

1. Purpose

To establish general guidelines for the implementation and process of the **Value Chain Master Footprint (VCMF)** analysis.

2. Scope

This policy is applicable to associates of the supply chain areas of all Business Units of Grupo Bimbo that are involved in the analysis of the value chain footprint.

3. Definitions

Value Chain Master Footprint (VCMF): Continuous process to improve the **value** chain network, increasing the service level, optimizing the use of assets, focusing on the consumer experience, sustainability and Grupo Bimbo's profitability. The **Value** Chain Master Footprint (simulations from side to side) analysis is a basic input for the strategic business plan development.

Value Chain Network: Accounts for all the nodes inside the supply chain such as; raw material warehouses, bakeries, manufacturing facilities, distribution centers, sales centers, etc., where all the flows are handled; ingredients, semi-finished product, finished product or packaging materials.

4. Responsibilities

Global Operations Department: To ensure compliance of this policy, define the tools used to support the VCMF analysis (simulators, network optimizers) and guarantee the results.

Business Unit's Operation Department: To generate the detailed procedures at the operational level that will allow to comply with what is established in this document, as well as to evidence compliance, management and continuous improvement of these procedures through indicators or other management mechanisms.

Business Unit's Commercial Areas: To generate a sales forecast that serves as a basis for the analysis of the VCMF. This forecast is part of the IBP (Integrated Business Plan) process and S&OP (Sales and Operation Plan).

5. General guidelines

The supply chain leader of each Business Unit is responsible for performing, along with the areas of manufacturing, logistics, engineer and maintenance, the VCMF analysis and define the improvements in service and its cost, according to the following guidelines:

- Define the frequency of simulation (annually or biannually) of this process on a strategic and tactical level, by applying the current methodology of the Value Chain Master Footprint, authorized by the Global Experience Center.
- Analyze manufacturing capacity, costs, transport distances and storage.
- Comply with the inventory guidelines established in the ***FGB-OP-03 Global Policy for the Operation of Logistic Nodes***.
- Consider the sales budget and forecast as part of the S&OP process (volume).
- Generate different optimization scenarios and evaluate them in an operative and financial way.
- Define roles and responsibilities for the VCMF analysis.
- Define the horizon of the analysis, of both historical and forecast records, as well as execution records.
- Define the detail level of the analysis.

- Cooperate with the **Finance area of each Business Unit**.
- Set continues improvement goals.
- Present and report, on a monthly basis, the results of the process to Global Operation Office (DGO).

Indicators

To give visibility to Corporate of the efforts and results obtained by the Business Unit, the following global indicators (KPI's) of the **VCMF** process are defined:

- Potential savings: Those identified in the analysis.
- Confirmed savings: Those committed through initiatives for the current year.
- Executed savings: Those that have been achieved to date.
- **Avoided costs: Those that, based on a business decision, prevent to spent in the future.**

In addition to these indicators, there must be an execution plan of the initiatives found in the analysis **and provide feedback of the tools, to ensure a continuous improvement process.**

Tools

The tools to support these analysis processes **and simulation should be validated, released and authorized by the DGO, to facilitate the development and application of the methodology with comparable and complementary bases between Business Units.**

The use of any other tool must be discussed, assessed and, if appropriate, approved by the DGO.

6. Responsibility / Ownership

The Global Operations Office is the assigned owner of this Policy and is primarily responsible for its content, updating and presentation for approval to the Global Internal Control and Risk Management Office, Steering Committee and CEO.

7. Updates

The changes made between versions are described.

Review / review record				
Version	Revision Date	Updated by:	Approved by:	Main Changes
1				
2	September 2018	Alejandro Pantoja	Jorge Zárate	<ul style="list-style-type: none"> • Title: SCMF • Responsible & Property to DGO • Indicators and software definition.
3	October 2022	Alejandra Domínguez Monasterio	Andrés Lopez Frisbie	<ul style="list-style-type: none"> • Change of "Supply Chain Mater Footprint (SCMF)", to Value Chain Master Footprint (VCMF). • Update of general guidelines and KPIs.