FOR THE FIRST TIME WE SPONSORED A FREE TRAINING COURSE GIVEN TO MORE THAN 20 INSTITUTIONS.** The main target was to improve their reporting techniques to provide more transparency and better information to their stakeholders.

- **TWICE EVERY YEAR, WE INVITE NONPROFIT ORGANIZATIONS TO OUR SOCIAL RESPONSIBILITY FAIR,** in order to find new ways to help the neediest, raising funds by selling articles and serving as a bond between our associates and the institutions we support. This year, the fair was held at our corporate headquarters and at some plants of Organización Barcel, and was attended by 23 institutions.

24 productive projects implemented

Almost **2,000** medical visits

More than **300** women trained

350 people benefited from farms and orchards

24,570 hours of training

Education and Childhood

At Grupo Bimbo, we know that social progress can only be achieved through education, and that is why we channel support to various institutions that seek to improve educational quality.

Some of the institutions we support are:

- ***INSTITUTO DE FOMENTO E INVESTIGACIÓN EDUCATIVA, SUMA POR LA EDUCACIÓN AND MEXICANOS PRIMERO*** are institutions that promote initiatives for the ongoing improvement of public and private education in Mexico.

- **TOGETHER WITH FUNDACIÓN TELEVISA AND OTHER ORGANIZATIONS,** we once again sponsored the values calendar and Teaching Support Guide for 2012-2013, which promotes a philosophy of respect for and promotion of universal values in the nation's elementary and middle schools. This year, we reached more than 13 million elementary schoolchildren and more than 6 million high school students.

- **WE BENEFITED 400 STUDENTS IN THE ENTREPRENEURS AND BUSINESS OWNER PROGRAMS,** providing 600 hours of consultancy to this group. The initiative was carried out together with *Impulsa*, an institution that teaches young people how our economy works and its influence in our daily lives. In the United States, we supported the same organization, called Junior Achievement.

- **IN THE UNITED STATES, WE SUPPORTED ENACTUS,** a community of student, academic and business leaders committed to using the power of entrepreneurial action to improve the quality of life of the most needed people. With the same organization, we started up 14 self sustainable products that benefit needy communities, with the help of university students in 16 states of Mexico.

- **AS WE DO EVERY YEAR, WE SUPPORTED THE SCHOOL SPONSORSHIP PROGRAM AT MEXICO CITY'S *PAPALOTE* CHILDREN'S MUSEUM,** through which we invited underprivileged primary school children to visit the Museum in Mexico City and in Cuernavaca and learn through interactive experiences. This year, more than 9000 children benefited. We also helped build a new facility called *Papalote Verde* in the state of Nuevo León.

- **TOGETHER WITH THE PARENTS UNION,** we trained 384 people through courses, workshops and talks on integral and harmonious personal development. We also trained 18 instructors to give these workshops.

More than
300,500
families benefited

More than
500,000
teachers

More than
6'000,000
high school students

More than
13'700,000
boys and girls

Almost
5,000
indirect beneficiaries

Natural Disasters

We are aware of the importance of responding to the needs of people affected by various types of eventualities, so we created the Grupo Bimbo Fund for Natural Disasters.

It is made up of contributions by our associates and the company, which consists on cash and in-kind support to associates who have suffered the effects of some natural disaster.

In 2013, Mexico was hit by heavy rains that affected various regions, causing flooding and irreparable damages in many areas. Among these were the state of Guerrero and the cities of Piedras Negras, Coahuila; Poza Rica, Veracruz; Mazatlán y Culiacán, Sinaloa; Irapuato, Guanajuato; and San Luis Potosí, San Luis Potosí.

To help communities to recover from these events, we channeled support in the form of more than a million food products through the Mexican Red Cross and state governments. We also made cash donations to more than 100 associates who suffered losses in these disasters.

We conducted an internal campaign inviting our associates to support the cause through cash or in-kind donations, and collected more than seven metric tons of products that were sent directly to the affected associates and communities.

GRI
EC8
FP4
SO1

For a better life Quality

Volunteering

We believe that social responsibility must extend beyond our actions as a company and become a pillar of our daily culture, to guide all of our actions.

Our Volunteering was created to encourage the active involvement of our associates and their families in programs that have a positive impact in the development and quality of life of the communities where we are present, helping to address their needs and offering them a better present and future.

There are a number of ways to participate in our Volunteering program. Associates can make economic donations to the institution of their preference, choosing from among those defined by a committee, or they can participate in volunteer actions by donating their time to community support projects.

In 2013, we involved 68,537 volunteers in a total of 95 events throughout the countries where we operate.

Thanks to the economic support of our associates, we were able to raise

MXN $3’311,422.13

in donations, which Grupo Bimbo matched, and was channeled to different selected charitable associations.

GRI
EN13

The following are some of the highlights of these efforts from around the world:

Mexico

64,552
volunteers

- **IN OAXACA** we held reading workshops and book donations for the Mixteca community.
- **IN TOLUCA,** volunteers helped prepare teaching materials for children with cerebral palsy.
- **IN CENTRAL MEXICO** we collected toys and delivered them to poor children with cancer.
- **IN THE COMMUNITY OF NOPALERA, ESTADO DE MEXICO**, we donated basic goods, medical checkups and maintenance of educational facilities.
- **TO CELEBRATE CHILDREN'S DAY AND CHRISTMAS**, volunteers visited shelters and children's institutions in Mexico City and Estado de Mexico.
- **IN COLLABORATION WITH REFORESTAMOS MÉXICO, A.C.** our associates participated in five reforestation days at: Topilejo in Mexico City, Dotegiare and Nevado de Toluca (twice) in Estado de Mexico, and *Bosque de la Primavera* in Guadalajara, an effort that involved 1747 volunteers and benefited 3,578 people who live on those areas.

Pro Mazahua Reforestation campaign

On August 25, 2013, took place the Reforestation for the *Patronato Pro Zona Mazahua* foundation and the volunteering program *Bimbo Contigo*. This took place in the Mazahua community called Dotegiare located in Estado de Mexico. 127 associates and their families from the Atlacomulco sales center and the Moldex plant in Toluca, volunteered for this activity.

This reforestation helped to contribute with the economic, social and environmental improvement of the community which is one of the most vulnerable places in the Estado de Mexico. Some of the problems they face are: the marginalization, water scarcity and deforestation which have negative consequences for the productive development in the region.

This action is part of the continuity of the whole project that the *Pro Zona Mazahua* foundation has develop to provide a better quality life for the Mazahua community. People from the community guided every moment to our volunteers making this experience a true teamwork where the following results were achieved:

2,500
trees planted

2.5 **acres reforested**

1,139
inhabitants benefited

United States

1,272
volunteers

We can highlight the following activities:

- We prepared and deliver backpacks to students in need in Wichita, Kansas.
- Our volunteers participated in events to support different causes against hunger and delivered pantries to homeless people in places like Hazleton and Orlando.
- We delivered of goods to people whose homes were damaged or destroyed by tornados in Illinois.
- We donated cash and supplies to institutions that support health and other causes, mainly in the south of the country.
- Some of our volunteers at Greenville participated in walks and runs to prevent hunger and breast cancer.

Latin América:

2,669
volunteers

- **IN ARGENTINA,** we organized courses and workshops to bring teenage youth into the labor market, and we conducted a solidarity campaign to help people in the Chaco province through the donation of basic goods, school supplies, toys and clothing.
- **IN CHILE,** we organized social events in shelters and institutions for handicapped children.
- **IN EL SALVADOR** we made an economic donation to the *Divina Providencia* hospital and the *Fundación Educando Vidas* to support the battle against cancer.
- **IN COLOMBIA** we sponsored talks on health, the environment and safety for students and parents.
- **IN COSTA RICA, EL SALVADOR, GUATEMALA AND VENEZUELA** our associates participated in cleanup days for public spaces.
- **IN GUATEMALA** we supported the recovery of the Tzanjuyú El Tejar forest in Chimaltenango, which had been severely hurt by plagues that had destroyed a great number of trees.
- **IN COLOMBIA,** we held four reforestation days in areas close to our plants.
- **IN COSTA RICA,** 50 volunteers participated the "Adopt a Highway" program which reforested a 1,700-square-meter area.

Cake Day

Cake Day began in 2008 at the suggestion of some Bimbo Iberia associates who proposed raising funds that could be used to provide food and water to poor families of India. In exchange, these families were asked to allow their children to attend school, also at no charge.

The fundraising takes place through a breakfast that is held once a year, in early June, at all the Group's facilities in Spain and Portugal. Associates who want to pitch in bring a cake or something else they have cooked at home, and these contributions are sold in portions to their fellow workers. To enable everyone to participate, collection boxes were also set up at all the work centers and commemorative bracelets were sold. Donations went to the Ankur Center, through the NGO Vita Mundi.

Every year in September, associates are given the opportunity to travel to India at their own expense to deliver the funds raised and learn about the project first hand.

Iberia:

44 volunteers

- **IN SPAIN,** our volunteers visited children in the San Joan de Deu Hospital. They also collected winter clothing for people from the Fundación Formació I Treball, and sold tee shirts autographed by Lionel Messi to collect funds for various institutions.

Limpiemos Nuestro México

One of the actions we took in favor of environmental care in 2013 was to sponsor the campaign *"Limpiemos Nuestro México"* (Let's Clean up Mexico) for the fourth year in a row. Its purpose is to raise awareness among the general public about the problem of trash and create a culture of responsible management of waste through the correct disposal, recycling and reuse of solid waste products.

May 26, 2013 was National Cleanup Day, organized by *Fundación Azteca* and co-sponsored by our company, in which people were invited to come out and help clean up public spaces.

During the day, associates, family members and friends of Grupo Bimbo all got together to help clean up parks, plazas, woodlands, beaches, streets and monuments in various cities throughout the country.

- **More than 7 million people**
- **36,549 metric tons of waste collected**

Also, 820 volunteer Associates in Guatemala and El Salvador joined in the *Fundación Azteca* campaign in their areas.

To continue this initiative, in Mexico, eight local cleanup days were held in which 2,298 bags of garbage were collected from public spaces.

This good practice was adopted in Costa Rica with a cleanup day in which 50 participants collected 470 kg of waste, which were sorted for their correct disposal. In Venezuela, three cleanup days were held, one for beaches and two more for public squares, with the involvement of 25 volunteers.

Together with *Fundación Azteca*, we started up a project in the city of San Luis Potosí, in which a citizens' committee headed by Associates from Bimbo, Barcel and *Fundación Azteca*, worked together with civil society and local governments on ongoing trash management programs. As a direct product of this effort, San Luis Potosí was named the first of the "Cleanest Cities of Mexico" in the month of April.

Grupo Bimbo numbers in *Limpiemos Nuestro México:*

62,382 associates and their families participated in the National Cleanning Journey.

318 metric tons of trash collected

11.6% more associates than in 2012

GRI
EC8
EC9
SO1
FP4

Good Neighbor

For the past two years, we have been committed to strengthening our relationship with neighboring communities, a principle that is embodied in our Good Neighbor program.

The essence of this program is to create projects that can benefit the communities that live or work in areas adjoining our plants, improving their quality of life through the promotion of physical activity, the adoption of healthy lifestyles and preservation of the environment, while protecting the safety of community members.

Some of the actions we have taken in this context are setting up open-air fitness areas, restoring green spaces and schools, and improving life in the community by installing stoplights and public lighting and repairing sidewalks.

We started up 94 projects in 15 countries where we operate, 77 of which were completed the same year, and 17 of which remain under way.

The following lists the Good Neighbor projects we introduced in 2013 in each of our organizations:

Organization	Initiatives completed	Initiatives under way	Total
Mexico	45	11	56
United States	23	2	25
Latin America	7	4	11
Iberia	1	0	1
Asia	1	0	1
Total	77	17	94

108
concluded projects between 2012 and 2013.

This program will be continued in 2014, with new benefits whose impact will be felt over the long term.

Some of the most recently completed projects we have carried out under the Good Neighbor program are detailed in the Attachment section.

***To learn about all the programs implemented, see the Attachment section (click here).**

Mexico:

- **IN MEXICO CITY,** at the Santa Maria plant, we improved the security conditions in public streets adjoining the facilities by the installation of five lamps around the lot at the rear of the plant, benefiting more than 1,000 neighbors of the community.
- **IN MÉRIDA,** we resurfaced the grounds at one of the parks close to the factory with access to a sports field and we installed a playground equipment.
- **IN SAN LUIS POTOSÍ,** we refurbished the median strip of one of the streets neighboring the plant.
- **IN IRAPUATO,** we installed stoplights at the main entrance to the plant to facilitate transit and encourage more orderly traffic patterns.
- **IN MONTERREY,** we equipped sports facilities for an Olympic gym.
- **IN MAZATLÁN** we reforested public areas, and we installed equipment for an open-air fitness area, as well as a children's playground.
- **IN MÉRIDA, YUCATÁN AND LERMA, ESTADO DE MÉXICO** we held Zumba marathons for the neighboring community.

United States:

- **IN BAYSHORE, NEW YORK,** we created and donated a garden for the community, to show our gratitude for the support we have always received from them. The garden is now called "Serenity Garden," has trees and benches made from recycled materials.

- **IN PENNSYLVANIA,** we helped restore the fences surrounding the Tweedle Park and the fences around the children's play area, performed maintenance on the Babe Ruth League facilities and restored community roller skating rink.

- **IN WISCONSIN,** we installed benches and games in various public parks as well as a training area for dogs.

- **IN CALIFORNIA,** we renewed the equipment for water activities at the Placentia pool.

Latin America

- **IN CHILE,** we sponsored the primary school *" Mercedes Fontecilla de Carrera"* in the community of Quilicura, which is where the main IDEAL plant is located. The project consists of improving classrooms, changing furniture and lighting, and painting the facilities, benefiting more than 1000 students.

- **IN EL SALVADOR** we supported the *"Dr. Arnulfo Castro"* school in the community of Santa Ana, Chalchuapa, close to one of our Sales Centers. Here we promoted physical activity and environmental care by improving sports facilities, green areas and cleanup campaigns. The project benefited 1,500 students, by renovating a basketball course, building a containment wall, changing nine sanitary services and eight roofing segments and repairing nine meters of rainwater drainage conduits. Together with our volunteering program, local residents participated in cleanup brigades, tree planting and painting of the facilities.

- **IN GUATEMALA,** the *El Tejar* library was refurbished in order to improve reading programs.

- **IN COSTA RICA,** we supported the maintenance and improvement of facilities at the *"La Cooperativa"* school.

- **IN URUGUAY,** a health and nutrition program called *"Los Pinos"* was introduced, and the "Pluky" pedestrian walkway was created.

Iberia:

- **IN SPAIN,** an open-air fitness area was created outside the plant in Agüimes, Canary Islands, to promote physical activity among neighbors and associates.

Asia:

- **IN CHINA,** an open-air fitness area was created outside the plant located in Baimao, Beijing, to promote physical activity among neighbors and associates.

Support for our associates' families

Our associates' families are our families, therefore we prepare activities specially for their kids.

We consider that reading is an essential habit for personal growth, for this reason, in Mexico we supported the *"Leer Más"* (Read More) communication campaign, coordinated by the Communications Council, which promotes individual and family reading, encouraging this habit among our associates. In some of our facilities we organized some reading clubs that would inspire the reading habits. Internally we suggested some books for different ages reaching a total of 667,677 reading hours reported through the year.

At El Globo we organized a storytelling activity with 100 participants.

"Colonia de Vacaciones" was held from July 13 to 20th, 2013. This summer event allows the children of our associates to experience moments of fun, learning, training, and sharing as they are in contact with nature. This year 120 school boys and girls participated in the camp.

Plants Visits

We have always been interested in contributing to the development of new generations, as done for the last 58 years in our facilities, we welcomed schoolchildren to tour our factories to learn about our company and to make them feel more involved in our activities.

Number of children who visited our facilities in Mexico and Latin America:

588,507

Sembrando Juntos
Associates

We are a fully human company

What sets Grupo Bimbo apart from other companies is the philosophy of our founders.

Thanks to their vision, our Group has always followed the path of respect for and dignity of the individual. In keeping with this philosophy, a human company is one in which everyone working there finds in the company a response to their economic needs, but beyond that, a space in which than fully realize themselves as persons.

A human company is not the same thing as a weak or condescending company. It is a company that permits advancement, effective work, order, and respect, and all of this enables the company to operate effectively and harmoniously. The first pillar of this company is our Golden Rule which is that a dignified relationship between associate and superior is created by following the principles of Respect, Fairness, Confidence and Affection. When we understand this rule, we understand that every individual is a person, with their unique qualities and defects, their hopes and dreams, and that their happiness and realization are closely linked to the respect, recognition, trust, affection and compensation they receive.

All of this means building the organization's strength on the individual as the central pillar for everything that moves and is created within it.

GRI
LA1

Accordingly, to be productive and fully human we must conduct regular evaluations to identify the strengths that merit recognition, and the weaknesses that require improvement.

Training is essential for associates to have the know-how on which to develop the necessary competencies to better do their jobs. It should therefore be provided to incoming associates as soon as possible, so that no one is allowed to operate without having received the appropriate instruction.

Although the road ahead is long and there are areas of opportunity, these principals give our organization its spirit. Now it all depends on our associates, to bring this spirit to physical life, assimilate it and implement it day in and day out. We have absolute trust in them, and in the ability for this scheme of thought to be carried out, and we are confident that everyone will do their job to help us always by a highly productive, fully human company.

The great Bimbo family

At Grupo Bimbo, we are a highly productive, fully human company, committed globally with the wellbeing, personal and professional development of our associates and, of course, their families.

With operations in 19 countries, we have mandatory compliance of the labor laws of each country as well as to respect the human rights of all our associates, under the principles of diversity, nondiscrimination and work based on the dignity of the person.

The quality of life and health and safety of our associates are present in all of our workplaces. We strive every day to be a better place to work.

More than **125,000** associates

GRI
LA1
LA4

Workforce

	Total Associates	
	Total	% of Total
Mexico	74,000	60.25%
United States	24,265	19.76%
Latin America	21,386	17.41%
Iberia	1,892	1.54%
Asia	1,282	1.04%

	Total Workers on staff	
	Total	% of Total
Mexico	0	0.00%
United States	274	10.58%
Latin America	2,126	82.08%
Iberia	48	1.85%
Asia	142	5.48%

Note: At Grupo Bimbo the workers on staff are those subcontracted (externally hired).

	Total independent workers	
	Total	% of Total
Mexico	0	0.00%
United States	6,928	71.20%
Latin America	1,993	20.48%
Iberia	809	8.31%
Asia	0	0.00%

97.82% of full time associates, 2.18% part time associates

2,590 associates on staff

Total associates in Payroll **122,825**

Note: Part-time = Interns (Mexico) + Part Time (US) + Part Time (Iberia); does not include workers on staff and independent workers.

Total of bargaining contract in Mexico

75.28%

GRI
EC7
LA1
LA2
LA11

Although the company does not have a global policy for hiring local residents as part of its standard hiring process, recruitment always focuses on local talent. That's why 85% of our 179 top executives are from the local community.

We also have a Policy on Internal Promotion (7.2.A) which states that "at Grupo Bimbo, we are committed to the development of our associates. For this reason, top-level management positions and members of regional boards or management, to the extent possible, are filled by internal personnel. When there are no candidates within Grupo Bimbo with the profile skills required for the vacant position, we will look outside the company."

Job permanence is strongly related to life quality at work, safety, training, payroll, and other important factors that the company must provide.

We remain a great place to work, and one sign of this as that during the period covered by this report, 18,569 people came to work to this company, 58.44% of them are younger than 30, reaffirming our commitment to new generations.

Average of local executives per organization

85.5%

Note: "Top Management" includes executives from the second highest and highest management categories.

2,813

new associates hired through 2013 that remain in the company.

Talent Development

We seek to develop the capacities of all our associates through cooperation and the exchange of ideas.

Our associates are Grupo's Bimbo central value, so we invest in them by providing them continuous opportunities to improve their abilities and new challenges to stimulate them and keep them satisfied with their jobs, and recognizing their potential by offering them new opportunities.

Training				
	Investment in Training*	Total Development hours: Technical training and formation	Percentage total training hours (%)	Average hours per associate
Administrative and Operating Personnel	$38,658,312	863,032.93	68%	7.98
Supervisors	$42,901,921.45	363,752.14	29%	28.89
Executives and Directors	$12,843,428.51	39,911.28	3%	19.85
Accountability Training	$240,603,436.10	NA		
Global Total by Employment Level	$335,007,098.07	1,266,696.35	100%	10.32

Nota: Amounts in Million mexican pesos

GRI
4.11
LA8

Training and education

As part of this company's philosophy, we extend our experience to the families of our associates through training and education programs, advice, prevention, risk control and treatment of illness, in order to share with them our knowledge and experience to encourage them to adopt healthy lifestyles and improve their quality of life.

According to our programs in education, training, and prevention of serious illnesses we have implemented diverse activities to train in aspects as: cancer, hypertension, illness related to obesity and sedentary lifestyle, alcohol related illnesses, stress, HIV/Aids, heart diseases, diabetes, among others.

We have 28 prevention programs of serious illnesses

GRI
LA6

Health and safety of our associates

The health and safety of our Associates is fundamental to the development of our operations, so we always conduct our operations in accordance with the highest standards and guidelines for preventing labor risks.

Central Committee on Health and Safety

Organization Committee

1. Investigation and analysis of accidents and incidents.
2. Safe work-place conduct audits.
3. Communication, participation and recognition.
4. High standards of performance and compliance with procedures.

100% of our workforce is represented in these committees, whose purpose is to monitor all the conditions under which our associates work, to guarantee ongoing improvement and report on the prevention of illness and accidents. The committees operate for each work center, region or country, national office and corporate headquarters.

Each organization has focused on implementing the Health and Safety Policy, in encouraging superiors to take the leadership in terms of workplace safety, accountability and the correct functioning of the Safety and Health Committees, in addition to the Management Model.

Some of the activities we have carried out are:

- **TRANSMISSION OF EXPERIENCES** to guarantee improvements in health and safety practices through safety capsules.
- **USE OF TRAINING TOOLS IN THE CLASSROOM AND ON-THE-JOB** to strengthen communication in aspects relating to personnel protection.
- **CONDUCTING PILOTS OF THE HEALTH AND SAFETY FAIR** to promote a different approach to personal and family care, an action which is replicable in most of our organizations in the medium term.
- **INTRODUCTION OF THE WELLBEING PROGRAM FOR ASSOCIATES** in plants and sales centers, and following up on this program in corporate headquarters.
- **EVACUATION DRILLS** at plants in Mexico City and Toluca.
- **TRAINING** in the use of fire extinguishers.
- **CONTINUOUS TRACKING** of Safe Workplace Conduct Audits.
- **ESTABLISHING RECOGNITION METHODS** for the sales area to reduce car accidents.
- **INTRODUCING THE SAFETY MODEL** in Sales Centers.

Since we began implementing preventive measures in 2009, we have obtained satisfactory results, with a significant reduction in the number of workplace accidents. We have also succeeded in modifying our associates' safety conduct in the workplace. In 2013, our incident rate diminished. For the third consecutive year we achieved a reduction in our accident rate.

It is important to highlight that in 2013 we did not have any accidents, professional illnesses, absenteeism nor fatalities among our contractors.

	Incident rate (IR)	Lost Days Rate (LDR)	Absenteeism Rate (AR)	Fatalities
Grupo Bimbo	2.19	68.51	548.10	6
Mexico	2.28	65.79	526.36	2
United States	1.91	120.61	964.88	2
Central Latin America	2.12	39.76	318.15	-
South Latin America	2.38	29.70	237.64	2
Iberia	2.41	46.41	371.27	-
Asia	0.50	20.78	166.24	-

Note: Accident indicators refer to accidents that resulted in lost working days (incapacitating) and thus do not include accidents that were resolved with simple first aid.
Of the six fatalities reported, four were not attributable to the company and were caused by situations completely outside of our processes. Regardless of this, they are counted in our reports.

Wages and salaries

Equality and fairness occupy an essential place in Grupo Bimbo's labor relations, so we strive to offer fair, competitive salaries in keeping with the duties and abilities of each of the associates that make up this company.

We comply with labor laws each of the countries where we have significant operations, so the starting salary for the organization and the minimum wage is determined through wage scales in accordance with the law.

1

For Mexico (daily):

Base Average Operating Salary Is MXN 155.94. 2.4 times superior to the Average Local Legal Minimum Wage (MXN 64.76).

2

United States (per Hour):

Base Average Operating Salary Is USD 16.07. 2.2 times superior to the average Local Legal Minimum Wage (USD 7.25 per hour).

*Significant operations includes the countries with more than 25,000 associates. For Mexico, this includes Bimbo, Barcel, El Globo, HAZPAN and MOLDEX.

GRI
LA4
LA5
HR4
HR5
HR6
HR7

Committed to our Code of Ethics

We are a company committed to our associates and we conduct ourselves with unceasing respect for human rights, replicating the teachings of our founders.

In accordance with the guidelines established in our Code of Ethics, a document that governs all our actions, we seek to provide the best working conditions in all of our business units, placing a priority on equality, respect and fairness. We reject child labor as well as any form of forced labor or discrimination.

We respect the right of free association of our associates, 67.20% of which participate in collective bargaining contracts around the world.

We align ourselves with labor regulations for each country in which we operate in establishing a minimum period of notice of organizational changes, based on the collective bargaining contract of each country and the freedom and responsibility of top-level managers to adhere to the company's values in accordance with the issue to be communicated.

Consult our Code of Ethics
www.grupobimbo.com/assets/files/Codigo%20de%20Etica/Codigo_de_Etica_Grupo_Bimbo.pdf

We give our all in evertyhing we do.

We obtain results to continue growing and moving forward

We collaborate, unite effortsm multiply achievements.

We execute with precision and excellence

We cultivate each realtionship with integrity

We offer superior-quality products and services everyday

GRI
LA10
HR3

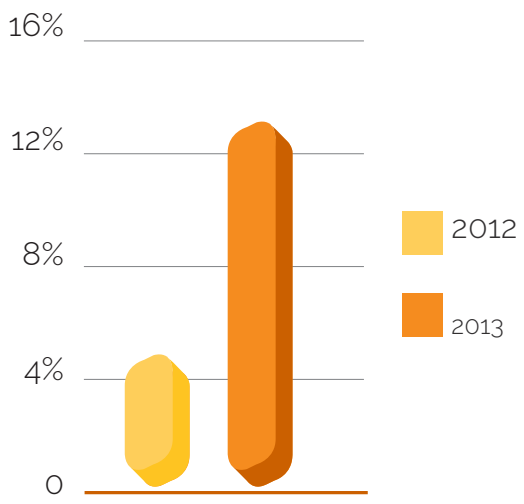
Human Rights

It is important that all our associates are aware of the aspects that regulate this company in the area of human rights and that they know how to address the issue in carrying out their daily tasks.

For this reason, year after year, we provide various human rights training programs at all levels of the group.

Courses by Level	Total Hours 2012	%	Total Hours 2013	%
Administrative and Operating Personnel	73,368	69.9%	113,314	88.4%
Supervisors	20,652	19.7%	12,816	10.0%
Executives and Directors	10,974	10.5%	2,086	1.6%
Global Total by Employment Level	104,994	100.0%	128,216	100.0%

Associates trained in Human Rights



14,844 Total people formed in the Personal Advancement Course (CUSUPE) and other human rights courses

Regional Performance

GRI
2.8
2.9
2.10
3.11

Mexico

The Mexico operation includes the Bimbo, Barcel and El Globo businesses, and comprises approximately 40% of the Group's net sales.

In our home market, the Group's strong leadership position across multiple categories reflects our almost 70 years of growth and expansion into one of the country's leading consumer goods companies.

The Mexican government approved a range of structural reforms in 2013 that will affect multiple sectors of the economy when they take effect in 2014, including a number of measures directed at consumption such as levies on certain categories of goods. Notwithstanding, the consumption environment in 2013 improved somewhat from the previous year, and our operation also benefited from strong investments in marketing.

Performance

	2013	2012	% Change
Net sales	73,179	70,491	3.8
Operating income	9,556	7,922	20.6
EBITDA	11,595	9,735	19.1
Total Assets	42,436	45,287	-6.3
Total Liabilities	50,193	58,188	-13.7

Other key developments in the year included:

- **EL GLOBO** began a restructuring process to separate the retail and food service components of the business.
- **THE NEW BARCEL OCCIDENTE** plant started up operations, a 100% sustainable plant.
- **ANTAD, THE NATIONAL RETAIL ASSOCIATION OF MEXICO,** granted the company with the Corporate Excellence Award.
- **MARINELA MEXICO** was awarded the 2013 National Quality Prize by the Ministry of Economy.

Net sales rose 3.8% to MXN$ 73,179 million as a result of pricing initiatives over the course of the year, notwithstanding the negative impact on volumes. We benefited from lower costs on key inputs as well as a favorable foreign exchange impact and despite a greater investment in marketing and distribution, operating income rose 20.6% to MXN $ 9,556 million.

GRI
2.8
2.9
3.11

United States

Our United States operation comprised almost 45% of consolidated sales in 2013.

This reflects the Group's strong track record in acquiring and integrating quality baking goods companies that significantly broaden our geographic footprint and product portfolio.

The consumer environment improved over the previous year as the economy continued to recover and unemployment declined. However, consumption was still under pressure with little income growth and higher cost of living. The competitive landscape also changed dramatically with the liquidation a major player in the baking industry and the subsequent acquisition of its assets by third parties, include our own purchase of the Beefsteak, Nissen, Columbo and Cotton's brands.

Highlights from the year included:

- **COMPLETED ALL DIVESTITURES** required by the US Department of Justice in relation to the Sara Lee acquisition.
- **EXPANDED DISTRIBUTION OF SARA LEE BREAD,** positioning it as our national mainstream bread brand; introduction of Barcel salty snacks in metro New York and Southern California distribution routes.
- **SUCCESSFUL LAUNCHES OF SARA LEE SNACK CAKES,** introduction of Nature's Harvest and the revival of the Beefsteak brand.
- **RECORD INVESTMENTS** in creating a more capable and competitive manufacturing and distribution footprint including the startup of the Rockwall Bakery in Texas.

Performance

	2013	2012	% Change
Net sales	79,767	78,927	1.1
Operating income	2,613	1,118	>100
EBITDA	5,798	5,027	15.3
Total Assets	71,790	72,718	-1.3
Total Liabilities	27,551	27,837	-1.0

- **ONGOING INTEGRATION PROGRESS:** building customer alignment in sales and distribution, business information systems, among others.
- **EFFICIENCY AND WASTE REDUCTION INITIATIVES**

Net sales growth in dollar terms was a solid 4.2%, while peso sales rose 1.1% to MXN.$ 79,767 million. A more efficient manufacturing footprint fully mitigated higher raw materials costs, and despite US$130 million in integration-related expenses, operating income rose more than 100% to MXN 2,613 million, reflecting the aforementioned manufacturing efficiencies as well as integration-related synergies, waste reduction initiatives, and the reclassification of financial expenses related to pension funds, in compliance with IFRS.

GRI
2.8
2.9
3.11

Latin America

Our Latin America reporting region encompasses 14 countries in Central and South America, and in aggregate comprises approximately 12% of Grupo Bimbo's total net sales.

Notwithstanding the numerous cultural and language similarities across the region, each country has its own socio-political and economic trends and consumer and competitive dynamics. Thus almost each market has its own management team and operational structure in place, as well as product portfolios tailored to local tastes.

Due to its size, Brazil remains a key driver of performance in the region and its soft consumption environment in 2013 put pressure on results, along with the ongoing turnaround and restructuring of that operation. While short-term challenges still remain, we are confident that Brazil has the right fundamentals for long-term growth.

Important milestones in the region included:

- **THE ACQUISITION OF VALENTE ALIMENTOS IN ARGENTINA,** strengthening our position in sweet baked goods in that market..
- **CAPACITY EXPANSION** and productivity enhancements in Colombia and Argentina; startup of the new Mogi plant in Brazil.
- **THE PRESIDENT OF COSTA RICA, LAURA CHINCHILLA,** awarded our Costa Rica operation with the 2013 Exporter of Merit Award.
- **CONSUMERS INCREASINGLY LOOKING FOR HEALTHY AND NUTRITIOUS PRODUCTS**; strong sales of flour tortillas as a core product.

Performance

	2013	2012	% Change
Net sales	21,822	22,674	-3.8
Operating income	(1,168)	(1,101)	6.1
EBITDA	103	(253)	>100
Total Assets	19,278	19,750	-2.4
Total Liabilities	7,996	5,773	38.5

Sales across most key markets rose in local currencies despite the still challenging consumption environment, although performance in peso terms reflected the impact of FX rates, decreasing 3.8% to MXN $ 21,822 million. The improvement in raw material costs and greater production efficiencies were fully offset by higher expenses related to the restructuring process in Brazil, resulting in an operating loss of MXN$ 1,168 million.

GRI
2.8
2.9
3.11

Iberia

Grupo Bimbo's fresh bakery business in Spain and Portugal was acquired from the Sara Lee Corporation at year-end 2011, and now comprises approximately 3% of consolidated net sales.

Performance

	2013	2012	% Change
Net sales	5,323	5,182	2.7
Operating income	(545)	(570)	-4.4
EBITDA	(204)	(451)	54.8
Total Assets	3,103	3,886	-20.1
Total Liabilities	2,035	2,013	1.1

The operation reported significant improvements in its second full year, despite record unemployment in the region and the first decline in sales in 50 years for the fast moving consumer goods industry as a whole.

Our efforts to strengthen and grow the business focused on the continued transformation of the distribution network, product innovation, brand development and execution at the point of sale. This allowed us to grow our market share in sliced bread, optimize key depots in Madrid and Barcelona, and open 200 new distribution routes.

Other key developments in the year included:

- **THE SUCCESSFUL LAUNCH OF THINS,** which were recognized with a Product of the Year Award by Clara Magazine and Best Launch of the Year by readers of this same publication; other new product introductions included Oroweat and the Bimbo Sonrisas breakfast line.
- **COLLABORATION AND SPONSORSHIPS WITH THE NBA AND SPANISH SOCCER TEAM**
- **IT SYSTEMS UPGRADE.**

Net sales rose 2.1% in euro terms and 2.7% in pesos, to Ps. 5,323 million, reflecting healthy volume performance in a difficult market environment. A more efficient cost structure narrowed the operating loss to MXN 545 million.

GRI
2.8
EC1

Management's Discussion and Analysis of Results

Year ended December 31, 2013 compared to year ended December 31, 2012

Overview

Grupo Bimbo generated healthy results in 2013. Despite limited top line growth due to the unfavorable impact of exchange rates in Latin America and the United States, operating performance and net profit improved significantly as a result of lower input costs, manufacturing efficiencies, operational improvements and a lower effective tax rate. Furthermore, the Company's financial position and leverage ratios improved with record EBITDA generation and debt reduction efforts.

Factors affecting performance

The key factors and trends that impacted the Company's operating and financial performance in 2013 included:

- **THE CONSUMPTION ENVIRONMENT IN MEXICO AND LATIN AMERICA REMAINED WEAK.** Growth in the year was almost entirely organic.
- **AVERAGE INPUT COSTS WERE RELATIVELY STABLE IN THE UNITED STATES,** and lower on average in Latin America, Iberia and Mexico, the latter primarily due to beneficial FX rates.
- **THE COMPANY CONTINUED TO IMPLEMENT ITS ASSET STRATEGY** focused on building an efficient manufacturing platform, particularly in the United States; in addition, the Company's cost structure benefited from ongoing synergy and waste reduction initiatives in the United States, operating improvements in Latin America, and a more efficient cost structure in Iberia.
- **ONE-TIME EXPENSES TOTALED MXN$2,977 MILLION.** As expected, this amount reflected integration-related expenses for recent acquisitions made in the United States, Latin America and Iberia, totaling MXN$1,834 million.
- **A LOWER EFFECTIVE TAX RATE FOR 2013** primarily reflected the benefit of the elimination of the deferred IETU tax under Mexico´s new fiscal reforms and a lower negative impact from not registering deferred income tax benefits arising from losses in Brazil.

Net Sales

Consolidated Net Sales rose 1.7% from 2012, to MXN$176,041 million. This reflected stable organic growth in local currencies across all regions, which was partially offset by an unfavorable FX effect in the United States and Latin America.

- **UNITED STATES:** Net sales increased 1.1% to MXN$79,767 million, with solid growth, and good volume performance across all channels, and most notably in the sweet baked goods category; results in pesos were partially offset by an unfavorable FX effect of 3%.
- **MEXICO:** Net sales increased 3.8% to MXN$73,179 million as a result of higher average prices, notwithstanding their negative impact on volumes.
- **LATIN AMERICA:** Net sales declined 3.8% to MXN$21,822 million primarily due to the unfavorable impact of FX, which more than offset positive growth in local currencies.
- **IBERIA:** Net sales increased 2.7% to MXN$5,323 million reflecting good volume performance, mainly in sweet baked goods and new product launches, despite the challenging economic environment that put downward pressure on prices.

Gross Profit

Gross Profit rose 4.9% to MXN$92,099 million, with a 1.6 percentage point expansion in the margin to 52.3%. This was primarily the result of stable raw material costs and a more efficient manufacturing footprint in the United States, and lower average raw material costs in Latin America, Iberia and Mexico, with a benefit in the latter derived from the FX effect on raw materials denominated in U.S. dollar.

Operating Expenses

Operating Expenses increased 1.8% to MXN$78,632 million, or 44.7% expressed as a percentage of net sales; this represented a slight 10 basis point increase from the 2012 level and primarily reflected: i) higher marketing and distribution costs in Mexico; and ii) a non-cash impairment charge of MXN$403 million in Mexico and the United States. These factors were largely offset by the benefits obtained from: i) synergies and waste reduction initiatives in the United States; ii) operating improvements in Latin America; and iii) a more efficient cost structure in Iberia.

Other Income and Expenses

The Other Income and Expenses line decreased 5.9% to MXN$2,977 million due to: i) lower non-monetary charges in the United States in 2013 related to multi-employer pension plans (MXN$368 million compared to MXN$1,102 million in 2012); and ii) lower integration costs in 2013 (MXN$1,834 million compared to MXN$1,950 million in 2012). These benefits were partially offset by: i) an extraordinary non-cash charge in Latin America (MXN$586 million, of which MXN$545 million was related to a restructuring process taken in Brazil during the year); and ii) MXN$211 million non-cash reserve for an account receivable of tax credits registered in Iberia, reflecting a more conservative approach towards the recovery of this benefit.

Operating Income

Operating Income increased 42% to MXN$10,490 million reflecting performance at the gross profit level and the aforementioned effect of Operating Expenses and Other Income and Expenses.

EBITDA

EBITDA rose 23.1% to MXN$17,326, reflecting operational performance plus depreciation and non-cash charges.

Net Financing Cost

Net Financing Cost decreased a slight 0.5% to MXN$2,796 million primarily as a result of lower interest payments in 2013 as a consequence of a stronger peso and lower average debt; this was partially offset by a decrease in interest income from lower cash holdings.

Income Taxes

Income tax expense in 2013 increased 31.1% to MXN$2,878 million, while the effective tax rate decreased to 37.6% compared to 47.5% in 2012, primarily as a result of: i) the benefit of the elimination of the deferred IETU tax (*Impuesto Empresarial a Tasa Única*) under Mexico´s new fiscal reforms; and ii) a lower negative impact from not registering a deferred income tax benefit arising from losses in Brazil, in line with the criteria applied since 2012.

Net Majority Income

Net Majority Income more than doubled, from MXN$2,028 million in 2012 to MXN$4,404 million in 2013, while the margin expanded 1.3 percentage points to 2.5%, reflecting performance at the operating level, stable financing costs and a lower effective tax rate.

Financial Structure

The Company's cash position as of December 31, 2013 totaled MXN$2.5 billion, compared to MXN$4.3 billion in December, 2012. Total debt at December 31, 2013 was MXN$40.3 billion, compared to MXN$42.0 billion in December, 2012. This reflected payments of MXN$1.1 billion during the course of the year.

Long-term debt comprised 80% of the total; 95% of the total was denominated in U.S. dollars, maintaining a natural economic and accounting hedge in alignment with the Company's strong cash flow in dollars. The average maturity was five years with an average cost of 4.6%. The total debt to EBITDA ratio was 2.3 times compared to 3.0 times at December, 2012, reflecting the Company's disciplined cash management and debt reduction strategy.

Mexico City, April 9, 2014

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear Sirs,

In conformity with the provisions of the Securities Market Act, the corporate charter of this Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. (the "Group" or the "Company"), I hereby present to you the report of the activities carried out by the Audit and Corporate Practices Committee (the "Committee") during the year ended December 31, 2013. In carrying out our work, we abided by the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work plan, the Committee met six times during the year, in which it discussed the issues it is legally obligated to consider and carried out the activities described below:

Internal Controls

With the assistance of both Internal and External Auditors, we verified that management had established general guidelines for internal control, as well as the necessary procedures for their application and enforcement. In addition, we followed up on the remarks and observations made by the external and internal auditors in performance of their duties.

The members of Management responsible for such matters presented us with the plans of action corresponding to the observations resulting from the internal audit, so our contact with them was frequent and their responses satisfactory.

Code Of Ethics

With the support of the Internal Audit Department and other areas of the Company, we verified compliance by the associates of the Company with the Group's current Code of Ethics.

We learned of the results and central issues identified in maintaining a hotline for Group associates, and management informed us of the actions taken in those cases.

External Audit

The independent auditors that provide these services were the same as in preceding years, and a single firm is responsible for auditing the results of all the operations and countries where Grupo Bimbo has a presence.

We approved the fee for these auditing services, including additional fees to account for the growth of the group and other permitted services. We ensured that these payments did not compromise the independence of that firm.

The external auditors presented their approach and work program and areas of interaction with Grupo Bimbo's Internal Audit department, the Committee approved this presentation.

We maintained direct and close communication with the external auditors, and they informed us on a quarterly basis of the progress of their work and any observations they had; we took note of their comments on the quarterly and annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements.

Finally, we conducted an evaluation of the services of the external auditing firm for the year 2013 and were promptly informed of the preliminary financial statements.

Internal Audit

We reviewed and approved the annual work plan and activities budget for 2013.

In each of this Committee's meetings, we received and approved regular reports on the progress of the approved work plan.

We followed up on the comments and suggestions made by the Internal Audit area, and verified that

Management resolved any deviations from the established internal controls, and we therefore consider the status of that system to be reasonably correct.

We authorized an annual training plan for personnel of the area and verified its effectiveness. A number of specialized professional firms participated actively in that plan, ensuring that personnel receive up-to-date information on the appropriate topics.

Financial Information and Accounting Policies

We reviewed the quarterly and annual financial statements of the Company together with the parties responsible for their preparation, recommended their approval by the Board of Directors, and authorized their publication. Throughout the process we took into account the opinions and remarks of the external auditors

To arrive at an opinion on the financial statements, we verified, with the support of the internal and external auditors, that the accounting policies and standards and the information used by management in the preparation of the financial statements was appropriate and sufficient and had been applied in a manner consistent with the prior year, taking into account the changes in International Financial Reporting Standard effective both in that year and the preceding year. As a result, the information presented by management reasonably reflects the financial position, results of operations and cash flows of the Company.

We approved the adoption of the new accounting procedures and standards that took effect in 2013 and were issued by the organization responsible for accounting standards in Mexico, whose application is mandatory for all companies listed on the Mexican Stock Exchange.

Compliance with Regulatory Standards and Laws; Contingencies

With the support of the internal and external auditors, we confirmed the existence and reliability of the controls established by the Company to assure compliance with the various legal provisions to which it is subject, and assured that these were appropriately disclosed in the financial information.
At the close of each quarter, we regularly reviewed the Company's various tax, legal and labor contingencies and confirmed that appropriate procedures were in place so that Management could identify and address them in an appropriate manner.

The Risk Committee created by the Company's management informed us of the methodology it follows to determine and evaluate the risks the group faces, and we verified that the risks were being monitored and mitigated where possible, and that they were considered in the work plans of the Internal Auditors.

Compliance With Other Obligations

We met with Management executives and officers as considered necessary to remain abreast of the progress of the Company and any material or unusual activities and events.

We obtained information about significant matters that could involve a possible breach of operating policies, the internal control system and policies on accounting records, and we were also informed of corrective measures taken in each case, and found them satisfactory.

We did not find it necessary to request the support or opinion of independent experts, because the issues raised in each meeting were duly supported by the information on hand, and the conclusions reached were satisfactory to Committee members.

Operations With Related Parties

We reviewed and recommended for approval by the Board of each and every related party transaction requiring approval by the Board of Directors for fiscal year 2013, as well as for recurring transactions that are expected to be conducted in fiscal year 2014 that require Board approval.

A special meeting was held to discuss our divestiture of Grupo Altex, S.A. de C.V. and Frexport, S.A. de C.V., as well as the details of those transactions, which we approved and recommended that the Board do the same.

Evaluation of Management

We reviewed and recommended for approval by the Board the policies for the designation, evaluation and compensation of the Chief Executive Officer as well as the members Bimbo's Executive Committee in 2013.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported regularly to the Board of Directors on the activities conducted within the Committee.

The work that we conducted was duly documented in minutes of each meeting, which were reviewed and approved at the time by the Committee members.

SINCERELY,

Henry Davis Signoret
Chairman of the Audit and Corporate Practices Committee
Grupo Bimbo, S.A.B. de C.V.

Mexico City, April 9, 2014

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear Sirs,

In my capacity as chairman of the Audit and Corporate Practices Committee (the "Committee") of Grupo Bimbo, S.A.B. de C.V. (the "Company"), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2013.

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with Mexican financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31, 2013 and for the year ended on that date.

SINCERELY,

Henry Davis Signoret
Chairman of the Audit and Corporate Practices Committee
of Grupo Bimbo, S.A.B. de C.V.

Consolidated Financial Statements

Index to the notes to the consolidated financial statements

Deloitte.

Independent Auditors' Report

To the Board of Directors and Stockholders of Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

We have audited the accompanying consolidated financial statements of Grupo Bimbo, S. A. B. de C .V. and its Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the consolidated statements of income, consolidated statements of comprehensive income (loss), consolidated statements of changes in stockholders' equity and consolidated statement of cash flows for the years ended December 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grupo Bimbo, S. A. B. de C .V. and its subsidiaries as of December 31, 2013 and 2012 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Octavio Aguirre Hernández
Mexico City, México
March 28, 2014

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2013 and 2012
(In millions of Mexican pesos)

	Notes	December 31, 2013	December 31, 2012
Assets			
Current assets:			
Cash and cash equivalents		$ 2,504	$ 4,278
Accounts and notes receivable- net	5	15,848	16,294
Inventories- net	6	4,729	4,591
Prepaid expenses		1,421	621
Derivative financial instruments	13	38	123
Guarantee deposits for derivative financial instruments		659	566
Assets available for sale	8, 11	54	665
Total current assets		25,253	27,138
Non-current assets			
Notes receivable from independent operators		1,560	1,484
Property, plant and equipment- net	8	42,683	42,011
Investment in shares of associated companies	9	2,132	2,142
Derivative financial instruments	13	695	533
Deferred income taxes	17	5,399	6,054
Intangible assets- net	10	26,977	26,690
Goodwill	11	29,822	29,754
Other assets- net		206	1,334
Total assets		$ 134,727	$ 137,140
Liabilities and stockholders' equity			
Current liabilities:			
Current portion of long-term debt	12	$ 7,997	$ 1,573
Trade accounts payable		9,698	9,488
Other accounts payable and accrued liabilities		10,779	10,800
Due to related parties	16	523	677
Income tax	17	2,372	2,040
Statutory employee profit sharing payable		876	750
Derivative financial instruments	13	1,033	237
Total current liabilities		33,278	25,565
Non-current liabilities			
Long-term debt	12	32,332	40,398
Derivative financial instruments	13	236	936
Employee labor obligations and workers' compensation	14	17,399	20,369
Deferred income taxes	17	1,554	1,382
Other liabilities		2,145	1,432
Total liabilities		86,944	90,082

	Notes	December 31, 2013	December 31, 2012
Stockholders' equity:			
Capital stock	15	4,227	4,227
Reserve for repurchase of shares	15	917	906
Retained earnings	15	43,617	41,635
Accumulated translation effects of foreign subsidiaries	15	(3,975)	(1,470)
Remeasurement effects of employee benefits	15	1,067	(430)
Valuation effects of cash flow hedges	13	(234)	(132)
Equity attributable to owners of the Entity		45,619	44,736
Non-controlling interests in consolidated subsidiaries		2,164	2,322
Total stockholders' equity		47,783	47,058
Total liabilities and stockholder´s equity		$ 134,727	$ 137,140

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Income

For the years ended December 31, 2013 and 2012
(In millions of Mexican pesos, except earnings per common share)

	Notes	December 31, 2013	December 31, 2012
Net sales		$ 176,041	$ 173,139
Cost of sales		83,942	85,354
Gross profit		92,099	87,785
General expenses:			
Distribution and selling		66,882	65,635
Administrative		11,750	11,599
Integration costs		1,834	1,950
Other general expenses	19	1,143	1,214
		81,609	80,398
Operating income		10,490	7,387
Interest expense		3,146	3,332
Interest income		(268)	(510)
Exchange loss (gain), net		(1)	91
Monetary position gain		(81)	(103)
Net financing costs		2,796	2,810
Equity in (loss) income of associated companies		(38)	49
Income before income taxes		7,656	4,626
Income tax expense	17	2,878	2,195
Consolidated net income		$ 4,778	$ 2,431
Net income attributable to owners of the Entity		$ 4,404	$ 2,028
Net income attributable to non-controlling interests		$ 374	$ 403
Basic and diluted earnings per common share		$ 0.94	$ 0.43
Weighted average number of shares outstanding (000's)		4,703,200	4,703,200

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2013 and 2012
(In millions of Mexican pesos)

	December 31, 2013	December 31, 2012
Net income	$ 4,778	$ 2,431
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in actuarial losses on defined benefit plans of labor obligations	2,330	(438)
Income taxes relating to items that will not be reclassified	(796)	210
	1,534	(228)
Items that may be reclassified subsequently to profit or loss:		
Effects of economic hedges, net	(385)	3,208
Exchange differences on translating foreign operations	(2,235)	(5,586)
Net fair value gain on hedging instruments entered into for cash flow hedges	(140)	317
Income taxes related to items that will be reclassified in the future	153	(1,114)
	(2,607)	(3,175)
Other comprehensive loss for the year	(1,073)	(3,403)
Total comprehensive income (loss) for the year	$ 3,705	$ (972)
Comprehensive income (loss) attributable to owners of the Entity	$ 3,294	$ (1,375)
Comprehensive income attributable to non-controlling interests	$ 411	$ 403

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2013 and 2012
(In millions of Mexican pesos)

	Capital stock	Reserve for repurchase of shares	Retained earnings	Accumulated other comprehensive income (loss)	Equity attributable to owners of the Entity	Non-controlling interests in consolidated subsidiaries	Total stockholders' equity
Balances as of January 1, 2012	$ 4,227	$ 754	$ 40,312	$ 1,371	$ 46,664	$ 2,035	$ 48,699
Consolidation effect of special purpose entities	–	–	–	–	–	20	20
Dividends declared	–	–	(705)	–	(705)	(136)	(841)
Increase in reserve for repurchase of shares	–	152	–	–	152	–	152
Balances before comprehensive income (loss)	4,227	906	39,607	1,371	46,111	1,919	48,030
Consolidated net income for the year	–	–	2,028	–	2,028	403	2,431
Other comprehensive loss	–	–	–	(3,403)	(3,403)	–	(3,403)
Total comprehensive (loss) income	–	–	2,028	(3,403)	(1,375)	403	(972)
Balances as of December 31, 2012	4,227	906	41,635	(2,032)	44,736	2,322	47,058
Consolidation effect of special purpose entities	–	–	–	–	–	(284)	(284)
Dividends declared	–	–	(2,422)	–	(2,422)	(285)	(2,707)
Increase in reserve for repurchase of shares	–	11	–	–	11	–	11
Balances before comprehensive income (loss)	4,227	917	39,213	(2,032)	42,325	1,753	44,078
Consolidated net income for the year	–	–	4,404	–	4,404	374	4,778
Other comprehensive loss	–	–	–	(1,110)	(1,110)	37	(1,073)
Total comprehensive (loss) income	–	–	4,404	(1,110)	3,294	411	3,705
Balances as of December 31, 2013	$ 4,227	$ 917	$ 43,617	$ (3,142)	$ 45,619	$ 2,164	$ 47,783

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2013 and 2012
(In millions of Mexican pesos)

	December 31, 2013	December 31, 2012
Cash flows from operating activities:		
Income before income taxes	$ 7,656	$ 4,626
Adjustments for:		
Depreciation and amortization	5,247	5,467
Loss on sale of property, plant and equipment	194	96
Equity in loss (income) of associated companies	38	(49)
Impairment of long-lived assets	393	120
Interest expense	3,146	3,332
Interest income	(268)	(510)
Changes in assets and liabilities:		
Accounts and notes receivable	(340)	932
Inventories	(262)	362
Prepaid expenses	(986)	145
Trade accounts payable	197	398
Other accounts payable and accrued liabilities	(350)	(1,992)
Due to related parties	(154)	(227)
Income tax paid	(2,369)	1,201
Derivative financial instruments	(213)	(1,010)
Statutory employee profit sharing	126	(6)
Employee labor obligations and workers' compensation	(661)	1,085
Net cash flows generated by operating activities	11,394	13,970
Investing activities:		
Acquisition of property, plant and equipment	(6,766)	(6,796)
Acquisition of business	(139)	–
Divestiture of plants in the USA	455	–
Proceeds from sale of property, plant and equipment	277	317
Acquisition of trademarks and other assets	(497)	(427)
Other assets	811	(211)
Dividends received	–	24
Investments in shares of associated companies	(28)	(314)
Interest collected	266	453
Net cash flows used in investing activities	(5,621)	(6,954)
Financing activities:		
Proceeds from long-term debt	3,046	15,855
Payment of long-term debt	(4,522)	(19,600)
Interest paid	(3,465)	(2,553)
Payments of interest rate swaps	(1,470)	(1,594)
Interest rate swaps collected	1,805	1,822
Repurchase of shares	11	152
Dividends paid	(2,707)	(841)
Net cash flows used in financing activities	(7,302)	(6,759)
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects	(245)	55
Net (decrease) increase in cash and cash equivalents	(1,774)	312
Cash and cash equivalents at the beginning of the year	4,278	3,966
Cash and cash equivalents at the end of the year	$ 2,504	$ 4,278

See accompanying notes to consolidated financial statements.

Grupo Bimbo, S. A. B. de C. V. and Subsidiaries

Notes to Consolidated Financial Statements

For the years ended December 31, 2013 and 2012
(In millions of Mexican pesos)

1. Activities and significant events

Activities – Grupo Bimbo, S. A. B. de C. V. and Subsidiaries ("Grupo Bimbo" or "the Entity") is engaged in the manufacture, distribution and sale of bread; as well as in the manufacture, distribution and sale of, cookies, cakes, candies, chocolates, snacks, tortillas and processed foods.

The Entity operates in the following geographical areas: Mexico, the United States of America ("USA"), Central and South America, Europe and China. Due to its minimal significance, the financial information of China is aggregated with Mexico in the disclosures that follow.

Corporate offices are based in Santa Fe, Mexico City, Mexico, 1000 Prolongación Paseo de la Reforma, Colonia Peña Blanca Santa Fe, Álvaro Obregón, Zip code 01210, Distrito Federal, Mexico.

During 2013 and 2012, net sales of Bimbo S. A. de C. V. and Barcel, S. A. de C. V, located in Mexico, represented approximately 40% and 37%, respectively, of consolidated net sales. During 2013 and 2012, net sales of Bimbo Bakeries USA, Inc. ("BBU"), located in the USA represented approximately 45% and 46%, respectively, of consolidated net sales.

Significant events – During 2013, the Entity did not make any significant acquisitions. The divestiture of certain plants of BBU in California occurred, as a result of restructuring stemming from the acquisition of Sara Lee in 2011.

2. Basis of preparation

a. *New and revised International Financial Reporting Standards affecting amounts reported and/or disclosures in the financial statements*

In the current year, the Entity has applied a number of new and revised International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2013.

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Entity has applied the amendments to IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to the IFRS 7, have been applied retrospectively. As the Entity does not have any offsetting arrangements in place, therefore application of the amendments did not have an impact on the disclosures or on the amounts recognized in the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IAS 27 (as revised in 2011) *Separate Financial Statements* and IAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*.

Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first–time application of the standards.

In the current year, the Entity has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance.

There were no significant impacts from the adoption of these standards in the accompanying consolidated financial statements.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see note 9 for details).

IFRS 13 Fair Value Measurement

The Entity has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non–financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share–based payment transactions that are within the scope of IFRS 2 *Share–based Payment*, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realizable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Entity has not made any new disclosures required by IFRS 13 for the 2012 comparative period (please see note 13 for the 2013 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognized in the consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Entity has applied the amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed as the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The

amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 did not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

b. New and revised IFRSs in issue but not yet effective

The Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 *Financial Instruments*

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in net income (loss).

- With regard to the measurement of financial liabilities designated as of fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Amendments to IFRS 10, IFRS 12 and IAS 27

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries, but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with professional investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

The Entity's management does not anticipate that the investment entities amendments will have any effect on the Entity's consolidated financial statements as the Entity is not an investment entity.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

The Entity's management does not anticipate that the application of these amendments to IAS 32 will have a significant impact on the Entity's consolidated financial statements.

c. ***Comprehensive income***

The Entity presents comprehensive income in two different statements: (i) a statement of income and (ii) a statement of comprehensive income (loss). The expenses in the statement of income are presented according to their function, as this is the common practice in the sector to which the Entity belongs. The nature of these expenses is presented in the notes. Additionally, the Entity presents the subtotal operating income, which, although not required by IFRS, is included as it contributes to a better understanding of the economic and financial performance of the Entity.

d. ***Cash flow statement***

The Entity presents its cash flow statement using the indirect method. Proceeds from interest and dividends are presented in investing activities, whereas payment of interest and dividends are presented as financing activities.

3. Summary of significant accounting policies

a. ***Statement of compliance***

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

b. ***Basis of measurement***

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Grupo Bimbo, S.A.B. de C.V. and the subsidiaries over which it exercises control, including structured entities ("SE"). Control is achieved when the Entity:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

An SE is consolidated when the Entity concludes that it controls the SE based on the evaluation of the substance of the relationship with the Entity and the risks and benefits of the SE. The most significant subsidiaries are shown below:

Subsidiary	% of ownership	Country	Main activity
Bimbo, S. A. de C. V.	97	Mexico	Baking
Bimbo Bakeries USA, Inc.	100	United States	Baking
Barcel, S. A. de C. V.	97	Mexico	Sweets and snacks
Bimbo do Brasil, Ltda.	100	Brazil	Baking
Panificación Industrial Vergel, S.L. ("Iberia")	100	Spain and Portugal	Baking

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

Net income (loss) and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Balances and transactions between consolidated entities have been eliminated in these consolidated financial statements.

Changes in investments in the Entity's subsidiaries that do not result in the Entity losing control are recorded as equity transactions.

d. *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition–date fair values of the assets transferred by the Entity, liabilities incurred by the Entity to the former owners of the acquiree and the equity interests issued by the Entity in exchange for control of the acquiree. Acquisition–related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;

- Liabilities or equity instruments related to share–based payment arrangements of the acquiree or share–based payment arrangements of the Entity entered into to replace share–based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share–based payments* at the acquisition date (as of December 31, 2013 and 2012 the Entity does not have share–based payments); and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non–current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non–controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition–date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non–controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non–controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non–controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction–by–transaction basis. Other types of non–controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition–date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Entity's previously held equity interest in the acquiree is remeasured to its acquisition–date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e. ***Assets available for sale***

Non-current assets and groups of assets are classified as held for sale if their carrying value is expected to be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or group of assets held for sale) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

f. ***Recognition of the effects of inflation***

Inflationary effects are recognized in the financial statements when the economy of the currency in which the Entity's transactions are recorded is considered hyperinflationary, defined generally as economies in which inflation in the preceding three fiscal years equals or exceeds 100%. The Mexican economy ceased to be hyperinflationary in 1999. Therefore, inflation effects for the Entity's Mexican operations were recognized through that date, except for certain office equipment, machinery and equipment, for which inflation was recognized through 2007, as permitted by Mexican Financial Reporting Standards ("MFRS"), and retained as deemed cost as permitted by the transition rules of IFRS. Inflation continues to be recognized for operations in those countries operating in hyperinflationary economic environment. In 2013 and 2012, the operation in Venezuela qualified as hyperinflationary in relation to the inflation of the three preceding years and for which the effects of inflation were recognized. These effects are not material to the financial position, performance or cash flows of the entity.

g. ***Leasing***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- The Entity as lessor
  The rental income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized using the straight-line method over the term of the lease.

- The Entity as lessee
  The assets held under finance leases are recognized as assets of the Entity at their fair value at the inception of the lease, or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease liability.

  Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Entity's general policy on borrowing costs (see Note 3.i). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight–line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight–line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

h. ***Foreign currency transactions***

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non–monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non–monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 13).

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Entity's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non–controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Entity's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Entity are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Entity losing control over the subsidiary, the proportionate share of accumulated exchange differences are re–attributed to non–controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Entity losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

i. *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

j. *Cash and cash equivalents*

Consist mainly of bank deposits in checking accounts and investments in short–term securities, highly liquid, readily convertible into cash, maturing within three months from the date of purchase and are subject to insignificant risk of changes in value. Cash is stated at nominal value and cash equivalents are measured at fair value, fluctuations in value are recognized in income (see financial assets below). Cash equivalents consist primarily of investments in government debt instruments with daily maturities.

k. *Financial assets*

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held–to–maturity' investments, 'available–for–sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1. Effective interest method

   The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

   Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as of FVTPL.

2. Financial assets at FVTPL

   Financial assets are classified as of FVTPL when the financial asset is either held for trading or it is designated as of FVTPL.

   A financial asset is classified as held for trading if:
   - It has been acquired principally for the purpose of selling it in the near term; or
   - On initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short–term profit–taking; or
   - It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as of FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as of FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income (expenses)' line item. Fair value is determined in the manner described in Note 13.

3. Held–to–maturity investments

Held–to–maturity investments are non–derivative financial assets with fixed or determinable payments and fixed maturity dates that the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held–to maturity investments are measured at amortized cost using the effective interest method less any impairment.

4. Assets classified as held for sale

AFS financial assets are non–derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held–to–maturity investments or (c) financial assets at fair value through profit or loss.

Listed redeemable notes held by the Entity that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Entity also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the Entity's management consider that fair value can be reliably measured). Fair value is determined in the manner described in Note 13. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of assets classified as held for sale are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Entity's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

5. Loans and receivables

Loans and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short–term receivables when the effect of discounting is immaterial.

6. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re–organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days in Mexico, 60 days in USA and 30 days in Central and South America ("OLA"), as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

7. Derecognition of financial assets

The Entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Entity retains an option to repurchase part of a transferred asset), the Entity allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

l. *Inventories and cost of sales*

Inventories are stated at the lower of cost and net realizable value. Cost is comprised of acquisition cost, import duties, transport, handling, loading, and storage cost at the customs and distribution centers; returns on purchases are deducted from cost. Net realizable value represents the estimated selling price for inventories in the normal course of operations less all estimated costs of completion and costs necessary to make the sale. Cost is determined by using the average cost method.

m. *Property, plant and equipment*

Property, plant and equipment are carried at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Balances from certain acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the National Consumer Price Index ("NCPI") through that date, which became the deemed cost of such assets as of January 1, 2011 upon adoption of IFRS, as permitted by IFRS 1.

Any increase in the revaluation of land and buildings is recognized in other comprehensive income, except reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is credited to earnings as it reduces expenditure by decreasing previously made. A decrease in the carrying amount that originated from the revaluation of such land and buildings is recognized in income to the extent it exceeds the balance, if any exist, in the revaluation reserve for properties related to a previous revaluation of that asset.

Cost include those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are those assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized to the cost of the asset.

Cost for expansion, remodeling or improvements that enhance the capacity and extend the useful life of the asset are also capitalized. The carrying amount of the replaced asset, if any, is derecognized when replaced, and the effect is recognized in profit and loss. Repairs and maintenance costs are recognized in profit and loss of the period they are incurred.

Depreciation on revalued buildings is recognized in income. In case of subsequent sale or retirement of revalued property, the revaluation surplus attributable to the revaluation reserve remaining properties is transferred directly to retained earnings.

Freehold land is not depreciated. Depreciation of the other property, plant and equipment is calculated using the straight-line method, to write-off the cost of the assets to their residual values over their estimated useful lives, as follows:

	Years
Infrastructure	15
Building foundations	45
Roofs	20
Fixed facilities and accessories	10
Manufacturing equipment	10
Vehicles	13
Office furniture and fixtures	10
Computer equipment	3
Leasehold improvements	Term of the lease contract

The Entity allocates the amount initially recognized in respect of an item of buildings and manufacturing equipment to its various significant parts (components) and depreciates each of such components separately.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight–line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying value of an asset is reduced at its residual value, when the carrying amount exceeds its residual value.

The gain or loss arising from the sale of assets results from the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in other income (expense) line.

Leasehold improvement and adaptations to buildings and premises in which the Entity is the lessee are recognized at historic cost less the respective depreciation based on useful lives on the same basis as owned assets.

n. *Associates and joint ventures*

An associate is an entity over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non– current assets held for sale and discontinued*. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Entity's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Entity's share of losses of an associate or a joint venture exceeds the Entity's interest in that associate or joint venture (which includes any long–term interests that, in substance, form part of the Entity's net investment in the associate or joint venture), the Entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Entity accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or

joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Entity continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Entity reduces its ownership interest in an associate or a joint venture but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Entity, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Entity's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Entity.

o. *Intangible assets*

Intangible assets are primarily comprised of trademarks and customer relationships resulting from the acquisition of business in the USA, Iberia and Compañía de Alimentos Fargo, S.A. ("Fargo") and certain trademarks in South America, and are recorded at their fair value on acquisition date. Subsequent to initial recognition; intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally–generated intangible assets, except for development costs, are not capitalized and are recognized as expenses in profit and loss in the period in which they are incurred.

Intangible assets are classified as having either finite or indefinite useful lives. Amortization of intangible assets with finite useful lives is recognized on a straight–line method over their estimated useful lives. Such assets are reviewed for impairment when there is an indicator of impairment. The amortization methods and useful lives of the assets are reviewed and adjusted, if necessary, annually, at the end of each reporting period. Amortization is recognized in profit and loss, within selling, distribution and administrative expenses. Intangible assets with indefinite useful lives are not amortized, but are at least tested annually for impairment.

p. *Impairment of long lived assets, other than goodwill*

The Entity reviews the carrying amounts of long–lived assets other than goodwill, when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the fair value less costs to sell. Impairment is recorded when the carrying amounts exceed the greater of the amounts mentioned above. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to profit or loss, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, reduction in the demand for the Entity's products, competition and other legal and economic factors. For the purposes of impairment analysis, the assets are grouped into identifiable smaller cash generating groups (cash generating unit). Long–lived assets with indefinite lives, other than goodwill, are tested for impairment at each reporting date.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash–generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

q. ***Goodwill***

Goodwill arising on acquisition of a business is carried at cost, which is determined as explained in the business acquisitions policy note above, less accumulated impairment losses (See note 11).

For purposes of impairment testing, goodwill is allocated to each cash–generating unit (or group of cash generating units) that is expected to benefit from the synergies of the acquisition.

A cash–generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash–generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash–generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Entity's policy for goodwill arising on the acquisition of an associate is described at note 3.n. below.

r. ***Financial liabilities***

Financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the issuance of financial liabilities (except for those financial liabilities classified as at fair value with changes through profit and loss) are deducted from the fair value of the financial liability; transaction costs directly attributable to the issuance of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequent measurement depends on the category in which the financial liability is classified.

Financial liabilities are classified as either "Financial liabilities at fair value through profit or loss" or "Other financial liabilities". Note 13 provides further detail regarding financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when they are designated as at FVTPL (and comply with certain conditions to be directly classified as such) or when they are held for trading. The Entity has not designated financial liabilities as at FVTPL. Derivative financial instruments are classified as trading, except those designated and effective as hedging instruments (the specific accounting policy for derivative financial instruments is explained in more detail within the note 13).

Other financial liabilities

Other financial liabilities, mainly including borrowings and trade and other payables, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, (or when appropriate a shorter period), to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Entity derecognizes a financial liability when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

s. ***Derivative financial instruments and hedging activities***

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Presentation of the related gain or loss from changes in fair value of the derivative financial instrument depends on whether they are designated as hedging instruments, and if so, the nature of the hedging relationship. The Entity only holds derivative financial instruments classified as cash flow hedges and hedges of net investment in foreign operations.

The Entity documents all hedging relationships at the beginning of the transaction, including their objectives and risk management strategies for undertaking derivative transactions. Periodically, the Entity documents whether the derivative financial instruments is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The fair value of derivative financial instruments used as hedging instruments is disclosed in Note 13.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under "Valuation effects of cash flow hedges". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non–financial asset or a non–financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non–financial asset or non–financial liability.

Hedge accounting is discontinued when the Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of "Translation effects of foreign subsidiaries". The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "Exchange loss (gain), net" line item. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated other comprehensive income are reclassified to profit or loss on the disposal of the foreign operation.

t. *Provisions*

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the estimated amount required to be settled and the amount initially recognized less cumulative amortization recognized.

u. *Income taxes*

Income tax expense comprises current tax and deferred tax. Current and deferred tax are recognized in the consolidated statement of income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

In Mexico, income taxes are comprised of regular income tax (*Impuesto Sobre la Renta* or "ISR") and a business flat tax (*Impuesto Empresarial a Tasa Única* or "IETU"), and are recorded when incurred. Through December 31, 2013, current tax is the higher of ISR or IETU, which are based on taxable profit or cash flows of the year, respectively.

Current income taxes are calculated in accordance with rates that have been enacted or substantively enacted as of the end of the reporting period for the countries in which the Entity operates.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the end of the reporting period. In Mexico, through December 31, 2012, to recognize the deferred tax, the Entity determines, based on tax projections, whether it expects to incur ISR or IETU, and recognizes the deferred taxes respective tax is expected to be payable on the year on the respective tax base that is expected to be incur each year. As a result of the elimination of IETU in the 2014 Fiscal Reform, IETU has been eliminated; accordingly, deferred IETU has also been eliminated as of December 31, 2013.

The deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities included in the financial statements and the corresponding tax bases used for determining taxable income by applying the rate corresponding to these differences, including benefits from tax loss carryforwards and certain tax credits, if applicable. The liability for deferred income taxes are generally recognized for all temporary tax differences. An asset is recognized deferred tax for all deductible temporary differences to the extent that it is probable that the Entity will have future taxable income against which to apply those deductible temporary differences.

The deferred income tax is recognized using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not recognized on the following temporary differences: i) amounts that arise from the initial recognition of assets or liabilities resulting from transactions other than in a business combination, that affects neither the accounting profit nor the taxable profit; ii) those related to investments in subsidiaries and associates, to the extent that it is not likely they will reverse in the foreseeable future, and, iii) those that result from the initial recognition of goodwill. The deferred income tax asset is recognized only to the extent that it is likely there will be future taxable profits it can be used against.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Assets and deferred tax liabilities are offset when a legal right to offset assets with liabilities exists and when they relate to income taxes relating to the same tax authorities and the Entity intends to liquidate its assets and liabilities on a net basis.

v. Employee benefits from termination, retirement and statutory employee profit sharing ("PTU")

i. Pensions and seniority premiums

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity or a fund and will have no legal or constructive obligation to pay further contributions. The obligation is recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The Entity early adopted International Accounting Standard ("IAS") 19, *Employee Benefits*, as of January 1, 2011.

The amount recognized in the consolidated statement of financial position as a liability or asset for defined benefit plan represents the present value of the net defined benefit obligation (defined benefit obligation minus the fair value of plan assets). The present value of the net defined benefit obligation is determined based on the discounted value of estimated net cash flows, using interest rates tied to government bonds denominated in the same currency in which the benefits are to be paid and whose terms are similar to those of the obligation.

The Entity provides cash payments to certain executives, which is calculated using performance metrics. The payment, net of ISR withheld, is used to purchase shares of the Entity. The employee may dispose of such shares, even if he or she leaves the Entity.

ii. Statutory employee profit sharing

In Mexico, Venezuela and Brazil, there is an obligation to recognize a provision for the statutory employee profit sharing when the Entity has a legal or constructive obligation, as a result of past events and the amount can be reliably estimated. PTU is recorded in profit or loss of the year in which it is incurred.

iii. Termination benefits

The Entity recognizes a liability for termination benefits only when the Entity is without realistic possibility of withdrawal from an offer to provide termination benefit to employees, or before, if it complies with the criteria for recognition of a liability related to a restructuring.

iv. Multi-employer pension plans ("MEPP")

The Entity classifies the multi-employer plans as defined contribution plans or defined benefit plans in order to determine the accounting for such plans. If the MEPP is classified as a defined benefit plan, the Entity accounts for its proportionate share of the defined benefit obligation, plan assets and costs associated with the plan in the same manner as for any other defined benefit plan. When sufficient information is not available to use defined benefit accounting for a MEPP, the Entity accounts for such plan as a defined contribution plan.

Liabilities related to the wind-up or the Entity's withdrawal from a multi-employer plan is recognized and measured in conformity with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

w. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account the estimated customer returns, rebates and other allowances.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Entity.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

IInterest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in Note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

1. Consolidation of special purpose entities

As described in more detail in Note 7, BBU and Sara Lee have entered into agreements with third party contractors ("Independent Operators"), in which they hold no direct or indirect shareholding but that qualify as structured entities. The Entity has concluded that they have control with respect to certain independent operators, primarily with respect to rights or obligations to secure or grant financing, as well as the maintenance obligation related to distribution routes. In other cases, the Entity has concluded it does not exercise control over such independent operators.

Key sources of estimation uncertainty

1. ***Useful lives, residual values and depreciation and amortization methods of long-lived assets***

   As described in Note 3, the Entity periodically reviews the estimated useful lives, residual values and depreciation and amortization methods of long-lived assets, including property, plant and equipment and intangibles. Additionally, for intangibles, the Entity determines whether their useful lives are finite or infinite. During the periods presented in the accompanying consolidated financial statements, there were no modifications to such estimates.

2. ***Allowance for doubtful accounts***

   The Entity considers the credit risk of the customer, unguaranteed accounts and significant delays in collection according to the established credit limits in determining the allowance for doubtful accounts.

3. ***Impairment of goodwill***

   Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4. ***Fair value***

   Derivative financial instruments are recognized at fair value as of the date of the consolidated statement of financial position. Additionally, the fair value of certain financial instruments, mainly with respect to long-term debt, is disclosed in the accompanying notes, although there is no risk of adjustment to the related carrying amount. A detailed description of the methodologies to determine fair values of derivative instruments as well as to determine fair value disclosures for long-term debt is included in Note 13. Finally, the Entity has acquired business that require fair value to be determined, at the date of acquisition, for consideration paid, identifiable assets acquired and liabilities assumed and non-controlling interest (if the fair value option is elected).

   The fair values described above are estimated using valuation techniques that may include inputs that are not based on observable market data. The main assumptions, used by management are described in the respective notes. Management considers the valuation techniques and selected assumptions appropriate.

5. ***Employee benefits***

   Cost of defined benefit plans and MEPP provided to employees is determined using actuarial valuations that involve assumptions related to discount rates, future salary increases, employee turnover rates and mortality rates, among others. Due to the long-term nature of these plans, such estimates are sensitive to changes in assumptions.

6. ***Determination of income taxes***

   To determine whether deferred income taxes asset related to carryforward of tax losses is impaired, the Entity prepares tax projections to determine its recoverability.

7. ***Employee benefits, insurance and other liabilities***

   Insurance risks exists in the USA which respect to the liability for general damages to other parties, car insurance and employee benefits that are self-insured by the Entity with coverage subjected to specific limits agreed in an insurance program. Provisions for claims are recorded on a claim-incurred basis. Insurable risk liabilities are determined using historical data of the Entity. The net liabilities at December 31, 2013 and 2012 amounted to $3,240 and $2,945, respectively.

5. Accounts and notes receivable

	December 31, 2013	December 31, 2012
Trade receivables	$ 11,459	$ 11,804
Allowance for doubtful accounts	(496)	(812)
	10,963	10,992
Notes receivable	232	254
Notes receivable from independent operators	513	416
Income, value –added and other recoverable taxes	3,185	3,731
Other receivables	955	901
	$ 15,848	$ 16,294

The average credit terms on sales of goods within Mexico are 30 days, within the USA. is 60 days and within "OLA", which includes the countries of Central and South America, is 30 days. Amounts past due but not impaired (reserved) are not significant as of the dates of the consolidated statement of financial position. Amounts due over 90 days are 75% reserve and amount due over 180 days are 100% reserved.

6. Inventories

	December 31, 2013	December 31, 2012
Finished products	$ 1,677	$ 1,628
Orders in–process	138	174
Raw materials, containers and wrapping	2,482	2,571
Other	3	(6)
Allowance for slow–moving inventories	(44)	(34)
	4,256	4,333
Raw materials in–transit	473	258
	$ 4,729	$ 4,591

7. Structured entities

BBU and Sara Lee entered into franchise agreements with independent third party contractors ("Independent Operators") representing distribution rights to sell and distribute the Entity's products via direct-store-delivery to retail outlets in defined sales territories. BBU and Sara Lee do not hold equity interests in any of the Independent Operator entities. Independent Operators generally finance the purchase of distribution rights through note agreements with a financial institution, which, in the aggregate, are partially guaranteed by Sara Lee or financed by BBU. In addition, BBU and Sara Lee maintain explicit and implicit commitments to maintain the function of routes to ensure product delivery to customers. BBU and Sara Lee determined that all Independent Operators, which are separate legal entities, qualify as structured entities that are in substance controlled by the Entity, mainly as a result of providing or guaranteeing financing, as well as its obligation to maintain distribution routes. Accordingly, such SEs are consolidated by the Entity.

Assets and liabilities of SEs included in the accompanying consolidated financial statements are as follows:

	December 31, 2013	December 31, 2012
Inventories – finished goods	$ 9	$ 23
Property – trucks	993	830
Intangible distribution rights	2,183	2,208
Total assets	$ 3,185	$ 3,061
Current maturities of long-term debt:		
Obligations under capital leases	$ 195	$ 289
Independent Operator loans	33	87
Other current liabilities	20	38
Long-term debt:		
Obligations under capital leases	560	302
Independent Operator loans	103	456
Due to related companies	1,288	902
Total liabilities	$ 2,199	$ 2,074
Non-controlling interest	$ 986	$ 987

Financing provided by BBU to the SE is eliminated in the accompanying consolidated financial statements.

There is no effect of consolidation of the Independent Operators on the statement of comprehensive income, as all transactions are eliminated upon consolidation against non-controlling interest.

Long-term lease obligations are secured by vehicles subject to the lease and do not represent any additional claim on the assets of the companies. The maximum exposure of the Entity regarding losses associated with Independent Operators is limited to $136 of long-term debt of the Independent Operators to December 31, 2013.

Additionally, the Entity sold certain equipment and distribution rights in the U.S. to former employees of the Entity and certain third parties, which are also considered Independent Operators, but are not considered SEs. These rights, totaling $2,073 and $1,899 as of December 31, 2013 and 2012, respectively, are presented in the consolidated statement of financial position as accounts receivable from Independent Operators.

BBU finances 90% of the distribution rights sold to certain independent operators at rates between 5% and 11%, with a term of 120 months.

8. Property, plant and equipment

Reconciliation of beginning and ending carrying values in 2013 and 2012 is as follows:

	Balances as of January 1, 2013	Additions	Additions from business acquisitions	Translation effect	Retirements	Revaluation for inflation	Balance as of December 31, 2013
Investment:							
Building	$ 13,044	$ 1,759	$ 62	$ (641)	$ (165)	$ 214	$ 14,273
Industrial machinery and equipment	38,910	3,708	91	(1,092)	(1,424)	209	39,772
Vehicles	11,324	581	–	(81)	(559)	26	11,291
Office furniture	534	53	–	(12)	(31)	–	544
Computer equipment	2,824	431	1	(51)	(46)	–	3,159
Total investments	66,636	5,902	154	(1,877)	(2,225)	449	69,039
Depreciation:							
Building	(6,009)	(793)	–	285	113	(115)	(6,519)
Industrial machinery and equipment	(19,672)	(3,115)	–	561	1,297	(144)	(21,073)
Vehicles	(5,119)	(489)	–	67	367	(24)	(5,198)
Office furniture	(339)	(155)	–	7	31	–	(456)
Computer equipment	(2,071)	(347)	–	28	46	–	(2,344)
Total accumulated depreciation	(33,210)	(4,899)	–	948	1,854	(283)	(35,590)
	33,426	1,003	154	(929)	(371)	166	33,449
Land	4,395	1,054	31	(129)	(100)	29	5,280
Projects–in–progress and machinery in transit	4,350	1,599	–	(152)	(1,789)	–	4,008
Reclassified as assets available for sale	(160)	–	–	–	106	–	(54)
Net investment	$ 42,011	$ 3,656	$ 185	$ (1,210)	$ (1,878)	$ 195	$ 42,683

	Balances as of January 1, 2012	Additions	Additions from business acquisitions	Translation effect	Retirements	Revaluation for inflation	Balance as of December 31, 2012
Investment:							
Building	$ 12,307	$ 1,744	$ –	$ (602)	$ (502)	$ 97	$ 13,044
Industrial machinery and equipment	38,469	2,245	–	(1,308)	(695)	199	38,910
Vehicles	10,635	1,102	–	(81)	(357)	25	11,324
Office furniture	686	87	–	(32)	(215)	8	534
Computer equipment	2,580	449	–	(100)	(115)	10	2,824
Total investments	64,677	5,627	–	(2,123)	(1,884)	339	66,636
Depreciation:							
Building	(4,996)	(1,688)	–	259	489	(73)	(6,009)
Industrial machinery and equipment	(17,792)	(2,346)	–	399	184	(117)	(19,672)
Vehicles	(4,598)	(789)	–	134	161	(27)	(5,119)
Office furniture	(480)	(64)	–	22	183	–	(339)
Computer equipment	(2,060)	(274)	–	181	83	(1)	(2,071)
Total accumulated depreciation	(29,926)	(5,161)	–	995	1,100	(218)	(33,210)
	34,751	466	–	(1,128)	(784)	121	33,426
Land	4,280	419	–	(102)	(215)	13	4,395
Projects-in-progress and machinery in transit	3,559	1,261	–	(150)	(296)	(24)	4,350
Reclassified as assets available for sale	(171)	–	–	11	–	–	(160)
Net investment	$ 42,419	$ 2,146	$ –	$ (1,369)	$ (1,295)	$ 110	$ 42,011

9. Investment in shares of associated companies

The investments in associated companies are as follows:

Associated companies	% of ownership	December 31, 2013	December 31, 2012
Beta San Miguel, S. A. de C. V.	8	$ 522	$ 508
Mundo Dulce, S. A. de C. V.	50	272	336
Fábrica de Galletas La Moderna, S. A. de C. V.	50	247	267
Grupo La Moderna, S. A. de C. V.	3	156	156
Congelación y Almacenaje del Centro, S. A. de C. V.	15	111	98
Fin Común, S. A. de C. V.	30	94	71
Productos Rich, S. A. de C. V.	18	113	101
Grupo Altex, S. A. de C. V.	11	–	76
Frexport, S.A. de C.V.	15	110	–
Ovoplus, S. A. de C. V.	25	24	46
Innovación en Alimentos, S. A. de C. V.	50	–	29
Blue Label de México, S. A. de C. V.	45	413	427
Others	Various	70	27
		$ 2,132	$ 2,142

All associated companies are incorporated and operating in Mexico and are recognized using the equity method in the consolidated financial statements. Equity investments in Beta San Miguel, SA de CV, Grupo Moderna, SA de CV, Rich Products, SA de CV, Grupo Altex, SA de CV, and Frexport, SA de CV, are considered to be associated entities over which the Entity exercises significant influence, based on its representation in the Board of Directors. In 2013, the Entity sold its participation in Grupo Altex.

10. Intangible assets

Following is an analysis of the balance of intangible assets by geographical area:

	December 31, 2013	December 31, 2012
Mexico	$ 8,929	$ 9,425
USA	15,515	15,423
Iberia	871	754
OLA	1,662	1,593
Assets available for sale	–	(505)
	$ 26,977	$ 26,690

At December 31, 2013 and 2012 detail of intangible assets is as follows:

	Average useful life	December 31, 2013	December 31, 2012
Trademarks	Indefinite	$ 20,139	$ 19,542
Rights of distribution and use	Indefinite	2,514	2,428
		22,653	21,970
Customer relationships	18 years	5,664	5,629
Licensing agreements and software	8 and 2 years	336	333
Non-compete agreements	5 years	92	23
Others		34	34
		6,126	6,019
Accumulated amortization		(1,802)	(1,299)
		4,324	4,720
		$ 26,977	$ 26,690

The Entity owns intangible assets related to customer relationships, resulting from the acquisition of Weston Foods, Inc. in 2009 and Sara Lee Bakery Group, Inc. in 2011. The carrying value of these assets at December 31, 2013 and remaining useful lives are $2,913 and $1,081, 13 and 16, respectively, and at December 31, 2012, $3,119 and $1,143, and 14 and 17, respectively.

The intangible assets by geographical area correspond to the following:

	December 31, 2013	December 31, 2012
Mexico:		
Barcel	$ 1,130	$ 1,141
El Globo	360	360
Bimbo	310	310
BBU	7,048	6,998
Others	81	111
USA	15,515	15,423
Iberia:		
Spain	802	754
Argentina	69	–
OLA:		
Brazil	546	623
Fargo	615	556
Others	501	414
	$ 26,977	$ 26,690

Cost

	Brands	Use and distribution rights	Clients relationships	Licenses and software	Non–compete agreements	Others	Assets held for sale	Total
Balances at beginning of 2012	$ 20,916	$ 2,268	$ 6,041	$ 358	$ 25	$ 37	$ (532)	$ 29,113
Additions	–	–	–	1	–	–	–	1
Structured entities	–	317	–	–	–	–	–	317
Effect of exchange rate differences on foreign currency	(869)	(157)	(412)	(26)	(2)	(3)	27	(1,442)
Balances as of December 31, 2012	20,047	2,428	5,629	333	23	34	(505)	27,989
Additions	510	11	–	1	69	–	–	591
Structured entities	–	58	–	–	–	–	–	58
Disposals	(460)	–	–	–	–	–	455	(5)
Effect of exchange rate differences on foreign currency	42	17	35	2	–	–	50	146
Balances as of December 31, 2013	$ 20,139	$ 2,514	$ 5,664	$ 336	$ 92	$ 34	$ –	$ 28,779

Accumulated amortization and impairment

	Brands	Use and distribution rights	Clients relationships	Licenses and software	Non–compete agreements	Others	Assets held for sale	Total
Balances at beginning of 2012	$ (64)	$ –	$ (719)	$ (120)	$ (10)	$ (13)	$ –	$ (926)
Amortization expenses	–	–	(289)	(33)	(5)	(7)	–	(334)
Impairment	(8)	(99)	–	–	–	–	–	(107)
Effect of exchange rate differences on foreign currency	9	–	50	9	–	–	–	68
Balances as of December 31, 2012	(63)	(99)	(958)	(144)	(15)	(20)	–	(1,299)
Amortization expenses	–	–	(304)	(33)	(5)	(6)	–	(348)
Impairment	(55)	(95)	–	–	–	–	–	(150)
Effect of exchange rate differences on foreign currency	–	–	(5)	–	–	–	–	(5)
Balances as of December 31, 2013	$ (118)	$ (194)	$ (1,267)	$ (177)	$ (20)	$ (26)	$ –	$ (1,802)
Balances as of December 31, 2012	$ 19,984	$ 2,329	$ 4,671	$ 189	$ 8	$ 14	$ (505)	$ 26,690
Balances as of December 31, 2013	$ 20,021	$ 2,320	$ 4,397	$ 159	$ 72	$ 8	$ –	$ 26,977

During 2013 and 2012, the Entity recognized an impairment loss in trademarks, assigned to the USA segment, for $55 and $8, respectively. These impairments were recognized in general expenses in the consolidated statements of income. Such impairment loss was the result of decreased sales of the related products in such segment.

For the purpose of impairment tests, the fair value of trademarks was estimated using the relief from royalty valuation technique, using a range of royalty rates between 2% and 5%, being 3% the rate used for most trademarks.

In 2013, an impairment to the value of Earth Grains brands and Iron Kids brands of $2.1 million dollars, each, was recognized.

11. Goodwill

Following is an analysis of the balance of goodwill by geographical area:

	December 31, 2013	December 31, 2012
Mexico	$ 1,339	$ 1,232
USA	30,863	30,706
Iberia	448	426
OLA	1,843	1,831
	34,493	34,195
Impairment	(4,671)	(4,441)
	$ 29,822	$ 29,754

Movements in goodwill during the years ended December 31, 2013 and 2012 were as follows:

	December 31, 2013	December 31, 2012
Balance as of January 1	$ 29,754	$ 32,048
Acquisitions	195	–
Impairment	(243)	(120)
Adjustments due to variations in exchange rates	116	(2,174)
Balance as of December 31	$ 29,822	$ 29,754

Due to recurrent losses, the Entity recognized an impairment loss of goodwill in 2013 and 2012 related to El Globo (which is assigned to the Mexico reportable segment) in the amount of $243 and $120 respectively. The impairment loss has been included in the income statement under the general expenses line item.

Movement in accumulated impairment losses as of December 31, 2013 and 2012 is as follows:

	December 31, 2013	December 31, 2012
Balance as of January 1	$ 4,441	$ 4,671
Impairment	243	120
Adjustment due to variations in exchange rates	(13)	(350)
Balance as of December 31	$ 4,671	$ 4,441

Allocation of goodwill to cash generating unit

When analyzing impairment, goodwill is allocated to cash-generating units, which are represented mainly by Mexico (Bimbo, Barcel and El Globo), USA, Brazil and others (Iberia and Argentina).

Balances of goodwill assigned to each cash-generating unit, after impairment losses, are as follows:

	December 31, 2013	December 31, 2012
Mexico (El Globo)	$ 72	$ 218
USA	26,800	26,396
Brazil	678	811
Others	2,272	2,329
	$ 29,822	$ 29,754

El Globo

The recoverable amount of the Mexico cash-generating unit (which includes El Globo) is determined based on a value-in-use method, which uses cash flow projections based on financial budgets approved by management of the Entity covering a ten-year period. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Entity. The Entity considers a 10-year period for cash flow projections as it is expected that during such period El Globo will reach average growth rates consistent with the industry. In 2013 and 2012, the pre-tax discount rate used in such projections was 9.3% per annum, considering the time value of money and the specific risks associated with the cash-generating unit.

At December 31, 2013, an unfavorable change of 100 basis points in operating income margin would cause the carrying amount to exceed the recoverable amount of the Mexico cash-generating unit by $128. At December 31, 2012, an unfavorable change of 100 basis points in operating income margin would cause the carrying value to exceed the recoverable amount by $428.

USA

The recoverable amount of the USA cash-generating unit is determined based on a value-in-use method, which uses cash flow projections based on financial budgets approved by management of the Entity covering a ten-year period. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Entity. The Entity considers a 10-year period for cash flow projections as it is expected that during such period USA will reach average growth rates consistent with the industry. In 2013 and 2012, the pre-tax discount rate used in such projections was 6.88% per annum, considering the time value of money and the specific risks associated with the cash-generating unit. Management believes that a possible significant change in the key assumptions on which the recoverable amount of the cash-generating unit is based would not result in the carrying value of the cash-generating unit to exceed its recoverable amount.

Brazil

The recoverable amount of Brazil as a cash-generating unit is determined based on a value in use method, which uses cash flow projections based on financial budgets approved by management of the Entity. The cash flows beyond the 10-year period have been extrapolated; using growth rates and operating profit reaching 8% that consider both long-term average operating profits for the industry as well as past experience of the Entity. The Entity considers a 10-year period for cash flow projections as it is expected that during such period Brazil will reach such average growth rate of the industry. In 2013 and 2012, the pre-tax discount rate used in such projections was 9.1% per annum, considering the time value of money and the specific risks associated with the cash-generating unit.

At December 31, 2013, a change in the consideration of operating income margin, where margins projected by the Entity in the following year and considering a perpetual growth rate of 3% instead of 4%, would cause the carrying value of the cash-generating unit to exceed its recoverable amount by $115. At December 31, 2012, a change in operating income margin account where stable margins reached 7.5% to 8% in 2018, slowing the rate of increase in operating margin by 1% for 5 years, would cause the value Brazil's carrying amount exceeds the recoverable for $ 176.

Others

The recoverable amount of the Others cash-generating unit is determined based on a value in use method which uses cash flow projections based on financial budgets approved by management of the Entity, covering a period from 1 to 5 years. Management believes that the possibility of significant changes in the key assumptions on which the recoverable amount is based would not result in the carrying value of the cash-generating unit to exceed its recoverable amount.

The key assumptions vary among each cash-generating unit; however, the key long-term assumptions with the most significant impact in cash flow projections are those included in the perpetuity. Amounts and ranges of such assumptions are as follows:

Increase in sales	3%
Operating margin	8 – 12%
Capital expenditures as percentage of depreciation	100%

12. Long–term debt

	Fair Value	December 31, 2013	December 31, 2012
International bonds – On January 25, 2012, the Entity issued a bond under U.S. Securities and Exchange Commission ("SEC") Rule 144 A Regulation S for US$800 million maturing on January 25, 2022. Such bond pays a fixed interest rate of 4.50%, with semiannual payments. The proceeds from this issuance were used to the refinance the Entity's debt.	$ 10,383	$ 10,461	$ 10,408
On June 30, 2010, the Entity issued a bond under U.S. SEC Rule 144 A Regulation S for US$800 million maturing on January 30, 2020. Such bond pays a fixed interest rate of 4.875% with semiannual payments. The proceeds from this issuance were used to the refinance the Entity's debt, extending the maturity date.	10,872	10,461	10,408
Local bonds – As of December 31, 2013, the Entity holds the following local bonds due as follows:			
Bimbo 12– Issued on February 10, 2012, maturing in August 2018, with a a fixed interest rate of 6.83%	5,071	5,000	5,000
In 2009 the Entity completed the following issuances of local bonds, payables at maturity. The funds were used to restructure its debt, originally contracted for the acquisition of Bimbo Foods, Inc. ("BFI")			
Bimbo 09– Issued June 15, 2009, maturing in June 2014, with interest at the 28–day Interbank Equilibrium rate ("TIIE") plus 1.55%	5,062	5,000	5,000
Bimbo 09–2– Issued June 15, 2009, maturing in June 2016, with a fixed interest rate of 10.60%	2,262	2,000	2,000
Bimbo 09U– Issued June 15, 2009 in the amount of 706,302,200 UDIs, maturing in June 2016, with a fixed interest rate of 6.05%. The UDI value at December 31, 2013 and 2013 was $5.058 and $4.8746, Mexican pesos per UDI, respectively.	3,936	3,573	3,443

	Fair Value	December 31, 2013	December 31, 2012
Syndicated bank loan 2011 – On April 26, 2011, the Entity entered into a long-term bank loan in the amount of the equivalent of US$1,300 million, in which Bank of America, N. A., as lead administrative agent, and a bank syndicate, comprised of ten institutions as of the date of the accompanying consolidated financial statements, participate. This bank loan is amortized on a semiannual basis from October 2014 to April 20, 2016. The Entity pays interest at London Interbank Offered Rate ("LIBOR") plus 1.10%. The proceeds obtained from this financing were used to refinance existing obligations of the Entity contracted during the acquisition of Weston in 2009 and to partially pay for the acquisition of Sara Lee. In December 2013 the Entity prepaid US$145 million, using the proceeds from its operations. In January 2012, the Entity prepaid US$1,102 million with the proceeds of the issuance of debt obtained during 2012.	697	693	2,576
Euro credit facility – On October 24, 2011, the Entity entered into a long-term committed revolving credit facility with a European Bank in the amount of EUR$65 million, which currently bears interest at the European Interbank Offered rate ("EURIBOR") plus 1.00%. The Euro Revolving Credit Facility matures on July 17, 2014. The proceeds obtained from this financing were used to partially pay for the acquisition of Iberia. In 2013 the Entity prepaid in full the debt, using the proceeds from its operations.	–	–	1,121
Secured working capital loans – Between December 27 and 31, 2013, the Entity entered into three short-term, secured loans with three credit institutions, for $350, $1,500 and $2,500 million. At December 31, 2013, the Entity had prepaid the full amount of the first two loans and $600 million of the third loan, which bears interest at a fixed rate of 4.15%	1,900	1,900	–
Others – Certain subsidiaries have entered into other direct loans to meet their working capital needs, maturing from 2014 to 2017, at various interest rates	1,501	1,501	2,312
	41,684	40,589	42,268
Less – Current portion of long-term debt	(8,463)	(7,997)	(1,573)
Less – debt issuance costs	(260)	(260)	(297)
Long-term debt	$ 32,961	$ 32,332	$ 40,398

At December 31, 2013, long-term debt matures as follows:

Year		Amount
2015	$	35
2016		6,293
2017		242
2018		20,762
2019 and thereafter		5,000
	$	32,332

The committed dual-currency revolving credit facility, local bonds, international bond and syndicate bank loan are guaranteed by the principal subsidiaries of Grupo Bimbo. At December 31, 2013 and 2012, the Entity has complied with all the obligations, including financial ratios established in the loan agreements.

13. Financial instruments

13.1 Categories of financial instruments as of December 31, 2013 and 2012:

		December 31, 2013		December 31, 2012
ASSETS				
Current assets:				
Cash and cash equivalents	$	2,504	$	4,278
Accounts and note receivables, net		15,848		16,294
Derivative financial instruments		38		123
Guarantee deposits for derivative financial instruments		659		566
Total current assets		19,049		21,261
Non-current assets:				
Notes receivable from independent operators		1,560		1,484
Derivative financial instruments		695		533
Total financial assets	$	21,304	$	23,278
LIABILITIES				
Current liabilities:				
Bank loans	$	7,997	$	1,573
Bonds		–		–
Trade accounts payable		9,698		9,488
Other accounts payable and accrued liabilities		10,779		10,800
Due to related parties		523		677
Derivative financial instruments		1,033		237
Total current liabilities	$	30,030	$	22,775
Bank loans		1,097	$	4,439
Bonds		31,235		35,959
Derivative financial instruments		236		936
Total financial liabilities	$	62,598	$	64,109

13.2 Risk management

During the normal course of its operations, the Entity is exposed to risks inherent with variables related to financing as well as variations in the prices of some of its raw materials that are traded in international markets. The Entity has established an orderly risk management process that relies on internal bodies that assess the nature and extent of those risks.

Main financial risks the Entity is exposed to are:

- Market risk
- Interest rate risk
- Foreign currency risk
- Price risk
- Liquidity risk
- Credit risk
- Capital risk

The Entity's Corporate Treasury is responsible for managing the risks associated with interest rate, foreign currency, liquidity and credit risk that result from the ordinary course of business. Meanwhile, the Market Risk Subcommittee for commodities is responsible for risk management of purchase prices of commodities and reviews the consistency of Entity´s open positions in the futures markets with the Entity's corporate risk strategy. Both functions report their activities to the Risk Management Department. The main objectives of the Risk Management Department are as follows:

- Identify, evaluate and monitor external and internal risks that could significantly impact the Entity;
- Prioritize risks;
- Secure the assignment and monitoring of risk;
- Validate the functions and/or those responsible for risk management;
- Validate the progress in each of the prioritized risks; and
- Recommend future action to take.

Given that the variables the Entity is exposed are dynamic in behavior, hedging strategies are evaluated and monitored formally on an ongoing basis. Additionally, such strategies are reported to the relevant governing body within the Entity. The primary purpose of hedging strategies is to achieve a neutral and balanced position in relation to the exposure created by certain financial variables.

13.2.1 Market risks

The Entity is exposed to the financial risks associated with fluctuations in foreign currency and interest rates, which are managed by Corporate Treasury. The Entity is also exposed to price risk related to certain commodities purchased in its operation, which is managed by commodities subcommittees. The Entity occasionally uses derivative financial instruments to mitigate the potential impact of fluctuations in these variables and prices on its results. The Entity considers that the derivative financial instruments it enters into provide flexibility that allows for greater financial stability, better earnings visibility and certainty regarding costs and expenses to be paid in the future.

The Entity determines the amounts and objective parameters of the primary positions for which the derivative financial instruments are entered into, with the objective of minimizing one or more of the risk exposures in a transaction or group of transactions associated with the primary position.

The Entity only enters into derivative financial instrument contracts with recognized financial institutions of well-known solvency and within the limits set for each institution.

The principal types of derivative financial instruments used by the Entity are:

a) Contracts that establish a mutual obligation to exchange cash flows on specific future dates, at the nominal or reference value (swaps):
   1. Interest rate swaps to balance the mix of fixed and variable interest rates used for financial liabilities.
   2. Cross currency swaps, to change the currency in which both the principal and interest of a financial liability are expressed.
b) Foreign currency exchange forwards;
c) Foreign currency exchange calls;
d) Commodity futures; and
e) Options on commodities futures.

Market risk exposure is monitored and reported on an ongoing basis to the responsible governing area within the Entity.

The Entity has established a policy that derivative financial instruments are entered into exclusively to hedge a risk. Accordingly, in order to enter into a derivative financial instrument contract, it must necessarily be associated with a primary position that exposes the Entity to a specific risk. Consequently, the notional amounts of the Entity's derivative financial instruments will be consistent with the amounts of the primary positions that are being hedged. The Entity does not enter into derivative financial instruments for speculative purposes. If the Entity decides to enter into a hedging strategy whereby options are combined, the net premiums paid/collected must represent a cash outflow, meaning the Entity should not enter into derivative financial instrument transactions for speculative purposes.

Derivative financial instruments are comprised as follows:

	December 31, 2013	December 31, 2012
Assets:		
Current –		
Forwards	$ 9	$ 3
Premiums paid on options, net	–	13
Swaps	–	29
Futures contracts:		
Fair value of natural gas and diesel	29	78
Total asset derivatives – current	$ 38	$ 123
Long-term swaps	$ 695	$ 533

	December 31, 2013	December 31, 2012
Liabilities:		
Current –		
Swaps	$ (615)	$ –
Forwards	(3)	–
Futures contracts:	–	–
Fair value of wheat, corn, and soybean oil	(415)	(237)
Fair value of natural gas and diesel	–	
Total derivatives liabilities – current	$ (1,033)	$ (237)
Swaps	$ (236)	$ (936)
Forwards (wheat)	–	–
Total derivatives liabilities – long– term	$ (236)	$ (936)

	December 31, 2013	December 31, 2012
Stockholders' equity:		
Fair value of financial instruments designated as cash flow hedges, net of accrued interest	$ (317)	$ 68
Closed contracts for unused futures	(43)	(288)
	(360)	(220)
Deferred income tax, net	126	88
Accumulated other comprehensive income related to derivative financial instruments	$ (234)	$ (132)

13.2.2 Interest rate risk management

The Entity is exposed to interest rate risk, mainly with respect to its financial liabilities. The risk is managed through an adequate mix of fixed and variable rates, which on occasion, is achieved by entering into derivative financial instruments, such as interest rate swaps, which are accounted for as hedging instruments when they comply with the all criteria to be classified as such.

Management considers that its interest rate risk related to its financial assets is limited as their maturities are generally current.

As of December 31, 2013 and 2012 and January 1, 2011, the Entity held long–term debt that bore interest at variable rates referenced to the TIIE, UDI, LIBOR and EURIBOR and entered into interest rate swaps to fix such interest rates. The swaps have been designated as cash flow hedges.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on balances exposed to interest rate risk, considering both derivative and non–derivative instruments at the date of the consolidated statement of financial position; therefore, the analyses may not be representative of the interest rate risk during the period due to variances in the balances exposed to such risk. For floating rate liabilities, the sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change of 20 basis points in the one–month LIBOR and 10 basis points in the one–month EURIBOR represents management´s best estimate of a reasonable potential change with respect to those rates. The changes in the basis point determined by management would result in a one hundred percent changes of the interest rate. The Entity has fully mitigated interest rate risks related to fluctuations in TIIE and the value of UDI through interest rate swaps.

An increase/decrease of 20 basis points in LIBOR, would result in a decrease/increase in profit or loss of approximately $1 and $2 for the years ended December 31, 2013 and 2012, respectively. Such amounts are not deemed significant to the results of the operations of the Entity.

An increase/decrease of 10 basis points in EURIBOR would result in a decrease/increase in profit or loss of approximately $1 and $1 for the years ended December 31, 2013 and 2012, respectively. Such amounts are not deemed significant to the results of the operations of the Entity.

An increase/decrease of 15 basis points in LIBOR would result in a decrease/increase in the Entity´s comprehensive income of approximately $1 for the year ended December 31, 2012.

An increase of 100 basis points in TIIE, would result in an decrease in the Entity's comprehensive income of approximately $19 and $67 and a decrease of 100 basis points in LIBOR, would result in an increase in the Entity's comprehensive income of approximately $19 and $69 for the years ended December 31, 2013 and 2012, respectively.

13.2.3 Foreign currency risk management

The Entity undertakes transactions denominated in a variety of foreign currencies and presents its consolidated financial statements in Mexican pesos; it also has investments in foreign operations whose currencies differ from the Mexican peso. Accordingly, it is exposed to foreign currency risk (i.e., the forecasted purchase of inputs, contracts and monetary assets and liabilities) and foreign currency translation risk (i.e. net investments is foreign subsidiaries). The main risk is with respect to the parity of Mexican pesos to US dollars.

– *Management of translation of foreign currency risk*

The Entity has investments in foreign subsidiaries whose functional currency is other than the Mexican peso, which exposes it to the risk of foreign currency translation. Also, the Entity has contracted intercompany financial assets and liabilities with those foreign subsidiaries, in various currencies, therefore representing a foreign currency risk.

The risk is mitigated through the issuance of one or more loans denominated in currencies other than the functional currency to naturally hedge exposure to foreign currency, and presented as a net investment in foreign subsidiaries within other comprehensive income.

As of December 31, 2013 and 2012, loans that have been designated as hedges on the net investment in foreign subsidiaries amounted to US$2,894 and US$2,953 million, respectively.

As of December 31, 2013 and 2012, amounts that have been designated as hedges of intercompany long–term debt are EUR$255 and EUR$406 million, respectively.

Risk management policy regarding foreign currency also contemplates hedging expected foreign currency cash flows, mainly related to future purchases of inputs. Such purchases qualify as hedged items, represented by "highly probable" forecasted transactions for purposes of hedge accounting. At the time the purchase occurs, the Entity adjusts the non–financial asset that is considered the hedged item for the gain or loss previously recognized in other comprehensive income.

– *Management of foreign currency transactional risk*

The risk management policy regarding foreign currency exchange rate risk is to hedge forecasted cash flows related to future obligations. Such transactions comply with the criteria to be considered "highly probable" forecasted transactions for purposes of hedge accounting.

Foreign currency sensitivity analysis

The sensitivity analyses below have been determined based on the balances exposed to foreign currency exchange rate risk for both derivative and non–derivative instruments as of the date of the consolidated statement of financial position; therefore, the analyses may not be representative of the foreign currency exchange rate risk that existed during the year due to variances in the balances exposed to such risk.

A depreciation/appreciation of 1 peso per US dollar, represents management´s estimate of a reasonable potential change on the parity of both currencies, and would result in an increase/decrease of approximately $108 and $29 in profit or loss for the years ended December 31, 2013 and 2012, respectively.

Detail of derivative transactions to hedge the interest and exchange rate risk

The characteristics of the derivatives used to hedge the risks mentioned above and their fair values are as follows:

Amounts as of December 31, 2013

Date of Commencement	Maturity	Notional amount	Interest rate Paid	Interest rate Collected	Fair value
A) Swaps that convert the Bimbo 09–2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:					
September 13, 2010	June 6, 2016	155.3 (*)	6.35% (USD)	10.60% (Pesos)	$ 17
B) Swaps that modify the Bimbo 09U local bond currency and interest rate:					
June 10, 2009	June 6, 2016	$1,000	10.54% (Pesos)	6.05% (UDI)	212
June 24, 2009	June 6, 2016	$2,000	10.60% (Pesos)	6.05% (UDI)	420

C) Swaps that convert the Bimbo 12 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 14, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.24% (USD)		5
February 15, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.30% (USD)		7
February 17, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.27% (USD)		5
February 17, 2012	August 3, 2018	72.1 (*)	6.83% (Pesos)	3.33% (USD)		9
February 17, 2012	August 3, 2018	70.0 (*)	6.83% (Pesos)	3.27% (USD)		7
February 17, 2012	August 3, 2018	100.0 (*)	6.83% (Pesos)	3.25% (USD)		13
Total long-term assets					$	695

D) Swaps that fix the rate of the long-term bank loan in US dollars:

May 27, 2009	January 15, 2014	112.5 (*)	2.33% (Fixed)	0.30% (LIBOR)	$	(1)

E) Swaps that fix the interest rate of the Bimbo 09 local bond:

June 26, 2009	June 9, 2014	2,000	7.43% (Fixed)	4.80% (TIIE)		(34)
February 24, 2011	June 9, 2014	1,000	8.00% (Fixed)	6.35% (TIIE+1.55%)	$	(12)
February 24, 2011	June 9, 2014	1,000	7.94% (Fixed)	6.35% (TIIE+1.55%)		(12)
February 28, 2011	June 9, 2014	1,000	8.03% (Fixed)	6.35% (TIIE+1.55%)		(12)

F) Swaps that convert the Bimbo 09 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 11, 2011	June 9, 2014	166.0 (*)	5.06% (USD)	8.98% (Pesos)		(165)
April 25, 2011	June 9, 2014	86.2 (*)	3.83% (USD)	8.03% (Pesos)		(122)
April 27, 2011	June 9, 2014	86.6 (*)	3.73% (USD)	7.94% (Pesos)		(129)
April 28, 2011	June 9, 2014	86.7 (*)	3.78% (USD)	8.00% (Pesos)		(129)
Total liability short term						(615)

G) Swaps that convert the Bimbo 09U local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 17, 2011	June 6, 2016	83.1 (*)	6.47% (USD)	10.54% (Pesos)		(79)
February 17, 2011	June 6, 2016	166.3 (*)	6.53% (USD)	10.60% (Pesos)		(157)
					$	(236)

(*) Amounts in millions of US dollars

(**) Amounts in millions of euros

A) In connection with the issuance of the Bimbo 09–2 local bonds, for a national amount of $2,000 (equivalent to US$155.3 million), in 2010 the Entity entered into a foreign currency swap, which convert the debt from Mexican pesos to US dollars. The exchange rate was set at $12.88 Mexican pesos per US dollar, and the fixed interest rate to be paid is 6.35%.

B) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Entity entered into two foreign currency swaps for $1,000 and $2,000 that together hedge the entire Bimbo 09U issue and converts the debt from 6.05% in UDIs to Mexican pesos at fixed rates of 10.54% and 10.60%, respectively.

C) In order to convert all the Bimbo 12 local bonds from Mexican pesos to US dollars, between February 14 and 17, 2012 the Entity entered into 6 cross currency swaps for an amount of USD $50, $50, $72.1, $70, $100 and $50 respectively. All the instruments earn interest at a rate of 6.83% in Mexican pesos and pay interest at a rate of 3.24%, 3.30%, 3.27%, 3.27%, 3.25% and 3.33% respectively.

D) To hedge the interest rate risk on the US dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Entity entered into three swaps that originally totaled US$300 million and fixed the LIBOR rate to a weighted average rate of 1.63% and 1.66%. As a result of the prepayment in 2011 and 2010 of a portion of the US$300 million and by contracting a cross–currency swap that converts US$68.4 million to euros, as of December 31, 2012, US$112.5 million remain outstanding, which were allocated as hedge of the syndicated bank loan which uses Libor fixed rate of 2.33%

E) To hedge the interest rate risk on the issuance of the Bimbo 09 local bonds, on June 26, 2009 the Entity entered into an interest rate swap for $2,000 that fix the variable rate to 7.43%, effective July 13, 2009. Additionally, on February 24, 2011, the Entity entered into two instruments for $1,000 that fixes the rate from TIIE + 1.55% to 8.00% and 7.94%, respectively. On February 28, 2011, the Entity entered into another instrument for $1,000 that fixes the rate from TIIE + 1.55% to 8.03%.

F) In order to convert the fixed portion of the Bimbo 09 local bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into foreign currency and interest rate swaps for $2,000 (equivalent to US$166 million). The exchange rate was set at $12.05 Mexican pesos per US dollar and the interest rate at 5.06%. Additionally, between April 25 and 28, 2011, the Entity entered into three additional instruments, each one for $1,000, with exchange rates set at $11.53, $11.55 and $11.60 Mexican pesos per US dollar and fixed interest rates of 3.78%, 3.73% and 3.83%, respectively.

G) In order to convert the liability positions of instruments related to the issuance of the Bimbo 09–U bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into two foreign currency and interest rate swaps, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. The exchange rates applicable to these instruments were set at $12.03 Mexican pesos per US dollar and interest was fixed at 6.47% and 6.53%, respectively.

Amounts as of December 31, 2012

Date of Commencement	Maturity	Notional amount	Interest rate Paid	Interest rate Collected	Fair value
A) Short-term swaps that convert the debt from US dollars to euros and modify the interest rate from a fixed rate based on US dollars to a fixed rate based on euros:					
October 17, 2011	June 17, 2013	50.0 (**)	3.52% (Euros)	3.43% (USD)	$ 29
B) Swaps that convert the Bimbo 09-2 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:					
September 13, 2010	June 6, 2016	155.3 (*)	6.35% (USD)	10.60% (Pesos)	6
C) Swaps that modify the Bimbo 09U local bond currency and interest rate:					
June 10, 2009	June 6, 2016	$1,000	10.54% (Pesos)	6.05% (UDI)	175
June 24, 2009	June 6, 2016	$2,000	10.60% (Pesos)	6.05% (UDI)	347
D) Swaps that convert the Bimbo 12 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:					
February 14, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.24% (USD)	1
February 15, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.30% (USD)	3
February 17, 2012	August 3, 2018	50.0 (*)	6.83% (Pesos)	3.27% (USD)	1
Total long-term assets					$ 533
E) Swaps that fix the rate of the long-term bank loan in US dollars:					
May 27, 2009	January 15, 2014	112.5 (*)	2.33% (Fixed)	0.30% (LIBOR)	$ (16)
F) Swaps that fix the interest rate of the Bimbo 09 local bond:					
June 26, 2009	June 9, 2014	2,000	7.43% (Fixed)	4.80% (TIIE)	(70)
February 24, 2011	June 9, 2014	1,000	8.00% (Fixed)	6.35% (TIIE+1.55%)	$ (22)
February 24, 2011	June 9, 2014	1,000	7.94% (Fixed)	6.35% (TIIE+1.55%)	(22)
February 28, 2011	June 9, 2014	1,000	8.03% (Fixed)	6.35% (TIIE+1.55%)	(21)

G) Swaps that convert the Bimbo 09 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 11, 2011	June 9, 2014	166.0 (*)	5.06% (USD)	8.98% (Pesos)	(152)
April 25, 2011	June 9, 2014	86.2 (*)	3.83% (USD)	8.03% (Pesos)	(114)
April 27, 2011	June 9, 2014	86.6 (*)	3.73% (USD)	7.94% (Pesos)	(107)
April 28, 2011	June 9, 2014	86.7 (*)	3.78% (USD)	8.00% (Pesos)	(121)

H) Swaps that convert the Bimbo 09U local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 17, 2011	June 6, 2016	83.1 (*)	6.47% (USD)	10.54% (Pesos)	(88)
February 17, 2011	June 6, 2016	166.3 (*)	6.53% (USD)	10.60% (Pesos)	(175)

I) Swaps that convert the Bimbo 12 local bonds from Mexican pesos to US dollars and modify their interest rates from Mexican pesos fixed to US dollars fixed:

February 17, 2012	August 3, 2018	72.1 (*)	6.83% (Pesos)	3.33% (USD)	(7)
February 17, 2012	August 3, 2018	70.0 (*)	6.83% (Pesos)	3.27% (USD)	(10)
February 17, 2012	August 3, 2018	100.0 (*)	6.83% (Pesos)	3.25% (USD)	(11)
Total current liabilities (swaps)					$ (936)

(*) Amounts in millions of US dollars
(**) Amounts in millions of euros

A) For the purpose of financing the acquisition of Iberia, on October 20, 2011, the Entity entered into a cross currency swap that converts US$68.4 million of the Syndicated Bank Loan into EUR$50 million. Under this instrument, the Entity receives a fixed rate of 3.43% US dollars and pays a fixed rate of 3.52% euros.

B) In connection with the issuance of the Bimbo 09–2 local bonds, for a national amount of $2,000 (equivalent to US$155.3 million), in 2010 the Entity entered into a foreign currency swap, which convert the debt from Mexican pesos to US dollars. The exchange rate was set at $12.88 Mexican pesos per US dollar, and the fixed interest rate to be paid is 6.35%.

C) In connection with the issuance of the Bimbo 09U local bonds, between June 10 and 24, 2009, the Entity entered into two foreign currency swaps for $1,000 and $2,000 that together hedge the entire Bimbo 09U issue and converts the debt from 6.05% in UDIs to Mexican pesos at fixed rates of 10.54% and 10.60%, respectively.

D) In order to convert the liability positions of instruments related to the issuance of the Bimbo 09–U bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into two foreign currency and interest rate swaps, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. The exchange rates applicable to these instruments were set at $12.03 Mexican pesos per US dollar and interest was fixed at 6.47% and 6.53%, respectively.

C) To hedge the interest rate risk on the US dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Entity entered into three swaps that originally totaled US$300 million and fixed the LIBOR rate to a weighted average rate of 1.63% and 1.66%. As a result of the prepayment in 2011 and 2010 of a portion of the US$300 million and by contracting a cross–currency

swap that converts US$68.4 million to euros, as of December 31, 2012, US$112.5 million remain outstanding, which were allocated as hedge of the syndicated bank loan which uses Libor fixed rate of 2.33%

D) & I) In order to convert all the Bimbo 12 local bonds from Mexican pesos to US dollars, between February 14 and 17, 2012 the Entity entered into 6 cross currency swaps for an amount of USD $50, $50, $72.1, $70, $100 and $50 respectively. All the instruments earn interest at a rate of 6.83% in Mexican pesos and pay interest at a rate of 3.24%, 3.30%, 3.27%, 3.27%, 3.25% and 3.33% respectively.

E) To hedge the interest rate risk on the US dollar portion of Tranche A of the Bank Loan, between May 27 and 29, 2009, the Entity entered into three swaps that originally totaled US$300 million and fixed the LIBOR rate to a weighted average rate of 1.63% and 1.66%. As a result of the prepayment in 2011 and 2010 of a portion of the US$300 million and by contracting a cross-currency swap that converts US$68.4 million to euros, as of December 31, 2012, US$112.5 million remain outstanding, which were allocated as hedge of the syndicated bank loan which uses Libor fixed rate of 2.33%

F) To hedge the interest rate risk on the issuance of the Bimbo 09 local bonds, on June 26, 2009 the Entity entered into an interest rate swap for $2,000 that fix the variable rate to 7.43%, effective July 13, 2009. Additionally, on February 24, 2011, the Entity entered into two instruments for $1,000 that fixes the rate from TIIE + 1.55% to 8.00% and 7.94%, respectively. On February 28, 2011, the Entity entered into another instrument for $1,000 that fixes the rate from TIIE + 1.55% to 8.03%.

G) In order to convert the fixed portion of the Bimbo 09 local bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into foreign currency and interest rate swaps for $2,000 (equivalent to US$166 million). The exchange rate was set at $12.05 Mexican pesos per US dollar and the interest rate at 5.06%. Additionally, between April 25 and 28, 2011, the Entity entered into three additional instruments, each one for $1,000, with exchange rates set at $11.53, $11.55 and $11.60 Mexican pesos per US dollar and fixed interest rates of 3.78%, 3.73% and 3.83%, respectively.

H) In order to convert the liability positions of instruments related to the issuance of the Bimbo 09-U bonds from Mexican pesos to US dollars, on February 17, 2011, the Entity entered into two foreign currency and interest rate swaps, one for $1,000 (equivalent to US$83.1 million) and the second for $2,000 (equivalent to US$166.3 million), respectively. The exchange rates applicable to these instruments were set at $12.03 Mexican pesos per US dollar and interest was fixed at 6.47% and 6.53%, respectively.

Foreign Currency Hedge

As of December 31 2012, the Entity maintained short-term forwards, which hedges intercompany liabilities in euros, and hedge a cover a notional amount of EUR 24.9 million and fixed the exchange rate at $17.022 Mexican pesos per euro, and its fair value was $3.

Based on its projections of expense, Corporate treasury has diverse obligations in USD, for which reason, at December 31, 2013 and 2012, it maintains a portfolio of options and forwards that result in a long-term position in forwards with monthly maturities of USD$170 and USD$128 million, respectively, at an average exchange rate of $13.0719 and $13.9996 Mexican pesos per USD. The net fair value of the instruments is $9 and $(2) as at December 31, 2013 and 2012, respectively.

As of December 31, 2012, the Entity entered into a forward to hedge the cash outflows related to financial and/or operating liabilities denominated in US dollars. This instrument hedges a notional amount of debt of USD$10.5 million and fixed the exchange rate for purchases of foreign currency at $ 13.259 Mexican pesos per USD, respectively. The fair value as of December 31, 2013 was $(1).

In 2013, the Entity entered into a forward to hedge the exchange risks related to the purchase of commodities in Uruguay. This instrument hedges a notional amount of USD$4.8 million and fixed the exchange rate at $22.72 Uruguayan pesos per USD. The fair value of the instrument as of December 31, 2013 was $(2).

In 2013, the Entity entered into a forward to hedge the exchange risks related to the purchase of commodities in Mexico. This instrument hedges a notional amount of USD$91.3 million and fixed the exchange rate at $13.18 Mexican pesos per USD. The fair value of the instrument as of December 31, 2013 was $(1).

13.2.4 Commodities price risk management

In accordance with the Entity´s risk management policies, it enters into wheat, natural gas, and other commodities futures contracts to minimize the risk of variation in international prices of such inputs.

Wheat, the main input used by the Entity, together with natural gas, are some of the commodities hedged. The transactions are carried out in recognized commodity markets, and through their formal documentation are designated as cash flow hedges of forecasted transactions. The Entity performs prospective and retrospective effectiveness tests of the instruments to ensure they mitigate the variability of cash flows from fluctuations in the price of such inputs.

As of December 31, 2013 and 2012, the Entity has recognized, in other comprehensive income, closed contracts that have not yet been transferred to cost of sales due to the fact that the wheat under these contracts has not been used for flour consumption.

Detail of derivative transactions that hedge commodities price risk

As of December 31, 2013 and 2012, the contracted futures and their main characteristics were as follows:

	Amounts as of December 31, 2013				
Commencement date	**Position**	**Contracts Number**	**Maturity**	**Region**	**Fair Value**
Futures contracts to fix the purchase price of natural gas and diesel:					
Various (diesel)	Long	918	Various	USA	$ 17
Various (gasoline)	Long	136	Various	USA	5
Various (natural gas)	Long	135	Various	USA	10
Various (natural gas)	Long	2,620	Various	Mexico	(3)
Total current assets					$ 29
Futures contracts to fix the purchase price of wheat and soybean oil:					
August through December 2012 (wheat)	Long	5,974	May through December 2013	USA	$ (280)
April through December 2012 (wheat)	Long	3,950	May through December 2013	Mexico	(118)
Various (corn)	Long	90	July through December 2013	USA	–
Various (soybean oil)	Long	421	March through December 2013	USA	(7)
October through December 2012 (wheat)	Long	250	March through July 2013	OLA	(10)
Total current liabilities					$ (415)

Amounts as of December 31, 2012					
Commencement date	**Position**	**Contracts Number**	**Maturity**	**Region**	**Fair Value**
Futures contracts to fix the purchase price of natural gas and diesel:					
Various (diesel)	Long	2,530	Various	USA	$ 48
Various (gasoline)	Long	735	Various	USA	30
Various (natural gas)	Long	350	Various	Mexico	–
Various (natural gas)	Long	246	Various	USA	–
Total current assets					$ 78
Futures contracts to fix the purchase price of wheat and soybean oil:					
August through December 2012 (wheat)	Long	6,815	May through December 2013	USA	$ (189)
April through December 2012 (wheat)	Long	3,113	May through December 2013	Mexico	(33)
Various (corn)	Long	174	July through December 2013	USA	(5)
Various (soybean oil)	Long	581	March through December 2013	USA	(6)
October through December 2012 (wheat)	Long	179	March through July 2013	OLA	(4)
Total current liabilities					$ (237)

As of December 31, 2013, the Entity held two forward contracts to hedge cash flows related to the purchase of inputs denominated in US dollars.

Amounts as of December 31, 2013				
		Contracts		
Commencement date	**Maturity**	**Notional Amount**	**Average exchange rate**	**Fair Value**
Forwards to hedge cash flows related to the purchase of inputs in USD:				
September through December 2013	Between January and May 2014	US $91.3 millions	$13.18	(1)

Embedded derivative instruments – As of December 31, 2013 and 2012, the Entity has not identified any embedded derivative financial instruments that require bifurcation.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of financial assets and liabilities is determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active, liquid markets are determined with reference to their quoted market prices, hence are considered Level 1, based on the hierarchy described below.

The fair value of other financial assets and liabilities are determined in accordance with accepted pricing models, generally based on discounted cash flow analysis.

In particular, the fair value of loans from financial institutions is determined using the income approach, discounting the contractual cash flows of these liabilities at current rates estimated by the Entity. Such current rates are determined through quotations obtained from a variety of counterparties. The rates used were 1.45% for loans denominated in U.S. dollars. This valuation is considered Level 3, based on the hierarchy described below. The carrying value of financial assets and liabilities does not vary significantly from their fair value.

As of December 31, 2013 and 2012, the carrying value of financial assets and liabilities does not vary significantly from their fair value.

The fair value of market long–term debt, such as bonds, was determined based on the prices provided by Valuación Operativa y Referencias de Mercado S. A. de C. V. ("VALMER") which is an entity supervised by the Mexican National Securities and Banking Commission (*Comisión Nacional Bancaria y de Valores*), that provides prices for financial instruments. Such valuation is considered as Level 1, according to the hierarchy described as follows:

Fair value hierarchy

The amount of assets and liabilities in the consolidated statements of financial position, measured at fair value, are grouped into one of the following three hierarchy levels. Categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13.2.5 Liquidity risk management

Corporate treasury is responsible for managing liquidity risk. Risk management allows the Entity to determine its short–, medium– and long–term cash flow needs, while seeking financial flexibility. The Entity maintains sufficient liquidity through an orderly management of its resources and ongoing monitoring of cash flows, as well as maintaining a variety of credit lines (some of them committed) with bank institutions and proper management of working capital. These actions ensure the payment of future obligations. The Entity believes that due to the nature of its business, liquidity risk is low.

Obligations resulting from financial instruments and debt amortization are as follows:

	X<1 year	1 year <X<3 years	3 years<X<5 years	X>5years
Debt	$ (6,915)	$ (10,081)	$ (8,080)	$ (25,271)
Derivative instruments	(748)	(1,900)	(202)	–
Total	$ (7,663)	$ (11,981)	$ (8,282)	$ (25,271)

13.2.6 Credit risk management

Credit risk arises from the possible loss if a customer is unable to pay its obligations, loss on investments and principally the risk related to derivative financial instruments.

When accounts receivable to customers is impaired, the Entity recognizes an allowance for doubtful accounts. The allowance is increased for those accounts beyond 90 days past due, based on the results of the analysis of each account and the overall results of changes in the accounts receivable and the seasonality of the customers' business. The methodology used to determine the allowance has been applied consistently and the allowance has been historically sufficient to cover impaired unrecoverable accounts.

With respect to operations with derivative financial instruments related to interest rate and exchange rate hedges, these instruments are entered into bilaterally ("OTC"), with counterparties of high repute that meet certain criteria mentioned below, and who maintain a significant and continuous commercial relationship with the Entity.

These counterparties are deemed of high repute, as they are sufficiently solvent –based on their "counterparty risk" rating from Standard & Poor´s– for short– and long–term obligations in local and foreign currency. The counterparties with whom the Entity has contracts with respect to derivative financial instruments are:

Banco Nacional de México, S. A., BBVA Bancomer, S. A., Barclays Bank, PLC W. London, Bank of America México, S. A., Merrill Lynch Capital Services, Inc., HSBC Bank, ING. Investment Bank, JP Morgan Chase Bank, N. A., Banco Santander, S. A., Mizuho Corporate Bank, Ltd. and The Bank of Tokyo Mitsubishi ufj, Ltd.

Commodities derivatives financial instruments are contracted in the following recognized markets:

a. Minneapolis Grain Exchange (MGE)
b. Kansas City Board of Trade (KCBOT)
c. Chicago Board of Trade (CBOT)
d. Mercado a Término de Buenos Aires
e. New York Mercantile Exchange (NYMEX)

Exposure to each counterparty is monitored on a monthly basis.

All derivative financial instrument transactions are performed under a standardized contract and duly executed by the legal representatives of the Entity and those of the counterparties.

Appendix and annexes to the contract, establish the settlement and other relevant terms in accordance with the manners and practices of the Mexican market.

Some derivative financial instrument contracts include the establishment of a security deposit or other securities to guarantee payment of obligations arising from such contracts. Credit limits that the Entity has with its counterparties are large enough to support its current operations; however, the Entity maintains cash deposits as collateral for payment of derivative financial instruments.

For those commodities future contracts executed in recognized, international markets, the Entity is subject to the regulation of those markets. These regulations include, among others, establishing an initial margin call for futures contracts and subsequent margin calls required of the Entity.

13.2.7 Equity structure management

The Entity maintains a healthy relation between debt and equity, to maximize the shareholders' return.

The leverage ratio at the end of each period is as follows:

	December 31, 2013	December 31, 2012
Debt (i)	$ 40,329	$ 41,971
Cash and cash equivalents	2,504	4,278
Net debt	37,825	37,693
Stockholders' equity	47,783	47,058
Net debt to stockholders' equity	0.79 veces	0.80 times

(i) Debt is comprised of bank loans and short– and long–term bonds.

14. Employee benefits and workers´ compensation

Net projected liabilities of employee and welfare benefits plans and workers' compensation, by geographical area, are as follows:

	December 31, 2013	December 31, 2012
Retirement benefits in México	$ 1,577	$ 2,912
Retirement and post-retirement benefits in USA	4,173	5,362
Workers' compensation in USA	2,399	2,534
MEPP in USA	9,081	9,400
	15,653	17,296
OLA		
Retirement	169	161
Total net liability	$ 17,399	$ 20,369

a. *Mexico*

The Entity has a defined benefit pension and seniority premium plan. The Entity is also required to pay termination benefit obligations, which do not qualify as post-retirement benefit plans under IFRS, for which reason a liability for the benefits is not recognized until the obligation occurs, generally upon payment. The Entity´s funding policy is to make discretionary contributions. During 2013 and 2012, the Entity has not contributed to the plans.

Seniority premiums payment consist of a one-time payment of 12 days for each year worked based on the final salary, not exceeding twice the minimum wage, applicable at the payment date, established by law for all its personnel, as stipulated in the respective employment contracts. Such benefits vest for employees with 15 or more years of service.

The most recent actuarial valuations of the plan assets and present value of defined benefits obligation were performed as of December 31, 2013 and 2012 by Bufete Matemático Actuarial, S.C., member of Colegio Nacional de Actuarios, A. C. The present value of defined benefits obligation, cost of services of the year, and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012
Discount rate	8.50%	7.13%
Wage increases	4.50%	4.50%

The amounts recognized in profit or loss with respect to defined benefit pension plans:

	December 31, 2013	December 31, 2012
Current service cost	$ 449	$ 407
Interest cost	541	498
Interest income on plan assets	(358)	(351)
Net cost of the period	$ 632	$ 554

The net cost of the period was allocated $137 and $120 in 2013 and 2012, respectively, as cost of sales and the remainder as general expenses. The interest on the net obligation was recognized as finance costs.

The following table shows the funded status of the pension and seniority premium obligations as of the date thereon:

	December 31, 2013	December 31, 2012
Present value of defined benefit obligation	$ 6,513	$ 7,716
Less– Fair value of plan assets	4,936	4,804
Underfunded status of the defined benefit obligation	$ 1,577	$ 2,912

Movements in the present value of the defined benefit obligation:

	December 31, 2013	December 31, 2012
Present value of the defined obligation as of January 1,	$ 7,716	$ 6,637
Service cost	449	407
Interest cost	541	498
Actuarial gain on estimate obligation	(1,911)	–
Experience adjustments on the obligation	(16)	416
Benefits paid	(266)	(242)
Present value of the defined benefit obligation as of December 31	$ 6,513	$ 7,716

Movements in fair value of plan assets:

	December 31, 2013	December 31, 2012
Plan assets at fair value as of January 1	$ 4,804	$ 4,648
Return on plan assets	358	351
Actuarial gain on estimation of plan assets	40	47
Benefits paid	(266)	(242)
Plan assets at fair value as of December 31	$ 4,936	$ 4,804

Categories of plan assets:

	Fair value of plan assets	
	As of December 31, 2013	As of December 31, 2012
Equity instruments	$ 1,397	$ 1,675
Debt instruments	3,011	2,916
Others	528	213
Total	$ 4,936	$ 4,804
Expected weighted return	$ 8.50	$ 7.13
Real weighted return	$ 4.65	$ 13.54

Fair value of the assets of the plan are measured using valuation techniques that include inputs that are not based on observable market data.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected wage. The sensitivity analysis presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the defined obligation would decrease by $178, (increase by $127).

If the expected wage increases (decreases) by 1 %, the defined benefit obligation would increased by $2.112 (decrease by $1.893).

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset–Liability–Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk–and–return profiles. Investment and contribution policies are integrated within this study.. Main strategic choices that are formulated in the actuarial and technical policy document of the Fund are:

- Asset mix based on 25 % equity instruments, 65 % debt instruments and 10 % of other instruments or alternative.
- Maintain an equity buffer that gives a70 % assurance that assets are sufficient within the next 12 months.

There has been no change in the process used by the Entity to manage its risks from priors periods.

The Entity's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The residual contribution (including back service payments) is paid by the entities of Grupo Bimbo. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back–service liabilities) are paid immediately to the Fund. Apart from paying the costs of the entitlements, the Entity's subsidiaries are not liable to pay additional contributions in case the Fund does not hold sufficient assets. In that case, the Fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

The average duration of the benefit obligation as of December 31, 2013 is 25 years. This number can be analyzed as follows:

- Active members: 37 years (2012: 36 years), and
- Retired members: 47 years (2012: 47 years).

The history of experience adjustments are as follows:

	As of December 31, 2013	As of December 31, 2012
Defined benefit obligation	$ 6,513	$ 7,716
Less – Fair value of plan assets	4,936	4,804
Underfunded status	$ 1,577	$ 2,912
Experience adjustments on the defined benefit obligation	$ 1,927	$ 416
Experience adjustments on plan assets	$ 40	$ 47

b. ***USA–*** The Entity has established a defined benefit pension plan that covers eligible employees. Effective January 1, 2009, the benefits of the plan were frozen. The Entity´s funding policy is to make discretionary contributions. As of December 31, 2013 and 2012, the Entity contributed to such plan $628 and $540, respectively.

The Entity also has established post–retirement employee welfare plans, which covers the medical insurance of certain eligible employees. The Entity has insurance and pays these expenses as they occur.

The most recent actuarial valuations of the plan assets and present value of defined benefits obligation were performed as of December 31, 2013 and 2012 by Mercer (US), Inc., member of the Institute of actuaries in the U.S. The present value of defined benefits obligation, cost of services of the year, and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012
Average of discount rates	4.75% – 3.55%	3.25% – 4.00%
Wage increases	3.75%	3.75%
Inflation rates	2.75%	2.75%

The amounts recognized in profit or loss with respect to defined benefit pension plans and post–retirement benefits:

	December 31, 2013	December 31, 2012
Current service cost	$ 242	$ 234
Interest cost	603	686
Prior service costs and other	26	(225)
Interest income on plan assets	(426)	(485)
Net cost of the period	$ 445	$ 210

The net cost of the period was allocated $140 and $119 in 2013 and 2012, respectively, in the consolidated statements of income as cost of sales and the remainder as general expenses. The interest on the obligation and the expected return on the plan assets are recognized as finance costs.

The following table shows the funded status of the pension and seniority premium obligations as of the date thereon:

	December 31, 2013	December 31, 2012
Present value of defined benefit obligation	$ 15,912	$ 16,959
Less – Fair value of plan assets	11,739	11,597
Underfunded status of defined benefit obligation	$ 4,173	$ 5,362

Movements in the present value of the defined benefit obligation:

	December 31, 2013	December 31, 2012
Present value of the defined obligation as of January 1	$ 16,959	$ 16,471
Service cost	242	233
Interest cost	603	686
Effect of experience adjustments	(70)	(323)
Effect of changes in demographic assumptions	556	95
Effect of changes in financial assumptions	(1,676)	1,679
Adjustment for fluctuation in currency exchange	87	(1,141)
Benefits paid	(789)	(741)
Present value of the defined benefit obligation as of December 31	$ 15,912	$ 16,959

Movements in fair value of plan assets:

	December 31, 2013	December 31, 2012
Plan assets at fair value as of January 1	$ 11,597	$ 11,212
Interest income, and others	426	465
Return on plan assets	(302)	742
Employer and employee contributions	628	523
Business acquisitions	–	–
Adjustment for fluctuation in currency exchange	59	(777)
Benefits paid	(669)	(568)
Plan assets at fair value as of December 31	$ 11,739	$ 11,597

Categories of plan assets:

	Fair Value of plan assets	
	As of December 31, 2013	As of December 31, 2012
Equity instruments	$ 4,178	$ 4,386
Debt instruments	5,580	5,608
Others	1,981	1,604
Total	$ 11,739	$ 11,598
Expected weighted return	3.60	$ 4.57
Real weighted return	1.40	$ 12.3

Fair value of the assets of the plan are measured using valuation techniques that include inputs that are not based on observable market data.

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected wage increase. The sensitivity analysis presented below were determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by $1,950, (increase by $1,950).

If the expected wage growth increases to 4.75%, the benefit obligation would increase by $ 597; if the increase in the expected wage decreases to 2.75%, the defined benefit obligation would decrease by $585.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset–Liability–Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk–and–return profiles. Investment and contribution policies are integrated within this study. Main strategic choices that are formulated in the actuarial and technical policy document of the Fund are:

- Asset mix on 31 % equity instruments, 54 % debt instruments and 15% other instruments or alternative.
- Maintain an equity buffer that gives a 70% assurance that assets are sufficient within the next 12 months.

There has been no change in the process used by the Entity to manage its risks from previous periods.

The Entity's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The residual contribution (including back service payments) is paid by the entities of Grupo Bimbo. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are

determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) are paid immediately to the Fund. Apart from paying the costs of the entitlements, the Entity's subsidiaries are not liable to pay additional contributions in case the Fund does not hold sufficient assets. In that case, the Fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

The average duration of the benefit obligation as of December 31, 2013 is 13 years. This number can be analyzed as follows:

- Active members: 51 years (2012: 50 years);
- Deferred members: 51 years (2012: 51 years), and
- Retired members: 71 years (2012:71 years).

The Entity made contributions to the defined benefit plans in the amount of $48 in 2013 and 2012.

The amounts of experience adjustments are as follows:

	December 31, 2013	December 31, 2012
Present value of defined benefits obligation	$ 15,912	$ 16,959
Less – Fair value of plan assets	11,739	11,597
Underfunded status	4,173	5,362
Experience adjustments on plan obligation	$ (100)	$ (323)
Experience adjustments on plan assets	$ (302)	$ 742

Multi-employer pension plans ("MEPP")

The Entity participates in defined benefits plans defined as MEPP. A MEPP is a fund in which several unrelated employers, in the same or similar industry, make payments to fund retirement benefits for unionized employees enrolled in the plan. Originally, it was set to facilitate the mobility of employees between companies in the same industry preserving pension benefits. Usually they are administered by a trust that is overseen by representatives of all employers and employees. Currently BBU participates in 34 MEPPs .

Some of the Company's MEPP qualify as a defined contribution plans. Therefore, annual contributions are recognized in profit or loss. Other plans qualify as defined benefits, however are accounted for in the same way, as the Company does not have sufficient available information to complete the respective calculations as the nature of the collective plans and involvement of the Company in the management of the plans is limited.

Contributions to MEPP´s for the years ended December 31, 2013 and 2012 amounted to $1,489 and $1,426, respectively, which are recognized in profit or loss as incurred. The estimated contributions for 2014 are approximately $1,556.

In case that other employer exits the MEPP´s program, without satisfying the liability of its exit, the non-covered amount is distributed to the other active employers. Generally, the distribution of the liability for the exit of the plan related to the relation between the Company´s obligations to the plan and the relation to the other contributors to the plan.

When the exit of a MEPP is highly probable to happen, is recognized as a provision for the estimated future cash outflows present value, discounted at the actual rate. The Entity recognizes a withdrawal liability related to three MEPPs, for which an exit contracts exist. The total liability related to MEPP´s is shown below:

	2013	2012
MEPP´s withdrawal liability	$ 9,081	$ 9,400
MEPP´s provision	1,372	542
Total pasivo reconocido por PPM	$ 10,453	$ 9,942

The MEPP´s withdrawal liability results from two contracts entered by the Entity in 2012 to execute a complete withdrawal from the MEPP and re-enter under advantageous terms designed to maintain the financial stability of the plan. The terms of the agreement allow the Entity to cap its complete withdrawal liability and fund it interest free over 25 years. In 2012, the Entity notified another MEPP of the intent to exit from the MEPP. This action caused the trustees of the plan to declare a mass withdrawal has occurred in the plan. In 2013 the Entity adjusted the liability previously recognized, based on a notification from the trustees of the plans. The MEPP´s provision is recorded $81 under accrued liabilities and $1,291 under other liabilities.

The decision to exit the MEPPs resulted in a withdrawal liability and expense in 2012 of $954, presented in the other operating expenses line.

The MEPP´s provision result from the intention to exit a plan.

Liabilities that have been recorded with respect to the MEPP concept are subject to changes based on changes in wages, seniority and the mix of employees in the plan, which are recognized within income of the year in addition to amounts that are contributed in different MEPPs. In 2013 and 2012,the Entity recognized $418 and $148, respectively.

The estimated cost of the withdrawal liability of all the plans is $24,989, of which the Company has provisioned $10,453. The differential not provisioned represents the Company´s best estimate of withdrawal cost of the other plans, for which as of the date of the accompanying consolidated financial statements, the Company does not have the intent of withdrawing.

Welfare benefit plans USA

The Entity maintains a welfare benefit plan that covers certain eligible employees' postretirement medical expenses. Amounts correspond to expenses that are recorded in profit or loss as incurred. These obligations are classified as current or long-term welfare benefit plans and the amounts are included in the income statement. As of December 31, 2013 and 2012, these liabilities were:

	December 31, 2013	December 31, 2012
Welfare benefit plans		
Current (a)	$ 1,182	$ 1,313
Long-term	2,399	2,534
	$ 3,581	$ 3,847

(a) Included in other accounts payable and accrued expenses

c. ***OLA***

Venezuela – The Entity maintains a defined benefit plan in respect of the social benefits of their employees in accordance to the provisions of the Labor Law, the Workers and Employees Act ("LOTTT", for its acronym in Spanish).

On May 7, 2012, the President of the Bolivarian Republic of Venezuela amended the LOTTT Act, which entitles each employee with a guarantee for concept of social security benefits equivalent to fifteen days' wages for each three months of work, calculated based on the last wage accrued. Additionally, after the second year of employment, the employee is entitled to two days pay for each year of work, cumulative up to thirty days' salary. This benefit is retroactive as of June 19, 1997, and applicable for all employees that joined the Entity before that date. For employees that joined after such date, the benefit accrues from the date of hire.

Upon termination of employment, the employee is entitled to receive a payment of whatever is higher: thirty days per year of service or fractions of more than six months, or the full guaranteed benefits.

Also, upon the termination of employment for reasons beyond the control of the employee, or in cases of dismissal without justifiable reasons, the Entity pays additional compensation equivalent to the amount that equals to the worker's social benefits. This compensation is considered a termination benefit and the Entity recognizes a liability and related expense when, and only when, it is demonstrably committed to the termination of the employment relationship.

The present value of the defined benefit obligations, resulting from obligations social at the date of the financial statements benefit is determined based on expected future payments required to settle the obligations arising from services rendered by employees during the period current and prior periods, through the method of actuarial valuation of the projected unit credit, net of guaranteed social security benefits.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012
Discount rate	22%	22%
Wage increases	20%	20%
Inflation rate	21%	21%

The net cost of the period in 2013 and 2012 was $ 12 and $ 111, respectively. The past service cost arising from the retroactive effects of LOTTT was recognized directly in profit or loss in the amount of $88.

Honduras – According to the Labour Code of Honduras and decree No.150/2008 October 3, 2008, workers who completed fifteen years of continuous work are entitled to thirty–five percent of the amount of their benefits as assistance of retirement support for the years of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012
Discount rate	12%	10%
Wage increase	6%	7%

The net cost of the period in 2013 and 2012 was $3 and $3, respectively

15. Stockholders' equity

At December 31, 2013, stockholders' equity consists of the following:

	Number of shares	Historical value	Restatement / translation effect	Total
Fixed capital series "A"	4,703,200,000	$ 1,901	$ 2,326	$ 4,227
Reserve for repurchase of shares		758	159	917
Retained earnings		27,913	11,300	39,213
Consolidated net income		4,404	–	4,404
Accumulated translation effect of foreign subsidiaries		–	(3,975)	(3,975)
Accumulated effect of employee benefits		1,067	–	1,067
Unrealized loss on cash flow hedges		(234)	–	(234)
Non-controlling interest in consolidated subsidiaries		2,031	133	2,164
Total		$ 37,840	$ 9,943	$ 47,783

Capital stock is fully subscribed and paid-in and represents fixed capital. Variable capital cannot exceed 10 times the amount of minimum fixed capital without right of withdrawal and must be represented by Series "B", ordinary, nominative, no-par shares and/or limited voting, nominative, no-par shares of the Series to be named when they are issued. Limited voting shares cannot represent more than 25% of non-voting capital stock.

i. Dividends declared in 2013 and 2012 were:

Approval date:	Mexican pesos per share	Total value
April 09, 2013	$ 0.17	$ 776
November 22, 2013	$ 0.35	$ 1,646
April 09, 2012	$ 0.15	$ 705

During 2013 and 2012, the dividends paid to non–controlling shareholders were $285 and $136, respectively.

ii. An additional Income Tax on dividends was established in 2013 of 10% when they are distributed to individuals and persons residing outside the country The income tax is paid via withholding and it's a final payment by the shareholder. For foreigners, treaties to avoid double taxation may apply. This tax will apply to the distribution of profits generated beginning 2014.

iii. Retained earnings include the statutory legal reserve. Mexican General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical Mexican pesos). The legal reserve may be capitalized but may not be distributed unless the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2013, 2012 the legal reserve, in historical Mexican pesos, was $500.

iv. Stockholders' equity, except restated paid–in capital and tax–retained earnings, will be subject to income taxes payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

v. The balances in the stockholders' equity tax accounts at December 31 are:

	December 31, 2013	December 31, 2012
Paid–in capital	$ 27,354	$ 26,310
Net after–tax income	35,958	26,175
Total	$ 63,312	$ 52,485

16. Transactions and balances with related parties

Balances and transactions between the Entity and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

a. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	2013	2012
Collected interest income	$ 2	$ 1
Expenditures for purchases of:		
Raw material		
Beta San Miguel, S.A. de C.V.	$ 1,190	$ 1,188
Frexport, S.A. de C.V.	629	680
Grupo Altex, S.A. de C.V.	2,761	2,910
Industrial Molinera Monserrat, S.A. de C.V.	413	406
Makymat, S.A. de C.V.	41	18
Ovoplus del Centro, S.A. de C.V.	401	416
Paniplus, S.A. de C.V.	127	123
Finished inventory		
Fábrica de Galletas La Moderna, S.A. de C.V.	$ 496	$ 563
Grupo La Moderna, S.A.B. de C.V.	140	–
Mundo Dulce, S.A. de C.V.	611	649
Pan–Glo de México, S. de R.L. de C.V.	45	129
Stationary, uniforms and others		
Asesoria Estratégica Total, S.A.	$ 9	$ –
Efform, S.A. de C.V.	161	167
Galerias Louis C Morton, S.A. de C.V.	6	6
Marhnos Inmobiliaria, S.A.	31	27
Proarce, S.A. de C.V.	396	174
Uniformes y Equipo Industrial, S.A. de C.V.	105	114
Financial services		
Efform, S.A. de C.V.	$ 338	$ –

Transactions with related parties are carried out at market prices expected between independent parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful accounts in respect of the amounts owed by related parties.

b. The net balances due to related parties are:

	December 31, 2013	December 31, 2012
Beta San Miguel, S. A. de C. V.	$ 108	$ 51
Efform, S. A. de C. V.	24	28
Fábrica de Galletas La Moderna, S. A. de C. V.	63	89
Frexport, S. A. de C. V.	83	82
Grupo Altex, S. A. de C. V.	150	243
Industrial Molinera Montserrat, S. A. de C. V.	15	32
Makymat, S. A. de C. V.	8	8
Mundo Dulce, S. A. de C. V.	8	58
Ovoplus del Centro, S. A. de C. V.	10	5
Pan–Glo de México, S. de R. L. de C. V.	7	11
Paniplus, S. A. de C. V.	25	21
Proarce, S. A. de C. V.	15	39
Uniformes y Equipo Industrial, S. A. de C. V.	7	10
	$ 523	$ 677

c. Employee benefits granted to the Entity's key management were as follows:

	2013	2012
Short– and long –term direct benefits	$ 379	$ 351
Cash payments for purchase of shares	95	88
Severance benefits	533	494
	$ 1,007	$ 933

The compensation of management and key executives is determined by the Compensation Committee based on the performance of individuals and market trends.

17. Income taxes

Income taxes in México –

The Entity is subject to ISR and through December 31, 2013, to ISR and IETU. The current income tax is the greater of ISR and IETU up to 2013.

ISR –The rate was 30% in 2013 and 2012 and as a result of the new 2014 ISR law (2014Tax Law), the rate will continue at 30% in 2014 and thereafter.

IETU – IETU was eliminated as of 2014; therefore, up to December 31, 2013, this tax was incurred both on revenues and deductions and certain tax credits based on cash flows from each year. The respective rate was 17.5%.

Through 2012, based on financial projections, the Entity identified that essentially it would pay ISR in some subsidiaries and IETU in others, for which reason it recognized only deferred ISR and IETU. However, due to the elimination of IETU in 2013, the effect of the deferred IETU was canceled by the Entity through results of the year, and the respective deferred ISR was recorded.

Income taxes in other countries –

Foreign subsidiaries calculate income taxes on their individual results, in accordance with the regulations of each country. The subsidiaries in the USA have authorization to file consolidated income tax returns.

The tax rates applicable in other countries where the Entity mainly operates and the period in which tax losses may be applied, are as follows:

	Statutory income tax rate (%)				
	December 31, 2013		December 31, 2012		Period of expiration of tax loss carryforwards
Argentina		35.0		35.0	(A) 5
Austria		25.0		25.0	(B)
Brazil		34.0		34.0	(C)
Colombia		25.0		33.0	(D)
Costa Rica		30.0		30.0	(E) 4
Chile		20.0		20.0	(F)
China		25.0		25.0	5
El Salvador		30.0		30.0	(G)
Spain		30.0		30.0	(H) 18
USA	(I)	35.0	(I)	35.0	(I) 20
Guatemala	(J)	31.0	(J)	31.0	(J)
Netherlands	(K)	25.0	(K)	25.0	9
Honduras	(L)	25.0	(L)	25.0	(L) 3
Hungary	(M)	19.0	(M)	19.0	(M)
Luxembourg	(N)	21.0	(N)	21.0	(N)
Nicaragua		30.0		30.0	(O) 3
Paraguay		10.0		10.0	(P)
Panama		25.0		25.0	(Q)
Peru		30.0		30.0	(R)
Czech Republic		19.0		19.0	(S)
Uruguay		25.0		25.0	(T)
Venezuela		34.0		34.0	(U)

(A) Tax losses from sales of shares or other equity investments may only be offset against income of the same nature. The same applies for losses on derivatives. Foreign source tax losses may only be amortized with income from foreign sources. Operational tax losses expire after 5 years.

(B) Tax losses generated after 1990 may be applied indefinitely but may only be offset each year up to an amount equal to 75% of the net taxable profit for the year.

(C) Tax loses may be applied indefinitely, but may only be offset each year up to an amount equivalent to 30% of the net taxable profit for the year.

(D) Starting 2013 the tax rate goes from 33% to 25%. Also the tax rate on non–current gains goes from 33% to 10%. Additionally, the "income tax for equity"(CREE) is enacted, with a tax rate of 9% for the 2013, 2014 and 2015 fiscal years, then decreases to 8% in 2016 and thereafter.

Tax losses generated in generated between 2003 and 2006 may be amortized within the following eight years, but only up to 25% of the income tax of each year. Beginning 2007, tax losses may be amortized without limitation with respect to value or period.

In relation to CREE, there are no specification as to whether tax losses may be amortized against future gains.

(E) In 2012 a modification was issued, extending the amortization period of tax lossess from 3 to 4 years, effective for 2013.

(F) The Tax Reform of September 27, 2012 stated:

a) Increase in the rate of income tax from 18.5% to 20% , effective on January 1, 2012.
b) Exception: when the income is affected by theUnique First Category Tax rate, it would increase by 20%.

Tax losses do not expire

(G) Operating losses are not amortizable.

(H) Tax losses can be amortized over 18 years, after they were incurred. However, for periods beginning in 2012 and 2013 and subsequently extended for periods beginning during 2014 and 2015, companies whose turnover has exceeded the amount of 6,010,121.04 euros, and whose net turnover in the financial year above is at least twenty million, but less than sixty million euros, can only offset 50% of pre–tax basis to the compensation of losses. This percentage drops to 25% in the case of entities whose turnover is at least sixty million euros. Until 2012 tax losses were could be amortized for up to 15 years.

(I) A state tax should be added to this percentage, which varies in each state of the US. The weighted average combined statutory tax rate for 2012 and 2011 was 38.9 and 39.1%. Tax losses can be amortization over a period of 20 years. The states have different amortization periods, but generally are20 years or less.

(J) There is a simplified regime, with a rate of 5% for the first 30,000 quetzals and 7% on the excess; but the tax base is calculated as follows: Total gross revenues less non– taxable revenues. This tax is payable in a monthly basis. The optional tax rate is 31% but the tax basis is different: Net income less non–taxable revenues, plus nondeductible expenses, and other deductions. The tax rate will decrease to 28% in 2014, and 25% in 2015 and thereafter.

Operating losses are not amortizable.

(K) The tax rate is 20% for taxable bases 0 to 200,000 euros and 25% for amounts over 200,000 euros.

(L) In the case of a taxable income greater than 1 million Lempiras, an additional 6% must be paid as temporary solidarity tax. This tax will decrease to 5% in 2014.

Tax losses can be amortized over a period of 3 years.

Starting in 2014 period, Entities are subjet to a minimum tax equivalent to 1.5% of the gross income, paying the greater of this tax or the one resulting from applying 25% on taxable net income.

Also, the Entity must pay the tax resulting from applying 1% to assets reflected on the statement of financial position at period end, exonerating. 3,000,000 lempiras.

(M) The tax rate is 10% for taxable basis of 0 to 500 million Hungarian forints and 19% for amounts exceeding this limit. The tax losses do not expire and canbe amortized for up to 50% of the tax base each year.

(N) A state tax should be added as follows: 7% and 5% for 2013 and 2012 , respectively. Resulting in a combined tax of 22.47 % and 22.05 % for 2013 and 2012, respectively. Tax losses may be carried forward indefinitely.

(O) The deduction of losses incurred in the fiscal year may be made up to three fiscal years following the year in which they occur; Losses over a period of exemption or tax benefit, may not be transferred to the periods in which this exemption or benefit disappears ; to enjoy the taxpayer with a tax benefit, exemption , exemption or exception to the Definitive Minimum Payment (1% of gross income), could not be used as extraordinary deduction tax losses generated under the conditions indicated , unless , they are generated in a general scheme without any benefit.

(P) Operating losses are not amortizable.

(Q) In addition, when obtaining a taxable income in excess of U.S. $ 1,500,000.00 annually, the Entity shall pay a tax on the greater of the following:

a. Traditional Method : Net taxable income calculated resulting from deducting the costs and expenses from gross income to the rates listed above .
b . Method Number 2 Taxable net income resulting from applying the total taxable income of 4.67 %.

When it comes to pay tax Number 2 may request the taxpayer to the tax authorities not to apply this calculation when it is determined that incur loss or when the effective rate is higher than the nominal rate of income tax.

Tax losses may be amortized in the following 5 years of being incurred, and up to 20 % of the tax loss, without reducing the tax basis in more than 50%. The unamortized portion in one year, is not subject of amortization in the following years.

(R) There are two alternatives allowed for tax loss amortization: 1) over the following four years or 2) unlimited amortization up to 50% of the net taxable profit of each year. The Entity chose option 1. Once made, an election may not be changed, until the accumulated losses of previous years are applied.

(S) Tax losses generated since 2004 ,may be amortized in the following 5 years of being generated . Tax losses generated prior to 2004 may be amortized in the 7 following years.

(T) Tax losses may be amortized in the following five years of being generated.

(U) Depending on the nature of the tax losses, the period of amortization may vary: 1) Operating, 3 years; 2) tax inflation adjustment, 1 year; 3) foreign, can only be applied to foreign profits, 3 years; and 4) those originated in tax havens can only be applied to those profits obtained in such jurisdictions, 3 years.

Operations in the USA, Argentina, Colombia, Guatemala, Panamá and Nicaragua are subject to minimum payments of income tax.

Details of provisions, effective tax rate and deferred effects

a. Income tax in profit and loss:

	December 31, 2013	December 31, 2012
Income tax:		
Current	$ 2,717	$ 2,636
Deferred	462	(488)
	3,179	2,148
IETU:		
Current	$ (2)	$ 3
Deferred	(299)	44
	(301)	47
	$ 2,878	$ 2,195

b. The reconciliation of the statutory and effective ISR rates expressed as a percentage of income before taxes on income for the years ended December 31, 2013 and 2012:

	December 31, 2013	December 31, 2012
Income before taxes	$ 7,656	$ 4,626
Statutory rate in Mexico	30%	30%
ISR at statutory tax rate	2,297	1,388
Add (less) tax effects of the following items:		
Inflationary effects on the monetary financial position	407	379
Nondeductible expenses, nontaxable revenues and other	56	115
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(99)	(256)
Effect of changes in Mexican tax rates	(27)	–
Tax effect on the values of property, plant and equipment	(99)	(109)
Recognition of deferred ISR for entities that previously recognized deferred IETU	(233)	–
Cancellation of deferred IETU	(299)	–
Deferred IETU	–	47
Participation in the results of associates	11	(15)
Change in unrecognized tax benefits	864	646
Income tax recognized in profit or loss	$ 2,878	$ 2,195
Effective tax rate	38%	47%

To determine deferred ISR at December 31, 2013, entities applied to the temporary differences the tax rates expected to be in effect based on the estimated reversal date of the temporary difference. The effect of the change in the Mexican income tax law is presented above under effects in Mexican tax rates.

Some subsidiaries have incurred in tax losses, conservatively the Entity have not recognized the respective deffed tax asset. To recognize the deferred tax asset, the Entity would need a history of tax profits, and proyections that demostrate its ability to generate tax profits in the future in order to to amortize the losses.

The main items originating a deferred income tax asset as of December 31, 2013 and 2012 are:

	December 31, 2012	Effects through profit or loss	Effects through comprehensive income	Changes due to business acquisition	December 31, 2013
Allowance for doubtful accounts	$ (300)	$ (17)	$ –	$ –	$ (317)
Inventories and payments in advance	(18)	248	–	–	230
Property, plant and equipment	3,207	317	–	103	3,627
Intangible and other assets	5,020	473	–	–	5,493
Other reserves	(10,480)	(315)	711	–	(10,084)
Employee profit sharing	(225)	(21)	–	–	(246)
Tax loss carry forwards	(2,767)	(385)	–	–	(3,152)
Translation effect of hedge items	–	115	(115)	–	–
Deferred IETU	299	(299)	–	–	–
Other items	592	50	(38)	–	704
	$ (4,672)	$ 166	$ 558	$ 103	$ (3,845)

	December 31, 2011	Effects through profit or loss	Effects through comprehensive income	December 31, 2012
Allowance for doubtful accounts	$ (219)	$ (81)	$ –	$ (300)
Inventories and payments in advance	32	(50)	–	(18)
Property, plant and equipment	3,565	(358)	–	3,207
Intangible and other assets	4,648	372	–	5,020
Other reserves	(10,489)	162	(153)	(10,480)
Employee profit sharing	(227)	2	–	(225)
Tax loss carry forwards	(3,304)	537	–	(2,767)
Translation effect of hedge items	–	(962)	962	–
Deferred IETU	255	44	–	299
Other items	(141)	(110)	843	592
Total (asset) liability, net	$ (5,880)	$ (444)	$ 1,652	$ (4,672)

The deferred income tax asset and liability have not been offset in the accompanying consolidated statements of financial position as they result from different taxable entities and tax authorities. Gross amounts are as follows:

	December 31, 2013	December 31, 2012
Deferred income tax asset	$ (5,399)	$ (6,054)
Deferred income tax liability	1,554	1,382
Total asset, net	$ (3,845)	$ (4,672)

c. As of December 31, 2013, tax loss carry forwards, pending amortization against future income taxes, expire as follows:

Years	Amount
2014	$ 135
2015	157
2016	383
2017	396
2018	277
2019 and thereafter	15,686
	17,034
Unrecognized tax losses	(7,097)
Total	$ 9,937

18. Costs and expenses by nature

Cost of sales and distribution, selling, administrative, and other general expenses presented on the consolidated statements of income, are comprised as follows:

	December 31, 2013	December 31, 2012
Cost of sales		
Raw materials and manufacturing expenses	$ 77,228	$ 78,247
Freight, fuel and maintenance	3,600	3,838
Depreciation	3,114	3,269
	$ 83,942	$ 85,354

	December 31, 2013	December 31, 2012
Distribution, selling, administrative and other expenses		
Wages and salaries	$ 35,078	$ 33,636
Depreciation	1,423	1,539
Freight, fuel and maintenance	2,822	3,199
Professional services and consulting	8,122	8,546
Advertising and promotional expenses	4,977	4,539
Other	29,187	28,939
	$ 81,609	$ 80,398

19. Other general expenses

a. Other general expenses are comprised as follows:

	December 31, 2013	December 31, 2012
Tax incentives	$ (38)	$ (95)
Loss on sale of property, plant and equipment	194	96
Recovery Claims	(56)	–
Labor liabilities	–	954
Other extraordinary	640	–
Impairment and amortization of intangible	368	148
Others	35	111
	$ 1,143	$ 1,214

20. Commitments

Guarantees and/or guarantors

a. The Entity, along with certain subsidiary companies have issued letters of credit to guarantee certain commercial obligations and contingent risk related to workers' compensation of certain subsidiaries. The value of such letters of credit at December 31, 2013 and 2012 are US$220 and US$221.4 million, respectively.

b. Iberia entered into a contract with third parties, which principally consists of purchase obligations for certain products at a preferential price. Iberia is also obligated to pay 75% of severance cost to terminated employees of the third parties. The contract was terminated in 2013, resulting in an approximate severance cost of$34.

c. TheEntity entered into contracts, which requires it to acquire certain amounts of renewable energy for an 17–year period at a fixed price, that will be updated according to changes in the INPC factors for the first 15 years. Even though the contracts have derivative financial instruments characteristics, they fall within the exception of "own–use"; therefore, they are recognized in the financial statements as the consumption of energy occurs. The estimated commitment to purchase energy in 2014 amounts to $400, and is to be updated annually based on inflation, for the remaining 16 years of the contract.

Lease commitments

a. The Entity has long–term commitments under operating leases, related to the facilities used to produce, distribute and sell its products. These commitments vary from 3 to 14 years, with a renewal option of between one and five years. Certain leases require the Entity to pay all related expenses, such as taxes, maintenance and insurance for the term of the contracts. Lease expense was $3,052 ,$3,056 for the years ended December 31, 2013, 2012respectively. The total amount of future minimum lease commitments is as follows:

Years	Operating leases	Finance leases	Finance leases Non–controlling Interest
2014	$ 1,883	$ 32	$ 273
2015	1,447	25	215
2016	1,158	19	175
2017	898	4	134
2018	690	–	100
2019 and thereafter	1,886	–	58
Total minimum lease payments	7,962	80	955
Amounts representing interest	–	(5)	–
Present value of net minimum payments	–	–	(193)
Total	$ 7,962	$ 75	$ 762

21. Contingencies

Certain contingencies exist, of varying nature, that have arisen in the normal course of business of the Entity, for which management has evaluated the likelihood of loss as remote, probable or possible. Based on such evaluation, for those contingencies for which the Entity believes it is probable it will be required to use future resources to settle its obligation, the Entity has accrued the following amounts:

Type		Amount
Labor–related	$	120
Tax–related		74
Civil–related		23
Other		9
Total	$	226

Those contingencies for which management does not believe it is probable that it will be required to use future resources to settle its obligations and that are not expected to have a material adverse effect are not accrued until other information becomes available to support the recognition of a liability.

The Entity has restricted cash of $268 and pledged certain assets in Brazil amounting to an additional $13 million as a guarantee of certain tax contingencies, which are presented in other long–term assets.

Derived from the purchase of items of property, plant and equipment and intangible assets in Brazil concerning the Firenze brand, made in 2008, the Entity is subject to tax liens and presumed successor of companies involved in these actions. The court issued an injunction, ordering the restriction of the accounts receivable of the Entity from the sale of branded products "Firenze". The Entity continues to defend itself regarding this claim, which is expected to be resolved in the long–term. Due to the complexity of the dispute, the Entity has not been able to reasonably estimate its potential exposure for which reason it has not recognized a related liability.

22. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on four geographical zones: Mexico, USA, OLA and Iberia. Segment revenue is comprised of bread (for all segments) and confectionery (Mexico and USA) products.

The following is the presents the condense financial information by reportable segment based on the geographical areas in which the Entity operates for the years ended December 31, 2013 and 2012:

	2013					
	México	USA	OLA	Iberia	Consolidation eliminations	Total
Net sales	$ 73,179	$ 79,767	$ 21,822	$ 5,323	$ (4,050)	$ 176,041
Operating income (loss) (*)	$ 9,556	$ 2,613	$ (1,168)	$ (545)	$ 34	$ 10,490
Depreciation and amortization	$ 1,796	$ 2,667	$ 726	$ 96	$ –	$ 5,285
Impairment and other non-cash	$ 243	$ 518	$ 545	$ 245	$ –	$ 1,551
EBITDA (*)	$ 11,595	$ 5,798	$ 103	$ (204)	$ 34	$ 17,326
Net income of controlling stockholders	$ 5,753	$ 907	$ (1,697)	$ (558)	$ (1)	$ 4,404
Interest income	$ 181	$ 388	$ 71	$ 4	$ (376)	$ 268
Interest expense	$ 2,280	$ 640	$ 383	$ 33	$ (190)	$ 3,146
Total assets	$ 42,436	$ 71,790	$ 19,278	$ 3,103	$ (1,880)	$ 134,727
Total liabilities	$ 50,193	$ 27,551	$ 7,996	$ 2,035	$ (831)	$ 86,944

	2012					
	México	USA	OLA	Iberia	Consolidation eliminations	Total
Net sales	$ 70,491	$ 78,927	$ 22,674	$ 5,182	$ (4,135)	$ 173,139
Operating income (loss) (*)	$ 7,922	$ 1,118	$ (1,101)	$ (570)	$ 18	$ 7,387
Depreciation and amortization	$ 2,880	$ 806	$ 1,764	$ 17	$ –	$ 5,467
Impairment and other non-cash	$ 120	$ 1,102	$ –	$ –	$ –	$ 1,222
EBITDA (*)	$ 9,735	$ 5,027	$ (253)	$ (451)	$ 18	$ 14,076
Net income of controlling stockholders	$ 4,211	$ 180	$ (1,879)	$ (502)	$ 18	$ 2,028
Interest income	$ 184	$ 519	$ 39	$ 6	$ (238)	$ 510
Interest expense	$ 2,479	$ 588	$ 401	$ 102	$ (238)	$ 3,332
Total assets	$ 45,287	$ 72,718	$ 19,750	$ 3,886	$ (4,501)	$ 137,140
Total liabilities	$ 58,188	$ 27,837	$ 5,773	$ 2,013	$ (3,729)	$ 90,082

(*) Amount does not include intercompany royalties.

The accounting policies of the reportable segments are the same as the Entity's accounting policies described in note 3.

For the years ended December 31, 2013 and 2012 the sales to its largest customer represented 14% of consolidated net sales of the Entity. There are no other customers whose sales exceed 10% of total consolidated sales.

23. Events after the reporting period

On February 12, 2014, the Entity announced that it has reached an agreement to acquire, for 1,830 million Canadian dollars, all shares of Canada Bread Company, Limited (" Canada Bread"), a Canadian public company listed on the Stock values of Toronto.

Canada Bread is one of the leading companies in the production and sale of bakery products, including categories of bread, buns, bagels, muffins and tortillas Inglés in Canada, frozen bread North America, and bakery specializing in UK.

This acquisition boosts global growth strategy of the Group and enables its foray into the Canadian market attractive through recognized brands such as Dempster 's ® , POM ® , Villaggio ®, Ben's ®, ® and McGAVIN MATIN BON 'S ®. Canada Bread has a strong relationship with major supermarkets and institutional channels in Canada and is recognized for its strong market position in all categories baking. Canada Bread employs about 5,400 employees, operates 25 plants in Canada, the U.S. and the UK and has the largest direct distribution network in Canada, comprising more than 41,000 point of sales.

The operation generates annual sales of $1.439 billion Canadian dollars and EBITDA of $185 million Canadian dollars.

The transaction will be carried out through an agreement between the parties ("Court– Approved Plan of Arrangement"), common scheme in Canada to acquire public companies, which require the approval of at least two thirds of the votes cast by shareholders of Canada Bread. The Board of Directors of Canada Bread recommended that shareholders approve the transaction. Maple Leaf Foods Inc. ("Maple Leaf"), which owns approximately 90 % of the shares of Canada Bread, agreed to vote in favor. The transaction is subject to regulatory approvals.

To finance the transaction, Grupo Bimbo will use both equity and financing available under existing lines of credit committed long term. The acquisition maintains financial flexibility and strong credit profile of the Entity, with a pro forma total debt relative to EBITDA after the acquisition between 2.9 and 3.1 times.

24. Financial statements issuance authorization

On March 28, 2014 the issuance of the accompanying consolidated financial statements was authorized by Lic. Daniel Servitje Montull, Chief Executive Officer, and the Board of Directors of the Entity. Consequently, they do not reflect events occurred after that date. These consolidated financial statements are subject to the Entity stockholders' approval at the General Stockholders' meeting, where they may be modified, based on provisions set forth by Mexican General Corporate Law.

* * * * * *

GRI
2.10

Prizes and distinctions

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
Prize 2013 BCG Global Challengers	*Boston Consulting Group*	Every 2 years	List of 100 companies from developing economies fast that are growing and developing at a speed that deserves the world's attention.	Strength in its business model, international presence, previous annual income of overseas business and mergers/ acquisitions during the past five years.
Award for Exporter merit 2013 Rodolfo González Garza	COMCE Northeast	Every 2 years	Companies and institutions that distinguish themselves by their commitment and excellent performance in the export sector.	Great corporation
Enactus Prize "Inspirational Leader"	Enactus			Recognition given to Don Lorenzo Servitje due to their great business track record.
Marketing International Prize Anahuac - Ries brand of the year, 10th Edition	Universidad Anáhuac	Annual	Recognition of the work of the advertising, public relations and marketing professionals.	
Distinctive socially responsible company 2013	CEMEFI *Centro Mexicano para la Filantropía, Alianza para la Responsabilidad en México* (AliaRSE) *y Forum Empresa*	Annual	Distinctive and signature of socially responsible company for the 13th consecutive year.	Distinctive which recognizes companies that voluntarily assume a socially responsible management as part of their culture and business strategy.
Best practices 2013 "Conservation and preservation of the environment"	CEMEFI	Annual	Recognition of the exemplary practices of Corporate Social responsibility, which by its management, results have proven to be a positive impact in all its related public and at the same time contribute to the success of the business.	Piedra Larga Wind Farm.

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
National contest of transport mechanics	The Council of technology and main-tenance of Mexico		Recognition of the best technical maintenance of heavy-duty through a theoretical assessment and practical.	Mechanics contest. 1st Place Bimbo México 3rd Place Marinela North 1st Place station of suspension and axles (Bimbo Mexicali) 1st Place in coupling (Bimbo Toluca) system station 1st Place motor station (Bimbo México) 1st Place tire station (Bimbo México)
International Exe-cutive of the year (first non-American Executive to win it)	Executives Club of Chicago	Annual		Recognition awarded to Daniel Servitje for their contributions to the glob-al business community.
Sustainable seal of the BMV	Mexican Stock Exchange	Annual	The distinction highlights the best companies in the field of Corporate Social responsibility	This sign measures the real performance of CSR in the companies through a comprehen-sive assessment
Clean Transport	SEMARNAT	Annual	Recognition for efforts to reduce the environmen-tal footprint of transpor-tation and distribution operations.	Recognition for efforts to reduce the environmen-tal footprint of transpor-tation and distribution operations.
Recognition healthy responsible compa-ny (RESR)	Business Council of health and welfare		Recognition to compa-nies that have demons-trated leadership in building the movement of health and wellness in Mexico with initiatives or programs that help to improve the health and well-being of its collaborators.	
9th place in the rank-ing of the 500 most important compa-nies in Mexico	*Revista Expansión*	Annual	Acknowledgment in the publication.	

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
Study Brand Footprint 2012: 18 ° place makes global (penetration 8% in consumers of the planet) 3rd place in 5th place overall in the food sector Mexico	Kantar Worldpanel	Annual	Ranking of the brands most chosen by consumers.	Bimbo
Award for commercial excellence 2013	Corporate management of sales for channel detail	Annual	Commercial indicators: growth vs. previous year scope of the Control of budget return classification of profitability growth in customer database. Supervision of market: point of sale perfect freshness and service. Successful practices: generation and registration of good practices in Altamira and replication of good practices. SATECC: Complaints vs. customers preferred supplier index number indicator.	Management of sales channel detail Merida
National road safety award	National Association of private transport	Annual	Award certification in safe handling	Certification of the compliance of the processes of road safety in the transportation of the primary transport network assessing the Bimbo Puebla plant for certification.
Gold EFFIE award	EFFIE Awards	Annual	Most important awards of the industry of advertising in Mexico and the world. They recognize the ability of a communication campaign to give results, quality approach, creativity and effectiveness of sustained communication.	Actileche Campaign
Award for business excellence	ANTAD		It is one of the most important business awards in the country, which recognizes the quality of their products and services.	BIMBO recognized the quality of their products as well as also the ability to export, business ethics, fair business practices and the development of new technologies focused to productivity.

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
Most valuable brand in Mexico, brand more relevant and the higher esteem in the country.	Young & Rubicam Group		More brands recognized by Mexicans.	Bimbo
National award of quality 2013 Marinela Mexico.	*Secretaría de Economía*	Annual	Highest award for organizational excellence that gives the President of the Republic to companies and institutions that are distinguished by their high performance, competitiveness and innovation culture.	Marinela México
10 2013 Gold Circle Awards	Creative Circle of Mexico	Annual	Recognition of advertising projects	• Showtime" gansito (bronze, Audiovisual Edition-technical). • Daisy" of Twinkies (bronze / sweets, snacks and a.-Audiovisual). • Jim" of Twinkies (Silver / candy, snacks and A-Audiovisual, bronze/best photography, bronze / art direction, silver/best visual direction). • Dona Twinkies to an americano.org (Silver / best launch promotions and firings, silver / best use special events media, silver innovation / integrated campaigns). "The machine moves you" sweet bread Bimbo (bronze / best use of experiential advertising).
Brand Z Top 50 most valuable companies in Latin America 2013	Millward Brown	Annual	Recognition of Latin American brands according to their sales and utilities supporting publicly in its marketing efforts.	Position 20 in the ranking of the 50 most valuable brands of Latin America 2013. 5 ° place in the top 15 of the most valuable brands in Mexico 2013.
Marketing Digital Awards 2013	Marketing Digital Awards 2012		Award in the category: efficiency Award in the category: integration Award in the category: innovation Award in the category: efficiency Prize in the category: targets vs. results Prize in the category: innovation and development	"Bubulubu Facebook Fan Page" "Star Gum" "The power of segmentation Bimbo" "Pan artesanal Ideal" "¿Pink Panther o Tigretón?" "A speaker for Bimbo Spain" "Bimbo Verde"

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
Recognition marks of confidence	Reader's Digest	Annual	Measuring loyalty rates and seeks to know what is the most reliable brand in different categories of products and services of high turnover, as well as the media and most truthful personalities within their profession.	Bimbo
Recertificación en BRC	DNV Business Assurance BRC Food Certificate	Annual	Global Standard Requirement for Food Safety Issue 6; Achieve Grade A	Barcel Atitalaquia Barcel San Luis Potosí Barcel Laguna Plant
CERTIFICATION BRC	DNV Business Assurance BRC foods certificate	Annual	Global Standard Requirement for Food Safety Issue 6; Achieve Grade A	Ricolino Plant Mexicali Plant Barcel Mérida Plant
Clean Industry	*Procuraduría Federal de Protección al Ambiente* (PROFEPA)	Every two years	Compliance of legal environmental requirements and improvement in the environmental system.	BARCEL Mexicali BARCEL Laguna
Winner of the "Flavor of the year" 2013	Global Quality Certification México	Annual	Unique quality certification for the food sector, based exclusively in the taste of products that are approved by the consumers.	Cajeta Quemada Coronado
Clean Industry CDN	PROPAEM	Annual	Document review of permits, licenses and culture of care for environment.	We are an innovative company that looks to the future
Distinctive family-responsible company.	Ministry of labour and Social Welfare	Annual	It is a tool of diagnosis of the reality of work that sets standards for workplace labour practices with regard to the quality of life at work as a condition to raise the productivity and competitiveness of enterprises. with its people	Barcel Mérida Plant

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
Distinction project good neighbor	Municipality	Unique Delivery	Good Neighbor Project	Support of the cooperative school
Distinction helps the environment	MOPT	Unique Delivery	Project of Social responsibility in the communities	Bosque Bimbo (BCR)
Premio VAE - Altamira	Grupo Bimbo	Annual	International Logistics Department was a finalist for the VAE Awards	4th place awarded to the BCR international logistics Department
Distinction helps the community	Association fight against Childhood Cancer	Unique Delivery	XIII Edition *"90 Minutos por la vida"* (BCR)	Career with members of the community to the fight against cancer
Award to exportation effort	Chamber of exporters of Costa Rica (Cadexco)	Annual	Export volume. Plant quality certifications. Work environment. Sustainability projects.	Bimbo Costa Rica: Best export company of the year
Distinction project good neighbor	Municipality	Unique Delivery	Good Neighbor Project	El Tejar Library
Distinction helps the environment	Municipality	Unique Delivery	Project of Social responsibility in the communities	Reforestation volunteer forest of Tzanjuyu - Chimaltenango
Distinction helps the community	*Fundación Azteca* and *Grupo Salinas*	Unique Delivery	Recognition for participation in the initiative clean Guatemala	Recognition of best brigades.
"Business excellence" award	Grupo Bimbo	Annual	Award granted to different sales channels	Award for "Business excellence" LAC in supermarkets. First BGU
BRC	SGS México	Annual	Certification in the Global standard of safety in food BRC version 6 (BGU)	
Distinction project good neighbor	Municipality	Unique Delivery		
Distinction helps the community	*Fundación Azteca* y *Grupo Salinas*	Unique Delivery	Recognition for participation in the initiative clean El Salvador	Recognition of best brigades.
P remio "Business excellence"	Grupo Bimbo	Annual	Award granted to different sales channels	Award for "Business excellence" LAC in detail. Second BES
"Cultura Lean"	Grupo Bimbo	Annual		"Culture to read" Regional Board and manufacturing
Top Brand Award	Universidad Tecnológica de El Salvador	Annual	The leading brand in the Salvadoran market award	
Distinction project good neighbor	Municipality	Unique Delivery	Good Neighbor Project	
Distinction project good neighbor	Municipality	Unique Delivery	Good Neighbor Project	

Prize/Distinction	Organization that delivers it	Periodicity of delivery	Description of the award/distinction	Description of the initiative associated with the prize
BASC Certification	Organization BASC Global	Annual	Certification standard and standards BASC version 4-2012 RMS C-TPAT (BH)	
BRC Certification	SGS México	Annual	Certification in the Global standard of safety in food BRC version 6 (BH)	
Distinction helps the environment	FUNDEN-IC-SOS	Unique Delivery	Certificate of Corporate Social responsibility (BNI)	Certification granted to Nicaragua Bimbo
Tobacco smoke-free company recognition	Ministry of public health and Social Welfare of Paraguay		It recognizes companies that are 100% smoke-free	Training and communication with the collaborators were provided to help them quit cigarettes consumption.
***Premio* Top**	D/a RETAIL distribution news and PROMARCA with support of MAGRAMA (Ministry of agriculture, food and environment.	Annual	They prize new products of greater commercial success through surveys.	Bread Natural 100% without crust
Smart Consumption	*REVISTA CLARA*	Annual	The product (depending on category) reward for innovation, taste, price and quality.	Thins Sandwich
Prize Grupo Bimbo 2012	Directorate general of Grupo Bimbo	Annual	Operation distinguished commercial, operational and financial aspects and personnel. Proving to be "Highly productive and fully human"	MOLDEX

Note: Prizes and Distinctions shown in this figure, were obtained by several organizations worldwide.

About our Report

In this, our third Integrated report, we present the global results of our operations in economic, social and environmental terms, for the period between January 1 and December 31, 2013, and which substantially influence and evaluations and decisions of our internal and external stakeholders. All data presented are for this period unless otherwise indicated.

The report was prepared under the guidelines of the Global Reporting Initiative Guide G3.1 and the Food Processing Supplement, with a level of application of "B", in addition to the GRI Check by GRI. This time the report was not verified externally. As part of our process of ongoing improvement, we conducted a preliminary exercise with the GRI G4 Guide for indicators included in the Community, Materiality and Stakeholder Engagement sections.

The report also covers initiatives under our four "Sembrando Juntos" Social Responsibility pillars: Wellbeing, Planet, Community and Associates, in addition to the consolidated financial statements for Grupo Bimbo S.A.B. de C.V. and Subsidiaries (the "Entities") as of December 31, 2012.

Subsidiary "Entities"

The entities represented in this report are: Mexico, the United States, Latin America, Iberia (Spain and Portugal) and Asia.

During the period covered by this report there were significant changes in the company's' governance structure, such as the voluntary resignation of Don Roberto Servitje Sendra in June 2013, who up until then was Chairman of the Board of Directors, and his replacement by Daniel Servitje Montull. We continue to communicate our performance on an annual basis, using as background information the 2012 Integrated Annual Report, also prepared under the GRI methodology and the G3.1 Guide. The general figures presented throughout this report refer to the entire Group unless otherwise indicated.

This report contains a restatement of some variables reported earlier corresponding to the "Associates" pillar of our Sembrando Juntos effort, which are described below:

Health and Safety

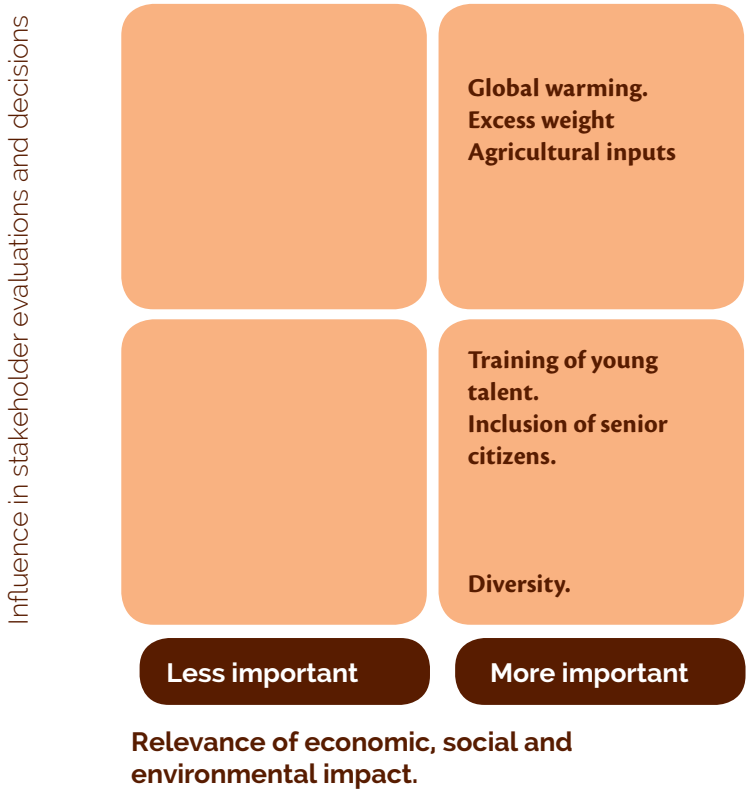
There was a significant change in the percentage reported, because last year there was a misinterpretation of the data required regarding the percentage of workers represented in the Health and Safety Committees; we had previously reported only the percentage of people who belonged to those committees.

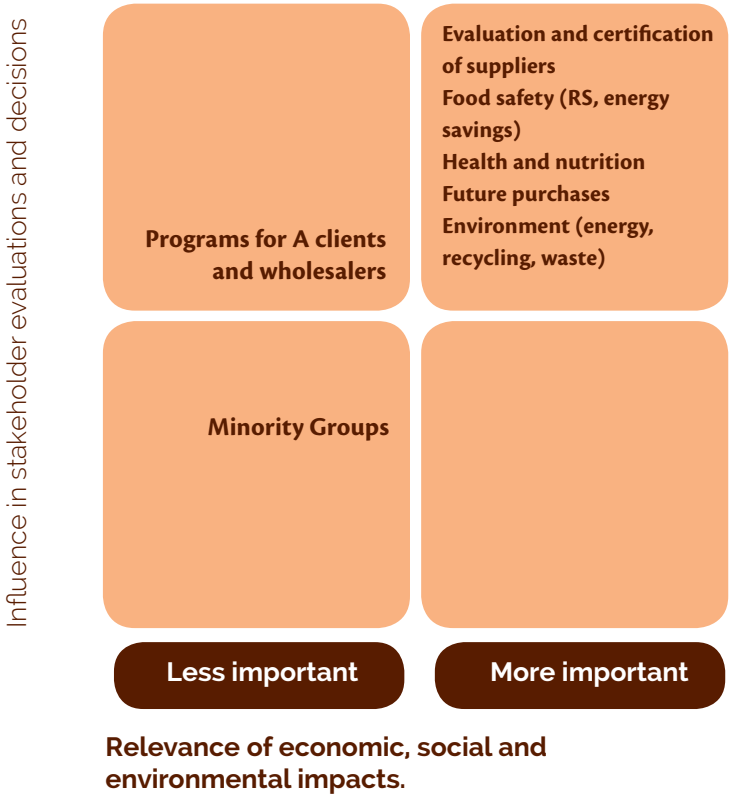
Turnover

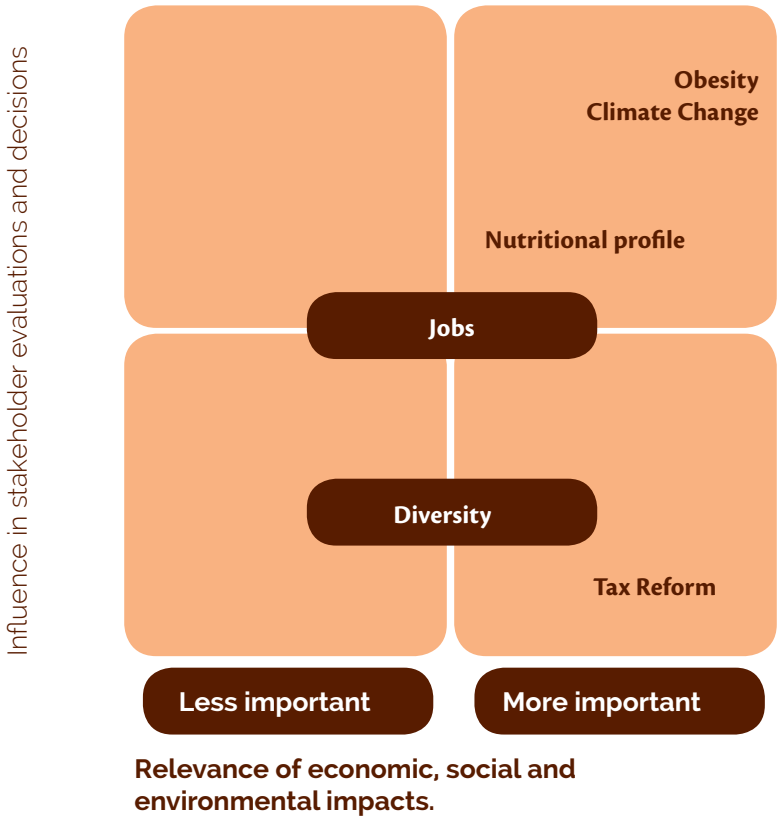
This amounts have been modified due to a restatement of the 2012 information, for example in preceding years the indicators relating to contractors were reported as not applicable (N/A), while in 2013 the response to these indicators was "ZERO CASES" when reporting the number of incapacitating accidents, fatalities and work-related illness. Similarly, starting with this report, we have restated all the indicators that were reported by the Company as a percentage, modifying their presentation in accordance with the information requested in each of the Technical Protocols of the GRI Indicators.

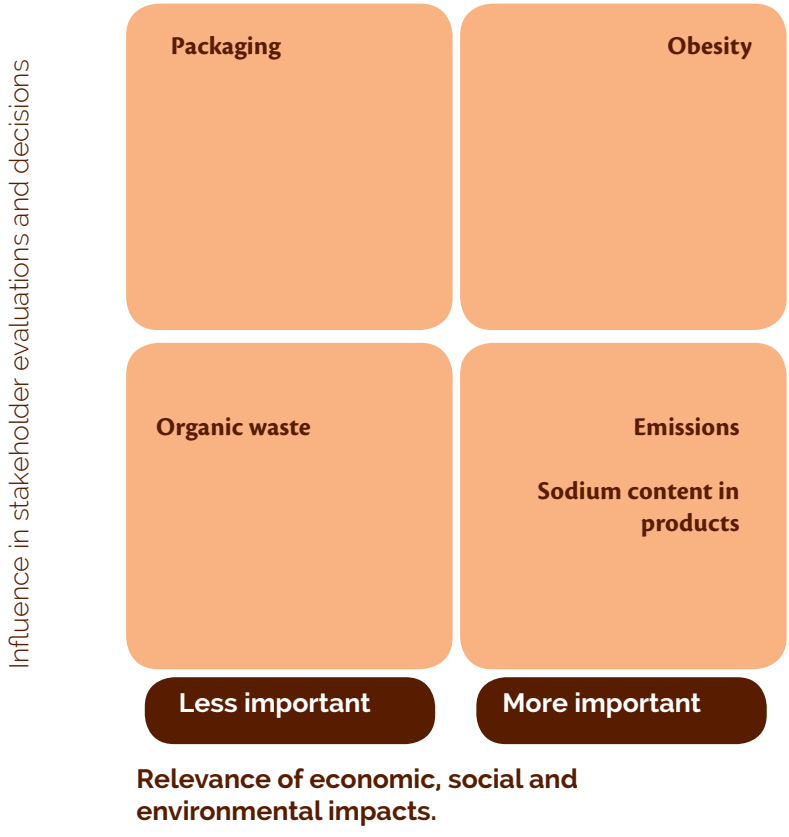
Appendix

Appendix 1
Materiality

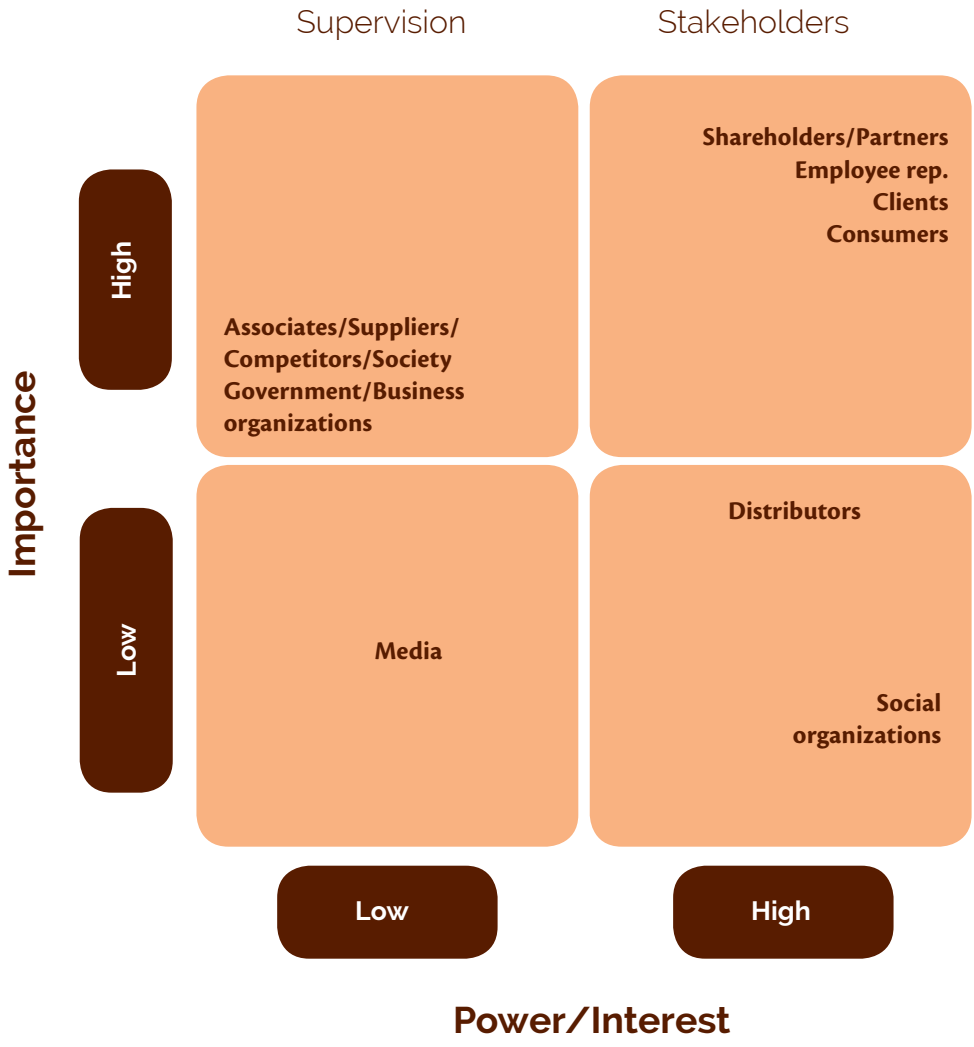


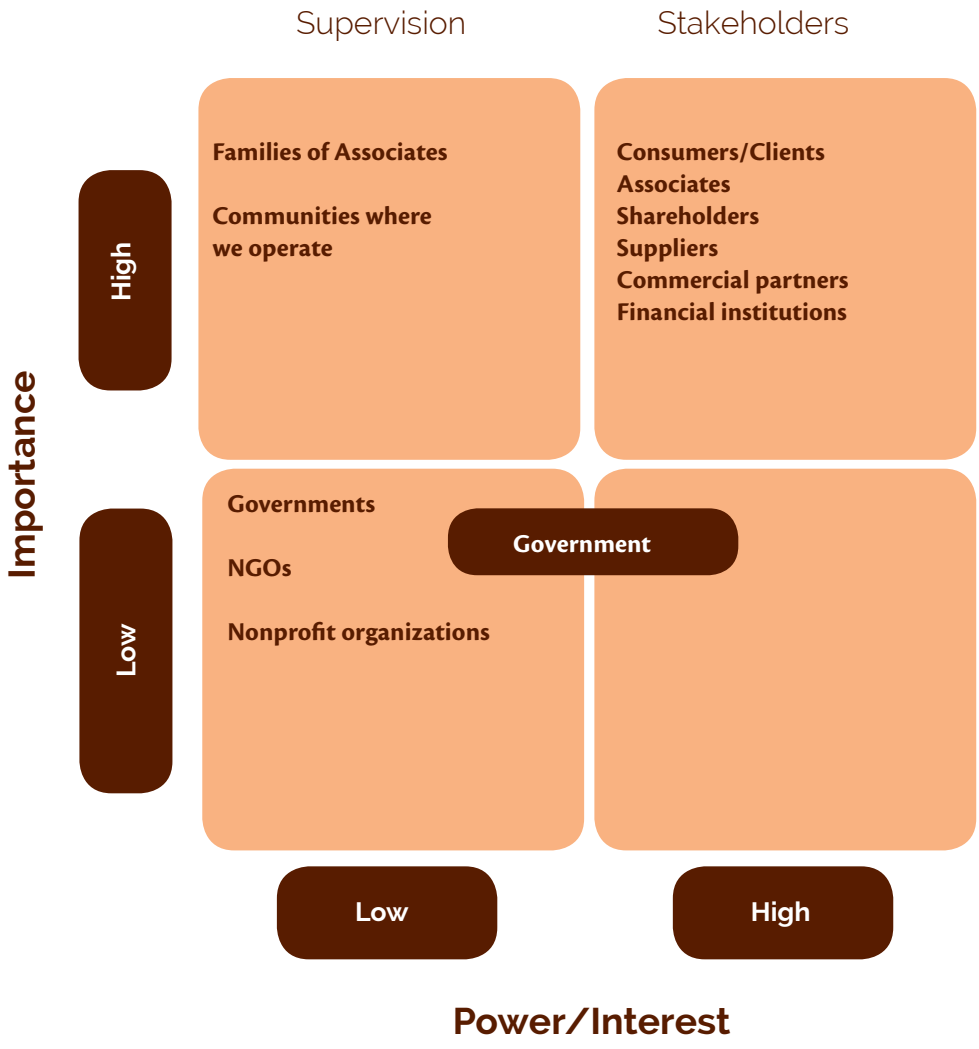


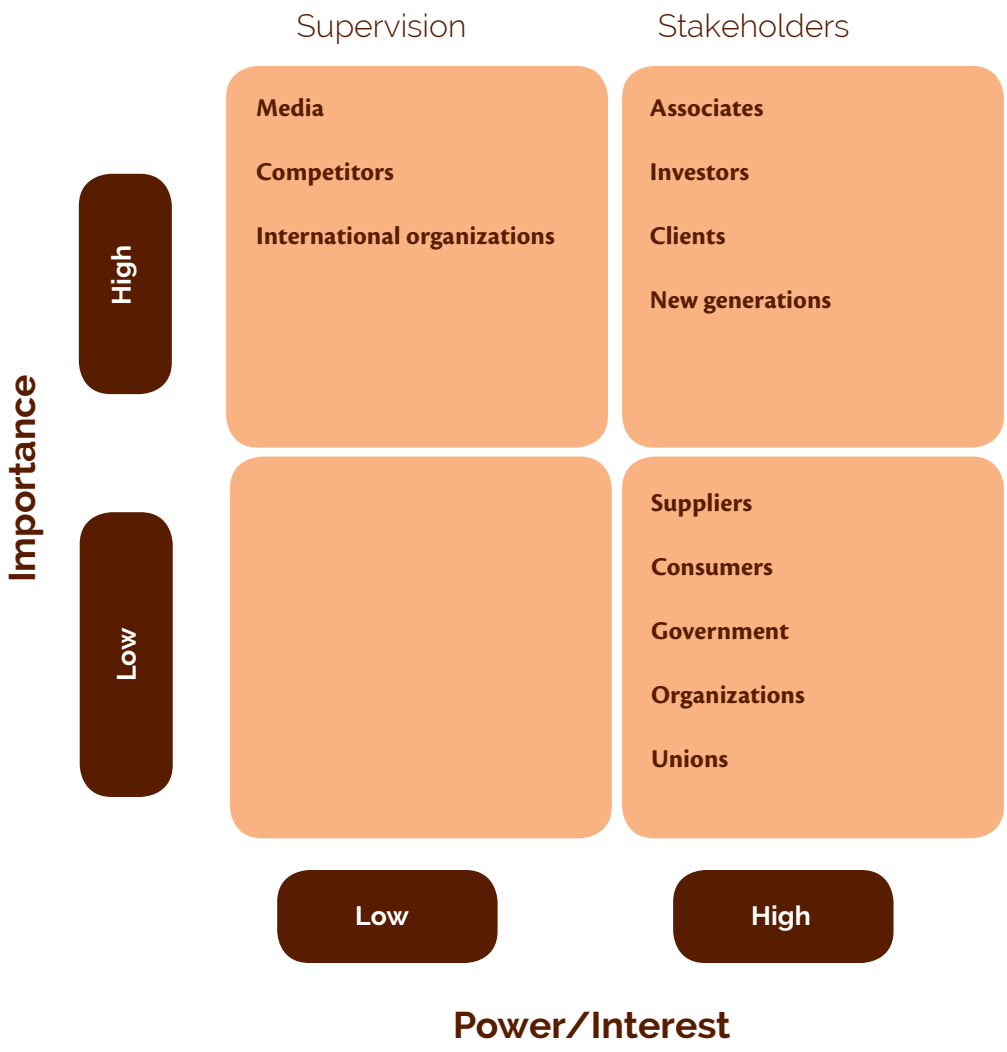

Influence in stakeholder evaluations and decisions
Obesity
Climate Change
Nutritional profile
Jobs
Diversity
Tax Reform
Less important
More important
Relevance of economic, social and environmental impacts.


Influence in stakeholder evaluations and decisions
Packaging
Obesity
Organic waste
Emissions
Sodium content in products
Less important
More important
Relevance of economic, social and environmental impacts.

Among the questions we ask our stakeholders is how much influence the organization's performance has, and to what degree the impact of company operations can be seen. The results are shown in the charts below.




Supervision
Stakeholders
Families of Associates
Communities where we operate
Consumers/Clients
Associates
Shareholders
Suppliers
Commercial partners
Financial institutions
Governments
NGOs
Nonprofit organizations
Government
High
Low
Importance
Low
High
Power/Interest


Supervision
Stakeholders
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International organizations
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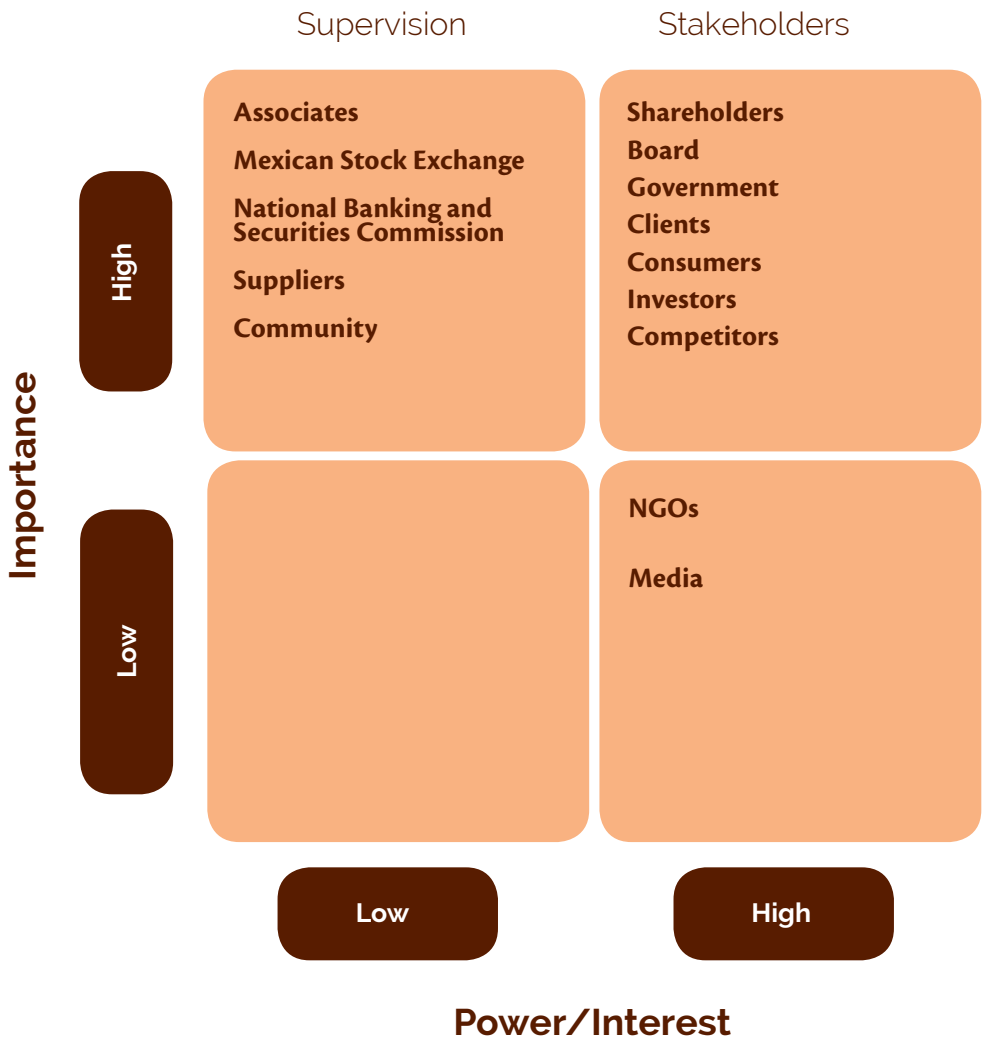
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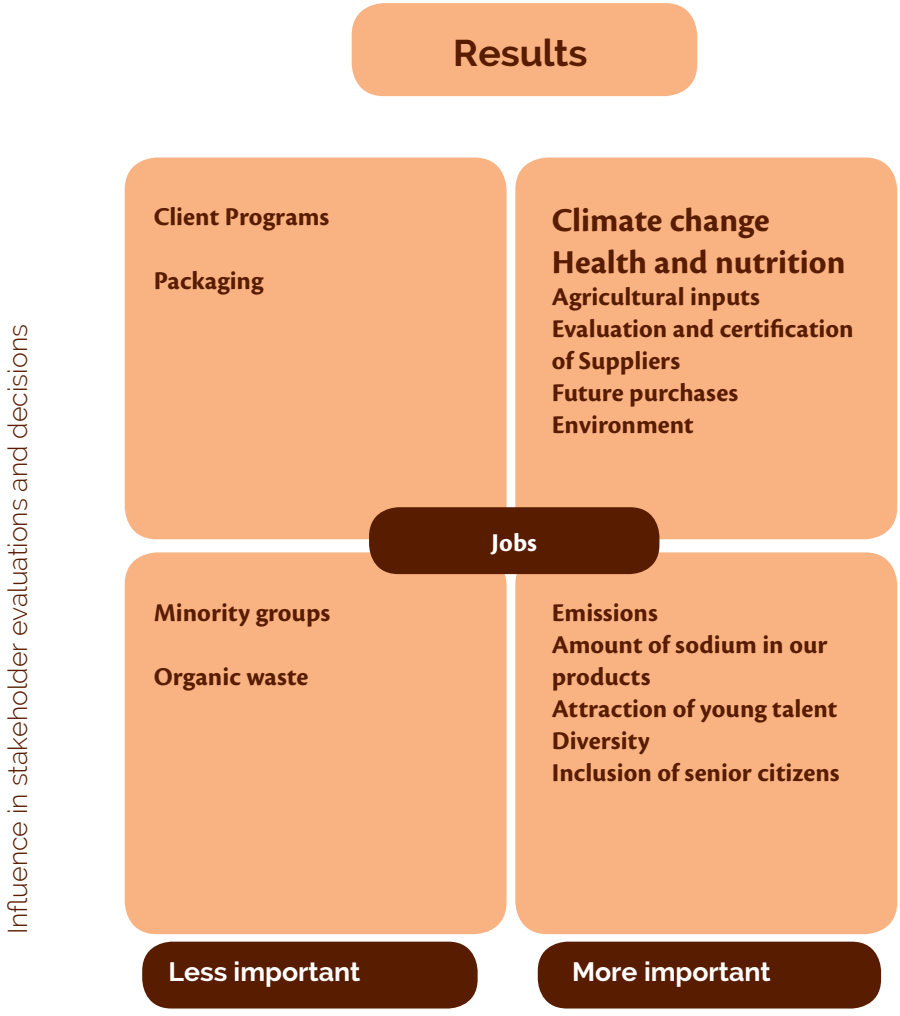
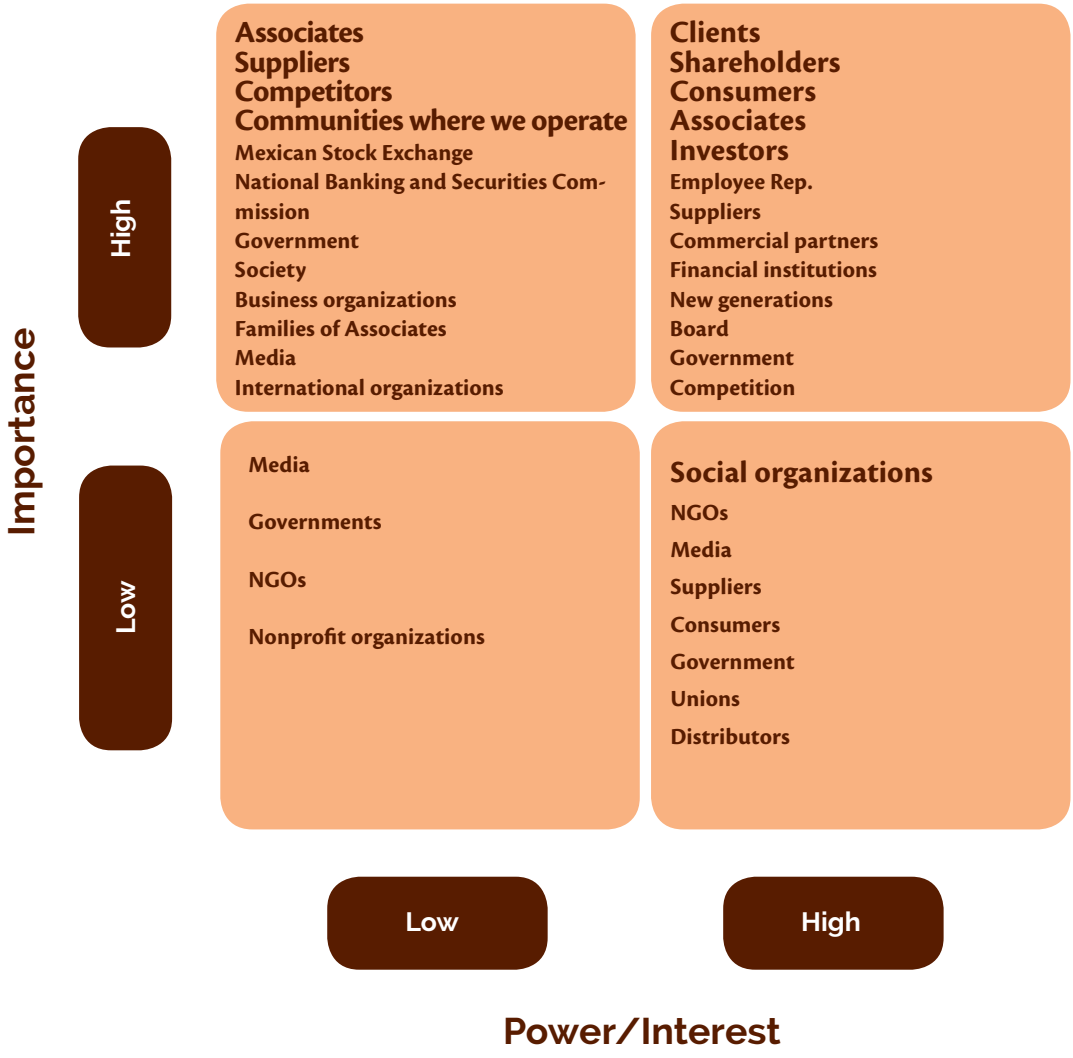


Relevance of economic, social and environmental impacts.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Communities where we operate
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National Banking and Securities Commission
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Society
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Families of Associates
Media
International organizations
Clients
Shareholders
Consumers
Associates
Investors
Employee Rep.
Suppliers
Commercial partners
Financial institutions
New generations
Board
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Governments
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Nonprofit organizations
Social organizations
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Distributors
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Appendix 2
Chambers and Associations

Chambers and associations			
	Chamber/Association	Country	Member since
1	*Cámara Nacional de la Industria y la Transformación* (CANACINTRA)	Mexico, D.F., Mexico.	2003
2	*Consejo Mexicano de la Industria de Consumo* (CONMEXICO)	Mexico, D.F., Mexico.	Founding partner 1996
3	*Confederación Patronal de la República Mexicana* (COPARMEX)	Mexico, D.F., México.	1970
4	*Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología, A.C.* (COMCE)	Mexico, D.F., Mexico	2003
5	*ILSI de México*	Washington, D.C. United States.	2003
6	*Asociación Nacional de Fabricantes de Chocolates, Dulces y Similares, A.C.*	Mexico, D.F., Mexico	1973
7	*Cámara Nacional del Maíz Industrializado* (CANAMI)	Mexico, D.F., Mexico	1998
8	*Comité de Emisoras de la Bolsa Mexicana de Valores*	Mexico, D.F., Mexico	2002
9	*Asociación Mexicana de Relación con Inversionistas*	Mexico, D.F., Mexico	2002
10	**Grocery Manufacturers Association**	Washington DC, United States.	2011
11	**Grain Foods Foundation**	Washington DC, United States.	2005
12	**American Bakers Association**	Washington D.C., United States.	1998
13	**Wheat Quality Council**	Colorado, United States.	2009
14	**Consumer Goods Forum**	París, France	2009
15	**International Food and Beverage Alliance**	Ginebra, Switzerland.	2008

Chambers and associations

	Chamber/Association	Country	Member since
16	**Latin American Conservation Council**	Virginia, United States.	2011
17	**World Federation of Advertisers (WFA)**	Bruselas, Belgium.	2011
18	***Cámara de Comercio e industria Venezolana* (Cavemex)**	Venezuela	1999
19	***Asociación Nacional de Empre-sarios de Colombia* (ANDI)**	Colombia	2005
20	***Asociación CentraRSE***	Guatemala, Guatemala	2012
21	***Cámara de Comercio de Guatemala***	Guatemala	1999
22	***Cámara de Industria de Guatemala***	Guatemala	1989
23	***Asociación de Supermercados Unidos* (ASU)**	Buenos Aires, Argentina	2003
24	**Abia - *ASSOCIAÇÃO BRASILEIRA DAS INDÚSTRIAS DA ALIMENTAÇÃO***	São Paulo, Brazil	2003
25	***Chile Alimentos***	Santiago de Chile, Chile	2007
26	***Asociación Peruana de Empresas de Consumo Masivo* (APECOM)**	Peru	2010
27	**Asociación Española de Codificación Comercial**	Barcelona, Spain.	2000
28	***Asociación Multisectorial de Empresas, AME***	Madrid, Spain.	2011
29	***Cámara de Comercio China México***	Beijing, China	2009
30	***Comisión de Estudios del Sector Privado para el Desarrollo Sustentable.* (CESPEDES)**		
31	**Global Environmental Management Initiative (GEMI)**		
32	***Compromiso Empresarial para Manejo Integral de los Residuos A.C.* (SUSTENTA)**		
33	***México Sostenible ITESM***		

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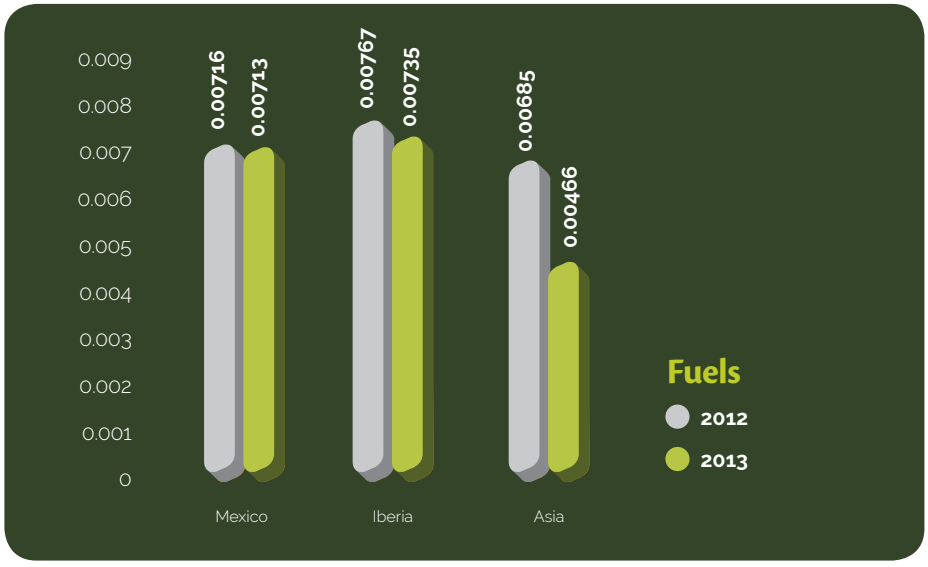
Appendix 3
Sembrando Juntos for our Planet

Carbon Footprint | Fuels

Vehicles			% savings compared to previous year
GJ/km	2012	2013	
Mexico	0.00716	0.00713	-0.39%
Iberia	0.00767	0.00735	-4.18%
Asia	0.00685	0.00466	-31.99%



Actions our fleet efficiency:

- VEHICLE REPLACEMENT AT THE END OF ITS USEFUL LIFE. FOR GRUPO BIMBO AVERAGE USEFUL LIFE OF ITS FLEETS IS OF 6,8 YEARS.
- SEARCH OF NEW TECHNOLOGIES FOR FUEL EFFICIENCY IMPROVEMENT.
- SWITCH FROM LP GAS AND GASOLINE TO DIESEL TECHNOLOGY TRUCKS.
- VEHICLE REGISTRATION TO THE AUTO REGULATION PROGRAM OF DIESEL ENGINES.
- PARTICIPATION IN THE CLEAN TRANSPORT PROGRAM OF THE ENVIRONMENT MINISTRY OF MEXICO (SEMARNAT).
- INTERNAL TRAINING ON THE CORRECT USE AND DRIVING FOR EFFICIENT FLEET USE, WHICH IMPACTS ON THE VEHICLE EFFICIENCY IMPROVEMENT.

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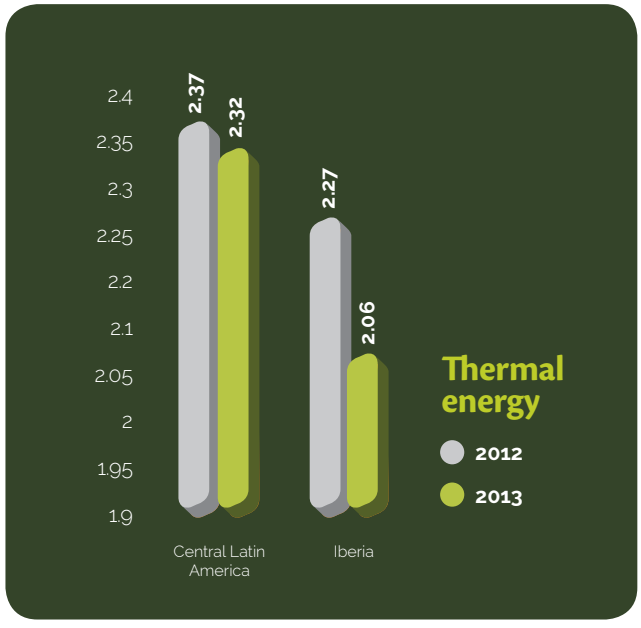
Carbon Footprint | Thermal Energy

Thermal Energy (GJ/TPE)			% savings compared to previous year
	2012	2013	
Central Latin America	2.37	2.32	-2.17%
Iberia	2.27	2.06	-9.27%



Carbon Footprint | Electric Energy

Electric Energy (GJ/TPE)			% savings compared to previous year
	2012	2013	
United States	0.83	0.81	-2.55%
Central Latin America	0.86	0.85	-1.38%
Iberia	0.92	0.91	-2.09%

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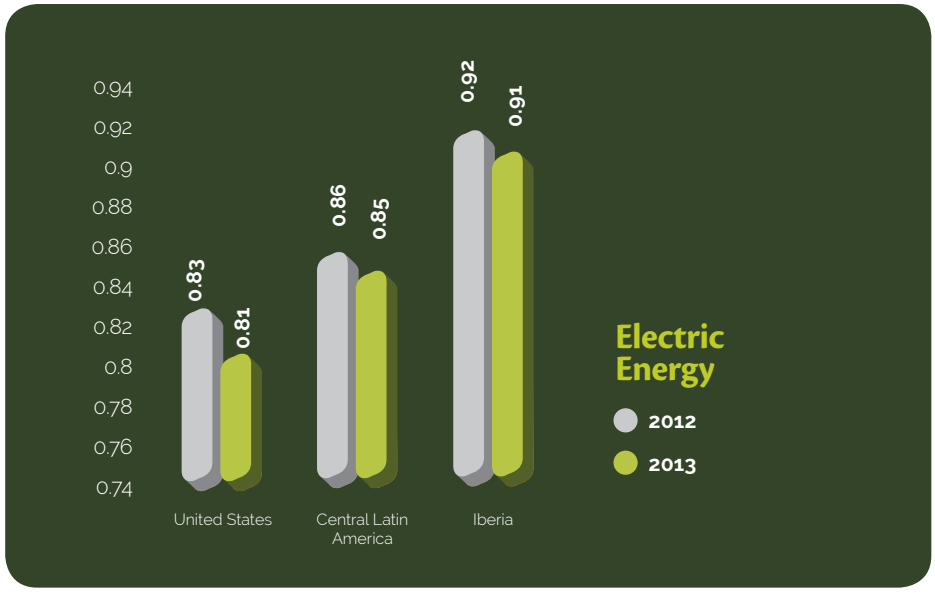
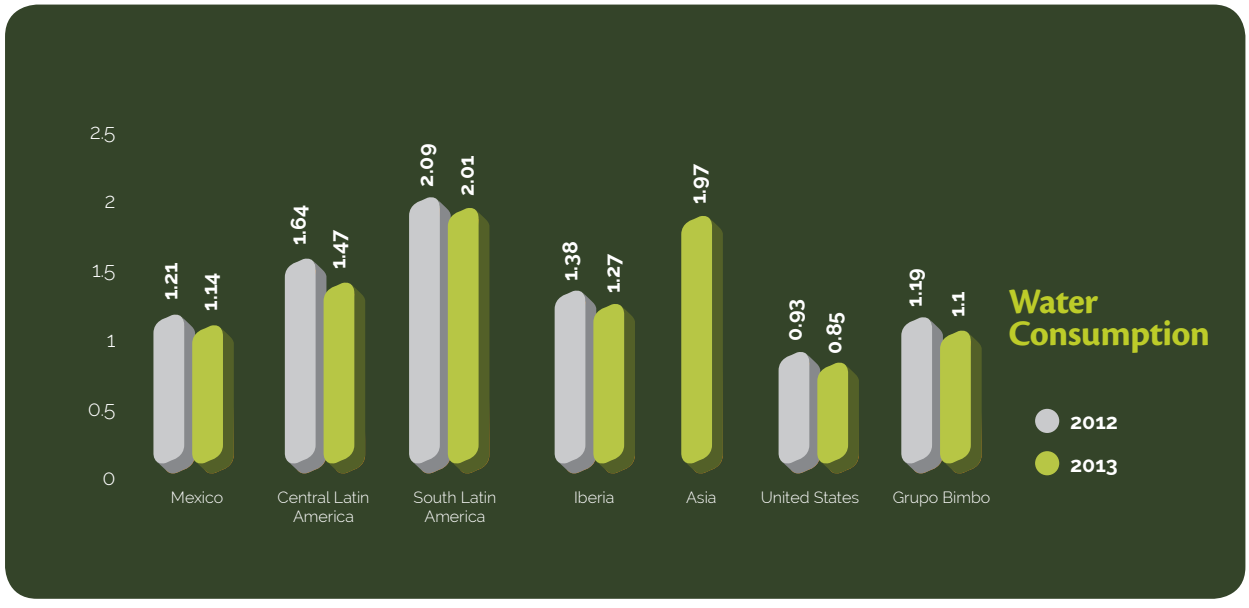


Water Footprint | Water consumption

Water			% save from last year
m³/TPE	2012	2013	
Mexico	1.21	1.14	-6.04%
United States	0.93	0.85	-8.56%
Central Latin America	1.64	1.47	-10.86%
South Latin America	2.09	2.01	-3.91%
Iberia	1.38	1.27	-8.28%
Asia	--	1.97	--
Grupo Bimbo	1.19	1.1	-7.07%

* The negative % shows reductions.



Water Footprint. Water consumption in sales center Mexico (2013)

Source	Amount of captured water 2013
Rain water	2,119.00
Municipal water supplies and from other water suppliers	438,883.00
Total volume of captured water	441,002.00

This year we are including information of some of our sales centers where we will keep on working to measure and improve its use.

Waste management | Recyclable Residues

Recyclable	Ton
Mexico	73,990.44
United States	10,323.34
Central Latin America	7,798.22
South Latin America	48,083.79
Iberia	7,706.24
Grupo Bimbo	147,902.15

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Appendix 4
Supported associations

HEALTH AND PHISICAL ACTIVITY

Organization	Institution Name	Mission	Impacts
MEXICO	*FUNDACIÓN NEMI*	Offers spaces for participation in development for children and youth throughout Mexico, through all types of cultural, educational, and counseling activities, for the benefit of health, science, technology and in general, all activities related to social improvement.	Conferences *"Salud en Onda"* Number of beneficiaries: 68,571 students.
MEXICO	*COLONIAS DE VACACIONES*	Promotes children's right to recreation and overall development, providing primarily disadvantaged school-age children an opportunity to enjoy the vacation camp ex¬perience including a program of recreational and educational activities in the context of contact with nature and responsibility for the environment.	Financing of the camp for associates children. Number of beneficiaries: 121 children.
MEXICO	*Caminata Nacional del Paciente Diabético*	Helps people with diabetes to improve the quality of their life through exercise, and encourages them to play an active role in controlling their illness.	Medical checkup: 4,220 people. Special checkup: 398 persons (Ophthalmology, Mycosis, electrocardiograms, densitometry, Doppler, spirometry and Microal-buminuria)
MEXICO	*CRUZ ROJA MEXICANA*	Efficient attention to the population through the pre hospital and hospital service in Mexico City.	Support for operations expenses of 19 delegations.
MEXICO	*INSTITUTO JOSÉ DAVID*	Comprehensive attention to people with hearing, language, and learning disorders and autism and their families and training high-level professionals in these areas.	4 scholarships of 90% for 12 months. Number of beneficiaries: 4 children.
MEXICO	*NUTRE A UN NIÑO*	Helps children from six months to six years of age who have been detected and diagnosed with some degree of malnutrition, by taking anthropometric measures, supervising and recording their growth and providing them a special food supplement.	Number of beneficiaries: 67 low-income families of Estado de México.
MEXICO	*FUNDACION EUDES*	Comprehensive treatment of poor patients with AIDS and their families through the Eudes system of medical attention for control and monitoring of opportunistic infection, personalized nutritional advice for diet control and change of habits, psychological therapies through alternative methods, and social activities for managing illness and emotional stabilization, as well as training workshops for developing abilities and encouraging self-employment.	Training and rehab workshops, informative and awareness medical and nutrimental talks, as well as medical, nutritional and psychological visits. Number of beneficiaries: 50 people.

Organization	Institution Name	Mission	Impacts
MEXICO	*HOGAR DE LA MISERI-CORDIA DE MONTERREY*	Assist people with terminal illness (non-contagious), whose physical, economic and family absence make them require free medical care, dietary needs, clothing and room, providing the a dignified life towards the end of their life. We make sure to give them a roof, food, dress, as well as medical and spiritual care.	Number of beneficiaries: 2 people.
MEXICO	*VEMOS CON EL CORAZÓN*	Trains and reintegrates blind people or with considerable visual weakness. We teach them the braille reading and writing as well as, typing, it classes and stimulation through touch.	Number of beneficiaries: 1 kid.
MEXICO	*COMER Y CRECER*	Serves a total of 550 children through the provision of balanced meals, which contain 80% of the nutrients needed to grow strong and healthy, during school days. To complement this assistance, children are also given a course on Growing with Val-ues, and introductory reading course, and mothers are given a course in personal advancement.	Number of beneficiaries: 280 children.
MEXICO	*INTERNADO INFANTIL GUADALUPANO*	Assists male children aged 8 to 14 who have not finished primary school and live in conditions of extreme poverty or are victims of abandonment, abuse, or drug addiction. These chil-dren are cared for through six different departments.	Number of beneficiaries: 15 children between 8 and 10 years, 10 children between 11 and 12 years y 8 teen agers between 14 and 17 years.
MEXICO	*APAC*	Improve the quality of life for people with cerebral palsy and other disabili-ties and their families.	2 classrooms and 4 scholarships.
MEXICO	*Rehabilitación Infantil Equinoterapéutica. (RIE)*	Creates and carries out programs for differently-abled disadvantaged peo-ple through horseback riding therapy sessions and alternative therapy for improving the quality of life.	Number of beneficiaries: 116 users of RIE and 5 equine therapists.
MEXICO	*QUEREMOS MEXICANOS ACTIVOS*	Promotion of physical activity at national level.	Founder partners, our donation was channeled to the operation of the institution in order to reach more Mexicans.
MEXICO	*FUNDACIÓN MEXICANA PARA LA SALUD*	Contribute to the improvement of health in Mexico.	Membership.
COSTA RICA	*Asociación de Lucha Con-tra el Cáncer Infantil*	Help children with cancer in Costa Rica.	Donation for children with cancer.
PANAMA	*Asociación Down Panamá*	Foundation for people with Down syn-drome in Panama.	Support in the athletic race in benefit of people with Down syndrome.
VENEZUELA	*Asociación contra el Cáncer de la Mujer*	Foundation against women cancer.	Support in the athletic run of women cancer.
UNITED STATES	Faye's Light	Provide quality of life services to those currently undergoing treatment for cancer These services complement medical care and include holistic treat-ments and spa services, with a focus on mind, body, and spirit.	Donation.

Organization	Institution Name	Mission	Impacts
UNITED STATES	Pitt Hopkins Research Foundation	Support research dedicated to finding a treatment, and hopefully an eventual cure of Pitt Hopkins and other similar disorders. Made up of families for families, the PHRF is also dedicated to supporting PTHS children with resource recommendations, parental support and the latest medical information.	Donation.
UNITED STATES	Children's Miracle Network	Donates life-saving equipment, educational programs and specialized services for children in our communities through Janet Weis Children's Hospital Pediatric services.	*Donation.*
UNITED STATES	Susan G Komen For The Cure	Transform the way the world speaks and treats breast cancer and help millions of people in their treatment turning them into breast cancer survivors.	*3 day breast cancer walk - Bucks County College*
UNITED STATES	Tri-ing For Kids (TFK)	Organization of individuals of all athletic abilities inspired to compete a personal goal for a cause greater themselves.	*Support for the Entenmann's Great South Bay Run.*

Social Programs

Organization	Institution Name	Mission	Impacts
UNITED STATES	Burger King McLamore Foundation (Have it Your Way Foundation)	To make a positive impact in our communities by building brighter futures through the BURGER KING® Scholars Program and providing hardship assistance to the BK™ family.	Donation.
UNITED STATES	Elizabeth T. McNamee Memorial Fund Inc.	Established to raise funds for the awareness and education of our public and healthcare professionals and to provide support services to those affected by hypertrophic cardiomyopathy (HCM) and their families.	Donation.
UNITED STATES	Enactus (SIFE)	International non-profit organization that brings together student, academic and business leaders who are committed to using the power of entrepreneurial action to improve the quality of life and standard of living for people in need. (Formerly SIFE)	Donation.
UNITED STATES	GPARE	The primary mission of GPARE's high school for grades 9 - 12 is to offer a strong academic program to students in recovery — one that allows them to focus on learning and provides a community that requires and supports sobriety.	Donation.
UNITED STATES	Junior Achievement	Junior Achievement uses hands-on experience to help young people understand the economics of life.	Donation.
UNITED STATES	Salvation Army	Provides humanitarian aid to relieve the suffering and assist the rebuilding of lives.	National Donut Day Donation
UNITED STATES	USMF-US Mexico Foundation	Stimulate broad social transformation in Mexico through the promotion of civil society organizations and strategic grant-making in the areas of education, health, economic and community development and civil society engagement.	Donation.
UNITED STATES	Western Association Food Chains	Western Association of Food Chains education fund.	Donation.
MEXICO	*Centro Chihuahuense para la Calidad y Productividad*	Encourages civil society to become aware of the importance of quality in government in order to increase the competitiveness of public administration and its ability to improve living conditions socially and economically.	EDUCA implementation (school management program) in 329 public basic education institutions.
MEXICO	*PATRONATO PRO ZONA MAZAHUA*	Help raise life quality of the Mazahua community, respecting the indigenous culture, giving priority to the community participation to promote the sustainable development, fighting the root problems. The Arte Si NaNaGenze Embroidery Workshop whose purpose is to provide employment to craft women embroiderers.	Construction of 18 henhouses, benefiting 408 people.

Organization	Institution Name	Mission	Impacts
MEXICO	*AANTAJ (PRO CUAJI)*	Mutual social assistance for families in the community of Cuajimalpa	Number of eneficiaries: 30 children and 25 mothers.
MEXICO	*ABRIENDO NUEVOS CAMINOS*	Promote individual development in the fullest sense, particularly in areas with greater social or economic needs, promoting ongoing sustainable development projects that take into account the basic needs expressed by the communities.	Training workshops, pre-school education workshops, family activities, regularization classes and work. Number of beneficiaries: 1,763.
MEXICO	*ASOCIACIÓN A FAVOR DE LO MEJOR*	Drive media, in its quest to entertain and inform the public, to contribute to its education, culture and human development. Promote the constructive, worthy and the best of our traditions and customs through its contents.	Financial support to improve the quality of the contents of the media.
MEXICO	*COLONIA JUVENIL (PROMOCIÓN SOCIAL INTEGRAL)*	Support for poor children from rural communities in completing high school, preparatory and/or university studies, offering them courses, lodging, food and integral training	Number of beneficiaries: 150 students.
MEXICO	DARE *MEXICALI*	A preventive program in which trained DARE instructors give talks in schools to children and young people on staying away from drugs and violence	107 workshops in 13 community centers. Number of beneficiaries: 930 middle school students, 132 teachers.
MEXICO	*DESARROLLO DE LA COMUNIDAD*	With more than 27 years of experience, this organization has developed a model for training members of disadvantaged communities as community promoters, creating people with an in-depth knowledge of their own communities, committed to their development. The institution promotes relationships of respect, equity and in-terpersonal warmth, as well as self-employment and productive projects, increasing family income and improving their quality of life.	Number of beneficiaries: 521.
MEXICO	Enactus (SIFE)	Works with college students to generate productive sustainable projects in favor of communities in need. Holds over 1,700 universities - 47 in Mexico - and over 500,000 students in 38 countries.	104 self-sustainable projects in 16 states of the country. Over 4,000 ton of recycled waste and over 10,000 impacted people.
MEXICO	*Fundación Escuela Bancaria y Comercial*	Scholarships for talented students with economic disadvantages who are studying in higher educational institutions authorized or officially recognized under the General Law on Education.	Number of beneficiaries: 12 students with 25% scholarships.
MEXICO	*FOMENTO EDUCATIVO Y CULTURAL DE IRAPUATO*	Begin, promote, encourage, stimulate, endorse, manage or direct every sort of educational activity of scientific research and culture broadcasting.	Number of beneficiaries: 75 students.

Organization	Institution Name	Mission	Impacts
MEXICO	*FUNDACIÓN CIE*	Develop a platform which conceptualizes and crystalizes support projects for assistance institutions in Mexico, combining philanthropic attitudes of national and international artists with institutional efforts of leading company's Social Responsibility, thus, provoking a multiplying effect of aid.	Sustainable indigenous shelter sponsorship in the State of Nayarit. Number of beneficiaries: 104 boys and girls of 22 communities.
MEXICO	*Fundación Empresarios por la Educación Básica*	Introduced a model of self-management for schools through Social Participation School Boards, in which public schools are able to significantly improve the quality of their education. The School Self-Management model begins with an awareness of the importance of shared responsibility for education and strengthening the hu¬man factor in our schools.	250 schools currently working with the Self-Management Academic Model.
MEXICO	*FUNDACIÓN LEÓN XIII*	Provides social orientation to poor people, groups and regions, indigenous commu¬nities and groups that are vulnerable by reason of their age and/or gender, in the areas of family, education, nutrition, labor, promotion and defense of human rights, prevention of family violence and health, so that every member of the community can develop and learn to take charge of their lives and contribute with their efforts to the common task or well-being of the group to the best of their abilities. Promotes organized participation of poor people and indigenous communities in addressing urgent issues, strengthens their capacity to resolve needs and improve their living conditions while providing assistance or recovery for one or more members of the community in the event of a disaster or accident. Benefits poor and indigenous peo¬ple and communities through job training in order to promote their comprehensive advancement and improve their living conditions. Supports the defense and promo¬tion of human rights among poor communities. Provide economic support to other non-profit organizations that work for poor people and communities.	6,000 saving accounts partners, 1,000 medical consultations,34 trained community health promoters, 350 families with orchards and family farms who participate in community greenhouses, dams constructions, 10 productive projects, 160 trained women in marketing strategies, 130 trained women in new craft textile designs, 36 women who participated in sales markets, 185 cataract surgery and ongoing follow-up to special cases, materials banks creation for the distribution of raw materials for crafts activities.
MEXICO	*Fundación Mexicana de Reintegración Social Reintegra*	A civil organization with 29 years of experience in crime prevention and social rehabilitation. Its mission is to prevent crime and reincorporate former convicts into society, and to strengthen the capacities of poor people, families and communities.	Number of beneficiaries: 362 teenagers and 212 parents.
MEXICO	*FUNDACIÓN MEXICANA PARA EL DESARROLLO RURAL*	Promote the comprehensive development of producers and their families through the development and implementation of productive products, along with an educational plan - not academic - their own methodology named "Social Basic Education", which encourages in beneficiaries overcoming desires and motivation to succeed with their own efforts and work.	24, 570 training hours to 33 legal groups, comprised by 304 women performing nine productive activities.
MEXICO	*FUNDACIÓN PRO EMPLEO PRODUCTIVO*	Help people to achieve a dignified and productive life through training and consultancy for creating or improving micro-businesses and self-employment.	Number of beneficiaries: 617.
MEXICO	*FUNDACIÓN PRO MIXTECA*	Support the achievement of self-sustainability of the Mixteca Oaxaqueña, promoting growth of people, so they consciously, freely and responsibly impact their circumstances, adding value to society.	Support of 14 productive projects in 13 communities, 19 technic trainings in several subjects, and four productive projects development workshops. We advanced 80% on the construction of the training center in the Northern Mixteca (Cuitito community). Number of beneficiaries: 573.

Organization	Institution Name	Mission	Impacts
MEXICO	*FUNDACIÓN TARAHUMARA JOSÉ A. LLAGUNO*	Support for the Tarahumara indigenous community by sponsoring an annual calendar issued by the institution.	Number of beneficiaries: 5,428 children of 0 to 5 years.
MEXICO	*FUNDACIÓN TELEVISA*	Generate social and cultural development opportunities for the greatest possible number of people, through programs and innovative and quality alliances, as well as promote consciousness and participation through media.	Sponsorship of the "Value Calendar 2012-2013" and the Teacher's Support Guide 2013 (560,000 copies). Number of beneficiaries: 300,000 families; 13, 655,890 elementary school children, 6,137,546 middle school teenagers, 381,724 middle school teachers.
MEXICO	*HOSPITAL INFANTIL DE LAS CALIFORNIAS*	Improve health and nutrition of children under 18 years, providing them highly specialized medical services regardless of their socioeconomic level or origin.	Calendar sponsorship for funds collecting.
MEXICO	*IFIE Instituto de Fomento e Investigación Educativa*	Contribute to the continuous improvement of public and private education in Mexico, through research that helps the formation of consensus for changes and innovations which are required in academic excellence nationally.	National Basic Education Survey (ENEB). A-Z Publication, with 30,000 copies. Future Education on-line publication.
MEXICO	*INSTITUTO DE PENSAMIENTO ESTRATÉGICO AGORA*	Promote a free, supportive and prosper society, based on ethical principles and individual and social responsibility. This is achieved through respecting the person's dignity within a market economic system and free enterprise, a State of Law which protects and ensures every one's rights, an efficient and transparent government and a solid democracy.	Number of beneficiaries: 150 teenagers of 20 cities from the country (90 in postgraduate and 60 in IPEA College)
MEXICO	*INSTITUTO EDUCATIVO*	Promotes educational excellence at the spiritual, academic, emotional and physical level, for children, teenagers, parents and school personnel.	Number of beneficiaries: 455 families who share with Academic Institute their children's education; 77 people (teacher and managers).

Organization	Institution Name	Mission	Impacts
MEXICO	*MEXICANOS PRIMERO*	An independent civil initiative that looks after the promotion of a civic cultural change, developing participation, commitment and civil demand tools.	Support to rise the academic quality in Mexico, for basic education through the programs: 1. Inclusive educational performance index. (IDEI) 2. Children first. 3. Bad expenditure. 4. ABC award "Teachers of those we learn" 5. REDUCA: Latin American agenda for education. 6. State chapters. 7. The world will not wait: 2012 Mexico PISA results. 8. ENLACE. 9. Link and collaboration in relevant topics.
MEXICO	*SISTEMA DE OBSERVACIÓN POR LA SEGURIDAD CIUDADANA, MÉXICO SOS*	Works to create a more secure and fair Mexico.	Financial support for the national security fight.
MEXICO	*MÉXICO TIERRA DE AMARANTO*	Use of amaranth as a strategy to improve the nutrition, health and living conditions of the rural communities of the country. We seek to integrate all society sectors in order to join efforts and actions.	*"Eslabones de vida con Agua y Amaranto"* program. Number of beneficiaries: 52 families who have a tank to capture water.
MEXICO	*Obra Social y Cultural Sopeña*	Integral advancement of the individual, based on the principle that solid training is the best instrument we can offer for people to develop on all levels (personally, and their families and in their environment). Helps people to confront their problems and improve their economic situation, offering tools for people to be agents of their own development, discovering their skills and abilities.	Number of beneficiaries: 962 people.
MEXICO	*PAPALOTE MUSEO DEL NIÑO*	An independent nonprofit organization whose mission is to contribute to the intellectual, emotional and interpersonal development of children and families, offering the best interactive experiences of togetherness, communication and learning, were play is the primary tool.	Number of beneficiaries: 9,068 people of low-income public schools to experience interactive learning through non-formal education offered by the museum.
MEXICO	*PAPALOTE VERDE*	Diffusion and promotion of the environment culture through operation of child-oriented museums.	Donation for the construction of the Museum in Monterrey.
MEXICO	*PATRONATO BOMBEROS DE NUEVO LEON*	Administer and operate the firefighting departments of the State of Nuevo Leon that fight fires and conduct rescue efforts.	Donation channeled to the operation costs of the institution.
MEXICO	*PROCURA*	Strengthen the institutional capacity of civil organizations that seek to build a more equal and fair society.	Sponsorship of the *Procura* meeting. Number of beneficiaries: 450 disabled people.

Organization	Institution Name	Mission	Impacts
MEXICO	*Desarrollo integral de la juventud oaxaqueña.*	Physical activity for children in the community of Juchitán.	Donation.
MEXICO	*SISTEMA DESEM, (IMPULSA)*	Give as many children and young people as possible the opportunity to know and understand the market economic system with social emphasis, encouraging them to develop their entrepreneurial spirit.	*"Emprendedores y Empresarios"* program with 600 hours of student advice given. Number of beneficiaries: 400 students.
MEXICO	*TALLERES PRODUCTIVOS PARA DISCAPACITADOS TECAMAC*	Provides training for physically challenged individuals through productive workshops. Makes wheelchairs and will soon start up a rabbit farm and fruit and vegetable garden	Number of beneficiaries: 25 people with disabilities who are trained in the workshops.
MEXICO	*UNION DE PADRES DE FAMILIA*	Institution's service to the family, with national structure, of voluntary coverage, looking for parents to fulfill their duties and demand respect for their rights.	87 hours between workshops and talks given Number of beneficiaries: 384 people (direct beneficiaries) and y 1536 (indirect beneficiaries)
MEXICO	*UNIVERSIDAD DE MONTERREY*	Integrity, respect and search for the truth are some of the values that define us as an institution that seeks the integral education of the human being.	*"INTEGRIDAD"* project sponsor. Number of beneficiaries: 111 people.
MEXICO	*Voluntarias Vicentinas de la Villa*	Supports the San Jose shelter for patients who come from outlying regions to hospitals in northern Mexico City to receive therapy and have no place to stay for the duration of their treatment.	Number of beneficiaries: 260 sick people, some of them in terminal phase and their families in lodging aspects, medicines and food aid.
VENEZUELA	*FUNDACIÓN TRANSFORMANDO VIDA (FUNTRAVI)*	Abandoned child care.	Donation channeled to the operation costs of the institution.
VENEZUELA	*INSTITUTO AUTONOMO CUERPO DE BOMBEROS*	Safeguard the life and property of the communities at risk of fire or disaster.	Donation channeled to the operation costs of the institution.
VENEZUELA	*INSTITUTO CIMARRON MIGUEL GERONIMO GUACAMAYA*	Institution that gives technical education in: rural, farming and machinery use subjects. Has a series of social productive subjects, one of these is the fruits, roots, tuber and cocoa production.	Donation for education.
VENEZUELA	SCOUTS VENEZUELA	Implement policies and support programs to the community.	Donation for education.

Promotion of Environment Care

Organization	Institution Name	Mission	Impacts
MEXICO	*Fundación Azteca*	Improve the health, education and environment. In addition to Mexico, it operates in United States, Perú, Guatemala and El Salvador, through similar institutions. *Fundación Azteca* philosophy is to provide the tools necessary to improve society.	*"Limpiemos Nuestro México"* campaign
MEXICO	*Reforestamos México*	Medium and long-term efforts in favor of the sustainability of our forests and the preservation of forestry products and services through the joint participation of private enterprise, government, organized civil society, farming cooperatives and communities, academe and the communications media.	Donation channeled to the operation costs and development of all the projects of the organization.
EL SALVADOR	*Fundación Azteca*	Improve the health, education and environment. In addition to Mexico, it operates in United States, Perú, Guatemala and El Salvador, through similar institutions. *Fundación Azteca* philosophy is to provide the tools necessary to improve society.	*"Limpiemos Nuestro Salvador"* campaign

Appendix 5
Good Neighbor's actions
Mexico

Facility	Initiative	Area
Bimbo Puebla	Rehabilitation of green areas in elevated bridge.	Rehabilitation of public spaces and preservation of the environment.
Bimbo Mérida	Floor placing for sports field access and 4 playgrounds.	Promotion of healthy lifestyles.
Bimbo Veracruz	Sport's field refurbishment in Dra. María C. de Rojas community.	Promotion of healthy lifestyles.
Bimbo y Marinela Villahermosa	Maintenance and cleanse.	Safety.
Bimbo San Luis	Refurbishment of the median strip in front of the facility.	Safety.
Bimbo Occidente	Rehabilitation of street lights, from facility up to Aviación avenue.	Safety.
Marinela Occidente	Rehabilitation of sidewalks near the facility.	Rehabilitation of public spaces
Bimbo Irapuato	Traffic lights installation.	Safety.
Galletas Lara	Improvement and embellishment repair of Santo Domingo street.	Rehabilitation of public spaces.
Bimbo Santa María	Public lights.	Safety.
Bimbo y Marinela México	Public lights and pedestrian bridge.	Safety.
Bimbo Toluca	Public lights.	Safety.
Tía Rosa	Public lights.	Safety.
Wonder	Park restoration.	Rehabilitation of public spaces and preservation of the environment.
Suandy	Public lights.	Safety.
Galletas Gaby	Refurbishment of fronton court.	Promotion of healthy lifestyles.
B. Chihuahua	Restoration of park and sports center.	Promotion of healthy lifestyles.
B. Mexicali	Reforestation and park restoration.	Rehabilitation of public spaces and preservation of the environment.
Bimbo y Marinela Monterrey	Conditioning of gymnastic facilities.	Promotion of healthy lifestyles.
Planta Mazatlán	Reforestation and placement of an open air gym and children playground.	Rehabilitation of public spaces and preservation of the environment.
Bimbo Hermosillo	Public lights, traffic lights and bus stop.	Safety.
Bimbo Tijuana	Green area refurbishment.	Rehabilitation of public spaces and preservation of the environment.
Barcel Occidente	Trash can donation.	Preservation of the environment.
Barcel del Norte	Athletic run "31st anniversary Barcel Planta Laguna"	Promotion of healthy lifestyles.
Barcel del Norte	Expo Recicla Laguna	Preservation of the environment.
Barcel del Norte	Life quality	Community support.
Barcel del Norte	Summer camp	Community support.

Facility	Initiative	Area
Barcel del Norte	Eco Fest Laguna	Preservation of the environment.
Barcel del Norte	Community project: *"Laguna yo te quiero"*	Preservation of the environment.
Barcel Atitalaquia	Athletic run Barcel Atitalaquia 2013	Promotion of healthy lifestyles.
Barcel Mexicali	*"Corre, trota o camina por Mexicali"*	Promotion of healthy lifestyles.
Barcel Yucatán	Support to nearby schools.	Community support.
Barcel Yucatán	Zumba marathon in the facility.	Promotion of healthy lifestyles.
Barcel Yucatán	Development of children from surrounding communities.	Community support.
Barcel México	Zumba classes.	Promotion of healthy lifestyles.
Barcel México	Zumba marathon.	Promotion of healthy lifestyles.
Ricolino Toluca	Second father's day athletic race.	Promotion of healthy lifestyles.
Ricolino Toluca	Police vigilance and security actions.	Safety.
Ricolino Toluca	Street paving.	Rehabilitation of public spaces.
Ricolino Toluca	Park restoration.	Rehabilitation of public spaces.
Ricolino Toluca	Periodical painting of a school wall.	Rehabilitation of public spaces.
Ricolino San Luis Potosí	Father's day athletic race.	Rehabilitation of public spaces.
Ricolino San Luis Potosí	Graffiti cleaning.	Safety.
Ricolino San Luis Potosí	Tree donation	Preservation of the environment.
Ricolino San Luis Potosí	Donation of trash cans	Preservation of the environment.
Ricolino San Luis Potosí	Environmental activity	Preservation of the environment.
Dulces Vero	Pruning and refurbishment of vacant lots in Fracc. New San Miguel	Rehabilitation of public spaces.
Dulces Vero	Painting of basketball court in San Miguel	Promotion of healthy lifestyles.
Dulces Vero	Donation of trash cans to the schools of San Miguel and Cuaxcomatitlán / San Juan and San Lucas	Preservation of the environment.
Dulces Vero	Sound equipment donation for San Miguel's kindergarten	Community support.
Dulces Vero	Quarterly contribution among the 3 companies of the area and the ejido for eviction of the canal water pump facilities monitoring	Safety.
Dulces Vero	Donation of several articles to the Tecnológico de Tlajomulco	Community support.
Dulces Vero	Placement of posts with chains to a nearby school	Safety.

United States

Facility	Initiative	Area
Auburn	Park restoring / cleaning	Rehabilitation of public spaces and preservation of the environment.
Hazleton Bread	Tweedle Park and Playground 8-foot fence	Rehabilitation of public spaces and safety.
Sayre	Babe Ruth League Facility Restoration	Promotion of healthy lifestyles.
Sayre	Community Village Skating Ring	Promotion of healthy lifestyles.
Greenwich	Gateway School outdoor playground, storage equipment, and garden at the school	Rehabilitation of public spaces and preservation of the environment.
Easton	Park benches at Wilson Borough Community Pool	Rehabilitation of public spaces and community support.
Bay Shore	Small serenity garden outside the Bakery	Rehabilitation of public spaces and community support.
Frederick	Install Bluebird houses and park benches at Ballenger Creek Bike Trail	Rehabilitation of public spaces and preservation of the environment.
Frederick	Free Flu Shots	Community support.
Carlisle	Playground Installation	Rehabilitation of public spaces.
Oconomowoc	Park and dog exercise trial	Rehabilitation of public spaces.
Salt Lake City	The Jordan River Parkway benches and three planting	Rehabilitation of public spaces and preservation of the environment.
Denver	Playground and garden at Highline Academy Charter School	Rehabilitation of public spaces and preservation of the environment.
Montebello	Earth Day Event	Preservation of the environment.
Montebello	Beautification Projects	Rehabilitation of public spaces.
So San Francisco	Community Preservation Task Force	Community support.
Placentia	Community Pool Equipment Renovations	Promotion of healthy lifestyles.
Grand Rapids, MI	Playground equipment on Little Pine Island Camp	Rehabilitation of public spaces.
Sioux falls	Harrisburg Baseball Association	Community support.
South Sioux City, NE	Riverfront Ecology	Preservation of the environment.
Elkhart	Kids Playground on Island Park /High Dive Park	Rehabilitation of public spaces.
Escondido, PA	Playground at VCS	Rehabilitation of public spaces.
Meridian	Hope Village for Children Play Systems	Rehabilitation of public spaces.
Oklahoma city	Make promises happen	Community support.
Beaverton, OR	Beaverton PAL Project	Community support.

Latin America

Facility	Initiative	Area
Bimbo Ideal Chile	Sponsoring of an elementary school and donation of a piano for the Cultural Center of the Quilicura Community.	Community support.
Uruguay -Plucky	PROYECT : Creation of the Vereda (sidewalk) in Plucky.	Rehabilitation of public spaces.
Argentina ABA	Corner stop installation.	Community support.
Bimbo Paraguay	Installation of a shed protection for waiting for public transport	Rehabilitation of public spaces.
Bimbo El Salvador	Committed to the promotion of physical activity and environment	Promotion of healthy lifestyles and preservation of the environment.
Guatemala – Planta Chimaltenango	El Tejar Library	Community support.
Bimbo Costa Rica	Support to the Cooperative school	Community support.
Bimbo de Colombia	Raise awareness and educate the neighboring community and surrounding schools on the importance of the prevention and care of the environment focused on three lines of action: 1. recycling 2. Energy-saving and water 3. Reforestation	Preservation of the environment.
Bimbo Honduras /Planta Lido	Committed to the health of children and the environment	Community support and preservation of the environment.
Bimbo Panamá	Working for our children	Community support.
Bimbo de Venezuela	Fitness Sports field Villa Panamericana	Rehabilitation of public spaces and promotion of healthy lifestyles.

Iberia

Facility	Initiative	Area
Bimbo Iberia	Installation of gym outdoors on an Avenue near the Canary Islands plant	Rehabilitation of public spaces and promotion of healthy lifestyles.

Asia

Facility	Initiative	Area
Bimbo Beijing	Installation of gym outdoors, in the green areas outside plant and offices, in agreement with the Government of Tongzhou	Rehabilitation of public spaces and promotion of healthy lifestyles.

GRI Index

GRI Index 3.1

- Fully
- Partially

GRI Indicators	Description	Level of reporting	Page
Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Fully	8
1.2	Description of key impacts, risks, and opportunities.	Fully	8
Organizational profile			
2.1	Name of the organization.	Fully	13
2.2	Primary brands, products, and/or services.	Fully	13
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	13, 15
2.4	Location of organization's headquarters.	Fully	13, Inside back cover
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	13
2.6	Nature of ownership and legal form.	Fully	13
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	13, 15
2.8	Scale of the reporting organization (Number of employees, operations, net sales, total capitalization, etc.).	Fully	3, 10, 13, 15, 116-120
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	8, 15, 116-119
2.10	Awards received in the reporting period.	Fully	77, 116, 212
Report parameters			
Report profile			
3.1	Reporting period for information provided.	Fully	219
3.2	Date of most recent previous report.	Fully	219
3.3	Reporting cycle (annual, biennial, etc.).	Fully	219
3.4	Contact point for questions regarding the report or its contents.	Fully	Inside back cover
Report scope and boundary			
3.5	Process for defining report content (determining materiality, prioritizing topics within the report; and identifying stakeholders the organization expects to use the report).	Fully	222
3.6	Boundary of the report.	Fully	219
3.7	State any specific limitations on the scope or boundary of the report.	Fully	219
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	219
3.9	Data measurement techniques and the bases of alculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	219
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	219
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	8, 116-119, 219
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	252
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	219
Governance, commitments and engagement			
Governance			
4.1	Governance structure of the organization.	Partially	16
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	11, 16

GRI Indicators	Description	Level of reporting	Page
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	16
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	16, 22
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	●	16
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	17
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees.	●	16
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	2, 22, 33
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	16
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	16
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	18, 34, 47, 109, 122
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	89
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; Provides substantive funding beyond routine membership dues; or views membership as strategic.	●	35, 230
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	●	26
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	26
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	27
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	30
Across all Aspects of Sourcing			
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	◒	86
FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.	◒	86
Economic Performance Indicators			
Aspect: Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	◒	33, 88, 120
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not Available	
EC3	Coverage of the organization's defined benefit plan obligations	Not Available	
EC4	Significant financial assistance received from government.	Not Available	
Aspect: Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	112
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	◒	86
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	◒	107
Aspect: Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	88, 94, 100, 236, 246
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	83, 100, 236

GRI Indicators	Description	Level of reporting	Page
Environmental performance indicators			
Aspect: Materials			
EN1	Materials used by weight or volume.	Not Available	
EN2	Percentage of materials used that are recycled input materials.	●	68, 235
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	●	64, 232, 233
EN4	Indirect energy consumption by primary source.	●	64, 233, 234
EN5	Energy saved due to conservation and efficiency improvements.	●	66, 67, 232, 233
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	65, 77
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	65, 77, 233
Aspect: Water			
EN8	Captación de agua por fuentes.	●	72, 234, 235
EN9	Fuentes de agua que han sido afectadas significativamente por la captación de agua.	Not Applicable	
EN10	Porcentaje y volumen total de agua reciclada y reutilizada.	●	73
Aspect: Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	76, 78
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not Applicable	
EN13	Habitats protected or restored.	●	67, 78, 95
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	67, 78
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	◒	78
Aspect: Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	59
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	61
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	59, 232
EN19	Emissions of ozone-depleting substances by weight	Not Applicable	
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	61
EN21	Total water discharge by quality and destination.	●	73
EN22	Total weight of waste by type and disposal method..	◒	68, 235
EN23	Total number and volume of significant spills.	●	73
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	68
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not Available	
Aspect: Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	68, 235
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	68, 235
Aspect: Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	●	75
Aspect: Transport			
EN29	Impactos ambientales significativos del transporte de producto y otros bienes y materiales utilizados para las actividades de la organización, así como del transporte de personal.	●	63, 232
Aspect: Overall			
EN30	Total environmental protection expenditures and investments by type.	Not Available	
Labor practices and decent work performance indicators			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	◒	105-107

GRI Indicators	Description	Level of reporting	Page
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		107
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Not Available	
LA15	Return to work and retention rates after parental leave, by gender.	Not Available	
Aspect: Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.		106, 113
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		113
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country.	Not Available	
Aspect: Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.		110
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.		111
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		52, 109
LA9	Health and safety topics covered in formal agreements with trade unions.	Not Available	
Aspect: Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.		108, 114
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		107
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Not Available	
Aspect: Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Not Available	

GRI Indicators	Description	Level of reporting	Page
Aspect: Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not Available	
Human rights performance indicators			
Aspect: Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not Available	
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	Not Available	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		114
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.		113
Aspect: Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.		113
Aspect: Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.		113
Aspect: Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.		113
Aspect: Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not Available	
Aspect: Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		

Indicador GRI	Descripción	Nivel de reporte	Página
Aspecto: Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not Available	
Aspect: Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not Available	
Society performance indicators			
Aspect: Communities			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	●	90, 94, 100
FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	●	36, 40, 47, 48, 89, 94, 98, 100
SO9	Operations with significant potential or actual negative impacts on local communities.	Not Available	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not Available	
Aspect: Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not Available	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not Available	
SO4	Actions taken in response to incidents of corruption.	●	11, 23
Aspect: Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	●	35
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	22
Aspect: Anti-competitive behavior			
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	●	23

Indicador GRI	Descripción	Nivel de reporte	Página
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not Available	
Product responsibility performance indicators			
Aspect: Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	40
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Available	
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	◒	86
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars.	●	39
FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives.	●	40
Aspect: Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	42
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	●	44
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not Available	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	◒	31
Aspect: Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	42, 45

Indicador GRI	Descripción	Nivel de reporte	Página
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not Available	
Aspect: Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	◒	11
Aspect: Compliance			
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not Available	
Food Processing Sector Specific animal Welfare Performance Indicators			
Aspect: Breeding and Genetics			
FP9	Percentage and total of animals raised and/or processed, by species and breed type.	Not Applicable	
Aspect: Animal Husbandry			
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic.	Not Applicable	
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type.	Not Applicable	
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	Not Applicable	
Aspect: Transportation, Handling, and Slaughter			
FP13	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	Not Applicable	

GRI Index G4

Indicador GRI G4	Descripción	Nivel de reporte	Página
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	●	230
G4-24	Provide a list of stakeholder groups engaged by the organization.	●	26
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	●	26, 27
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	●	28
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report that stakeholder groups that raised each of the key topics and concerns.	●	28
G4-SO1	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	◒	98

Brief Statements

EN28. During the reporting period we did not get any fines or sanctions due to non-compliance with environmental standards.
LA5. Grupo Bimbo only has qualitative information.
HR4. During the reporting period, there were no discrimination incidents since we carried out our Code of Ethics' guidelines.
HR6. Grupo Bimbo rejects all activities with risk of child labor.
HR7. Grupo Bimbo rejects all activities with risk of compulsory labor.
HR9. During the reporting period, there were no incidents against indigenous rights.
SO4. During the reporting period, there were no corruption incidents.
FP5. Grupo Bimbo has information regarding audits to suppliers concerning food safety. Likewise, it has several unaudited suppliers and no percentage.

Shareholder information

Mexican Stock Exchange (BMV)
Ticker: BIMBO

Corporate Headquarters

Corporative Bimbo, S.A. de C.V.
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