

## 1. Purpose

Establish the general guidelines for Fraud Risk Management in Grupo Bimbo.

## 2. Scope

This policy applies, regardless of their position or level, to Board members, VPs, Directors, and any temporary or permanent associate, as well as to consultants, contractors, suppliers, or third parties related to Grupo Bimbo. This policy complements the **GGB-004 Global Integrity Policy** and the general guidelines of the **GGB-001 Grupo Bimbo Code of Ethics**.

## 3. Definitions

The following definitions are internal; each organization should evaluate the differences with the legal definitions of each country when taking legal action against persons involved or suspected of acts of fraud.

**Asset Misappropriation:** Theft or embezzlement of tangible or intangible company resources through the use of deception, breach of trust, and omission or distortion of information (e.g. cash, inventories, machinery, vehicles, tools, trade secrets, databases, files, and any other element owned by GB), to obtain illicit personal benefits or for a third party. The appropriation of assets using intimidation, violence or force is not part of this definition.

**Coercion:** Use of intimidation that obligates a person, against his or her will, to cooperate with determined actions.

**Collusion:** Fraudulent acts or acquisitions carried out in mutual agreement by associates or third parties, inside or outside the Business Unit.

**Concealment:** Deliberate omission, concealment, and/or falsification of company information to commit fraud or manipulate internal and external decision-making.

**Corruption:** Inappropriate use of power to obtain an undue benefit, as well as any violation defined in **GGB-004 Global Integrity Policy**.

**Manipulation of financial and operational information:** Intentional and improper modification of information, figures, disclosures, and statistics of financial statements (Balance Sheet, Income Statement, Cash Flows, and changes in Stockholders' Equity) and other internal financial or operational reports.

**Fraud:** Acts that a person or organization commits, by deceiving, breaching confidence, or omitting or distorting information, to obtain an illicit personal or business benefit, such as manipulation of financial and operational information, misappropriation of assets, and corruption.

**Fraud investigation:** A methodological inquiry process performed when there are reports of suspicion or acts of fraud. The Global Departments of Internal Audit and Security and Protection are the only departments authorized to carry out these investigations, either with their own members or by hiring third parties.

**Fraud Resolution Committees:** Formed in each Business Unit with individuals in charge of Internal Audit, Security and Protection, Internal Control, Legal and Compliance, and People.

**Fraud risk:** The Business Unit's vulnerability concerning becoming a victim of acts of fraud.

**Global Fraud Risk Management Committee:** Comprised of the Global Departments of Internal Control,

Legal and Compliance, Safety and Security, Internal Audit, and People.

**Key Risk Indicator (KRI):** A measure that serves to monitor risk exposure or the progress of mitigation strategies.

**Public corruption:** All those acts, within the definition of corruption, in which at least one of the actors involved is a public servant. A public servant should be understood as an employee, elected or appointed of a government body, belonging to any level (federal, national, state, provincial or municipal), or of any political party, as well as any person who has been a candidate for any popularly elected position.

**Speak-up Line Committee:** Group of members from different Grupo Bimbo departments, such as People, Operations, Sales, Communication, Administration and Finance, and Marketing, among others. The departments involved depending on the Business Unit structure.

**Third parties:** Suppliers, customers, distributors, and any person who does not have a direct working relationship with Grupo Bimbo.

#### **4. Responsibilities**

**Audit Committee:** Monitors and reports matters of relevance to Grupo Bimbo's Fraud Risk Management program to the Board of Directors

**Speak-up Line Committee:** Determine corrective actions resulting from a fraud investigation. Involve the leaders and the Global Legal & Compliance Department during a fraud investigation.

**Global Ethics and Compliance Committee:** Resolve and determine corrective actions arising from high-profile fraud investigations involving associates from the management level upwards, escalated by the Speak-up Line Committee.

**Global Internal Audit Department:** Execute the Fraud Risk Management program and report its results directly to the Audit Committee. Advise, those that request it, in the evaluation and monitoring of fraud risks and on prevention and detection programs. Participate in fraud investigations, in conjunction with the Security and Protection Department, and support corrective actions if requested. Report the frauds that occurred in Grupo Bimbo to the Audit Committee every quarter. Monitor compliance with this policy by establishing control mechanisms.

**Global Fraud Risk Management Committee:** Regulates, as a collegiate body, any change to this policy. Participates in the decision and communication of issues of relevance to the program. Imposes the disciplinary measures corresponding to noncompliance with the provisions of this policy.

**Fraud Resolution Committee:** Only group authorized to resolve and determine corrective actions arising from a fraud investigation. Report its results to the Global Fraud Risk Management Committee.

**Global Legal Department and local legal teams:** When required, advise on legal issues in fraud investigations and the determination of corrective actions.

**Global Legal and Compliance Department:** Lead investigations related to acts of public corruption and participate in fraud investigations requested by the Global Internal Audit and Security & Safety Departments, to advise on matters within their area of responsibility.

**Global People Department.** Establish controls that ensure the adequate selection and training of associates, declaration of conflicts of interest, and knowledge of this policy by associates. Participate in fraud investigations, at the request of the Internal Audit and the Security and Protection Departments.

**Global Controllershship Department:** Identify and evaluate risks related to financial information and establish preventive and detective controls to mitigate them. Establish a validation program over the effectiveness of the controls and apply, semiannually or when fraud occurs, a risk and control assessment; and coordinate the activities of this policy with the Speak-Up Line Committees.

**Global Functional Departments:** In coordination with Internal Audit, perform and maintain an updated fraud risk assessment. Communicate any report of acts or suspicions of fraud, received from its suppliers or third parties, directly to the Global Audit Department.

**Global Security and Protection Department:** Manage, direct, and carry out, in coordination with Internal Audit, investigations for suspicions or acts of fraud reported by associates and third parties. Reports to Internal Audit suspicions or acts of fraud, that considers relevant, with the criteria that both departments define for the exchange of information.

## 5. General guidelines

Grupo Bimbo has zero tolerance for acts of fraud, since they go against its values and beliefs, and hurt its operations, reputation, and associates. Therefore, it is Grupo Bimbo's policy that to comply with the Fraud Risk Management Program, the following guidelines must be met:

### **Risk analysis and assessment**

To carry out an adequate analysis and evaluation of fraud risks, the Global Functional Departments shall:

- Form a multidisciplinary team to conduct a fraud risk assessment to identify those frauds of highest risk and determine the actions to manage them.
- Report the results of the assessment to the Global Audit Department.
- Define key risk indicators.

### **Prevention and detection**

- The Global Functional VPs must define process-level controls and authorization limits to prevent and detect fraud.
- Internal Audit must carry out reviews and data analysis to detect possible acts of fraud.
- The immediate managers must ensure that personnel in their charge are trained in general fraud prevention, in the processes and areas for which they are responsible.

### **Investigation and determination of corrective actions**

In case of suspicions or acts of fraud:

- The Global Internal Audit and Security and Safety Departments shall carry out the corresponding investigations based on [PGB-AU-02 Global Procedure for Fraud Investigations and Determination of Corrective Actions](#) and ensure the confidentiality of the information and the anonymity of the reporters, whenever local legislation allows it.
- The Fraud Resolution Committees will determine possible corrective actions according to the damage and consequences of the fraud committed, in accordance with the internal policies of Grupo Bimbo and the local policies of the country or region. Also, they will evaluate the elements to initiate legal actions in each case.

### **Obligations of the associates**

Under the Fraud Risk Management Program described above, every associate shall:

- Annually confirm the knowledge of the Fraud Risk Management guidelines by reading this policy.

- Communicate to area leaders, promptly, control weaknesses and possible fraud risks that they identify in the processes in their area of responsibility and implement the necessary changes.
- Use and propose internal controls for the detection and prevention of fraud in the processes in their area of responsibility.
- Use the company's tangible and intangible assets only for the purpose of the business. It is strictly forbidden to make other uses of them to obtain or try to obtain personal benefits or for the benefit of a third party.
- Make use of Grupo Bimbo's information based on the provisions established by the **GGB-010 Global Policy for the Use of the Information Assets**, the **GGB-05 Global Policy on Confidential Information**, the **FGB-CP-01 Global Policy for the Protection of Personal Information**, the **GGB-006 Global Policy for the Protection of Trade Secrets** and the **FGB-IT-08 Global Policy for Information Security Management**.
- Use their authority and functions solely for the benefit of the company, always based on the principles set out in the **GGB-001 Grupo Bimbo Code of Ethics**. It is strictly forbidden for associates to use their authority and function to obtain or attempt to obtain a benefit for themselves or a third party.
- Treat associates and third parties with respect, fairness, trust, and affection, so it is strictly forbidden to influence or coerce any associate or third party to obtain or try to obtain a benefit for themselves or a third party.
- Declare any conflict of interest based on the **GGB-014 Global Conflict of Interest Policy** and ensure that suppliers and third parties with whom Grupo Bimbo has a relationship comply with the **FGB-EPR-03 Grupo Bimbo Supplier Code of Conduct**.
- Report any suspicion, indication, or acts of fraud, including associates or third parties that suggest or allow fraud, through the Speak-Up Line, Security and Protection Department, Legal and Compliance Department, or Internal Audit and/or immediate manager (the immediate manager should report it to any of the aforementioned departments). Knowledge of an act of fraud and not reporting it is considered complicity. Malicious reports, whose purpose is only to negatively affect any person, are prohibited.
- Assist fraud investigations to collect information through interviews and request information, preserving intact physical or electronic documents, maintaining the confidentiality of information, and providing unrestricted access to the workplace, including electronic files.
- Generate reliable, accurate, and timely information that helps the company make decisions. The manipulation and improper management of any type of internal and third-party information are strictly forbidden. This refers to information regarding financial or operational information, or the omission of said information to obtain or try to obtain personal benefits or benefits for a third party, to avoid responsibilities, or to distort the profitability, efficiency, or effectiveness of the company or department.

## Sanctions

- Any associate, shareholder, supplier, contractor, or third party who violates this policy will be subject to sanctions by Grupo Bimbo.
- Acts or suspicions of fraud will be investigated, and appropriate legal and administrative measures will be applied in accordance with the internal policies and local legislation of the country or region.

## 6. Responsibility / Ownership

The Global Internal Audit 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 Steering Committee and CEO.

## 7. Updates

The changes implemented in-between versions are described.

Revision / History of the revision				
Version	Revision date	Updated by	Approved by	Main changes
1	November 2020	Alejandro Piedras	José Gabriel Calderón Goyenaga	
2	July 19 <sup>th</sup> , 2021	Global Internal Audit Department	Global Internal Control Department	<ol style="list-style-type: none"> <li>1. The Global Controllershship Department was added to the Fraud Committee</li> <li>2. The Fraud Resolution Committees were replaced by the Speak-Up Line Committees.</li> <li>3. The responsibilities of the Global Controllershship Department were included.</li> <li>4. The immediate manager's responsibility was added.</li> </ol>
3	July 8th, 2022	Global Internal Audit Department	Global Internal Control Department	<ol style="list-style-type: none"> <li>1. Inclusion of operational information within the category of information manipulation.</li> <li>2. Clarification that the definitions are internal.</li> <li>3. Expanding the definition of corruption by adding the elements of public corruption.</li> <li>4. The Global Ethics and Compliance Committee's responsibility for fraud investigations are regulated.</li> <li>5. Reference is added to "<u><b>PGB-AU-02 Global Procedure for Fraud Investigations and Determination of Corrective Actions</b></u>".</li> <li>6. Addition of legal corrective actions and legal procedures.</li> </ol>