

1. Purpose

Establish the general guidelines that contribute to the design and maintenance of an effective internal control system through appropriate risk and control management.

2. Scope

The current policy applies to all Grupo Bimbo's organizations and business units, as well as all of its associates whose role in internal control may vary depending on the level of responsibility and on the nature of their involvement in the process.

3. Definitions

Control activity: It is an action established through policies, procedures, and segregation of duties that helps **promote** adequate risk management in order to achieve the objectives and strategies of Grupo Bimbo.

COSO: The Committee of Sponsoring Organizations of the Treadway Commission is a joint initiative created by five private sector organizations whose main purpose is providing thought-based leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence (see www.coso.org).

Enterprise Risk: Fact, action or omission that could adversely affect a Business Unit's capability to achieve its business goals and execute their strategies successfully.

Key risk indicator (KRI): Measurement used to monitor risk exposure and/or mitigation strategies.

Monitoring: Verify, supervise, observe or register risk's evolution and/or mitigation activities, in order to identify changes in the risk profile.

Risk appetite: It is the total risk that an organization is willing to assume to achieve its strategic objectives.

Risk Management Committee (Risk Committee): Enterprise entity made up by the Executive Committee members from the Business Unit, created to manage Enterprise Risk Management.

Risk owner: Associate responsible for the Enterprise Risk Management, who, due to their functions and experience, has the necessary knowledge for its proper management.

Self-management Models: It is the use of any method, skill and/or strategy (e.g. functional reviews, self-evaluations of control, continuous monitoring, analytics, etc.) through which the participants of an activity can guide the achievement of their objectives with autonomy, in process risk and control management. At Grupo Bimbo, self-management (which means autonomous management) aims to empower employees to meet their business objectives by themselves and to make decisions, control their processes and mitigate their risks.

4. Responsibilities

CEO: Holds the overall responsibility for the design and implementation of an effective internal control system. More than any other individual, the CEO sets the tone at the top affecting the integrity and ethical values and other factors related to an adequate control environment by providing leadership and direction to senior management and by reviewing the way they are controlling the business. Ensure that the company has a formally established Risk Committee.

Organization, Corporate and Department Vice Presidents: **Promote** compliance with this Policy and the implementation of standards, procedures, and internal control guidelines. Analyze and assess the risks, including fraud, to manage them with an emphasis on achieving an adequate segregation of duties. **Appoint those responsible for managing the different business risks. Establish, publish and keep updated the risk and control policies, procedures and matrices, specific to their areas of responsibility.** Monitor the compliance through self-management models, previously validated by the Global Internal Control and Risk Management Department, and, in general, to monitor internal controls within their area of control and influence.

Global Internal Control and Risk Management Department: Establishes, updates and monitors Grupo Bimbo's internal control system considering as a reference the framework issued by COSO. Validate and align the company's self-management models. They will also conduct monitoring and counseling activities by providing standards, methodology, and leading practices regarding risk management and internal control at a global level. Take part in the global strategic planning process to determine the risks that could impact the achievement of the objectives in the Business Plans. Send to the CEO, the Functional VPs and Business Unit Presidents, as appropriate, a detailed report of the most relevant enterprise risks management from each Business Unit and Grupo Bimbo.

Internal Audit: Reviews and evaluates the proper and efficient implementation of the internal control system and makes recommendations for improvement through tests to assess whether controls, including information technology, are properly designed, implemented, and working effectively.

Audit Committee: Manages deficiencies in the design or implementation of internal controls and any fraud that involves senior management or other employees with a significant role in internal controls; monitors the adequacy of internal controls based on Grupo Bimbo's objectives and ensures that in all fraud cases, proper actions are taken as appropriate.

Business Unit Risk Administrator: Manage information for Business Plan risks monitoring in its Business Unit and present a report to Top Management. **Monitor and promote** action plan compliance in order to provide a reasonable control level for mitigating Enterprise Risk.

Risk Committee: Perform a biannual identification, update and/or elimination of Enterprise Risk. Designate those responsible for all aspects of Enterprise Risk management.

Risk owner: Establish **and monitor the behavior of risk indicators. Determine risk appetite. Keep the Business Unit Risk Committee and Top Management informed about the level of management and control of the risks under their responsibility, including the corresponding action plans.**

5. General guidelines

For Grupo Bimbo, it is essential to maintain an effective internal control system in order to ensure the achievement of objectives, maintain and improve performance, and to reasonably ensure that all risks that may arise in each system of the Grupo Bimbo Model will be addressed and mitigated. Accordingly:

It is Grupo Bimbo's policy **that every associate** is fully aware of the risks and control activities associated with their specific job responsibilities. Thus, every associate is directly accountable for:

- The operation/process under their position and for its control
- Evaluating their area's controls through a control self-assessment
- Generating accurate accounting, financial and non-financial information in order to comply with the applicable laws and regulations; and
- Communicating immediately any compliance issue in operations, illegal actions and non-compliance with corporate policies, code of ethics, standards, practices, and procedures.

Enterprise Risks

Those assigned as risk owners by Grupo Bimbo, or any Business Unit Risk Committee must:

- Evaluate the risk accordingly to its impact, probability of occurrence, control effectiveness and mitigation actions.
- Provide a quarterly report to the Global Internal Control and Risk Management Department that includes the following:
 - Management control level
 - Progress of mitigation actions
 - Risk outlook for the next 6 to 12 months

Limitation

Internal control can provide a reasonable, but not absolute, assurance that all of Grupo Bimbo's objectives will be met. The concept of reasonable assurance involves a high degree of security, limited by the costs and benefits of establishing additional control procedures. However, the achievement of all Grupo Bimbo operational and strategic objectives, may depend on external factors such as competition or technological innovation. These factors are beyond the scope of the Global Internal Control and Risk Management Department; therefore, while an effective internal control system provides timely information or information about the progress towards the achievement of operational and strategic objectives, it cannot guarantee the achievement of such goals.

6. Responsibility / Ownership

The Global Internal Control and Risk Management Department is the assigned owner of this policy and is primarily responsible for its contents, updating, monitoring of its compliance and submission for approval before the Internal Control and Risk Management Department, the Steering Committee and CEO.

7. Updates

The changes implemented in between versions are described below:

Revision / History of the revision				
Version	Revision Date	Updated by:	Approved By:	Main Changes
1				
2	June 2020	Gabriela López Juárez	Steering Committee	<ul style="list-style-type: none"> • Enterprise Risk Management guidelines were added. • The following definitions were added: Risk Management Committee, Risk owner, Key Risk Indicator, monitoring and Enterprise Risk • Enterprise Risk Management responsibilities were added • Indicators section was deleted.
3	August 2020	Gabriela López Juárez	Steering Committee	<ul style="list-style-type: none"> • Self-management alignment and validation guidelines were added for the Organization, Corporate and Department Vice Presidents and the Global Internal Control and Risk Management Department.

4	May 2022	Diego Rio de la Loza González	Gabriela López Juárez	<ul style="list-style-type: none"> The alignment with the business plans and responsibilities about the risk indicators management were added.
5	August 2022	Diego Rio de la Loza González	Gabriela López Juárez	<ul style="list-style-type: none"> Business Unit, Corporate and Area Directors and Risk owner's responsibilities were updated. The definition of risk appetite was added.