

Grupo Bimbo – Building, Assessing and Maturing a Global Anti-Corruption Program

Mavin Dominguez Arroyo, Corporate Compliance Officer



COMPANY PROFILE

- The global leader in the baking industry and an important player in snacks
- Operates in 32 countries; 199 plants; 500,000 third parties; 139,000 associates
- More than 3 million customers worldwide

COMPLIANCE TEAM PROFILE

A core global compliance team located in Grupo Bimbo headquarters:

- Chief Compliance Officer – Ignacio Stepanic Markaida – directs the global program
- Two compliance managers oversee the compliance program across the Group and are in charge of planning, training and communication, risk assessments, monitoring, investigations and due diligence
- Plus more than 20 ‘Compliance Champions’ across the globe

SYNOPSIS

Five years ago, Grupo Bimbo had a very small compliance team that was centralized in the headquarters in Mexico. The company recognized the need to expand its program across its global brands to align with its corporate commitment to integrity and to meet diverse compliance requirements. Since that time, Grupo Bimbo has worked steadily to implement an anti-corruption program that is now highly mature and embedded throughout its global organization.

CHALLENGES AND OPPORTUNITIES

Low Risk Industry, High Risk Regions:

- “Our core business is to sell bread, we are a bakery – so as a general rule, we do not have contracts with the government. However, we are operating in countries including Venezuela, Mexico, China, Brazil, and all of Latin America, where the corruption risks are higher and our customers tend to pay in cash.”

Rapidly Growing Organization:

- “We have experienced growth every year. Last year we were in 22 countries, and now we are in 32. As we grow and acquire companies, we need to assure that our compliance program not only works in Mexico, but throughout the world.”

Low Awareness of Compliance across the Organization:

- “When I started my role in Compliance several years ago, only a few associates knew about compliance. We used to go to a business unit, and the associates would say, ‘Oh, it’s internal audit!’ We had to talk with them and say, ‘No – it’s not that way at all.’ It required training and field visits.”

Senior Management Commitment to Integrity:

- “The concept of integrity has been part of the culture of Grupo Bimbo since the beginning. Two years ago, integrity became one of the seven beliefs of the company and part of the philosophy. In our code of ethics, there is a message from the CEO, and in the annual report there is always a statement about the importance of acting with integrity. Within the company, we dedicate a lot of effort to communicating our culture, not only to all associates, but to our third parties as well.”

THE PROCESS – ASSESSING AND IMPROVING THE PROGRAM:

- Five years ago when Grupo Bimbo started to expand its program, it engaged with CREATE Compliance, an Ethisphere Business, to conduct an initial assessment and benchmarking of the company’s anti-corruption program.
- The assessment is based on leading international guidance and features maturity-based questions which rate each program element on a 1 (low) to 5 (mature) scale.
- An independent expert reviews the initial assessment, and develops a second set of scores and a roadmap for program improvement.
- Grupo Bimbo also received expert guidance on ways to map progress to Key Performance Indicators (KPIs).

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Program Maturity	Year 1	Year 2	Year 3	Year 4	Year 5
Most Mature - 5					4.6
4					
3					
2	2.3				
Least Mature - 1					

MAVIN’S KEY TAKEAWAYS:

Measure and Benchmark Your Program:

- “If you are not measuring your program, you don’t have visibility into the progress and the gaps that you need to work on to make sure that it is top level. We use the assessments to benchmark and measure the effectiveness of the program from year to year. Five years ago, we started with scores in the 2.3 range when our program was quite new (on a 1 to 5 scale). Last year, we achieved an average of 4.6. It is impressive to see how the program has evolved over the past five years.”
- “The assessments help us see where we can focus our resources and budget. They also highlight the gaps.”

Focus on KPIs:

- “A few years ago, we started focusing on training and mapping our program to Key Performance Indicators (KPIs). Today, all associates around the globe know and understand our global integrity policy and that we have zero tolerance to any acts of corruption. This year we have a campaign to train all 139,000 associates with videos and online training in the Grupo Bimbo University, and conduct in-person and focused training for all operational levels.”
- “We have several KPIs for training, monitoring and other activities such as background checks and resolution of issues raised on the hotline.”

Embed Compliance at Every Level:

- “Tone at the top has been a key factor to the success of our program. Our leaders are convinced that acting with integrity every day is the only way to do business.”
- “The compliance program started five years ago, and now the maturity is high. One element of success for us is our ‘Compliance Champions’ program, where an associate in each organization provides local oversight and input on challenges and risks. We have more than 20 Compliance Champions around the globe that focus on compliance at least 50% of the time.”
- “We also engage top and middle management through training. We train personnel departments, they train vice presidents, and they train their teams. This approach engages associates so they know that it isn’t just compliance talking about ethics, but it is their direct manager. That has been really helpful.”

“My best advice – measure your program year to year to understand how your program is improving. In-house, you may think your program is great and that it is having an impact. However, if you aren’t measuring it, you don’t know if it is effective and getting the results that you, the CEO, management, and the board want. It’s also a great way to sell what we do in compliance.”

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