

1. Purpose

To establish the appropriate accounting criteria and guidelines for components of construction in progress and machinery in transit.

2. Scope

This policy applies to all associates responsible for acquisitions and the capitalization of assets in all subsidiaries of Grupo Bimbo.

3. Definitions

Constructions in progress: Account in which the accumulated costs of assets under construction are recorded.

Machinery and equipment in transit: Machinery and equipment pending delivery to the company's facilities or its final destination.

File: Refers to the documentation that supports the value of each investment and which demonstrates ownership of the asset in question and that it is at its current operating location legally.

CAPEX or capital expenditures: Expenditures incurred to acquire a fixed asset or to add value to an existing one, where the new asset or component has a useful life beyond one year, with the amount of the investment duly authorized by the leadership of each Organization and in compliance with the guidelines of **FGB-FP-02 Global Policy of Investment Projects**.

4. Responsibilities

Controller or equivalent position: Ensures the correct accounting treatment of these assets in accordance with the policies of Grupo Bimbo; retains each asset's original file (except in the case vehicles) and delivers an electronic and/or physical copy of the file to the asset's operator at the time the asset becomes available for use; monitors the accounting treatment of assets pending capitalization (construction in progress and machinery in transit) and verifies that there is investment documentation supporting these accounting entries.

Vehicle area head: Retains the original file of all vehicles.

Asset operator: Safeguards the asset that he/she uses until the asset is retired.

5. General guidelines

The accounting treatment of assets pending capitalization must adhere to the following guidelines:

- All construction in progress and machinery in transit that have had no accounting movements during the preceding three months after the established term, in the previously authorized investment project (CAPEX), for the conclusion or installation of the asset, must be immediately expensed without the ability to capitalize the asset at a subsequent date, except in cases in which the Director of the Organization in question extends the three-month term.
- All expenditures must meet the capitalization criteria established in **FGB-CR-01 Global Policy for the Accounting Treatment of Fixed Assets**, as well as with the requirements established under local law.

- For assets such as machinery, manufacturing equipment and vehicles, only expenditures corresponding to new materials and/or components may be capitalized as part of the value of the asset.
- In the case of constructions of new plants, the related accounting treatment should consider the componentization of the assets comprising the constructed asset in accordance with the **FGB-CR-01 Global Policy for the Accounting Treatment of Fixed Assets**.
- All investment projects should be capitalized at the exact time that they become available for use.

6. Responsibility/Ownership

The Global Controllershship 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 Global Internal Control and Risk Management Department, the Steering Committee, and CEO.

7. Updates

The changes implemented in between versions are described below.

Update / update history				
Version	Revision date	Updated by:	Approved by:	Principal Changes
1				