

### Grupo Bimbo's Day

June 4, 2008





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## Agenda Innovation & Nutrition

- 1. Innovation in Grupo Bimbo
- 2. Technological Approach: R&D to 2010
- 3. Innovation & Nutrition Institutes and Platforms
- 4. Grupo Bimbo's commitment with the World Health Organization (WHO)
- 5. Health and Nutrition Strategic Objective



### **Innovation in Grupo Bimbo**

- Innovation is key for development
- Structured innovation process deep consumer knowledge with multidisciplinary working teams
- Develop products and processes that respond to current trends
- Impact of research on future food products
- Transform scientific progress into practical applications to offer better products to our consumers
- New technologies to improve processes



## **Innovation Trends**

- Mental function as well as heart health
- Free from food
- Ethical positioning Fairtrade and sustainability
- Ageing consumers Product & package functionality
- Keeping it simple Via package and function
- Technology advances to improve product functionality
- Simplicity rules in packaging, performance positioning, messaging





## **Innovation Trends**























## Technological Approach R&D to 2010

- 1. Set-up Regional Development Centers, as well as an implementation plan
- 2. Technological platforms: Specializations and network
- 3. Create an interconnected global structure and technical specialization
- Product Development Process
   Insightment Innovation Development
   Marketing NPD R&D



## Technological Approach R&D to 2010

- Create an institutions and/or universities portfolio to work on selected platforms. Find funding
- 6. Develop turnkey technologies for all Organizations
- 7. Promote patent generation in Grupo Bimbo







## Innovation and Nutrition Institutes

- Nutrition as an strategic driver in institutes
- Achieve developments faster and better
- Provide technical exchange
- Specialization and training
- Laboratories and pilot plants
- Four institutes
  - Mexico (Bimbo and Barcel)
  - US (BBU- FW)
  - Brazil (OLA)





## Technological Approach Platforms



Consumer Sciences
Consumer understanding:
attributes and technical
characteristics (flavor,
texture, satiety, etc.)



#### **Health and Wellness**

Functional ingredients:

DHA, fitoesterols,

additives, etc.

Organic, clean labels



#### **Agrosciences**

**Grains** with healthier elements in composition

#### **Technological Innovation**

**New processes** and cross technological approach.



#### **Packaging Tec**

Nanotechnology applications
Sustainability





## Grupo Bimbo's commitment with WHO

#### WHO - Strategy for Health & Nutrition

Acknowledges efforts to help people improve their diet and health. Requires actions by all stakeholders, including the private sector

**Grupo Bimbo** takes this responsibility seriously and has already taken concrete steps to:



- Reformulate existing products and develop innovations
- Advertisement to children
- Labeling clear and simple
- Promote greater physical activity, healthier lifestyles
- Alliances with health organizations and institutions





Grupo Bimbo shares the 5 key global commitments to action with the WHO, that will guide our company over the next years



## Commitment 1 Product Composition and availability

- Availability of a range of healthier choices and dietary options
- Reformulate and bring to the market new products which support the goals of improving diets and reducing ingredients such as salt, free sugar, saturated fats, and trans-fatty acids in all countries in which we operate around the world



## Commitment 1 Product Composition and Availability

Increase nutritional value in all our products: new or actual



Maintain consumer's preference

Reformulate

New guidelines
Differentiation
Profitable growth





### **Commitment 1 Product Composition and Availability**

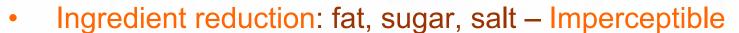


- New healthy products and functional
- Whole grains products
- Fortified products













- Portion reduction
- 100 calories products



All categories and brands















## Commitment 2 Nutrition information into consumers

- The provision of nutrition information to consumers forms the cornerstone of any policy framework to address poor dietary intakes
- Nutrition information should be clear to the consumers



## Commitment 2 Nutrition information to consumers

#### Familiar por pieza



#### Panel Frontal



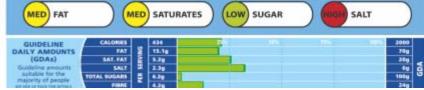


Tabla Nutrimental





Reduced fat cheese = 16% fat



Cont. energético 186 kcal: 211 kcal % /OR Cantidad por pieza porción Ácido Fólico 16% 4.7g 9.4g Vitamina 21 5% 10% Sodio 92,4 mg 184,8 mg Calcio 10% Hidratos de Carbono 14.3q 9% Del cusi Vtamina B2 9% Niacina (Vitamina B3) Fibra Dietética Proteinas 1,40 2.8q

"Los Porcentajes de Ingesta Diaria Recomendada (% IDR), estan basados en las recomendaciones establecidas para la población mexicana, dentro de la NOM-651-SSR-1994. Standard cheese = 34% fat



Reduced fat cheese = 16% fat







## Commitment 3 Marketing and advertisement to children

- The food and beverage industry is making progress in strengthening advertising self-regulatory processes
- This process is designed to ensure codes of conduct are properly monitored, policed and enforced in a manner which reflects the best practice model agreed



#### Commitment 3 Marketing & advertisement to children



#### WHD European Ministerial Conference on Counteracting Obesity Diet and physical activity for health

Interbol, Turkey, 15-17 Nevember 2006



EUR/DENDEDTSON 18 November 2008 ORIGINAL ENGLISH

#### European Charter on counteracting obesity

To address the growing chellenge proud by the epidemic of obesity to health, economies and development, we, the Ministers and delegates strending the WHO Excepted Ministerial Conference on Consourceing Obesity (Josephil, Turkey, 15-17 November 2006), in the presence of the European Commissioner for Hardth and Commune Protection, hardby edept, as a matter of policy, the following Storpess Charter on Countracting Obecty. The process of developing the present Charter has introlved different government sectors, international organizations, experts, circl society and the private sector through dialogue and constitutions.

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WORLD

#### Self-Regulatory Program for Children's Advertising

Children's Advertising Review Unit Administered by the Commit of Better Storings of Buserys, Inc. Policies and Preventions set by the National Advertising Series: Council To West 16th Stones, New York, NY, 19815

The Children's Advertising Series Thin Self-Requirery Progress for Children's Advertising

### **NORMAS ÉTICA**

PUBLICID DE PRODU DESTINADO ADOLESCEN



International Obesity TaskForce

Guiding Principles for Reducing the Commercial Promotic of Foods and Beverages to Children ('Sydney Principles'

cesultation on Draft Principles

The epidemic of obesity is affecting the health and well-being of many millions of children around the world in afficient and less afficent countries alike. There are many drivers of this pandemic wit an important one being the high levels of commercial marketing of energy-dense, nutrient-poor foods and beverages that specifically target young children. Numerous studies and several review have concluded that these marketing strategies clearly contribute to the unhealthy diets which are promoting dhildhood obesity. This commercial marketing also undermines the healthy eating messages in the dietary guidelines of every country and is contrary to the objectives of the Work Health Organization (WHO) Global Strategy on Diet, Physical Activity and Health which has been

### **NORMAS ÉTICAS**

**PUBLICIDADE DE** PRODUTOS DESTINADOS A CRIANCAS E ADOLESCENTES (Secão 11)

> REFRIGERANTES (ANEXO H)

stegs approaches will be needed to reduce childhood government organisations, feed, beverage and tional organizations like WHO are now actively examining arkating to children as an important and integral part of

n an assumerated marketing to children through gart of the Global Prevention Alliance, a coalition of anications, 307F and IASO are calling on WHO and its national Code of Marketing of Food and Beverages to king Group is developing a set of underlying principles uce commercial promotions that target children. The first ional Congress on Obesity in Sydney in September 2006 cates, the second draft of these "Sydney Principles" is now

non-commercial promotion of healthy eating, for example keting campaigns.

the Child defines a 'child' as under the age of 18 years but patiens, a 'child' may be defined as 18 or a younger age. The a cial promotions to children applies to needs to be debated. A and adolescents may be pessible.

e products that restrictions would apply to: either nt-poor foods and beverages, or



## Commitment 4 Promotion of Physical Activity and Healthy Lifestyles

Whenever possible, we will use our marketing communications and/or collaborate with public authorities to help rise consumer awareness on balanced diets, as well as to help promote greater physical activity and healthier lifestyles



Grains for Life

# Promotion of Physical Activity and Healthier Lifestyles







Nutrigão



- Educational campaigns
- Advertisement campaigns
- Programs in schools

 Alliances with governments and institutes



#### **Commitment 5**

#### Alliances with health organizations and institutions

The need to work collaboratively with WHO, public health community, public-private partnerships



## **Strategic Objective Health & Nutrition**

- State Health & Nutrition strategy to generate value in GB
- Transform the strategy into actions and results
- Maintain all organizations aligned in accomplishing commitments
- Drive innovation
  - Improve nutritional profile all product portfolios, all brands and generate New guidelines
- Be recognized by consumers, as a company with strong brands and leading role in health and nutrition



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