1. Purpose

To establish the general guidelines for market risk management in Grupo Bimbo S.A.B de C.V ("GB" or "the Company") and its subsidiaries.

2. Scope

This policy applies to all associates of Administration & Finance, Procurement, Controllership, Global Services, and Global Planning and Financial Risks Departments, both on the global and local level for every subsidiary within Grupo Bimbo, responsible for the management of market risk.

3. Definitions

Commodities: They are goods used in trade and exchanged with others of the same type. They are often used as supplies in the production of other goods or services. The quality of a commodity may differ but is essentially uniform among producers. In the case of raw materials, when traded on an exchange, they must comply with the specified minimum standards.

Commodity price risk: Financial risk on a subsidiary's financial performance / profitability from fluctuations in the prices of commodities driven by external market forces.

Current positions report for the Risk Committee: Report where the Global Planning and Financial Risks Department shows to the company's Risk Committee the hedges related to the exchange rate that cover raw materials and the financial derivatives of rates related to the Company's debt.

Derivative ("Derivative Financial Instrument"): Instrument whose value depends on the price of an underlying asset.

Effectiveness test: Analysis that determines whether a hedge is effective or not. Its main resource is the calculation of the coefficient of determination, also called R^2, which determines the proportion of the variable´s total variance, explained by a regression. This coefficient reflects the capacity of one variable to explain the behavior of another. The R^2 analysis must be performed on price changes and not on their level.

Exotic derivative: Any financial derivative instrument that has an unlimited risk profile on a leveraged position and whose potential loss is non-linear to movements in the underlying variable.

Foreign exchange risk: The existence of a potential impact on the Company's results or its value, derived from changes in the exchange rates of a foreign currency, based on the Company's functional currency.

Foreign exchange risk identification template: Spreadsheet defined by the Global Planning and Financial Risks Department to record the foreign exchange risk of Grupo Bimbo's subsidiaries.

Global commodities team meeting: Monthly meeting where the leaders of the different categories present, to the Grupo Bimbo Senior Leadership Team as well as the Presidents of each subsidiary, the market updates and hedging strategy recommendations, hedged coverage of commodity-based exposure, and the corresponding financial impact to the business. In addition, each Business Unit reports changes in commodity coverage levels and their impacts to the Business Unit.

Structure of Grupo Bimbo's Debt: Constitution of Grupo Bimbo's liabilities regarding the average time of payment of their obligations, the proportion of notional amounts, and the interest payment that must made in each currency.

Indirect foreign exchange risk: Foreign exchange risk that arises in a transaction when the value of an asset depends on the value of a different currency in which the asset is paid.

Over the Counter transactions (OTC): Those involving financial derivatives and carried out directly between two counterparties, without the supervision of a standardized market.

Current positions report for the Risk Committee: Template, through which, the Global Planning and Financial Risks Department shows to the Risk Committee of the company the hedges related to the exchange rate that cover the raw material and financial derivatives of rates related to the Company's debt.

Subsidiary: Company that is owned or controlled by another, referred to as the parent company.

4. Responsibilities

Finance & Planning Committee: Authorize this policy and validate its content, at least every two years, as well as authorize any exception. Concerning foreign exchange and interest rate changes risks:

- Authorize changes in strategies if they represent 3% or more of Grupo Bimbo consolidated annual sales.
- Authorize any strategy that affects Grupo Bimbo's debt structure when it involves a notional amount equal to or greater than 3% of Grupo Bimbo consolidated annual sales, since the last Finance & Planning Committee authorization.

CEO of Grupo Bimbo:

- *Foreign exchange and interest rate risk:* Authorize changes in strategies if they represent less than 3% and more than 1.5% of Grupo Bimbo consolidated annual sales.
- *Commodity price risk:* Review, authorize and ratify the strategy, at least every two years.
- Authorize any strategy that affects Grupo Bimbo's debt structure for an amount equal to or greater than 1.5% and less than 3% of Grupo Bimbo consolidated annual sales, as long as the strategy does not imply an impact on a notional equal to or more than 3% of Grupo Bimbo consolidated annual sales, since the last Finance & Planning Committee authorization.

CFO of Grupo Bimbo:

- Authorize changes to strategies related to foreign exchange risk if they represent less than 1.5% of Grupo Bimbo consolidated annual sales; or if they change the maximum hedging horizon of the strategies to more than 3 years.
- Ratify the strategies every 2 years by signing the document "Foreign Exchange Risk Management Strategies for Grupo Bimbo's Operations" (***FGB-TR-07 Annex I.pdf***), which will be published and updated by the Global Planning and Financial Risks Department.
- Authorize any strategy that affects Grupo Bimbo´s debt structure for an amount less than 1.5% of Grupo Bimbo consolidated annual sales, as long as the strategy does imply an impact on a notional amount equal to or greater than 3% of Grupo Bimbo consolidated annual sales, since the last Finance & Planning Committee authorization.

Global Planning and Financial Risks Department:

- Issue this Global Market Risk Management Policy, its guidelines, annexes, and updates. Publish and update the foreign exchange risk management strategies, every 2 years (***FGB-TR-07 Annex I.pdf***).
- Propose, define, issue, and update the guidelines and specific requirements for foreign exchange risk management and the risk of interest rate changes (***FGB-TR-07 Annex II.pdf***).
- Define and execute foreign exchange and interest rate risk management strategies.
- Manage the Company's foreign exchange risk and the risk from changes in interest rates in the different markets, mainly, but not limited to:
  - Assets and liabilities.
  - Expected cash flows in foreign currency, mainly in raw materials, interest expenses, capital increases, acquisitions, fixed assets, and other expenses associated with exposure to changes in

the exchange rate.

- Regulate and authorize the use of any type of financial and non-financial derivatives throughout the company.
- Approve the counterparties for the financial derivatives, including financial and established brokers in accordance with the ***FGB-TR-06 Global Financial Counterparties Policy***.
- Negotiate any agreement and/or contract related to OTC (Over the Counter) transactions of exchange rates and fees.
- Approve any strategy related to OTC transactions.
- Suspend any foreign exchange hedging strategy in the event of non-compliance with the requirements set forth in this policy.
- Provide hedge strategies documentation of exchange rate and interest rate to the external auditors.
- Report, on a quarterly basis to the Pre-Board, any strategy that contravenes this document, that does not qualify for hedging treatment; or depart from the objectives of a hedging strategy set forth in this policy.

Global Procurement Department:

- Propose and issue the set of guidelines related to commodity price risk management. Define and execute the strategy.
- Negotiate and manage brokerage agreements with organized exchanges.
- Propose the counterparties, for the execution of derivative financial instruments, to the Global Planning and Financial Risks Department for its approval.
- Report and document, on a quarterly basis, to the Finance & Planning Committee, the Global Planning and Financial Risks Department, and the Global Regulatory and Accounting Systems Management, all instruments and strategies for the management of commodity price risk. This must include the executed positions, the counterparties, their operation, and their fair value.
- Understand the accounting record of the derivatives to be executed prior the contract.
- Negotiate commodity strategies for OTC transactions, subject to the approval of the Global Planning and Financial Risks Department.
- Maintain and manage centralized hedging operations while validating that all BU's hedging activities (through either third parties or exchanges) are executed through the centralized hedging desk.
- Document and report to the Global Regulatory and Accounting Systems Area, any deviations of the recommended hedging strategies put forth by the Local Procurement Team of the different BU's and report such deviations monthly as part of the Global Consolidated Position Report (CPR) on the Global Procurement Team Board.

Local Administration & Finance Departments:

- Review the hedging documentation and effectiveness tests related to commodity derivatives instruments along with the local procurement department, prior to the execution of any strategy.
- Deliver on a quarterly basis the hedging documentation and effectiveness tests to the Global Planning & Financial Risks and Global Controllership Departments, in particular, to the Global Regulatory and Accounting Systems Area.
- Ensure the hedge accounting treatment, along with the local Procurement area, and obtain approval from the Global Controllership Department, prior to contracting any derivative.
- Work with the local Procurement, Fixed Assets, Marketing areas, among others, to identify the FX exposure related to the local operation, in the Foreign Exchange Risk Identification Template, including indirect foreign exchange rate risk.
- Carry out and send to the Global Planning and Financial Risks Department, on a quarterly basis, a comparison between the projections set out in the Foreign Exchange Risk Identification Template and the current data.

Local Procurement Departments:

- Ensure the hedge accounting treatment along with the Administration & Finance Department and obtain approval from the Global Controllership Department.

- Send a sample confirmation letter to the Global Regulatory and Accounting Systems Area of any type of instrument, as a condition for approval (prior execution).
- Understand the accounting record of the derivatives to be executed, prior their contract.
- Work with the local Administration & Finance Department and the Global Planning and Financial Risks Department to identify foreign exchange exposure related to the local operation.
- Collaborate to fill out the Foreign Exchange Risk Identification Template.

Global Regulatory and Accounting Systems Area: Coordinate the relationship and communication with the external auditors, jointly with the Global Planning and Financial Risks Department. Ensure the accounting treatment of the strategies related to foreign exchange, interest rate, and commodity price risk. Authorize the hedging documentation and effectiveness tests of the different derivatives acquired by the company, prior to their contract.

5. General guidelines

The objectives of market risk management strategies and their guidelines are solely to reduce volatility in operating results, increase visibility and certainty of cash flows, reduce the risk of financial distress, facilitate budgeting, and plan operations.

The Company recognizes that it is continuously exposed to changes in market prices that might affect its results. Hence, it has decided to manage the risks arising from changes in:

- Foreign exchange and interest rate risk.
- Commodities price risk.

Therefore, and based on the Company's general approach to financial risks, it is Grupo Bimbo's policy to comply with the following guidelines:

Foreign exchange and interest rate risk

Risk management must consider the following:

- In the Balance Sheet, through the measurement and management of the currency mix and interest rate mix of the assets and liabilities at the holding and subsidiaries level:
- In the Profit and Loss (P&L) statement, through the assessment of expected cash flows in foreign currency (raw materials, fixed assets, capital increases, acquisitions, and any other expense associated with FX exposure), including indirect foreign exchange exposure.

In accordance with the liabilities of each department involved, those responsible in the company must:

- Identify the risk arising from movements in the price of foreign currencies, based on their functional currency.
- Have the following for operations with a foreign exchange risk mitigation strategy:
  - An update or ratification of the Foreign Exchange Risk Identification Template, on a monthly basis. Otherwise, the strategy will be suspended by the Global Planning and Financial Risks Department until compliance.
  - A quarterly comparison between the projection of the Foreign Exchange Risk Identification Template and the current data. Otherwise, the strategy will be suspended by the Global Planning and Financial Risks Department until such a comparison is available.
- Prepare the template with full transparency, including the scope of the total cost of goods or services, as well as update it or ratify it, and send it, on a monthly basis, to the Global Planning and Financial Risks Department, as support for decision-making.
- Identify the foreign exchange exposure, categorizing the exposures as follows:
  - Accounting: the one that is already incorporated in the Company´s Financial Statements.
  - Economic: the one that is identified by highly likely forecasted transactions.

- Define tolerance to risk according to:
  - Organizational culture
  - The risk appetite of the company
  - Any commodity price hedging activity in subsidiaries must maintain a maximum hedging horizon of 18 months and a minimum of 4.
- Design and implement the strategy based on the following:
  - The Global Planning and Financial Risks Department must design the different hedging strategies by defining the primary position, hedging instrument, the term, and the percentage(s) of hedging on the notional of total exposure that fits the most for each subsidiary´s requirements.
  - The Administration & Finance and Procurement Departments must provide the hedging documentation and the effectiveness testing to the Global Planning and Financial Risks Department and the Global Regulatory and Accounting Systems Area for their approval, to comply with the International Financial Reporting Standards (IFRS).
  - The hedging strategies should be disciplined and non-discretional and must not have any other objective than those stipulated in this policy.
- Measure performance and monitor risk exposure and mitigation.

The Global Planning and Financial Risks Department must:

- Review and approve the Foreign Exchange Risk Identification Template sent by the local Administration & Finance Departments.
- Review the effectiveness tests and the hedging documentation that the Administration & Finance Department provides on a quarterly basis, to the Global Regulatory and Accounting Systems Area.
- Evaluate and track through certified vendors or platforms the performance of the derivatives portfolio of each subsidiary monthly.
- Report, on a monthly basis, the executed positions and “mark to market” valuation of the different subsidiaries to the Global Internal Control Department and Administration & Finance Department.
- Report and document, on a quarterly basis, all the instruments and strategies for the risk management, including the executed positions, counterparties, type of instrument, and the mark to market valuation to the Finance & Planning Committee.
- Report and document, on a monthly basis, to Grupo Bimbo's Risk Committee all instruments and strategies for the management of foreign exchange risks that impact the cost of sales, including the positions executed and their market value, through the Current Positions Report for the Risk Committee.
- Document the hedging of each instrument executed for the management of foreign exchange and interest rate risks.

Commodities price risk

The objective of the commodity price risk management must be consistent with the objectives of this document, therefore:

- The local Procurement areas must work with internal stakeholders to provide an estimated volume requirement by commodity to identify the expected risk.
- The responsible people must comply with the following:

Set risk tolerance and objectives:

- All hedging activity must maintain a duration between four (4) and eighteen (18) months.
- All hedging activity for any commodity must be executed and maintained within the approved month(s) in such commodity market that most closely corresponds to the underlying value of such commodity.
- The Global Procurement Department must obtain approval of the Global Planning and Financial Risks, and the Global Controllership Departments before using any new risk management tools.

Design and implement a strategy

- The Global Procurement Department must:
  - Provide recommendations for commodity price management to the Business Unit.
  - Propose, along with the local Procurement area, the hedging documentation and effectiveness testing (prior to execution), to the different local departments of Administration & Finance.
- The BU procurement department must obtain senior management (BU´s top management) approval of the recommended strategy.
- If the BU senior leadership agrees with the recommended strategy, all subsequent hedging activity must be executed through the Central Hedge Desk (CHD) unless the CHD and the individual BU agree otherwise.
- The Global Procurement Department along with the Administration & Finance Department must provide the hedging documentation and the effectiveness testing, quarterly updated, to the Global Planning and Financial Risks Department for approval, and to the Global Regulatory and Accounting Systems Area to comply with the IFRS requirements.
- The team who will contract the derivatives must complete the documentation mentioned in the previous bullet. And the person in charge of making the derivatives should acknowledge the content at full.

Measuring performance and monitoring risk exposure and mitigation.

- The Global Procurement Department will collect and publish commodity hedging positions to ensure consistency of strategy.
- If the BU´s strategy deviates from the global strategy, the team concerned must provide to the Global Procurement Department clear reasoning and documentation.
- It is the responsibility of the Local Procurement area to ensure that all commodity positions have been liquidated or transferred, in the required timing, to avoid physical receipt and supply issues.
- The Global Planning and Financial Risks Department along with the Global Procurement Department must work on the effectiveness test and document the hedge when a strategy is first time assessed. When it comes to a recurring strategy, the Global Procurement Department and the local Administration & Finance areas will be the ones in charge of the tests and their documentation.
- The Global Planning and Financial Risks Department must approve the effectiveness of the hedging strategies, based on the documentation of effectiveness tests and the hedge file, which the Local Administration & Finance Department along with the Global Procurement Department provide on a quarterly basis.

Financial derivatives

- Grupo Bimbo and its entities may only use financial derivatives to:
  - Achieve the balance sheet structure regarding its liabilities.
  - Hedge foreign currency exposure related to the expected cash flows, for the operation of Grupo Bimbo's subsidiaries.
  - Hedge the commodity price exposures.
- The only purposes of any market risk strategy must be those strictly stipulated in this policy. No strategy should seek any financial gain, therefore:
  - Derivatives must be used as instruments that mitigate the company's risks. All derivatives must have a primary position and the effectiveness tests must be at least an R^2 of 80% on the price change vectors.
  - The combination of derivatives must not leave the company’s position leveraged or short. Any strategy or position must not be implemented if the purpose is to obtain financial benefit or the goal of receiving money in derivatives premiums.
  - If any option strategy is executed, the net result of the premiums of the whole strategy must be neutral or represent a cost for the company and the approval of the Global Planning and Financial Risks Department must be obtained.

- "Exotic" derivatives are not allowed.

6. Responsibility / Ownership

The Global Planning and Financial Risks Department is the assigned owner of this policy and main responsible for its contents, updating, monitoring of its compliance, and submission for approval to the Global Internal Control and Risk Management Department, Steering Committee, and Chief Executive Officer.

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	Feb, 2020	Tania Dib and Hayden Wands	Diego Gaxiola	
2	Feb 2022	Global Planning and Financial Risks Department and Global Procurement Department	Global Administration & Finance Department	• Definitions are added. • Changes in the responsibilities of Grupo Bimbo´s CEO and CFO regarding the authorization of foreign exchange risk management strategies and rates. • ***FGB-TR-07 Annex I.pdf*** is added, which will serve as a detailed guideline for foreign exchange risk strategies. • ***FGB-TR-07 Annex II.pdf*** is added, which serves as the official means of publication of the exchange strategies of each of the subsidiaries. • An R2 level of 80% in the Effectiveness Test is defined to consider a derivative as effective.