

## 1. Purpose

To establish the guidelines for the determination and accounting recognition of the accumulated (accrued) liabilities, according to the International Accounting Standards and the International Accounting Standard 1 "Presentation of Financial Statements" (IAS 1), in the financial statements and in the corresponding accounting period.

## 2. Scope

This policy applies to the associates of the Finance, Accounting, & Administration areas, responsible for the determination and accounting recognition of the accumulated (accrued) liabilities of a Grupo Bimbo's (GB) subsidiary.

## 3. Definitions

**Accrual basis:** Methodology in which, the effects of transactions, events, circumstances, and creditors rights of a company are accounted for when the goods and services are received by the GB subsidiary, including the charges and payments generated in a different period.

**Accumulated (accrued) liabilities:** Obligations incurred by acquiring goods or services, provided or received, but not paid, nor billed, including items owed to associates (e.g. proportional parts of their compensation, like bonuses, salaries, etc.) and which the uncertainty is less than the provisions, even when it's necessary to estimate its payment and expiration. The accumulated (accrued) liabilities are also known as estimations.

**Provisions:** A liability or a recognition of payment, in which a medium degree of uncertainty exist about its value or payment due to economic conditions.

## 4. Responsibilities

**Global Controllership Department: Owner** of this policy responsible for updating and monitoring the compliance of the operations of accumulated (accrued) liabilities with the information and accounting treatment established in this policy.

**Controller of each subsidiary: Owner responsible to** monitor the accumulated (accrued) liabilities are recorded according to this policy. Ensure that the financial statements reflect the contractual obligations and their amounts are quantifiable, that is, they are recognized in a transaction, the estimated amount that is payable. Review the calculation and determine the value of the accumulated (accrued) liabilities during the monthly closing and adjust them to reflect the expected obligation. Document the monthly balance changes of the accumulated (accrued) liabilities and provide the reasons to the Functional Department as required. Send the required information to the Global Controllership and Global Finance & Administration Departments when requested.

## 5. General guidelines

The accumulated (accrued) liabilities are determined and recorded based on the accrual methodology defined in this policy, thus, the Controllers and the Accounting owners of each subsidiary should comply with the following guidelines:

### Accounting record

- Do not record accumulated (accrued) liabilities based on budgeted amounts, if the expense is accrued or will be accrued.

- The accumulated (accrued) liabilities should be based on a past event (e.g. contracts, consumption from previous months, estimations from a service provider, etc.)
- Do not record accumulated liabilities based on purchase orders because they do not reflect the accrual required for goods or services received.
- Document the calculation of each accumulated (accrued) liabilities used for the determination of accounting amounts, using current information and the experience in similar transactions is past periods.
- Consider the following accumulated (accrued) liabilities categories:
  - *Labor*: Benefits, vacations, bonuses, rewards, salaries, perks, commissions, labor settlement, etc., established in labor collective bargaining agreements and policies issued by the Labor Department or labor regulations.
  - *Services and fees*: Telecommunications, cleaning, energy, water, freight, personal transport, security, celebrations, training, external audit fees, consulting, lawyers' fees, etc.
  - *Supplies*: Security equipment, uniforms, spare parts, office items, shipping materials, cleaning or sanitation materials, tools, etc.
  - *Repairs & Maintenance*: Maintenance of production lines, molds reparations, etc.
  - *Commercial*: Marketing expenses, etc.
  - *Taxes other than income tax*: Wages taxes, state taxes, or other special taxes.

See Appendix I to consult examples of some accumulated (accrued) liabilities for its record in the correspondent accounting period.

- Only the Controllers can choose not recognize the accumulated (accrued) liability of the expenses accrued annually and that Grupo Bimbo recognizes in one charge (e.g. tax about property ownership and vehicle rights) as long as the treatment is similar to the ones paid in previous years. This will not imply that the use of this criteria is no longer assessed.

## Presentation

The accumulated (accrued) liabilities in the audited financial statements should be presented on the "other accounts payable and accrued liabilities" field, meanwhile, in the balance sheet, must be presented on "other accruals and estimates".

## Estimations and accumulated liabilities with affiliated companies

For consolidation purposes and specific reports, the "intercompanies" field should be used for the balances recorded for these concepts.

## Foreign currency

The balances of accumulated (accrued) liabilities that involve foreign currency, should be recognized in the local currency of the company and the currency fluctuation should not be recognized on these items, because this expense will be counted at the exchange rate of the invoice, thus, when the actual expense is recognized, the initial amount recorded accumulated (accrued) liability should be reversed, in the local currency. When the accumulated (accrued) liabilities are not yet paid the following month, they should be reversed and recognized again at the exchange rate of the current month.

## Tax treatment

The Tax owner of each Grupo Bimbo subsidiary should:

- Define the tax treatment of the accumulated (accrued) liabilities according to the applicable local regulations.
- Group the accumulated (accrued) liabilities, as a permanent or temporary item, in the determination of the current and deferred tax, both for the income statement and balance sheet.

- Provide to the Accounting area of the entity the previous information for its accounting recognition.

### **Provisions and other estimations out of this policy's scope**

The guidelines indicated in this policy are not applicable to the following concepts:

- Provisions by legal contingencies and contingent liabilities. Consult the **FGB-CR-05 Global Provisions and Contingencies Policy**.
- Restructuration liability.
- Advertising (*Pull*).
- Financial instruments being valued at their fair value.
- Income tax.
- Long term benefits for retirement or associates' compensations.
- Capitalized leases. Consult the **FGB-CR-06 Global Accounting of Leased Assets according to IFRS 16 Policy**.
- Bonuses and discounts granted to customers.

### **6. Appendix**



Appendix I

### **7. Responsibility / Ownership**

The Global Controllership 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.

### **8. 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				