GRUPO BIMBO

NOURISHING A BETTER WORLD

ANNUAL REPORT

2022

NOURISHING A BETTER WORLD





MEANS taking care of what matters the most

BAKED FOR YOU



BAKED FOR LIFE



BAKED FOR NATURE



At Grupo Bimbo, we concluded 2022 with great lessons learned and excitement about the progress towards meeting our 2025 goals by implementing actions aligned with our new sustainability strategy **Nourishing a Better World**, contributing to the United Nations Sustainable Development Goals.

Thanks to the commitment of our leaders and associates, we've expanded our positive impact on society and nature, reinforcing our synergies, dialogue and collaboration with stakeholders.



Two years since reaffirming our VISION

BAKED FOR YOU, we've made great progress toward contributing to better nutrition through planet-friendly diets with simpler and healthier recipes. Our **BAKED FOR LIFE** commitment reinforces our ties and alliances with our associates and the communities we serve, where we commit to becoming a better place to work every day, ensuring equal opportunity and fair treatment through our golden rule. In **BAKED FOR NATURE,** we maintain our sustainability by design objective, with continuous development processes to prevent damaging our planet and recovering our ecosystems across our value chain.

This is the story of our journey to become a fully regenerative business with clear and solid commitments looking to 2030. **Nourishing a Better World** will take the company's impact to the next level.



Our purpose is:

NOURISHING A BETTER World



Philosophy:

To build a sustainable, highly productive and deeply humane company.

Beliefs:

We value the person
We are one community
We get results
We compete and win
We are sharp operators
We act with integrity
We transcend and endure

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. It has 204 bakeries and plants and over 1,600 sales centers strategically located in 33 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include sliced bread, buns and rolls, pastries, cakes, cookies, toast bread, English muffins, bagels, tortillas, flatbreads and salty snacks, among others. Grupo Bimbo produces over 9,000 products and has one of the world's largest distribution networks, with more than 3.3 million points of sale, over 55,000 routes and more than 139,000 associates. Its shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO and in the over-the-counter market in the United States, with a Level 1 ADR, under the ticker symbol BMBOY.



+100 brands

+9K products

33 countries*

+55K routes

+3.3M points of sale

+1,600 sales centers

204 bakeries and plants

+139K associates

ARGENTINA • BRAZIL • CANADA • CHILE • CHINA • COLOMBIA • COSTA RICA • ECUADOR • EL SALVADOR • FRANCE • GUATEMALA • HONDURAS • INDIA • ITALY • KAZAKHSTAN • MEXICO • MOROCCO • NICARAGUA • PANAMA • PERU • PORTUGAL • RUSSIA • SOUTH AFRICA • SOUTH KOREA • SPAIN • SWITZERLAND • TURKEY • UKRAINE • UNITED KINGDOM • URUGUAY • USA • VENEZUELA

* As of January 2023, Grupo Bimbo operates in 34 countries with its acquisition of Vel Pitar in Romania.

Net Sales

$398,706* 2022

$338,792* 2021

+17.7%

Adjusted EBITDA

$53,446* 2022

$47,372* 2021

+12.8%

Net Majority Income

$46,910* 2022

$15,916* 2021

>100%

* Figures in millions of pesos

Dear Shareholders:

2022 was a year full of challenges for the world. The war in Ukraine, disruptions in the global supply chain, uncertainty about the energy availability in Europe, the overall inflation in major economies, an apparently never-ending pandemic, and the threat of a global recession – in addition to the effects of climate change – prevailed across the business environment. At times, it seemed that 2022 would be an even more difficult year than the previous two.

Faced with this challenging environment, our company did what it does best: adapt to the present and effectively anticipate the future with vision and determination. As the big family that we are, we make decisions together to overcome global adversities. Today, I can tell you that the outcomes have been incredibly positive.

I am pleased to inform you that during 2022, we reported the highest level in our history in Net Sales of $19.8 billion dollars and in Adjusted EBITDA of $2.7 billion dollars, and posted 10% and 12% 10-year CAGR, respectively.



Not only that, but we also generated market share gains in most categories and made record CAPEX investments of approximately $1.4 billion dollars.

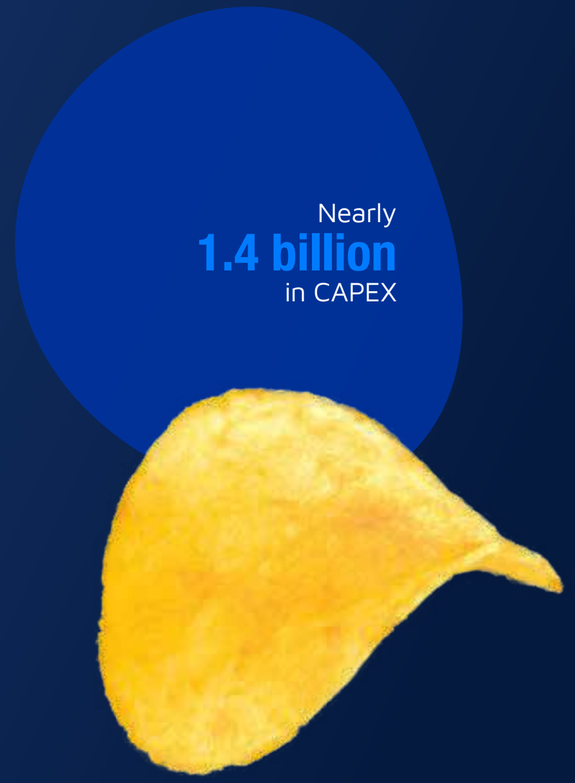
We fine-tuned our strategic focus on grain-based foods after selling Ricolino and invested to grow our brands. Our business is thriving, as the Bimbo brand was ranked as the most chosen food brand within households in Mexico and Latin America in the Kantar Brand Footprint 2022; and BBU, our U.S. operation, was recognized by IRI as the fastest growing food company in the U.S. In addition, we successfully turned around Argentina and Brazil, and worked diligently under our new Sustainability Strategy, which will undoubtedly contribute to our global leadership in the coming years.

Demand for our products during the year was historic, our volumes grew across all regions despite price increases to offset high inflation, with continued market share gains in multiple categories, primarily snacks, buns and rolls and tortillas categories. And in some markets where special challenges were faced, such as Canada and China, we also made significant progress that today allows us to look to the future with optimism.

We strengthened our global presence with the acquisition of St. Pierre, a leading baking player in the premium brioche category in the U.S. and U.K., and with the addition of two bakeries to our manufacturing footprint, one in Hazleton, Pennsylvania and another in Chillan, southern Chile.

At the same time, we continued to make progress on our ESG initiatives in 2022, reaching milestones such as:

- Ended 2022 with 85% renewable electricity globally; Ecuador, Brazil, China and Mexico joined the list of countries operating with green energy; with this, 20 countries are now operating with 100% green energy;
- We were recognized by the Carbon Disclosure Project for our actions globally to mitigate the effects of climate change, making it to the "A" list;
- We made the commitment to add 1,001 electric vehicles to our distribution fleet in Mexico, with this the Company will add more than 2,400 vehicles with zero carbon emissions in the country;
- We integrated our regenerative agriculture practices in Mexico, collaborating with more than 500 farmers and 10,000 HA of corn. At the same time, we launched three tests in the U.S. for more than 76,000 HA of wheat;
- We achieved 92.5% water reuse;



98% of our daily consumption portfolio
is free from artificial flavors and colors



- We achieved 98% of our daily consumption portfolio free of artificial flavors and colors and we participated in the Health Star System to provide greater transparency of nutritional quality and safety;
- For the sixth consecutive year, Ethisphere Institute named Grupo Bimbo as one of the World's Most Ethical Companies in 2022;
- We were included for the first time in the Bloomberg Gender-Equality Index, which recognizes public companies whose efforts promote and raise awareness on issues of Diversity, Equity and Inclusion;
- Also, for the sixth consecutive year, Grupo Bimbo ranked first as the Company with the Best Corporate Reputation in Mexico, by Merco;
- We held the 2022 Bimbo Global Race, and thanks to more than 341 thousand participants, more than 6.8 million slices of bread were donated to food banks around the world, and
- We accomplished more than 230 Good Neighbor initiatives, economic and in-kind support valued at more than $265 million pesos with the participation of more than 10,000 volunteers; and finally
- We reaffirmed our commitment and support for the Ten Principles of the Global Compact and for the UN Sustainable Development Goals.

We made significant progress on our digital transformation journey, using data and technology to enhance our growth opportunities and boost our efficiencies. To take advantage of the rapid shifts in consumer behavior, we leveraged the digital scaling capabilities provided by our AI-powered apps and robotic capabilities throughout our manufacturing and supply chain footprint. We accelerated our decision-making processes, through the real-time data provided by GB Connected, our Internet of Things platform, which now connects 161 out of 204 bakeries. We also transitioned 90% of our global routes to our Route to Market platforms, and our Oracle cloud-based ERP has been implemented in 70% of our operations as of year-end.

Through this digital transformation we have achieved a better understanding about the consumer and new opportunities for growth and innovation. We are constantly unlocking new avenues for insight and innovation, continuing to add value to our customers and consumers through our different Connection Centers and our T-Conecta digital platform, which continued to expand in Mexico's traditional channel. Also, in our ongoing effort to promote the development of our business and sustainability goals, we continued to generate strategic alliances through our Bimbo Ventures business unit by investing in disruptive technology and product companies. This year, five product and food tech companies were incorporated into Bimbo Ventures' investment portfolio.

Looking into the future, our efforts will be focused on creating and leveraging new opportunities developed through initiatives such as superior quality always, accelerating our brand growth, continuing strategic Capex investments, even greater presence in our household penetration and at points of sale, revenue growth management and digital transformation, among others.

The results that have been my privilege to report have been possible thanks to the hard work and commitment of the great Bimbo team. My sincere appreciation to the more than 139,000 women and men who work every day so that our company continues to bring better food – tastier, more nutritious, more accessible – to tables around the world. Thanks to them, today we can say that we are a highly productive company focused on becoming fully sustainable and deeply humane.

Thanks, of course, to you, our shareholders, for your trust and constant support.



Thank you,

Daniel

our categories

We are the global leader in the baking industry, and a relevant participant in snacks

1 sliced bread



2 buns and rolls



3 pastries

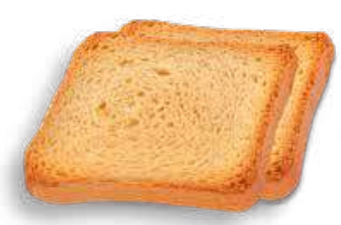


4 cakes



5 cookies





6 toast



7 english muffins



8 bagels



9 tortillas & flatbreads



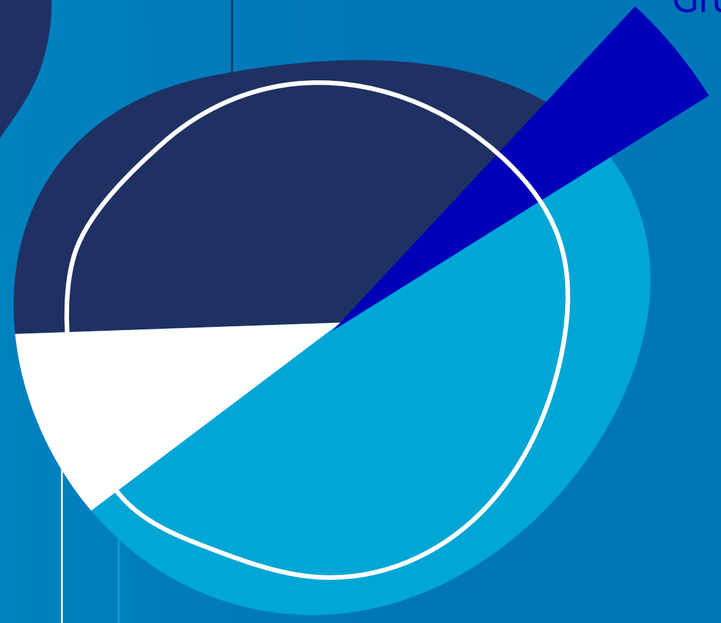
10 salty snacks

global market share



US 561 Bn*
value of the global baking industry

We have 4.0% of the global market share in the baking industry, which translates into an enormous growth opportunity moving forward.



Source: GlobalData 2021
*Billions of US dollars

NUTRITION IS AT THE HEART OF EVERYTHING WE DO, AND IT'S WHAT DRIVES OUR DEVELOPMENT.

Creating better diets, good for you and the environment, is a task in which we actively participate to positively influence the lifestyles of our consumers, associates and the communities with which we interact daily.

We understand that only by building healthy, resilient, fair and sustainable food systems we will be able to face the great challenges humanity will face in the coming years.



Since our beginnings, Grupo Bimbo has focused on offering consumers a wide variety of delicious and nutritious foods, adapting to their needs, tastes, and lifestyles. Over time, we have opted for innovation and improving our products, ensuring high production, safety, nutrition and quality standards to help consumers integrate better options into their daily diets. We seek to ensure the best consumer experience by sourcing our materials, preparing our products, and the nutritional information we provide, developing a portfolio of attractive quality products, considering our responsibility to the environment, and promoting healthy lifestyles and better diets through optimized food systems.



The "Nourishing a Better World" Sustainability Strategy we published two years ago established our main lines of action focused on enhancing the nutritional quality of our products, promoting superior plant-based diets and strengthening our brands through information that helps people make informed dietary choices. All our products are developed following the highest quality and safety standards, with the health and safety of our consumers at the heart of everything we do.

LINES OF ACTION



1. Best nutritional profiles for all

Provide the best nutritional experience with simpler and more natural recipes for positive nutrition in every bite.



2. Transparent Sustainable Brands

Empower our consumers to make better decisions by providing clear and transparent information about our products.



3. Enabeling healthier plant-based diets

Increase the amount of whole grains and other superior plant-based ingredients.

2030 Goals

100% of our baking and snacks and snack products will be made with simple and natural recipes containing nutrition in every bite with affordable options at every point of sale.

100% of Grupo Bimbo products will offer nutritional and sustainable transparency both on the packages and online and promote healthier diets through clear educational campaigns

100% of our baked goods and snack offerings will be part of a healthy plant based diet by including a wide array of whole grains and healthy plant-based ingredients in our recipes.

BEST NUTRITIONAL PROFILES FOR ALL



Improve the nutritional quality of our products to fight malnutrition.

MALNUTRITION IS A COMPLEX GLOBAL HEALTH PROBLEM AFFECTING THE DEVELOPMENT AND POTENTIAL OF INDIVIDUALS DURING THEIR LIVES; IT RANGES FROM MALNUTRITION AND MICRONUTRIENT DEFICIENCIES TO OVERWEIGHT AND OBESITY.

These problems often occur simultaneously in a region, country or individual, and the solution is highly complex, so they must be addressed in a comprehensive and multisectoral manner, with governments, civil society, the private sector and academia contributing with the corresponding concrete actions.

Malnutrition and chronic non-communicable diseases related to poor diets are among the leading causes of death worldwide.

Creating healthy diets with the right amounts of nutrients, without deficiencies or excesses, with environmentally friendly foods is the perfect recipe to benefit both people's health and the well-being of our planet.



How will we do it?

In 33 countries, we offer a wide range of grain-based products that are part of our consumers' daily and special diets.

Bread is one of the most traditional and deeply rooted foods in the cultures of the countries we serve, allowing us to positively impact people's health and the use of resources in our environment.

That is why we work daily to develop and offer a portfolio of products that, in addition to adapting to our consumers' different tastes and customs, allows them to integrate options that help them build better diets.

2025 Goals

Target: 100% of our bread, buns, rolls and breakfast items for daily consumption will be made with simple and natural recipes, with nutrition in every bite, ensuring affordable options at every point of sale.

- 100% of our daily consumption portfolio of bread, buns, rolls, and breakfast items will be made with simple and natural recipes.
- 100% of our daily consumption portfolio of bread, buns, rolls, and breakfast items will provide positive nutrition.
- The best-selling brands/products of the occasional consumption portfolio aimed at adults must:
  - Comply with our dietary guidelines on saturated fats, trans fats, added sugars, and sodium, or
  - Provide options through line extensions with positive nutrition and free from artificial flavors and colors, or
  - Provide options in portion-controlled formats.
- Launch at least one program per region to support vulnerable groups through accessible and affordable positive nutrition products.



2030 Goals

Target: 100% of our baked goods and snack products will be made with simple and natural recipes, with nutrition in every bite, ensuring affordable options at every point of sale.

- 100% of our bakery products and snacks will be made with simple and natural recipes.
- 100% of our baking and snack products will provide positive nutrition.
- 15% of our occasional consumption portfolio sales will be in the form of "controlled portions."

OUR PATH: RAISING THE BAR

Goals



Daily consumption

	2018 - 2020 Goal accomplished	2022 Goal accomplished	2025	2030
CLEAN LABELING	Elimination of high fructose corn syrup, partially hydrogenated oils and fats, caramel 3 and 4, diacetyl and azodicarbonamide	Elimination of artificial colors and flavors	Simple and natural recipes (≤10 ingredients, all recognizable)	Simple and natural recipes with positive nutrition
POSITIVE NUTRITION	Compliance with maximum sodium, saturated fats, trans fats and added sugar levels.			
		Positive nutrition in specialty grain breads, buns and rolls (HSR ≥ 3.5)	Compliance with positive nutrition (HSR* ≥ 3.5)	



Occasional consumption

CLEAN LABELING	Elimination of partially hydrogenated oil and fats, caramel 3 and 4, diacetyl and azodicarbonamide		Line extensions on top-selling products: • No artificial colors or flavors, or • Complying with the established HSR value, or • Portion control	Recipes without artificial ingredients
POSITIVE NUTRITION				Compliance with maximum sodium, saturated fats, trans fats and added sugars levels or the HSR value established for the category.

*HSR: Health Star Rating System

To guide the enhanced nutritional quality of our product offer and to take into account the recommendations made by the World Health Organization in the Global Action Plan for the prevention and control of non-communicable diseases, the main lines of action of our Grupo Bimbo Nutritional Guidelines will include the following:

- Reduce the level of salt/sodium added to food.
- Increase the availability, affordability, and consumption of fruits, vegetables, and plant-based foods.
- Reduce saturated fatty acids in foods and replace them with unsaturated fatty acids.
- Replace industrial trans fats with unsaturated fats.
- Reduce the content of free and added sugars in foods and non-alcoholic beverages.
- Limit excess calorie intake or reduce portion sizes and the energy density of foods.
- Develop measures to improve the availability, affordability and acceptability of healthier food products.

Five nutritional principles to improve our portfolio

We have outlined internal standards to offer our consumers delicious products that make it easier for them to include them in their diets. These guidelines have evolved, incorporating the latest nutritional updates and consumer needs, to provide products with superior nutritional quality.

We consider the recommendations of the World Health Organization within the Global Action Plan for the prevention and control of non-communicable diseases



We comply with the most demanding international recommendations to ensure the nutritional quality of our portfolio.

1.

We consider the recommendations established globally and locally in our main markets to understand our products' role in building better diets.

2.

We divide our portfolio of products based on consumption frequencies to differentiate those with greater dietary impacts since they are consumed more frequently as part of daily meals from those purchased for less frequent occasions, such as celebrations or indulgences. We are applying this approach with stricter rules to our daily consumption portfolio, derived from the potential impact they can have on consumer diets.

3.

We consider the differences in nutritional requirements between children and adults, with stricter requirements defined for products targeting our child audience (children between 36 months and 12 years old).

4.

We seek to balance the nutritional quality of our portfolio through thresholds, both in terms of nutrient limits and those we seek to promote in the diet. This balance is based on the nutrients and food groups mapped within the local and global nutritional guides established by governments and international organizations expressing concerns about public health due to excessive or deficient consumption.

5.

We will develop more natural and planet-friendly products through simpler recipes, with ingredients our consumers can understand and find in their pantries.

FOUR LINES OF ACTION WITHIN OUR NUTRITIONAL GUIDELINES

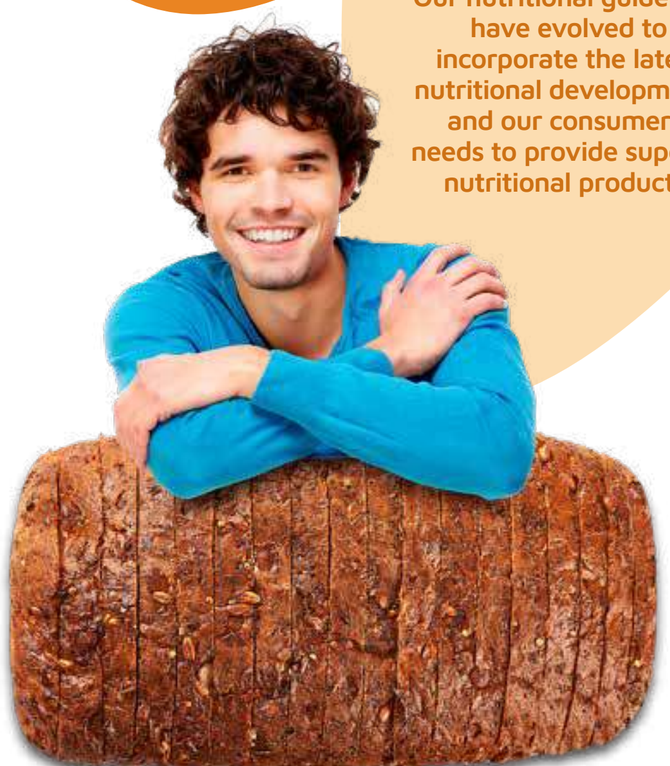
1 **Clean Labeling:** Our products are made with simpler and more natural recipes.

2 **Positive Nutrition:** Our products seek a balance between nutrients to be reduced and encouraged in the diet using the methodology established in the Health Star Rating System as a parameter.

3 **Smart Portions:** Our products feature portion control options for guilt-free special moments.

4 **Fortification for vulnerable audiences:** Our products include accessible and affordable options fortified with micronutrients for vulnerable audiences with identified nutritional deficiencies.

96%
of our product portfolio for daily consumption complies with the established nutritional guidelines[1]

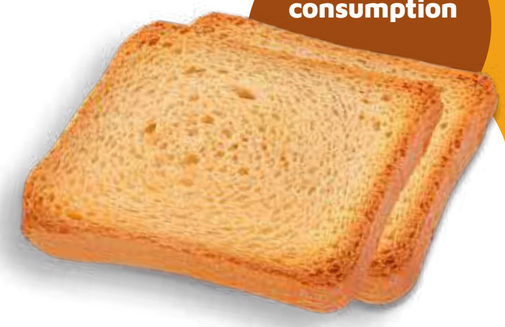


Our nutritional guidelines have evolved to incorporate the latest nutritional developments and our consumers' needs to provide superior nutritional products.

1 Percentage of SKUs that comply

Product categories

Daily consumption



Those present at the main moments of consumption:

- Sliced bread
- Buns and rolls
- Tortillas and flatbreads
- Savory bagels and English muffins

Occasional consumption

Those present in snacks or special moments where consumption in moderation is recommended:

- Sweet baked goods (pastries, cakes, cookies, bars, sweet bagels and English muffins)
- Dry baked goods (toast, breadcrumbs, breadsticks)
- Tostadas and tortilla chips
- Salty snacks
- Dairy drinks
- Prepared foods





CLEAN LABELING

Consumers usually prefer foods with easy-to-understand ingredients and avoid those perceived as negative; they look for simple, clear, reliable, transparent and authentic products.

At Grupo Bimbo, our natural and simple concept focuses on the quantity and type of ingredients and additives used in our recipes, using ingredients found in our consumers' pantries and eliminating those of concern due to their possible environmental impact or the quality of the diet.

Our recipes must meet an established level of clean labeling, depending on our categories' role in the diet. In the daily consumption category, our goal for 2025 is that our products have no more than ten ingredients, all recognizable by consumers and that our occasional consumption products are free from artificial ingredients by 2030. In this way, we will be able to ensure that the quality of our recipes meets our consumers' expectations for dietary choices with more natural ingredients.

2022 Goal

100% of our daily consumption portfolio (sliced bread, buns and rolls, tortilla, flatbread, savory bagels and English muffins) will be free from artificial colors and flavors

Goal met

98%

of our daily consumption portfolio is free of artificial flavors and colors

Daily consumption portfolio

PERCENTAGE PROGRESS VS. GOAL (TOTAL SKUS). BREAKDOWN BY BUSINESS UNIT[1]

Organization	% progress vs. Goal[3]
Bimbo Canada	100%
Bimbo Bakeries USA	99%
Bimbo Mexico	100%
Barcel Mexico[2]	NA
El Globo	100%
Latin Centro	97%
Latin Sur	100%
Bimbo Brazil	100%
Bimbo Iberia	96%
Bimbo United Kingdom	100%
Bimbo China	82%

1 Scope: Products in the sliced bread, buns and rolls, tortillas, flatbread, savory bagels and English muffin categories active as of January 12, 2023 (cutoff Q4-2022), where Grupo Bimbo owns the brand and the recipe.
Exclusions:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products.
- Non-end consumer products.
- Organizations: Bimbo Morocco and Bimbo India will be integrated in 2023.

2 The Barcel Mexico portfolio is exclusively for products classified for occasional consumption.
3 Calculated by total SKUs vs. compliance

SUCCESS STORIES

Bimbo Mexico Sliced Bread

At Bimbo Mexico, we have eliminated the use of artificial preservatives in most[1] of our sliced bread, intending to eliminate them in the short term. This milestone adds to the achievements of previous years in the region, such as eliminating high fructose corn syrup, azodicarbonamide, artificial colors and flavors, and partially hydrogenated fats and oils.

We know we still have a long way to go; however, we maintain our commitment to continue developing our recipes to meet our consumers' expectations and taste for clean-label food products.

1 Except Bimbo white bread



El Globo savory bread, buns and rolls

At El Globo, we offer consumers the highest quality products where more than 80% of the savory bread, buns and rolls are free from artificial ingredients made with ten ingredients or less. Our goal is to reach the entire portfolio in the short term and continue to provide the best nutritional quality and clean labels.

Bimbo United Kingdom Bagel Thins

The New York Bakery Co. line of Bagel Thins in the United Kingdom contains 3 grams of fiber in 100 grams of product, a highly nutritious and healthy quality source of fiber. With examples like this, we reiterate our commitment to offering the best products in all our categories.

POSITIVE NUTRITION

Positive nutrition is the nutritional balance in our products established by defining maximum nutrient level limitations in the diet and the minimum nutrient thresholds to promote.

We strive to offer the best nutritional experience balanced in the reduction of nutrients such as added sugars, saturated fats, trans fats and sodium and the addition of nutrients such as proteins, fiber and micronutrients.

Positive Nutrition Measurement:

- The thresholds established to limit dietary restrictions and nutrients, such as added sugars, saturated fats, trans fats and sodium.
- The Health Rating System is used to evaluate our recipes' nutritional balance and quality.



Added sugar, saturated fat, trans fats, and sodium thresholds



2022 Goal

100%

of our daily consumption portfolio (sliced bread, buns and rolls, tortilla, flatbread, savory bagels and English muffins) will comply with our internal guidelines on maximum sodium, saturated and trans fatty acids, and added sugar contents.

Progress in 2022

96%*

of our daily consumption products portfolio complied with the sodium, saturated and trans fatty acids and added sugar levels established in our internal nutritional guidelines.[1]

1 Exclusions:
96% does not include Bimbo Morocco and Bimbo India, which will be included in 2023.
Exclusions:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products
- Products intended for non-end consumers

*https://grupobimbo-com-assets.s3.amazonaws.com/s3fs-public/2023-04/NUTRIGUIDES%20v3.0%20-%20GUIDELINE%20%28Best%20Nutritional%20Profiles%20for%20All%29%20v5%2011.04.23.pdf

Our internal nutritional guidelines establish maximum values for saturated fats, trans fats, sodium and added sugar content based on our products daily or occasional consumption role and category.

In 2022, the compliance goals were focused on our daily consumption products. The achieved level outcomes focused on the categories in this portfolio, including sliced bread, buns and rolls, tortillas and flatbreads, savory bagels, and English muffins.

BREAKDOWN BY BUSINESS UNIT[2]

Organization	% Progress to Goal[3]
Bimbo Canada	97%
Bimbo Bakeries	97%
Bimbo Mexico	99%
Barcel Mexico[1]	NA
El Globo	68%
Latin Centro	90%
Latin Sur	99%
Bimbo Brazil	100%
Bimbo Iberia	99%
Bimbo United Kingdom	100%
Bimbo China	100%

PERCENTAGE OF COMPLIANCE IN DAILY CONSUMPTION PRODUCTS (SKU IN COMPLIANCE/TOTAL SKUS) BY ORGANIZATION AND NUTRIENT[2]

Organization	Saturated fats	Trans fats	Sodium	Added sugars
Bimbo Canada	100%	100%	97%	100%
Bimbo Bakeries	100%	100%	100%	98%
Bimbo Mexico	99%	100%	100%	100%
Barcel Mexico[1]	NA	NA	NA	NA
El Globo	94%	98%	73%	98%
Latin Centro	99%	100%	90%	99%
Latin Sur	99%	100%	100%	99%
Bimbo Brazil	100%	100%	100%	100%
Bimbo Iberia	100%	100%	99%	100%
Bimbo United Kingdom	100%	100%	100%	100%
Bimbo China	100%	100%	100%	100%
Grupo Bimbo	99%	99.9%	97%	99%

1 The Barcel Mexico portfolio is exclusively for products classified for occasional consumption.
2 Scope: Products in the sliced bread, buns and rolls, tortilla, flatbread, savory bagels and English muffins categories active as of January 12, 2023 (Q4-2022 cut-off), where Grupo Bimbo owns the brand and the recipe.
Exclusions:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products
- Products intended for non-end consumers
- Organizations: Bimbo Morocco and Bimbo India will be integrated in 2023.

3 Calculated by total SKUs vs. those in compliance

Addition of protein, fiber, micronutrients and whole grains

The percentage of total sales volume of consumer products divided by category containing fortified nutritional ingredients such as fiber, vitamins, minerals, phytochemicals, or functional food additives.

PERCENTAGE OF COMPLIANCE IN DAILY CONSUMPTION PRODUCTS (SKU IN COMPLIANCE/TOTAL SKUS)[6]

Organization	Fiber[1]	Proteins[2]	Vitamins and minerals[3]	Whole grains[4]	HSR>3.5
Bimbo Canada	24%	0%	96%	16%	91%
Bimbo Bakeries	25%	13%	/53%	3%	59%
Bimbo Mexico	22%	20%	9%	3%	82%
Barcel Mexico[6]	NA	NA	NA	NA	NA
El Globo	6%	32%	0%	0%	56%
Latin Centro	23%	60%	12%	6%	75%
Latin Sur	27%	13%	6%	3%	89%
Bimbo Brazil	48%	0/0%	4%	4%	86%
Bimbo Iberia	85%	79%	0%	0%	94%
Bimbo United Kingdom	45%	0%	0%	3%	100%
Bimbo China	44%	0%	11%	0%	87%
Grupo Bimbo	32%	25%	31%	4%	77%

1 Good source of fiber based on local standards
2 Good source of protein based on local standards
3 Good source of at least one vitamin or mineral based on local standards
4 At least 8g of whole grains per serving
5 Scope: Products in the sliced bread, buns and rolls, tortillas, flatbread, savory bagels and English muffin categories active as of January 12, 2023 (Q4-2022 cut-off), where Grupo Bimbo owns the brand and the recipe.
Exclusions:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products
- Products intended for non-end consumers
- Organizations: Bimbo Morocco and Bimbo India will be integrated in 2023.

6 The Barcel Mexico portfolio is exclusively for products classified for occasional consumption.

Progress toward goals is measured on a technology platform where each Grupo Bimbo organization records the information on its SKUs (Stock Keeping Units), nutrition facts and ingredients related to each recipe.

Health Star Rating System (HSR)

We incorporated the Health Star Rating System standards to provide greater transparency on improvements in the nutritional safety and quality of our product portfolio regarding sustainability

This methodology, developed in Australia and New Zealand, rates the general nutritional profile of the products and assigns them a value ranging from ½ star to 5 stars based on the nutrient content, food groups to promote and nutrients to limit in the diet. It provides a quick, easy, and standardized way to compare similar foods. The more stars a product has, the healthier the choice will be, setting those with a healthier profile as those with 3.5 stars or more.

The nutritional assessment of 100% of our product categories is conducted under this strategy through a specific profile of critical nutrients or an HSR parameter.

Grupo Bimbo uses the ≥3.5 stars standard to determine products with a superior or healthy nutritional profile.

We use this information to determine the percentage of sales of our products that meet this standard, beginning this year by measuring products made with our proprietary recipes under our wholly owned brands.



35%

of Grupo Bimbo's sales come from food with ≥3.5 stars per the HSR standard

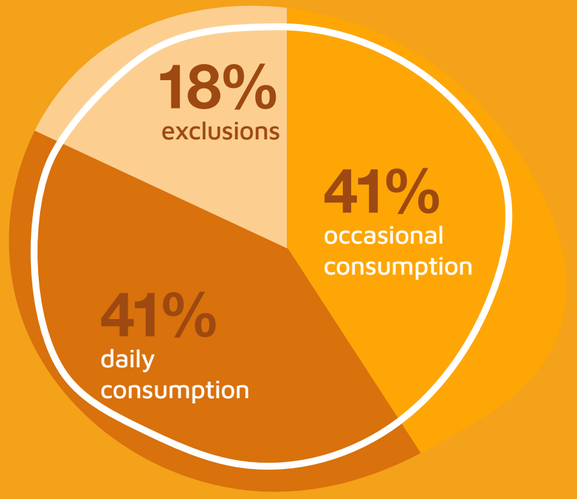
99%

of our specialty grain breads, buns and rolls[1] meet our positive nutrition parameters[2]

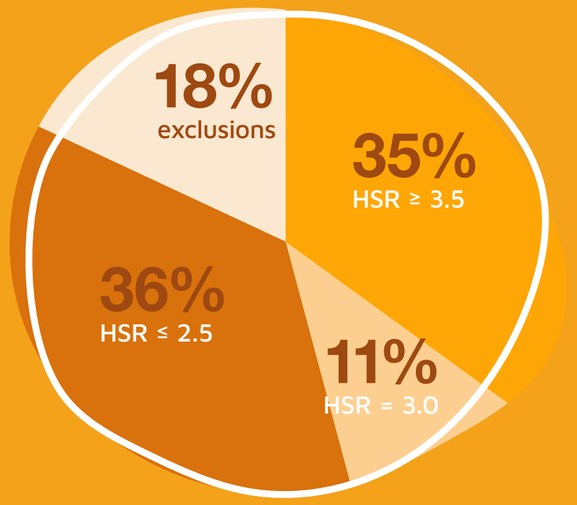
1 Specialty grain bread, buns and rolls: bread and buns containing whole grain flour and/or whole grains (including reconstituted whole grain cereal flours) if the total amount is greater than 15 parts by weight for every 100 parts of flour used.
2 Percentage of SKUs in compliance

BREAKDOWN OF HSR COMPLIANCE BY TYPE OF PORTFOLIO[1]

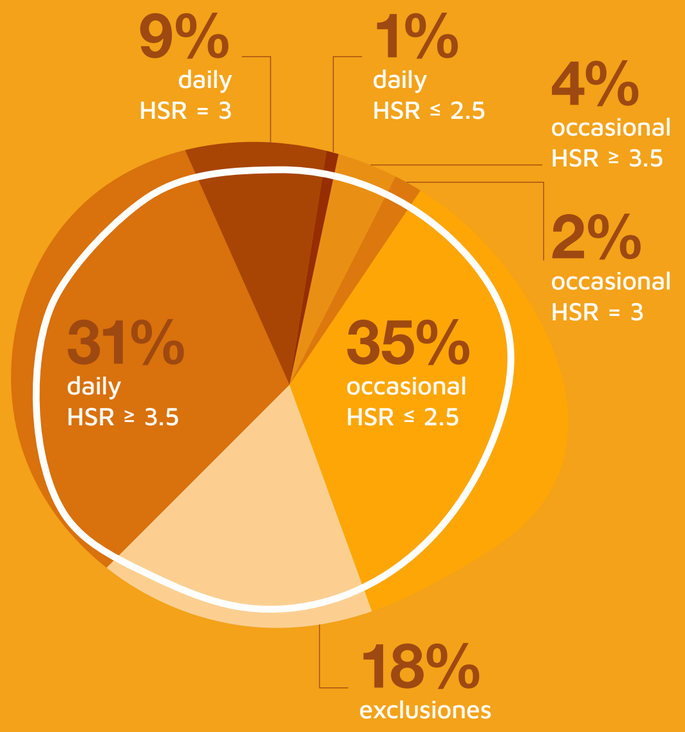
% of sales by portfolio type



% of sales by HSR compliance



% of sales by HSR compliance and portfolio type[1]



1 Scope: Products where Grupo Bimbo owns the brand and the recipe with registered sales from January 1 to December 31, 2022.
Exclusions:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products
- Products intended for non-end consumers

Organizations: Bimbo Morocco and Bimbo India (in the process of integration during 2023), and Ricolino.

SUCCESS STORIES

Reduced trans fats to <2 grams per 100 grams of total fats

Scope of commitments by ensuring our portfolio has less than 2 grams of trans fats/100 grams of total fats and is free from partially hydrogenated fats and oils.

In 2018, the World Health Organization released a series of recommendations for eliminating industrial trans fatty acids from the global food supply. This goal was set for 2023 through two actions:

- Elimination of partially hydrogenated fats and oils.
- Reduction of trans fatty acids of industrial origin to less than 2 grams per 100 grams of total fats.

By the end of 2022, we had eliminated the use of partially hydrogenated fats and oils in all our product offerings where we own the recipe, and 99.9% of it is below the threshold of 2 grams per 100 grams total fat

In our operations in Mexico (Bimbo Mexico, Barcel Mexico and El Globo), at the beginning of 2023, we brought this number to 100% free from partially hydrogenated oils and fats in compliance with the threshold above.



Cero Cero product line

Our line of Cero Cero bread seeks to reinforce nutrition and healthy lifestyles in our consumers' daily diets. These products are made with whole grain flour or sprouted grains, without added sugars or fats, with options added with proteins of vegetable origin (chickpeas) and various cereals. In other words, positive flavor and nutrition for our consumers.

Keto Line

Bimbo Bakeries USA

Consumer trends have developed toward more responsible and nutritious consumption in recent years. The market segment seeking healthier lifestyles and diets with special approaches is constantly growing. Many of these consumers know how food impacts our health and immune system.

One of the most relevant trends is the low-carb (keto) diet. In response to this demand, we developed an attractive and delicious portfolio of daily consumption products in the United States with sliced bread, buns and rolls, thins and tortillas under the Oroweat brand.

Measurement and evaluation of the nutritional quality of our products

Throughout the year, progress is evaluated in quarterly accountability meetings. The forum is used to report the progress made and share best practices, challenges and each organization's needs to achieve the goals set at the end of the measurement year

Each organization's needs are reviewed at the end of each quarter, and work cells are formed in the global Research and Development Division to find solutions and the actions the organizations require to face the challenges posed.

In compliance with responsible and transparent communication, this document is published on our website: www.grupobimbo.com

SMART PORTIONS AND BETTER DIETS

Portions are a powerful tool to help people know the right amount of food to include at a time of consumption and thus improve the quality of their diet.

Providing information associated with improving the understanding of the correct portion, added to the increase in our product offer with different options focused on limiting caloric intake, helps our consumers enjoy their food and build healthier, tastier and more varied diets.

2030 Goals

15%

of our occasional consumption portfolio sales will be controlled portions.



Our options with portion control or smart portions meet the following premises:



S

Special occasions to celebrate, share or enjoy your favorite foods while promoting moderate consumption

M

Mindful enjoyment of the foods we enjoy and the process of including them in our diet. We can control what we eat through individually packaged options.

A

Aligned with healthy lifestyles for a guilt-free moment of indulgence through calorie-controlled options.

R

Ready to eat anywhere with individually packaged options that allow you to enjoy the moment while limiting calories.

T

Tasty with delicious options, full of flavor and appealing to the senses.





SUCCESS STORIES

2025 Goals

Launch at least one program per region to support vulnerable groups through accessible and affordable products with positive nutrition.

FORTIFIED PRODUCTS

To address problems related to malnutrition and micronutrient deficiencies in those countries where we are present, we have established a strategy that allows us to evaluate and define where to focus our actions through the development of micronutrient-fortified products aimed at vulnerable populations with deficiencies or specific nutritional needs.

To learn more about our fortification guidelines*

*https://grupobimbo-com-assets.s3.amazonaws.com/s3fs-public/2023-04/ESP-GB%20MICRONUTRIENT_compressed.pdf



Acti Defens white bread

Latin Centro

Aligned with our strategy to fortify affordable and nutritious products with important micronutrients to reduce deficiencies in different populations. The Latin Centro Organization has developed a white bread fortified with iron and zinc. White bread is a popular food easily integrated into consumer diets facilitating access to important micronutrients.



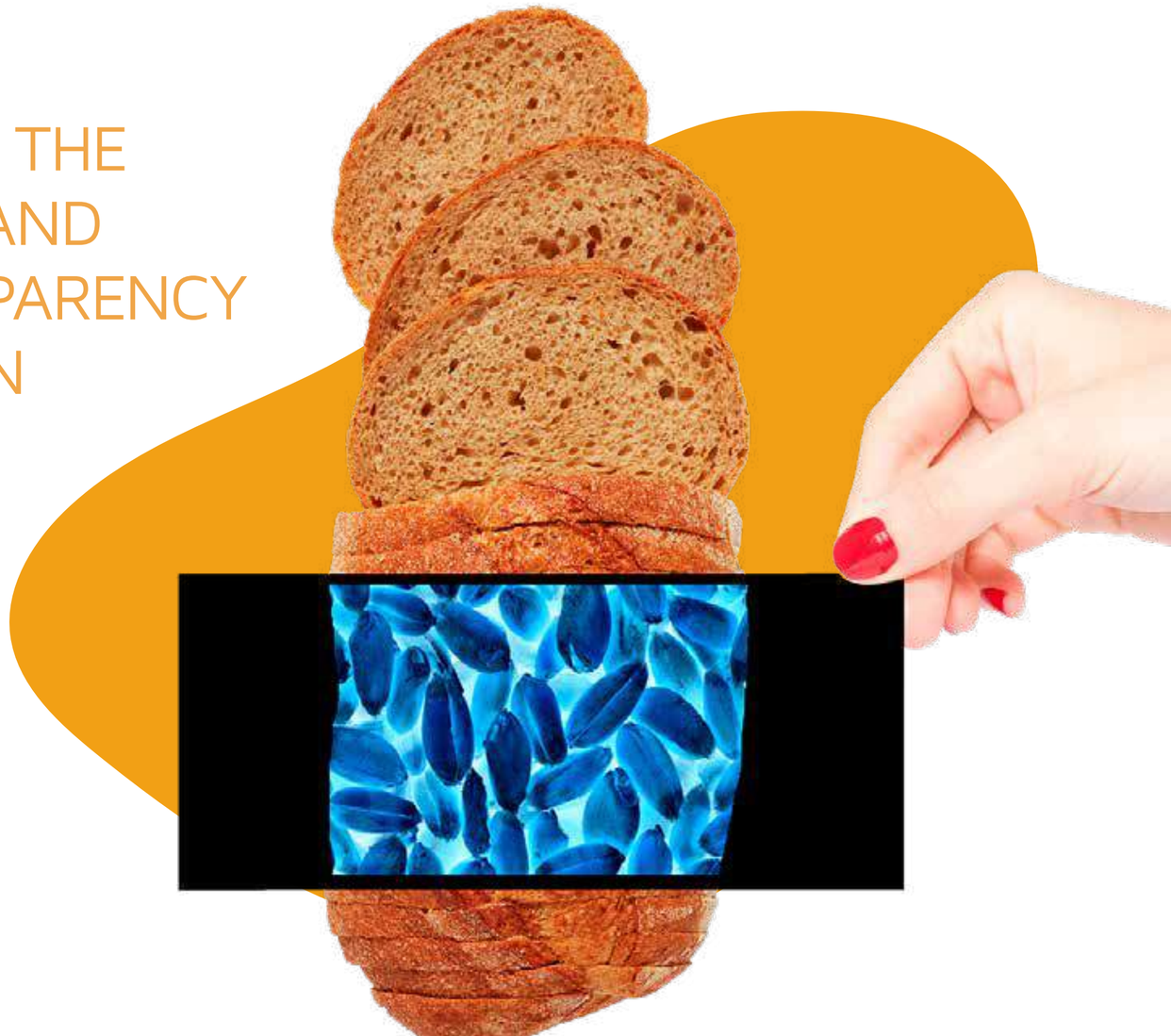


TRANSPARENT SUSTAINABLE BRANDS

We empower our consumers to make better decisions through clear and transparent information about our healthy recipes, social involvement and environmental commitments.

AS THE LARGEST BAKING COMPANY IN THE WORLD, WE SEEK TO USE OUR VOICE AND ACTIONS TO ENSURE GREATER TRANSPARENCY AND DRIVE CHANGES IN CONSUMPTION PATTERNS TOWARD SUSTAINABILITY.

In addition to offering increasingly healthier products with improved environmental and social performance, we work to provide clear and transparent information that empowers our consumers to make better healthy consumption decisions, ensure maximum use of products and reduce food waste, achieving habits with this new sustainable lifestyle that are part of the daily life of all the people who consume our brands.



We know that we are part of the daily diet of many families worldwide, so we assume the responsibility of positively impacting our consumers, associates and the communities we live in daily.

At Grupo Bimbo, we are committed to providing more and better information through user-friendly tools aligned with current technological advances, as well as communication strategies and food literacy that allow us to disseminate more information about our products and our values as a company.

What do we understand as sustainable and transparent brands?

Brands that by nature must be sustainable and fulfill our purpose of Nourishing a Better World.

Our advertising aims to support this cause without losing profitability, aligned with brand consumers and as an industry lead benchmark



Our key concepts

Transparency: Provide transparent nutritional information so consumers understand our products' ingredients and characteristics to include them in their diets properly, reduce the environmental impact by correctly disposing of the packaging, and take full advantage of the product to reduce food waste.
We have policies that establish these transparency commitments as our Global Labeling Policy.

Sustainable: This means that our brands endure over time, being economically viable, adapting to market dynamics, aligning with the standards and values of our company, and meeting the expectations of our consumers and customers regarding environmental, social and nutritional concerns.

2025 Goals

- 100% of our children's and occasional consumption portfolio will offer science-based nutritional transparency on the packaging and in digital media.
- We will provide nutrition education to five million people worldwide through Grupo Bimbo's nutrition education and wellness projects.



2030 Goals

- 100% of our products will provide transparent nutrition information on the packaging and in digital media.
- We will provide nutrition education to eight million people worldwide through Grupo Bimbo's nutrition education and wellness projects.

FACILITATE THE UNDERSTANDING OF OUR PACKAGING

Our labeling

Nutrition facts

Amount per serving statement: calories, total fat, saturated fat, trans fat, carbohydrates, dietary fiber, sugars, protein, and sodium.

Health claims

Demonstrate sound scientific support for all health claims.

Sustainability

Promote planet-friendly practices.



Servings

Strengthen the concept of recommended serving size to guide consumers toward balanced diets.

Front-of-pack

Inclusion of the GDA (Guideline Daily Amount) in the absence of regulations on the subject matter.

Our commitment to transparent and sustainable brands is to ensure that 100% of Grupo Bimbo products provide transparent science-based nutritional information on the packaging and digital media by 2030 and actively promote healthier diets through clear educational campaigns.

RESPONSIBLE COMMUNICATION GUIDELINES

At Grupo Bimbo, we care about the health and well-being of our consumers, which is why we create tools that allow them to choose our products in a reliable, transparent and responsible manner, always considering them within a balanced diet and seeking a healthy and sustainable lifestyle.

To achieve this, we have created our responsible communication guidelines, "This Is How We Do Marketing," aligned with our Code of Ethics, establishing the criteria to develop better marketing actions and promote a healthy environment for our consumers and strategic partners.

In compliance with responsible and transparent communication, this document is published on our website: www.grupobimbo.com

Driving sustainable transformation through responsible communication

Our objectives and approaches within our marketing strategy include the following:

- Promote transparency and accountability regarding Grupo Bimbo's impact on the planet, people, and our communities
- Ensure the understanding of our recipes and promote healthy lifestyles
- Avoid food waste
- Promote the circular economy principles
- Demonstrate the progress toward the commitments proposed with success stories
- Strengthen a community of agents of change committed to health, wellness, the fight against inequality, and the preservation of the environment.

At Grupo Bimbo, we know we need to evolve with each generation and adapt to the new times and challenges dictated by society, so our brand approach considers criteria to stay at the forefront of our customer's preference



1

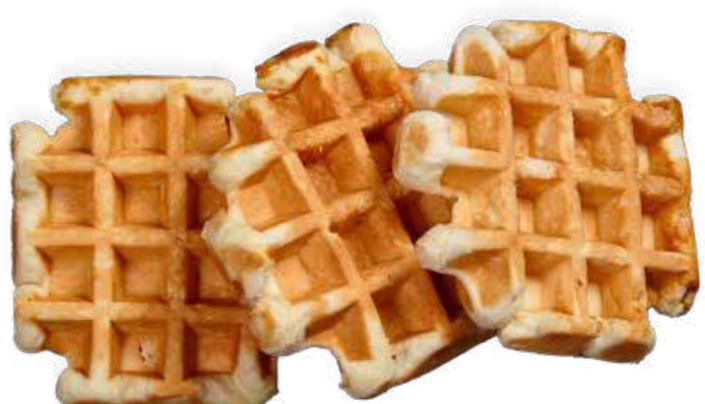
We strive to ensure that our products reflect the actions and implementation of our commitment to sustainability.

2

Raise awareness among consumers about caring for the environment by developing and promoting initiatives that help them live in a better world.

3

Develop global content to build a stronger bond with our audience on social media in all the countries and regions where we operate.



Responsible marketing to children under 13

At Grupo Bimbo, we strive to promote and ensure that our advertising for children complies with responsible marketing best practices worldwide.

Therefore, we commit to the following:

Adhere to local regulations and voluntarily adopt pledges and initiatives or join associations promoting self-regulatory codes of content in advertising and marketing to children.

Strictly follow local laws regulating the sale and promotion of products in schools.

In the case of advertising and developing marketing strategies aimed at children, these must only be conducted with products that strictly comply with our nutritional profiles, which must be aligned with scientific evidence and the standards established by international organizations such as the World Health Organization (WHO), United Nations Children's Fund (UNICEF), International Food and Beverage Alliance (IFBA), World Federation of Advertisers (WFA) and Access to Nutrition Index (ATNI)

We align ourselves with the provisions of the World Health Organization (WHO) to fulfill our commitment to the littlest members of the household.



All marketing and advertising strategies must display content that promotes a healthy lifestyle and encourages children's rights, positive self-esteem and non-violent values.

The content of each promotion must be presented to ensure everyone is informed of the conditions that could affect their decision to buy before they make a purchase.

Parents or guardians of minors must always appear as those controlling access to the products.

As part of our guidelines, our most recent commitment was to align with the ICC Advertising and Marketing Communications Code and its self-regulations, which allows us to create, improve and maintain consumer trust in business communities subject to a self-regulation.

In addition, our permanent updates include new guidelines for products that do not meet the nutritional standards established in our document "This Is How We Do Marketing," which does not permit the presence of people influencing children under 13 in the different communication channels, such as celebrities, influencers, or famous people on social media or whose target audience involves children.

TRANSPARENCY

Consumers value transparency for many reasons, including the ingredients of our recipes, allergies, social responsibility, and sustainability, based on the belief that all organizations must be honest, open and direct with their customers, competitors and themselves.

We strive to ensure that our brands in the countries where we have a presence include relevant information about our efforts in the following areas of impact:



A. Nutritional Transparency: Provide nutrition facts simply and transparently on the packaging and online with technologies such as QR codes and websites to provide in-depth information about our products and invest in educational campaigns promoting healthy lifestyles

B. Transparent Packaging: With information on our packaging material, the technologies used, and programs in which the brand is participating to promote post-consumer recycling.

C. Guides and campaigns to reduce food waste in consumption: Guides that help the consumer make the most of the product and thus reduce food waste in consumption.



SUCCESS STORIES

QR codes

Spain, the United States and Mexico

The nutrition facts of our products can be accessed by scanning QR codes on a mobile app. This technological tool allows the user to obtain a real-time interactive experience with the brand, obtaining information about our products and nutritional recipe advice.



Redirecting

United Kingdom, Spain, Canada, United States, Central and South America

Consumers are directed on the packaging to the brands' websites, providing in-depth information about nutrition and educational campaigns.





Chile

Limited edition packaging communicating Sustainability initiatives has a QR code leading to a webpage with more information.

Supan

Supan is a brand known for its multiple sustainability attributes and QR code providing information about the social programs it supports.

Connected Packaging

Digitization is an essential part of people's day-to-day lives, which is why we use digital platforms to communicate with our consumers, since they give us access to their interests to address relevant topics, building trust in our brands.

In our brands in Spain, the United Kingdom, Canada, the United States, China, Brazil, Central America and South America, we have different tools on our packages to provide further information, if our consumer so desires, through our website or QR codes, where we offer details on the ingredients list and recommended serving sizes.

We have some success stories that expand upon the information linking consumers not only to the product's nutrition facts but also to sustainable information, as in the case of Spain and Chile with our Bimbo brand and in Ecuador with our Supan brand.

A

Nutritional transparency

We have a global labeling policy and guidelines for compliance with GDAs (Guideline Daily Amounts) with which all brands present in the countries where we operate must comply, in addition to compliance with local regulations on this issue.

We know that it's important for our consumers to know the ingredients with which our recipes are made, which is why, in addition to being stated on our packaging, our brands in Spain, Mexico, the United Kingdom, Canada, China, the United States, Brazil and Chile, have the list of ingredients and nutritional profile published on our local websites.



SUCCESS STORIES

Bimbo Acti Defens

Bimbo Central America

Colombia, Ecuador and Central America



Nutrella

Brazil

Unique pioneer brand offering clean-label bread to the Brazilian market.



Bimbo Cero Cero

South America

A bread that contains 0% added sugar and fat, at only 61 calories per slice, with no artificial colors or flavors.



Healthy eating tools

Balanced weekly menus. We distribute the menus during the day and throughout the week to help users follow balanced diets, respecting proportions and the variety of each food group according to recommended consumption guidelines.

Assess your diet. An online assessment tool to determine if your regular eating habits meet healthy diet recommendations. This tool allows us to recommend the aspects our consumers should promote and what they should take into account to ensure healthy eating habits.

Healthy Plate. A tool that helps consumers balance and vary their lunches and dinners at a glance. It's a practical method for daily use that is easy to apply with fantastic results to include the main food groups in daily meals



SUCCESS STORIES

Smart Portions

Our consumers expect information from us regarding the recommended consumption of our products, a concept that we've called: Smart Portion Recommendations.

Serving sizes influence the amount of intake, which has increased in recent decades, affecting weight gain and food waste. That's why information on the correct serving size based on a balanced diet is a powerful tool to enhance consumers' nutritional education.

Educational campaigns on nutrition

Spain





Brazil



Chile



SUCCESS STORIES

Promoting healthy lifestyles with our tools

Our sustainable and transparent brand strategy aims to inform and reinforce nutrition knowledge to help consumers improve their quality of life.

We are also committed to raising awareness and providing training to contribute to sustainable development through our digital platforms and marketing campaigns that allow us to report on our progress and help consumers ensure responsible and mindful consumption.





BIMBO Global Race 2022

Global Bimbo Race

Global Bimbo

The response to this year's invitation brought together more than 340,000 participants.

6.8 million slices of bread were donated to food banks.

B

Transparent Packaging

One of Grupo Bimbo's strategic initiatives is to reduce the impact of our packaging; therefore, we are working on different packaging technologies to fulfill our commitment to being 100% recyclable, biodegradable or compostable by 2025.

We firmly believe that with the combined efforts of companies, along with those of governments, academia, our customers, consumers and society in general, we will have a greater positive impact.

The information in our packaging provides clear guidelines to facilitate its separation and recycling at the end of its useful life, including the type of material it is made of, current packaging technologies, and the post-consumer programs in which the brand participates.



90%
of our packaging is recyclable.

2030 Goals

Support a circular economy.

SUCCESS STORIES

Rapiditas

Paraguay

For our new low-calorie tortilla, we ran a communications campaign on how to use its reusable packaging. Bimbo Paraguay is committed to promoting a zero-waste economy and launched Doble Fibra bread with biodegradable packaging on World Environmental Education Day 2022.



Information on the packaging to facilitate recycling



Spain

Information about the 30% recycled material in our packaging and recommendations for reuse.



C

Guides and campaigns to reduce food waste in consumption

Through responsible marketing, we will promote a call to action to our consumers to reduce food waste through online and offline advertising campaigns and participation in high-impact programs with partners that help us rescue food.



SUCCESS STORIES

Campaign "Heels are also Bread"

Central America

Within the International Day of Awareness of Food Loss and Waste framework, we offered consumers tools to use their traditional sliced bread heels by providing recipes and information on social media and the website to adopt best practices and save and use the entire product.



Tips to reduce food waste at home

Uruguay

On International Day of Awareness of Food Loss and Waste, the Bimbo Bear shared sustainable tips on consuming and storing food at home.



Campaign "The day after"

Colombia

The campaign is an invitation to turn the food left on the table after celebrations into sandwiches and burritos "the day after." We aimed to show them how to use leftovers in new meals.



Too Good to Go

Spain

We continue to participate in campaigns with Too Good to Go to promote food rescue through this program.

ENABLING HEALTHIER PLANT BASED DIETS

Encourage the presence of whole grains and other plant-based ingredients to enable healthier plant-based diets.

At Grupo Bimbo, we promote plant-based diets with nutritional diversity, prioritizing whole grains in our product offering. We are committed to promoting healthy diets primarily based on superior plant-based ingredients, increasing the presence of whole grains in our recipes.



We are committed to building a portfolio governed by three elements that encompass our unique proposition as a grain-based company:

1 **Healthy:** Our products are aligned with our internal clean label guidelines as a source of positive nutrition and promoting plant-based ingredients.

2 **Sustainable:** Our goal is that the ingredients we use in our recipes come from regenerative agriculture practices.

3 **Accessible:** Our products with high nutritional value are available to consumers and in the channels where they buy at an affordable price.

2025 Goals

Ensure the accessible consumption of whole grain-based products, reaching more homes, with delicious products at an affordable price available at all points of sale.

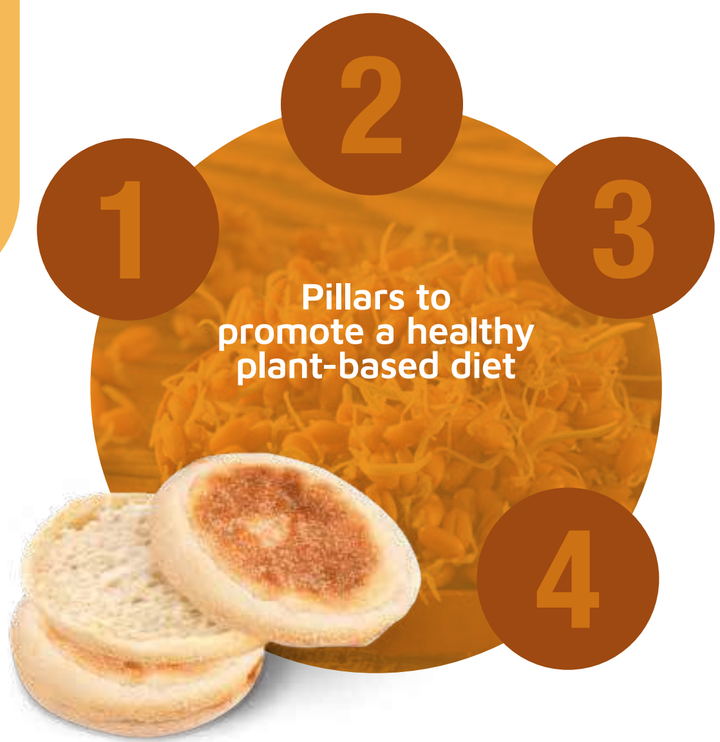
Disseminate the benefits of eating whole grains for health and for the planet.

Innovate in all our product categories to guarantee an offer of healthy products that respond to a plant-based diet.

2030 Goals

100% of our categories will offer a portfolio of accessible and healthy products that are part of a plant-based diet.

To achieve our goals, we have outlined a path where our product offering is based on four pillars that promote a healthy plant-based diet:



1.

Promote whole grains: Our main ingredients are grains, so we are a great option for sustainable eating for people and the planet.

2.

Nutritional balance: We provide a positive balance between nutritional quality and superior plant-based ingredients.

3.

Grain varieties: We offer products with a wide range of grains, such as sorghum, barley, rye, oats, millet, and quinoa.

4.

Delicious and superior: We include and increase ingredients such as fruits, vegetables, legumes, nuts and seeds in our recipes.

SUCCESS STORIES

1 Promote and ensure that the consumption of whole grains is accessible to all

Pan Ideal Protein10

Bimbo Chile

Our product has 10 grams of vegetable protein per serving, made from a whole grain base, making it an excellent source of fiber. All ingredients are of natural origin, without artificial colors or preservatives. It is certified by the University of Chile Institute of Nutrition Technology. In addition, in keeping with our commitment to caring for the environment, the packaging is recyclable (certified by the Chilean Industrial Development Association-SOFOFA).

*60% stated they would buy and consume it daily.

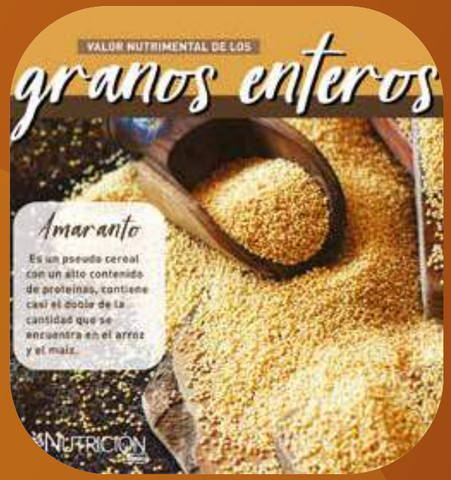


Whole grain promotional campaign

Bimbo Mexico

We launched a communications campaign in Mexico to promote the daily consumption of whole grains as part of an effort to raise awareness about their benefits. Our Bimbo whole wheat bread takes advantage of all the nutrients of the whole grain: fiber, protein, minerals and vitamins, from the husk to the heart

Boost the portfolio of breads, toast and whole wheat tortillas in Colombia and Central America, impacting 73% of the Colombian audience.





New York Bakery Co. Bagels with basic fiber content (3 grams of fiber/100 grams of product)

Bimbo United Kingdom

In the United Kingdom, the entire line of bagels from the New York Bakery Co brand (six products) is fortified with sustainably sourced fiber, reaching the basic fiber content standard of 3 gram/100 grams of product.

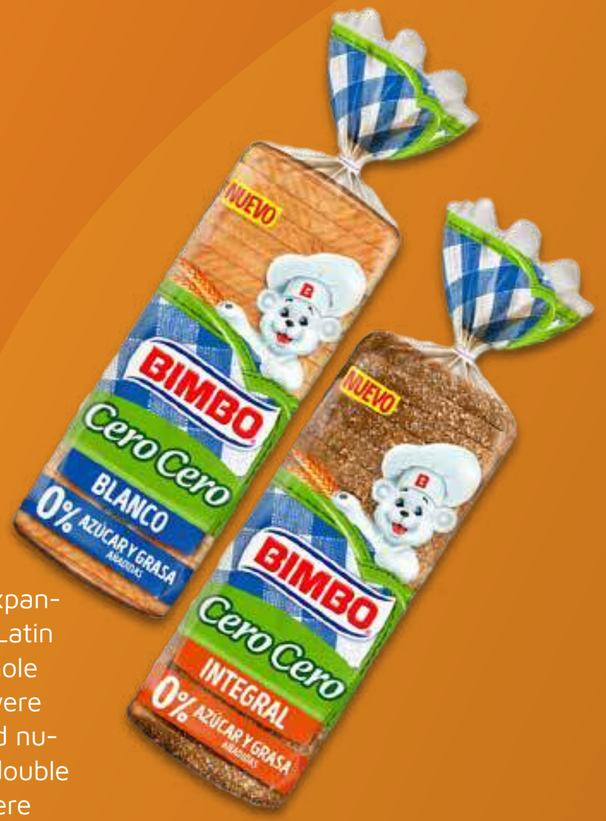
SUCCESS STORIES

2 Nutritional balance

Bimbo Cero Cero expansion

Ecuador

We made progress in the expansion of Bimbo Cero Cero in Latin America. In Ecuador, the whole wheat and white versions were well-received by society and nutritionists. Not only did we double our sales targets, but we were able to reconnect with our consumers looking for delicious and nutritious products.



Keto Tortilla (Bon Matin and Oroweat)

Canada

We launched the keto tortilla for consumers who follow a more rigorous dietary lifestyle, such as the ketogenic diet. Our product contains only 6 grams of net carbs and 13 grams of fiber, offering the softness and pliability needed to fold without breaking easily. It's a plant-based tortilla that allows consumers to enjoy its flavor and nutrition guilt-free.

68%
preference



High Fiber Bun

China

Taking advantage of the home office and remote schooling trends and the growing interest in mindful and healthy eating, Bimbo China launched the first 100% whole grain hamburger bun to the market. This bun contains dietary fiber and 25% less sugar and fat than regular bread. Consumers can personalize their meals with a healthy bread base without sacrificing texture or flavor.

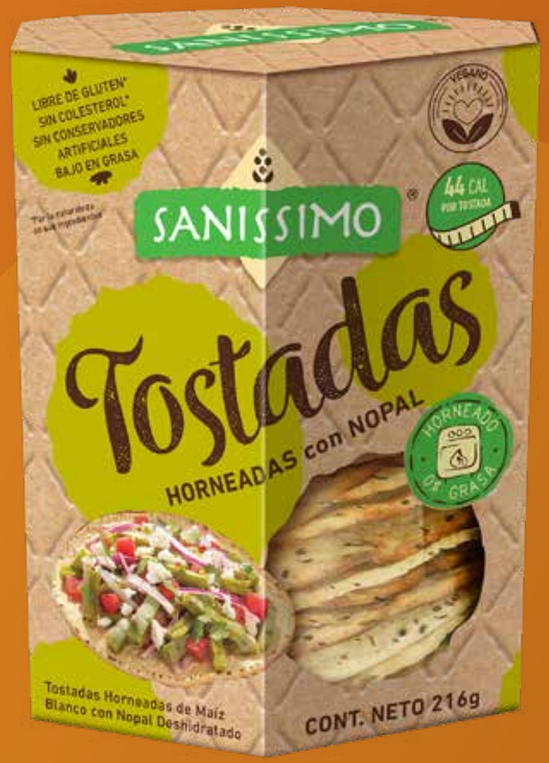


SUCCESS STORIES

3 Variety of grains

With Sanissimo, we seek to build a brand with a purpose relevant to each market.





Sanissimo

Mexico

This year we launched the Sanemos La Tierra communications campaign in Mexico, highlighting that 100% of the white corn used in our portfolio production processes is based on sustainable practices that help us positively impact the environme

https://sanissimo.com.mx/



Keto Seeded

United States

We launched the Seeded line in the United States, continuing the expansion of the Keto approach in our different markets. Seeded contains 7 grams of fiber per serving and 3 grams of net carbs per slice.



SUCCESS STORIES

4 Delicious and superior

Our recipes included more ingredients such as fruits, vegetables, legumes, nuts and seeds.



Natura Bar

Bimbo Mexico

The first bar in Mexico is made with six fully natural ingredients at 100%. Eating a Natura bar is equivalent to eating an apple, which makes it an excellent, delicious and nutritious alternative you can take everywhere. The three main ingredients are apple, oats and amaranth; it comes in two flavors—strawberry and blueberry— without added sugar, artificial flavors or preservatives.

*89% stated that they would buy it.

Verygüel

Mexico

This year, we continue to consolidate this flagship brand by developing a portfolio based on natural fruits, without artificial coloring, flavoring, or preservatives, fully baked at 100%.

The purpose of this product is to inspire people to adopt healthy lifestyles by breaking stereotypes, helping them to increase their daily consumption of fruits and vegetables.

The brand also contributes to our zero-waste strategy since it uses all the fruit.



The portfolio meets our nutritional standards and has claims proving consumer benefits, reinforcing our commitment to continue developing healthier products in response to new consumer health and wellness trends.

PROGRESS ON OUR ACTIONS TOWARD 2025: PRIORITIZING FOCUS AND INCREASING AMBITION

In 2022, following a thorough analysis of the initiative and its impact, we adapted the scope to focus on concrete actions that help people follow a planet-friendly diet.

We have a portfolio of whole grain bread in all the regions where we have a presence, known for its nutritional contribution and whole grain content.

We will promote these products to gradually increase their consumption and promote the innovation of a portfolio in which healthy plant-based ingredients predominate in all the categories and geographies where we are present to make these options available to our consumers.

We will also replicate best practices to increase its market positioning and scalability.

The goal is to ensure access to a portfolio responsive to the planet-friendly diet by increasing whole grains and other healthy plant-based ingredients in all our product categories.



How will we do it?

1 We will review our price strategy, promotions, distribution, and products in each country to ensure our proposal helps people choose the most nutritious option.

2 We will post campaigns disseminating the benefits of whole grain consumption.

How will we measure it?

We will conduct an annual analysis of household penetration of our whole wheat bread in all countries to reach more households each year. We will use the year-over-year sales growth in countries without local measurement panels.

COMMITMENT TO QUALITY

Excellence in the quality of our products is part of the ongoing learning and improvement we gain from experiences with our consumers.

Our automated alert system generates a notice when consecutive cases from the same plant appear to take the relevant actions and respond to each case promptly.

We constantly monitor our brands within the digital ecosystem,1 mainly with the help of opinion leaders to activate well-defined alert protocols to address the situation through direct communication with the consumers. We cross information with the plant's feedback to determine the most appropriate response channel based on product quality and safety complaints.

Grupo Bimbo has been known for providing immediate and timely attention to all complaints about non-compliance regarding the information provided in our products and for its continuous improvement through internal and external feedback.

We believe that our disclosure of products and labeling is free from risks since we assume our role as guarantors ensuring that we care for our stakeholders by adequately disclosing our ingredients through different means and providing guidance on the nutritional balance of our products and smart portions.

None of the incidents reported in 2022 resulted in a fine or penalty for breach of information or product labels, and we did not receive reports about any related to Communications or Marketing.

Customer Privacy and Protection

We have an internal regulatory framework called the Global Personal information Protection Policy to constantly reinforce the protection of all the information we handle to ensure the safety of our stakeholders' data.

For the period of this report, no claim related to a breach of our information systems that puts the privacy of our customers or the loss of data at risk was reported.



1 Social media

Alliances with other sectors to offer the best products

Within our continuous improvement processes, we have also implemented strategic alliances with different sectors, ranging from local organizations and research centers to multilateral cooperation agencies.

These organizations constitute global benchmarks for the food industry's best practices. Thanks to these alliances, we have also established commitments and developed actions related to improved nutrition, healthy and sustainable products, and responsible marketing.

All these sectors have contributed to improving our internal procedures, products, actions, and goals for healthier nutrition. The organizations include:

International Food and Beverage Alliance (IFBA)

We have established commitments and actions designed to support the strategies of the United Nations and the World Health Organization. The commitments adopted through the IFBA are encompassed by four major dimensions: product reformulation, nutrition information, responsible marketing and promoting healthy and sustainable lifestyles.

Consumers Good Forum

The CGF's work focuses on some of the most important opportunities and risks facing the global consumer goods industry, seeking to support companies in implementing the UN Sustainable Development Goals (SDGs).

We work with strategic alliances to promote healthy habits of people around the world.

International Chamber of Commerce

We actively participate in the International Chamber of Commerce (ICC), a global organization that seeks to promote international trade and sustainable investment worldwide. We are part of the Marketing and Advertising Committee to implement the best practices in this area and ensure that our practices comply with the provisions of the ICC Consolidated Advertising and Marketing Communications Code, considered the gold standard in the industry.

Access to Nutrition Initiative

Through the Access to Nutrition initiative, we seek to become a catalyst for change through effective collaboration with companies, investors, public policymakers, consumer representatives and civic leaders. We are evaluated every two years to measure the progress of our commitments focused on improving the quality of life of our consumers.

Every two years, we apply the Access to Nutrition Index to obtain feedback on the performance of our initiatives and commitments, defining new priorities and focus areas to continue strengthening our strategy.

World Health Organization

The commitments described in our strategy comply with the WHO's Global Action Plan for the Prevention and Control of Non-Communicable Diseases 2013-2020. Thanks to this approach, we have established commitments to eliminate trans fatty acids of industrial origin from our entire portfolio at a global level, reporting a 98% progress in 2022.

AT GRUPO BIMBO, WE SEEK TO STRENGTHEN THE COMMUNITIES WHERE WE LIVE AND WORK, SUPPORTING OUR BUSINESS PARTNERS AND HAVING A POSITIVE IMPACT ON OUR SOCIETY.

We want to consolidate safe, healthy, diverse, equitable, and inclusive workplaces that foster a culture of personal and professional development for all our associates.

We see community development and caring for our people as key factors in reducing inequalities and improving the quality of life of the people around us. Our Baked for Life pillar is the essential social engine to achieve our sustainability goals.

BAKED FOR LIFE



Strengthening Communities

Caring For Our People

STRENGTHENING COMMUNITIES

Our commitment is...

to Improve The Lives Of Everyone We Reach



WE WANT TO GENERATE VALUE FOR ALL THE PEOPLE WITH WHOM WE INTERACT, BENEFIT THE COMMUNITIES WHERE WE LIVE AND WORK, AND SUPPORT OUR BUSINESS PARTNERS.

We will achieve the greatest positive impact through our golden rule: Respect, Fairness, Trust and Care.

To do so, we identify the needs of the regions in which we operate and promote development programs by partnering with NGOs and with the valuable participation of our associates.



WE WANT TO TRANSFORM THE LIVES OF THOUSANDS OF PEOPLE.



MXN 265M

Social Investment

+85%
vs. 2021

1.5%
of Majority Net Profit in 2022

416 NGOs supported
worldwide

+130
vs. 2021

+ 600
donations

+1 million people benefited
from our Good Neighbor Program, implemented in 27 of the 33 countries in which we have operations

82%
coverage

We reached 26 countries
with our Volunteer program, strengthening the participation of our stakeholders.

79%
coverage

2030 Goals

Implement at least one social impact project per work center, benefiting our communities, small partners (customers and suppliers) with whom we work at Grupo Bimbo.

OUR PROGRAMS

Social Investment Donations

We promote projects with different NGOs to meet the community's needs to generate a positive impact on their environment

Good Neighbor

We strengthen ties with the communities surrounding our bakeries, plants, and sales and distribution centers to create projects offering sustainable solutions for all.

Volunteering

We develop social leaders through volunteers sharing their time, talent and hands with the people who need it most to generate positive changes in our lives.



LINES OF ACTION

Environment

We promote care for the environment and the renovation of the spaces that surround our work centers.

Education

We share knowledge through comprehensive training programs, prioritizing social needs and focusing actions on our sustainability strategy.

Wellness

We promote the practice of physical activity, to experience values and to adapt and renovate spaces for these activities.

Diversity, Equity and Belonging (DE&B)

We work to provide safe and inclusive spaces so that people have the same opportunities and feel safe to be who they are.

IMPACT EVALUATION

To identify the needs and focus our efforts on solving the greatest challenges in the regions where we have a presence, we work on evaluating the social and environmental impact of our Good Neighbor, Volunteering and Social Investment programs together with specialists in corporate sustainability. The first results of this evaluation will be released in the next reporting cycle.

To continue implementing projects and solutions for the communities, this year, we increased the budget allocated to the Good Neighbor program by 33%, formed committees and designed consultation processes with local communities to learn about their needs and create new programs.

In Mexico, the analysis of the impacts of our operation with the communities is handled by the Labor Supervisor, who follows up on the neighborhood risk measurement survey. On the other hand, the Corporate Affairs Department is in charge of linking Grupo Bimbo with different entities, mainly governmental, and the Real Estate and Diversity, Equity and Belonging teams manage facility mapping based on the needs of the dimensions of diversity in Grupo Bimbo.

+33%
Budget directed to the Good Neighbor program



SOCIAL INVESTMENT – DONATIONS

Our Social Investment Program supports initiatives to promote health, environmental conservation, education and local community development in 27 countries.

The program allocates financial resources for each project, aligned with our lines of action: education, environment, physical activity, safety and well-being. This year we significantly increased support for associations focused on education and capacity building:

186
promote community development

117
have initiatives in favor of education

102
encourage wellness and health

11
work for the conservation of the environment

One of the central sustainable development objectives in our Sustainability Strategy is Zero Hunger; therefore, in 2022, we also gave

MXN 75 million
of in-kind donations to 55 food banks.

6.8 million slices of bread
to food banks in 99 countries resulting from the Global Bimbo Race



662 donations in 2022

343
financial

319
in-kind

$265
millions of pesos[1]

1.5%
of Net Profit for 2022

416
NGOs supported



	Financial donations	Product donations	Total donations
EAA	21	79	100
Latin America	9	165	174
North America	71	55	126
Mexico	242	20	252
Total	**343**	**319**	**662**

1. This figure is comprised of the sum of the Social Investment-Donations and the Good Neighbor budget

SOCIAL INVESTMENT PROJECTS IN MEXICO

Asociación Patrimonio Indígena & Reforestamos México

Asociación Patrimonio Indígena & Reforestamos México promote continuous support for Indigenous communities in Mexico through sustainable development projects to improve their quality of life. In partnership with these associations, we consolidated the project Strengthening the Indigenous Peoples Networks, aimed at highlighting the cultural and linguistic diversity of the Otomí and Zapotec communities through experience, knowledge and productive collaboration exchanges.



260
People directly benefited by taking Otomí and Zapotec language learning lessons.

5,685
People benefited from public park improvements.



+1,000
People benefited

Entreprenurial Development Model Reboot your store

We are committed to strengthening and supporting our business partners through strategic alliances and cross-cutting collaboration. An example is our collaboration with Fundación ProEmpleo to develop Modelo de Desarrollo Emprendedor - Reemprende tu tienda, which aims to support businesses such as small clients affected by the COVID-19 pandemic.

More than 1,000 small clients were trained in finance, marketing, good management practices, talent development and innovation.

The success of this project has inspired us to replicate it in other organizations so that the positive impact on the development and competitiveness of our value chain is even greater.

GOOD NEIGHBOR



10 years of impact

This program creates and strengthens ties with the communities surrounding our work centers through projects favoring well-being, the environment, diversity, equity and belonging through education.

+1 million people benefited

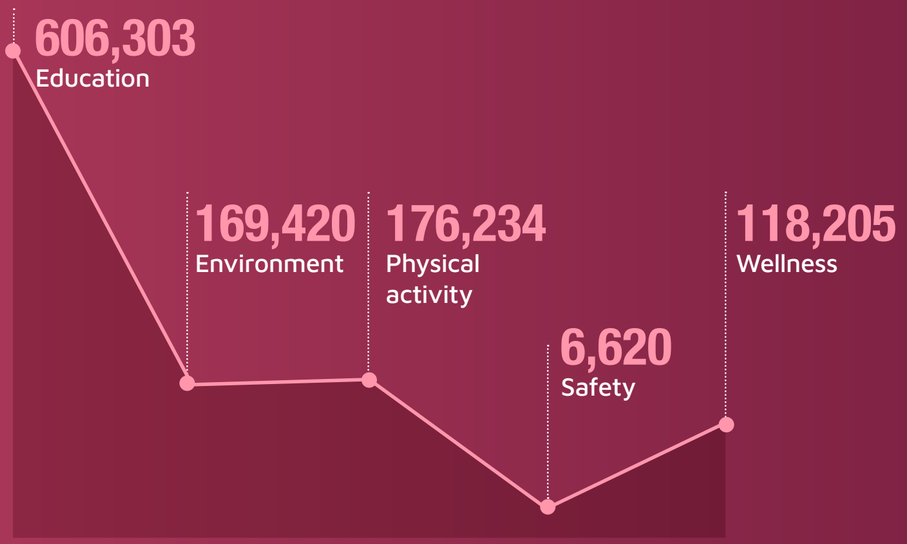
Our program allows us to identify needs and implement sustainable solutions that generate positive impacts in the short, medium and long term by establishing close and constant communications with the people living near our work centers.

We have experienced substantial growth in all regions, reaching 231 projects, an increase of 48% over the previous year.

We doubled the number of Good Neighbor projects in Latin America.

GB region	Beneficiaries
EAA	+27,700
Latin America	+750,000
Mexico	+250,000
North America	+36,000
Total	+1,063,700

Number of people benefited by category



Projects by region and by category

Category	EAA*	Latin America	Mexico*	North America*	Total
Education	8	16	25	6	55
Environment	8	8	2	9	27
Physical activity	3	6	51	6	66
Wellness	2		2	1	5
Wellbeing	17	12	7	42	78
Total	**38**	**42**	**87**	**64**	**231**
2021	22	21	79	35	157
Growth vs. 2021	73%	100%	10%	83%	47%

Exclusion: *23 projects in progress that will be delivered in Q1 2023 (two in Europe-Africa-Asia, 20 in Mexico, one in North America)

In 10 years we have executed

1,489 projects

MXN 22m

Directed to social impact contributions through our Good Neighbor projects



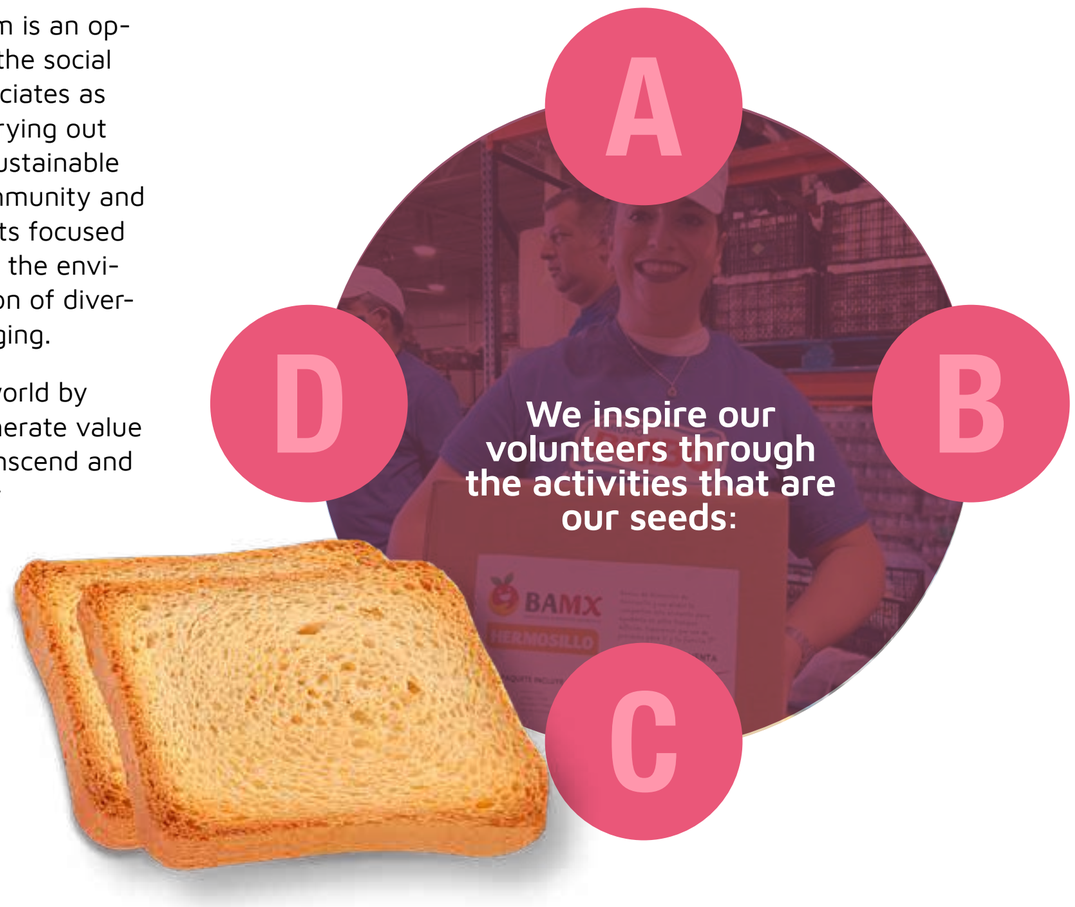
Resource allocation



VOLUNTEERING

The Volunteer Program is an opportunity to promote the social leadership of our associates as agents of change, carrying out activities in favor of sustainable development, the community and the planet with projects focused on education, care for the environment and promotion of diversity, equity and belonging.

We nourish a better world by *sowing seeds* that generate value in the community, transcend and leave a mark on many people's lives.



A

Generosity to carry out financial and in-kind donation campaigns.

B

Good Actions to implement in-person and remote community outreach and service events.

C

Wisdom to share knowledge, support, and advise community members on labor and professional matters.

D

Entrepreneurship, to coordinate the implementation of social projects and the program's other seeds activities.

Our programs are present in

26 of the 33 countries

in which we operate.



+46%
vs. 2021

Impact of our programs

10,952 volunteers

211 activities



184 events

6,149 volunteers

24 donations

4,793 volunteers

3 professional volunteer activities



This hard work is a way to join forces, giving our purpose meaning and promoting the participation of all, family and friends, where together we enrich our lives and that of all the people with whom we associate to transcend as a force for good for the planet.

Throughout 2022, we resumed our reforestation activities with nine events gathering more than 1,300 people and +5,600 hours of volunteering to promote environmental conservation and mitigate the effects of climate change. +6,000 trees were planted on +10 hectares, expected to capture nearly 132 tons of CO_2 annually.

OUR SOCIAL PROGRAM PROJECTS
GOOD NEIGHBOR

LOS DADOS DE BOQUERON

Latin Sur | Bimbo Paraguay

We are convinced that joining forces with different talents can achieve incredible results. Proof of this is the project that was conducted in collaboration with the artist Rubén Sykora, the Los Laureles Foundation, residents and authorities of the Municipality of Asunción in Paraguay, where the Plaza Boquerón was fully renovated, adding QR codes for community interaction and informing them about the local flora and fauna.

This park's restoration was well-received by the community because of its visual transformation and use of technological teaching resources, as well as the glass, bottles and other materials recycled to decorate paths with the mosaic technique, transforming them into a giant board game.

The objective of the project was to provide an inclusive and accessible space that allows for interaction and play among people of all ages learning about the care of the flora and fauna that inhabits the park.

+500,000
beneficiaries

+500
volunteers



EMERGENCY PREVENTION

Bimbo Mexico | Bimbo Azcapotzalco, Marinela Azcapotzalco

We renovate spaces so the community and civil defense are trained in the skills required to address emergencies. This project increases capacity for sustainable and comprehensive planning and community participation, fostering preventive awareness at work, at home and in our daily lives to deal with contingencies and to return to normalcy as soon as possible

The actions included improvements to the training areas for rescue in confined spaces, vertical rescue and the smoke room for training in using and handling fire extinguishers, interior lighting and improvements to the climbing wall. The scope of the benefits included nearby municipalities in the same State where the project was conducted.

+5 mil
beneficiaries



SUSTAINABLE SCHOOL

Latin Centro | Chimaltenango Plant, El Tejar Sales Center and Distribution Center

We built and equipped a classroom and installed an agricultural laboratory to harvest vegetables with four forms of production to provide theoretical and practical knowledge promoting sustainable development, the reduction of malnutrition and the capacity to produce food and adapt the educational facilities of Los Aposentos elementary school in Chimaltenango, Guatemala to avoid overcrowded classes.

This project will allow the assignment of plant care tasks according to the grade level of the participating students, who will also receive special classes. The classroom and laboratory culture media were developed with the help of volunteers and school community members.

+120
beneficiaries
+30
volunteers



VOLUNTEER PROJECT



FOOD BANK VOLUNTEER DAYS

Mexico | Bimbo, Barcel, Corporate

In 2022 we began volunteer days that sensitized the leaders of our bakeries and plants about their role in reducing food waste, learning to organize their cupboards better and encouraging them to donate their time to assemble cupboards with food rescued by the food bank and to personally experience delivering them to the communities that need us the most.

+450
hours of volunteering



SUCCESS STORIES

STORE WITH A CAUSE, SYNERGY WITH THE MASOL FOUNDATION

Latin Centro | Bimbo Honduras

We further developed the collaborative work that we had undertaken with the Masol NGO in Honduras, migrating from a donation in kind that supported the sale of food to partially fund their children's therapies to a comprehensive program that developed mothers as business owners to obtain permanent resources that, in addition to covering their basic needs, will allow them to cover the costs of the rehabilitation their children need.



+1,000
beneficiaries

This store with a cause will transform women's lives as it promotes inclusive and sustainable economic growth based on the training required to develop individuals as personal growth leaders.



1,610,903
Liters of water captured

RAIN SCHOOLS, SYNERGY WITH AGUA CAPITAL AND ISLA URBANA

Mexico | Bimbo, Barcel, Corporate and MOLDEX

With our partners Agua Capital and Isla Urbana, we have joined efforts for zero waste of water through the following actions: rainwater harvesting system + hand washing system + fun educational program in seven schools, where we also give workshops and participatory activities with our partners to create sustainable spaces to adopt the culture of caring for water from childhood.

7
schools benefitted

161
water tanks saved

2,190
students benefitted

3
municipalities impacted

The main objective of this project is to capture and use rainwater in schools, providing access to safe water in communities with water scarcity through alternative and innovative means such as rainwater harvesting systems. In addition, the promotion of *WASH* initiatives is proposed, which promote global access to water with measures for sanitation and hygiene.

CARING FOR OUR PEOPLE

Our commitment is...

To create safe, healthy, diverse, equitable and inclusive workspaces that foster a culture of personal and professional development for all our associates.



WE BELIEVE THAT WORK IS AN IMPORTANT MEANS OF PERSONAL AND PROFESSIONAL FULFILLMENT

For this reason, at Grupo Bimbo, we are committed to being a company free from discrimination, where all people belong and are included with equal opportunities and can be themselves.



2030 GOALS

1. We will continue consistently reducing our TRIR (Total Recordable Incident Rate) in each work center with world-class safety standards.

2. 40% women talent representation in leadership positions and achieve advancement in other historically underrepresented groups locally.

3. 100% of our work centers will implement our human development best practices.



139,626 Associates



79% men

21% women

17,184 associates hired and self-employed whose work is controlled by the Organization

156,810 total Grupo Bimbo associates[3]

Breakdown by type of contract and region[2]

Regions[1]	Men	Women
Mexico	60,255	15,478
North America	21,529	5,667
Latin America	17,434	5,610
EAA	10,500	3,153
TOTAL	109,718	29,908

1 Currently, 91% of senior management comes from local communities.
- Senior Management means top management
- Local organization means managers born or with the legal right to reside permanently (naturalized or holders of permanent visas) in the country.
- Significant Operation Locations mean organizations with a managerial structure.

2 Information extracted from the People Data Lake. Individuals in organizations without a People management system send emails with information used to create the Basic Group Chart. External associates report separately in number only.

3 Sum of company associates and independent contractors

OUR ASSOCIATES

Our company's associates are the key ingredient in our recipe for operational excellence success, ensuring the quality of each product delivered.

Since our foundation, Grupo Bimbo has focused on creating decent work and employment to ensure our associates' full development, through an inclusive, diverse and healthy culture based on our beliefs and philosophy, inspiring each one to do their best and grow with their teams to ensure the company's success.



Gender, age and job category

Job category	Men			Women			Total
	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50	
Operators and administrative	20,388	59,268	16,212	6,855	14,940	3,306	**120,969**
Supervisors	1,133	7,100	1,850	856	2,145	328	**13,412**
Executives and managers	79	1,928	1,223	78	1,057	289	**4,654**
Others	77	294	166	13	25	16	**591**
Total	21,677	68,590	19,451	7,802	18,167	3,939	**139,626**

<30 years **21%**

30-50 years **62%**

>5 years **17%**

To achieve operational excellence, we need to have the best professionals. We believe we must attract people looking to develop their full potential at Grupo Bimbo to consolidate our position as a high-performance company.



New hires in 2022

		Men	Women	Total
Mexico **13,406 Men** **7,263 Women**	Under 30	7,618	3,546	**11,164**
	Between 30 and 50	5,640	3,560	**9,200**
	Over 50	148	157	**305**
				20,669
North America **7,096 Men** **2,495 Women**	Under 30	2,723	875	**3,598**
	Between 30 and 50	3,424	1,268	**4,692**
	Over 50	949	352	**1,301**
				9,591
Latin America **4,838 Men** **2,255 Women**	Under 30	2,515	1,270	**3,785**
	Between 30 and 50	2,223	946	**3,169**
	Over 50	100	39	**139**
				7,093
Europe, Asia and Africa **7,736 Men** **2,731 Women**	Under 30	4,502	820	**5,322**
	Between 30 and 50	2,751	1,651	**4,402**
	Over 50	483	260	**743**
				10,467

The retention of talent is fundamental to the achievement of our business objectives.

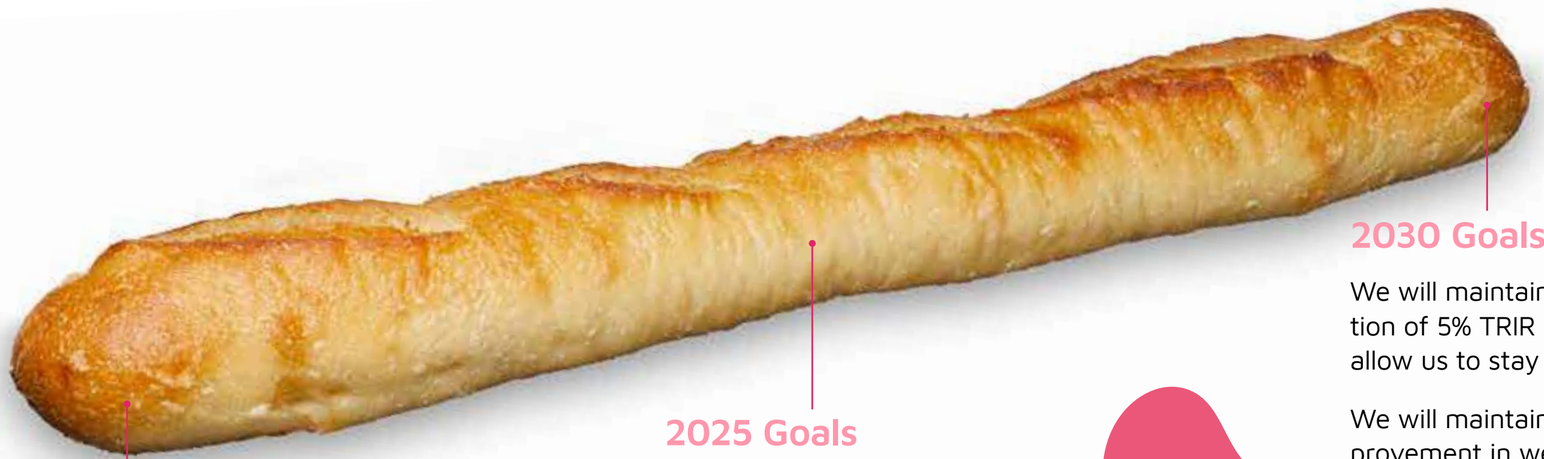
We will direct our efforts to analyze our areas of opportunity to strengthen our employer brand, ensuring competitive and decent workplace conditions, as well as an environment that permits each team member to develop their full potential.

33,076
Men

14,744
Women

47,820
New hires at Grupo Bimbo through our talent attraction strategy

SAFETY AND WELLNESS



TRIR 2022

During 2022, the TRIR indicator closed with 1.96, showing a 17% reduction and 537 fewer recordable incidents compared to 2021.

-17%
TRIR

2025 Goals

We will reduce the TRIR rate by at least 30% compared to 2020

All operations will achieve a consistent annual reduction in incipient fire (at least 50% from the 2020 baseline) and be 100% compliant with the fire prevention policy.

We will monitor, measure and improve wellness strategies through the "Wellness Observatory."

-30%
TRIR

2030 Goals

We will maintain a constant reduction of 5% TRIR indicator that will allow us to stay below 1.0

We will maintain a sustained improvement in wellness indicators and initiatives that impact our associates and their families quality of life.

Grupo Bimbo will have zero incipient fires and will be a benchmark in the industry in fire prevention.

-5%
Constant TRIR

1.96
TRIR, representing an improvement in 2022 compared to the 2.38 obtained in 2021

SAFETY AND WELLNESS

At Grupo Bimbo, we have a Safety and Wellness model, based on the fundamental principle that "Every accident is preventable."

Our model consists of 12 elements grouped under four pillars:



1. Processes

- High-performance standards and adherence to procedures
- Investigation of incidents and accidents
- Risk management
- Legal framework

2. Structure

- Accountability
- Safety aligned structure

3. Associates

- Continuous training
- Communication, participation and recognition
- Safety observations
- Wellness

4. Leadership

- Visible commitment and responsibility of leadership
- Health and safety fundamentals and policy

The Safety and Wellness model aims to reach 100% of our associates by implementing it throughout our operations, including managers and supervisors, subcommittees, safety and wellness professionals, and safety and wellness committees in all work centers.

We also develop strategies seeking to sustainably improve wellness indicators and benefit the comprehensive health of our associates.

GLOBAL SAFETY POLICY

Our Global Safety Policy considers safety efforts an investment, not an expense. To guarantee safety at all levels of our operation, we make significant efforts to improve processes and establish protocols appropriate to the responsibilities and guidelines that must be followed at the operational and administrative levels.



Global Wellness Policy

Our policy seeks the integration of processes with the requirements of the Healthy Company Management System in our business processes. We guarantee the resources required to establish and improve our management and ensure compliance with global and local standards and regulations related to the surveillance and prevention of physical and psychosocial risk factors, health, work-life balance, maternity and paternity, among others.

Safety Reporting

Our culture provides our associates with the necessary means to report and follow up on any situation they detect as an operational health and safety risk.

In addition to implementing communication campaigns to promote anonymous reporting without reprisals, we have a direct line for comments, complaints, suggestions and reports.

IDENTIFICATION OF HAZARDS AND OTHER RISKS

In response to our commitment to the prevention of Occupational Health and Safety risks, we have identified the following risks in our operations:

- Risk of hand injuries due to working with moving machinery without following the established safety procedures in bakeries and production centers.
- Electrical risk is frequent when the established protocols are not followed.
- Risk due to road accidents in the commercial and distribution areas, either due to the responsibility of our associates or third parties.



We established the following safety conditions to mitigate the above:

- Safety observations
- Machinery and equipment risk analysis
- Safety inspections and surveys
- Reinforcement of training on safety standards
- Incorporation of road monitoring devices



Other risks to which we are exposed

Due to the nature of our business, especially in manufacturing processes, incipient fires represent a risk that we seek to control. Therefore, we have a multidisciplinary team called the Fire Prevention Committee, and we have designed strategies that have allowed us to reduce the number of incipient fires in our facilities.

WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

At Grupo Bimbo, we have a solid safety and wellness training program aligned with each country's regulations.

No associate may hold a position in the company without being properly qualified and trained.

That is why we work with the operational departments and the high-performance standards sub-committees to maintain a permanent focus on our personnel's education, training and certification, especially in tasks considered hazardous by Grupo Bimbo.

94,107.2
training hours[1]

14.6
training hours per associate



Programs

- Wellness School
- Handling of fire extinguishers
- SWAT team and civil defense manual
- Wellness Policy and Model
- Safety and Wellness Model
- Electrical risks
- Sales leaders report
- Safety distance for machinery and equipment guards
- My worst nightmare (fire webinar)
- Safety and Wellness Model: Leadership, fire prevention and wellness

1. The rate is calculated for every 200,000 hours worked.

HEALTH PROMOTION

Promoting healthy habits is essential to impact the quality of life of our associates. We have developed programs that contribute to encouraging a culture of self-care under the framework of the Global Wellness Policy, the Safety and Psychological Health in the Workplace Policy and the Wellness Model, which seeks to ensure that all Grupo Bimbo organizations promote healthy lifestyles under four pillars:



The programs are primarily directed to associates and occasionally to their families.

The scope of certain programs extends to the families of our associates, facilitating access to quality medical, nutritional and emotional care. We conduct vaccination campaigns, medical check-ups, health fairs, workshops, preventive medicine talks and activities inviting and encouraging the participation of our associates and their family members.

Our company dining halls offer quality food through healthy menus, prioritizing nutritional richness at a preferential cost. Our Global Wellness Committee meets quarterly and works to monitor indicators through the Wellness Observatory, sharing best practices worldwide and promoting projects that generate value and healthier work environments.

ACCESS TO HEALTH SERVICES MONITORING AND COMMUNICATION

Considering the specific operational context of the countries and regions where we operate, our health services are implemented under local legislation and regulations established on the matter.

Each operational area may have its health center, nursing or medical service and, in some circumstances, make strategic alliances with local institutions to provide certain services.

The Occupational Health and Safety Division at Grupo Bimbo is guided by a risk prevention and communication approach to reduce such risks.[1] The health personnel providing the services must have the certifications, qualifications and training that accredit their professional quality. In like manner, each facility must have the necessary adaptations to provide care for associates and other stakeholders.



Occupational diseases

No occupational diseases were reported in 2022 that could have put the health of our associates at risk

We constantly monitor the risks that could generate occupational diseases if not controlled. Through our structure of safety professionals, we permanently observe these risks, including hygienic factors (noise, dust, temperature) and other factors such as manual loads, repetitive work and ergonomic issues that require our full attention.

Communication and inquiries about the health of associates

For Grupo Bimbo, it is important to know the efficiency of our safety and wellness strategies firsthand. Therefore, we periodically carry out consultations that we call "pulses," which allow us to obtain feedback from our associates to identify areas of improvement and detect the need to create new initiatives.

1. Medical evaluations or the means required by law, assessment of the level of exposure according to the position, surveys for the detection of psychosocial risks, preventive vaccination campaigns, talks, medical attention and any other emergency care and support that may be required, are conducted in health training issues and incident investigation.

DIVERSITY, EQUITY AND BELONGING (DE&B)

For Grupo Bimbo, dignity and respect for all people are essential. In compliance with our policies and consistent with our philosophy, we seek to be a global reference as a diverse, equitable and inclusive company that provides to associates with safe spaces and equal opportunities where they can be themselves and feel they belong. We fine-tuned the Diversity, Equity and Belonging strategy to extend our efforts to different stakeholders throughout our value chain through five lines of action:

1 **Governance**

Strengthen our governance model, regulatory framework, and analytical capacity and manage DE&B metrics and objectives.

2 **Awareness and training**

Promote transparency in our communications. Expand sensitivity training that facilitates the creation of an environment of inclusion, equity and belonging

3 **Talent management**

Ensure an inclusive approach in our diverse talent recruitment, selection, promotion and retention practices.

4 **Operations integration**

Expand the integration of cross-cutting programs throughout the value chain, implementing accessibility plans for all.

5 **Market integration**

Promote the reflection on the diversity of the communities we serve in our marketing campaigns, ensuring a DE&B perspective in the programs and interactions with our stakeholders, suppliers, customers, consumers and community.

Our people are at the heart of everything we do; they have access and opportunities for advancement, feel they belong to the company, and can bring their authentic selves to work daily.



A

We are a reflection of the diversity of the communities we serve.

B

We are responsible for creating an environment where all our associates can freely express their ideas, appreciate their differences, and value diverse ideas, skills, perspectives, and ways of thinking.

C

Our golden rule governs our relationships: respect, fairness, trust and care.

D

All dimensions of diversity are welcomed and appreciated.

E

We build and maintain a culture that attracts, develops and supports diverse talent

GOALS

Advance as of 2022

26%
of leadership positions are occupied by women

Divided as:

20.85% of senior managers
26.32% of managers
32.72% of headship
24.83% of supervisors

*11.11% of the Executive Committee

2025 Goals

- 30% of leadership positions will be occupy by female talent



2030 Goals

- Show significant progress on gender equality globally, with a 40% representation of female talent in leadership positions.
- Grupo Bimbo will be an inclusive and accessible workplace for people with disabilities (PwD), with a PwD in each work center.
- Increase our spending with diverse suppliers and work to achieve the best supplier diversity program.
- We will have at least one social investment project per organization with a focus on Diversity, Equity and Belonging (DE&B)
- All of our internal and external marketing and communication strategies will reflect the diversity of the communities we serve

We aim to increase the representation of diverse talent from historically underrepresented groups.

DIMENSIONS OF DIVERSITY

We promote positive actions to be an equitable company that promotes equal opportunities. We apply the DE&B principle throughout our organizational process and across regions, so all Grupo Bimbo associates may reach their maximum potential by being themselves.

Our Policies that guarantee diverse processes and equal opportunities are:

- **Global Diversity, Equity and Belonging Policy**
- **Global Policy for Breastfeeding Support**
- **Global Human Rights Policy**
- **Global Policy for the Prevention of Harassment and Discrimination**
- **Code of Ethics**
- **Speak Up Policy**



We carry out activities globally that promote diversity and inclusion, such as:

Global Month for Diversity, Equity and Belonging

For a month, in all regions, we conducted awareness and training activities, cultural promotion actions, specialized courses and webinars on diversity.



Diversity, Equity and Belonging Seminar

We carry out training activities for leaders comprised of different modules on topics such as tolerance scale, awareness raising, stereotypes and prejudices. In 2022, we redesigned the program with new trainers and updated the agenda with themes of conceptualizing equity and psychological safety.

Central Committee for Diversity, Equity and Belonging

This Committee reports on the progress made by all organizations to the Global Office. It follows up on the group's strategic objectives, shares best practices, reinforces initiatives and develops local activities under global guidelines according to each operating context.



Leadership Circles

It is a mentoring program created to support the development of female talent in leadership positions, based on Sheryl Sandberg's Lean In methodology for developing skills and training through interdisciplinary groups that support women in achieving their professional goals.

SUCCESS STORIES, REGIONAL INITIATIVES AND RECOGNITIONS



Mexico

- Orange certification in 14 centers for equality in gender.
- "Éntrale" Certificate (inclusion of people with disabilities)
- Preparation of protocols to prevent and pay special attention to sexual and workplace harassment.
- 1,500 leaders trained in Empathy, Disability and Inclusion and Unconscious Biases
- Programs to include women in sales, operations and logistics.
- Inclusion of talent with disabilities in the Telesales project.
- Zero Child Labor Certificate in the State of Mexico
- Corporate Social Responsibility Certificate

Spain

- Donettes® #LessHateMoreDonetting campaign in commemoration of LGTB+

Brazil

- Recognition by the Government of São Paulo of Affinity Groups #Theyknow (women) and #BeYourself (LGBTQ+)
- Mixture operations area 100% composed of women

Honduras

- Sales with a Social Sense of Mothers in Solidarity

Canada, Brazil, Mexico

- Survey self-identifying persons with disabilities

United States

- Supplier Diversity Program[1]
- Internal and external publication of the annual report 2021 Our Foundation of Belonging
- Sponsorship of the pride parade in Los Angeles

South Africa

- Recognition by Broad-Based Black Economic Empowerment (BBBEE) rating: Integration program to reconcile South Africans and address past inequalities

1. Focused on building our network of female-owned suppliers.

REPORTING MECHANISMS

At Grupo Bimbo, we must respond to our associates' concerns to maintain a proper working environment. Our leaders are responsible for disseminating Speak Up, the communication channel for associates, suppliers and third parties for complaints, guaranteeing confidentiality and resolution, and attending to the employment relationship.

Speak Up was created to report potential breaches or violations of the Code of Ethics, Human Rights and Diversity, Equity and Belonging policies.

We work under a constant focus on prevention, holding workshops on "Investigative processes and response to labor cases" with Investigative Labor Relations Teams and People from the regions where we operate.



In 2022, the following were addressed:

63
involved discrimination.

22
founded

31
unfounded

10
under investigation

TRAINING AND DEVELOPMENT

Training processes are especially relevant when it comes to developing the skills of our associates. In addition to being a necessary space to improve skills through practice, it's also an opportunity to disseminate our values and culture.

Our goals

- Increase the average annual training hours per associate by 20% compared to the 2021 baseline.
- Train all management levels to provide them with the necessary tools and skills to develop their potential at work.

Programs to develop associate competencies

All our training processes are directed at developing and reinforcing the capacities of our associates to enhance their skills and form complementary work teams. In 2022 we provided more than 3.5 million training hours for our associates, surpassing our goal of 2.1 million hours.

+3.5 million
training hours for our associates +60% vs. goal



25 hrs.
average training hours per associate +28% vs. 2021 goal

USD 258
average investment per associate

USD 36 million
iinvestment in education and training

Average hours per associate

Level	Men	Women	Total
VP´s	75.6	84.7	77.5
Directors and managers	41.3	48.8	43.6
Supervisors, administrative and operative	23.6	29.0	24.7
Others	0.1	1.0	0.2
Total average	**24.1**	**29.9**	**25.3**

As soon as an associate joins Grupo Bimbo, the training process begins: first, through a solid orientation program with workshops and courses to introduce them to the corporate culture and our operation, and later, with a career plan to improve permanent skills that will give them the tools to contribute to their success in our organization.

Program	Scope	Total
Welcome	Directed to new hires -100%-	24,086
Leadership Seminar	Directed to supervisors, executives and managers -12% of associates	3,116
CUSUPE	Directed to associates with at least one year of seniority -80% of associates	2,165
What is a company?	Directed to operational and administrative level -86% of associates	11,817
People management skills	Directed to supervisory and executive level -12% of associates	4,276



Support for the transition to retirement

Our interest in the quality of life of our associates doesn't end at retirement. We believe it is important to accompany associates about to retire from the company and support them in their transition process. Therefore, we have developed orientation courses that facilitate this process, whether toward continued employability or a future dedicated to enjoying personal and family aspects.

Our programs for future retirees include:

- **A Healthy Financial Future**
  For associates up to age 54.
- **Let's Talk About My Future**
  For associates ages 55 to 59
- **Life Plan**
  For associates age 60 and over.

TALENT MANAGEMENT AND EVALUATION

Our talent development is the key to ensuring organizational success. Periodic performance reviews allow us to determine our teams' competencies, abilities and aptitudes, and we use these results to develop programs to strengthen those aspects that require more attention.

This year, 83% of our associates worldwide participated in our annual Culture and Commitment survey, "DILO" ["say it"], a mechanism through which we receive feedback on our work environment and thus strengthen the talent management strategy.

This information is studied and disseminated in coordination with the Global Communication and Management areas of Global Talent. Once the information has been validated, it is consolidated and placed on an internal platform for all local communication teams to share internally.



Our primary assessments include the following:

Management by objectives: the systematic use of agreed-upon objectives and measurable goals by the top line. On an annual basis, each associate's contribution to the achievement of the objectives of the Business Plan of their team is evaluated as part of our Global Talent Management Model.

Multidimensional performance review. These involve assessments of each associate's skills, competencies and conduct based on our Global Talent Management Model. An example of this evaluation is 360-degree feedback.

COMPENSATION AND BENEFITS

Our compensation strategy seeks to ensure an improvement in the quality of life, as well as decent and fair conditions for our associates, under a competitive compensation model.

It considers several criteria such as labor categorization, experience, responsibility of each position and the academic level required to perform their duties. This methodology is complemented by performance reviews, goal achievement and any other metric that facilitates an objective and adequate assessment.

Each country has a different context, and compensation aligns with each region or country's general performance, complying with regional standards and regulations and respecting internationally accepted labor agreements. Other aspects, such as base salary, guaranteed compensation, incentives, commissions, and short-term and long-term bonuses, are also considered.

We have a model called Total Rewards, which considers four dimensions:



We are committed to promoting a balanced and equitable job offer for our associates. Professional growth and career development are provided under equal opportunities criteria, without discrimination for gender, age or ethnicity. All benefits apply to full-time positions, not part-time or temporary associates.

On the right, we present information regarding the compensation ratio between men and women of our main operations by country, as well as the ratio of increases in compensation.[1]

Ratio of total annual compensation by gender

Country	Organization	Administrative	Supervisor	Manager, Director and VP
Chile	Latin Sur	0.9	1.0	0.9
Brazil	Bimbo Brasil	1.0	1.2	0.9
Canada	Bimbo Canada	1.0	1.0	1.0
United States	Bimbo Bakeries USA	0.8	0.9	0.9
Spain	EMEA	1.0	1.0	1.0
Mexico	Bimbo Mexico	0.8	1.0	0.8
Colombia	Latin Centro	1.1	1.0	0.9

This ratio represents the number of times women's total annual compensation is greater than, equal to, or less than men. For example, the total annual compensation of women at the administrative level in Chile is 0.9 times that of men, i.e., lower, while the supervisor level is the same.

Ratio of the increase in the total annual compensation of the associate earning the highest compensation compared with the rest[2]

Country	Organization	Ratio
Chile	Latin Sur	1.1
Brazil	Bimbo Brasil	0.8
Canada	Bimbo Canada	0.8
United States	Bimbo Bakeries USA	0.9
Spain	EMEA	1.0
Mexico	Bimbo Mexico	1.2
Colombia	Latin Centro	1.0

This ratio represents the number of times the associate with the highest salary received an increase in their total annual compensation compared to the median increase for the rest of the associates in the same country. For example, the increase in the total annual compensation of the associate with the highest income in Chile was 1.1 times the median increase received by the rest of the associates in Chile, that is, higher; while for Colombia, it was 1.0, that is, the same.

1. Information on the seven countries with the most significant operation based on 2022 sales and the number of full-time non-operating associates. Excluded from the calculation: non-operative part-time associates, associates contracted for specific work, international assignees and associates occupying regional positions. The total annual compensation includes the amount received annually as base salary, guaranteed compensation, incentives, commissions, and short- and long-term bonuses. The effective date of salaries is December 31, 2022.
2. Number of times associates with the highest income had their total annual compensation increased vs. the median of the increase of the rest of the associates.

BENEFITS

Benefit	Full-Time	Part-time	Temporary	Regions/Countries of application[1]
Virtual Shares (Phantom Shares) -Level 1 Directors and VP's-	X			Brazil, Canada, China, Iberia (Spain and Portugal), LAC, LAS, Mexico, United Kingdom, USA, Morocco, BQ EMEA and BQ Asia
Company car -Levels 1 and 2 Directors and VP's-	X			China, Colombia, Guatemala, Honduras, Iberia, India, LAS, Mexico, Nicaragua, Ecuador, Panama, United Kingdom, USA, Venezuela, Brazil, El Salvador, Costa Rica, Morocco, Italy, BQ Asia (Directors / Plant Managers and Top Management). (El Salvador, Honduras, Nicaragua for sales force only) -Car allowance for the sales force: USA -Car allowance for eligible levels: France and Turkiye -Car allowance for managers and above: Canada
Maternity or paternity leave	X	X	X	Mexico, Canada, Iberia (Portugal and Spain), LAS, LAC, United Kingdom, USA, Brazil, China, Morocco, BQ EMEA, BQ Asia, and India. Part-time associates are only offered this benefit in Iberia (Portugal and Spain), the United Kingdom, the USA, Canada, Russia, France, Italy, Ukraine, Turkiye, Kazakhstan, and Morocco. Temporary associates are only offered this benefit in Iberia (Portugal and Spain), the United Kingdom, France, Italy, Russia, Turkiye, Kazakhstan, Morocco, and LAC.
Annual Performance Bonus	X	X	X	Brazil, Canada, China (except at the administrative level), Iberia, LAC, Mexico, the United Kingdom, the USA, LAS, Morocco, BQ EMEA, BQ Asia, and India. Part-time associates are only offered this benefit in France, Italy, and Ukraine
Medical Check-Up -At least at management levels-	X	X	X	Mexico, United Kingdom, LAC, Brazil, BQ EMEA, BQ Asia, China, Iberia, BQ US. LAS (only Argentina, Chile, and Paraguay) Temporary and part-time associates are only offered this benefit in Ukraine and BQ US.
Coverage for disability and dismemberment	X	X	X	Brazil, Canada, Iberia (Portugal and Spain), Mexico, United Kingdom, the USA, LAS, LAC, Morocco, France, South Africa, Turkey, BQ Asia. It is only offered to part-time associates with one year of seniority in the company in BBU. It is only offered to Temporary associates in Spain, France, Morocco, and BQ US.
Life insurance	X	X	X	Argentina, Brazil, Canada, Chile, Iberia (Portugal and Spain), LAC, Mexico, Peru, United Kingdom, the USA, Morocco, France, South Africa, Turkey, BQ Asia. Part-time associates are only offered this benefit in Turkiye, France, the USA (after one year of seniority), Morocco and the United Kingdom. Temporary associates are only offered this benefit in El Salvador, Honduras, Brazil, Canada, Turkiye and Morocco.
Medical expenses insurance	X	X	X	It is offered at all levels: Argentina (except the operational level), Brazil, Chile, Ecuador, Morocco, Spain, BQ EMEA (except South Africa and Kazakhstan), BQ US, India and BQ Asia. It is offered at the Executive level and up in Canada, China, Colombia, Costa Rica, El Salvador, Guatemala, Portugal, Mexico, Nicaragua, Peru, Uruguay, the United Kingdom, and the USA. It is offered at the Supervisor level and up in Panama, the United Kingdom and Russia. It is offered at operative and supervisor levels in Guatemala (contributory) and Honduras. It is only offered to part-time associates in the United Kingdom, France, Italy, Turkiye, Ukraine, Morocco and the USA (after one year of seniority). It is only offered to Temporary associates in Turkiye and Morocco.
Defined benefit plan obligations and other retirement plans[2]				

1. LAC includes Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Venezuela; LAS: Argentina, Chile, Peru, Uruguay and Paraguay; Iberia: Spain and Portugal; BQ EMEA: Russia, France, Italy, Kazakhstan, Ukraine, South Africa, and Turkiye; BQ ASIA: China and South Korea.
2. Retirement provisions are not offered to more than 40% of the countries where GB operates.

AT GRUPO BIMBO, WE WANT TO BE SUSTAINABLE BY DESIGN, WITH THE AMBITION OF BECOMING A 100% REGENERATIVE BUSINESS IN THE FUTURE.

We have committed to lowering carbon emissions, maximizing renewable energy and carbon capture, promoting the circular economy, reducing waste, designing sustainable packaging, and reducing food and water waste.

We are actively involved in the fight against the degradation of nature; we work to regenerate soils, contribute to the construction of resilient ecosystems to benefit biodiversity, and in parallel to carbon capture. We do all this through regenerative agriculture practices.

BAKED FOR NATURE



Zero waste

Net zero carbon emissions

Regenerative agriculture

KEY TARGETS

Our approach comprises a plan divided into three lines of action: zero waste, net zero carbon emissions and regenerative agriculture. These will be our guide to ensure the implementation of strategies in favor of the environment.



By 2030:

- 100% of our packaging will support a circular economy
- We will reduce our water consumption by 20% from the 2019 baseline
- We will reduce the generation of food waste by 50%
- 200K hectares using regenerative agriculture practices
- 50% reduction in our direct emissions (Scope 1) and 28% in our indirect emissions (Scope 3)

By 2050:

- We will reach net zero carbon emissions
- 100% of our main ingredients will come from land grown with regenerative agriculture practices

ZERO WASTE

Our commitment is...

To promote the circular economy and reduce waste throughout our value chain through sustainable packaging, efficient operations, and reduced food and water waste.



BY 2030, 100% OF OUR PACKAGING WILL SUPPORT A CIRCULAR ECONOMY UNDER THE STANDARDS AND REGULATIONS ESTABLISHED IN EACH COUNTRY IN WHICH WE OPERATE, EXTENDING THE CIRCULARITY TO REDUCE WATER USE AND FOOD WASTE.



SUSTAINABLE PACKAGING AND CIRCULAR ECONOMY

Grupo Bimbo works toward sustainability by design. We guarantee the quality and safety of the products that reach the hands of our consumers, and we avoid waste throughout the value chain.

We are focused on adopting innovative processes to meet the standards required for our products, optimize and reduce the amount of packaging used, and ensure that the materials are suitable for post-consumer recycling. One of the biggest challenges that Grupo Bimbo faces with its packaging is to ensure that the material used has the least possible environmental impact; in other words:

By 2025, 100% of our packaging will be recyclable, biodegradable or compostable.

Protect the product

That the materials have simple recycling

That the necessary. mechanisms exist to direct them to post-consumer recycling at the end of their useful life.



2022 PROJECT HIGHLIGHTS

REDUCTION OF PLASTIC IN PACKAGING

We reduced around 350 tons of plastic, reducing the thickness and dimensions of our materials.

1 In the Iberia region, there was a 28% reduction in the packaging weight for La Bella Easo Spanish brioche.

2 In Mexico, a 15% reduction in the weight of the packaging for our “Bimbollos Parrilleros” hamburger buns.

3 In Brazil, an 8% reduction in tortilla packaging.

4 In the United States, a 7% reduction in packaging wall thickness for Arnold and Brownberry, Oroweat, Ball Park and Freihofer bread.

5 In Latin Centro, a 17% reduction in the weight of the trays for Gansito and Dálmata.

6 In the UK, we reduced the weight of croissant trays by 14%.

-350
tons of plastic reduced in the last year



PACKAGING INNOVATION

Today, we use 91% recyclable packaging materials, and in 2022 we continued to develop projects to replace the remaining non-recyclable materials. With the implementation of these projects, we expect to conclude 2023 with 94% recyclable materials.

We developed projects to replace the non-recyclable materials of our packaging in different products:

A Change from polystyrene to PET in trays for cakes and pastries in Mexico, Latin Central and Latin Sur.

B Change from multi-material packaging to polypropylene for tortillas in Latin Centro and Latin Sur and Bagel Thins in the United Kingdom.

5.1
million kilograms of plastic reduced since 2010

We have developed technologies allowing us to reduce the amount of virgin plastic by replacing it with recycled material. Examples are Oroweat bread in the United States and Artesano in Spain, which already use 30% recycled material. Another alternative is bio-based materials from green algae, which also contribute to cleaning the seas and reducing the carbon footprint.

We will continue promoting research and development of technologies to encourage advanced recycling projects that make the recovery of flexible plastic waste possible and contribute to generating a circular economy.

PAPER AND CARDBOARD

We commit to ensuring that 100% of our paper and cardboard packaging comes from certified sustainable or recycled sources, making significant progress as follows:



73% of packaging made of paper and cardboard

comes from recycled or certified sources[1]

Materials by weight and volume

35% renewable materials

65% non-renewable materials*

* All the paper and cardboard used by Grupo Bimbo in its packaging are considered renewable.

1 To obtain this metric, we considered the main suppliers representing 69% of the amount spent on paper and cardboard. During 2023 we will work to have better representation.

CIRCULARITY

For Grupo Bimbo, flexible packaging is essential to ensure the quality and safety of our products. We've developed projects to improve their quality by using only the necessary resources and ensuring they come from simple recycling materials that facilitate their correct disposal.

Our business units must promote a broad and clear approach to the post-consumer scenarios available in each country. Based on this, a risk analysis is established to assess the feasibility of participating with other companies, governments and civil organizations to work together in appraising waste.

To meet our goal of guaranteeing that 100% of our packaging supports a circular economy, we work hand in hand with our allies who accompany us in the development of post-consumer recovery and recycling programs.



A

In the United States, in conjunction with TerraCycle, we have prevented two tons of bread bags from reaching landfills.

B

In Mexico, with ECOCE, we recovered 18,800 tons of post-consumer packaging*

C

In Latin Centro, we recovered 174 tons of post-consumer packaging in the first year of our alliance with Visión 2030

D

In Brazil, we recovered 164 tons of wrappers with DAMF.

E

We recovered more than 211 tons of plastic in Europe with ECOEMBES and Ponto Verde.

Most of these programs are collaborative; in other words, the material collected includes material from other member companies of the same programs, including our packaging.

* Estimated information shared directly by ECOCE

WASTE MANAGEMENT

At Grupo Bimbo, we generate waste from the Organization's activities, including its operational processes and the people involved. We internally monitor and control both sources.

In the reception of raw materials, waste is generated from the packaging and wrapping of production ingredients. In the transportation of raw materials, we generate plastic waste; in the baking process, food waste; the people in our work centers generate food waste; sanitary use and operational processes generate waste from the discharge of residual water (treatment sludge).

Waste generation (tons)

	2019	2020	2021	2022
Recyclable waste	296,903	339,160	361,319	383,864
Non-recyclable waste	18,093	18,300	17,882	13,805
Hazardous waste**	2,440	1,044	1,089	1,272
Recycled waste*	291,602	326,741	351,081	376,395
Total	317,436	358,504	380,289	398,941
% Recycled	92%	91%	92%	94%

By 2025, we will divert 100% of the waste generated in our workplaces from landfill, promoting recycling and reuse.

94%
recycled in 2022

*Recyclable waste recycled
**All hazardous waste is recycled and handled in accordance with the legislation of each country in which we operate.
**All waste is reported in metric tons

Our progress

+2%
recycled waste
vs. 2019
equivalent to
4,240
20-ton trucks

-24%
non-recyclable waste
equivalent to preventing
214
20-ton trucks of waste at the landfill

65
Zero bakery waste to landfill at year-end December 2022

151
Bakeries and other plants have a recycling percentage greater than 90%

IMPACT OF OUR WASTE GENERATED

We have waste management plans to reduce waste generation and promote reuse and recycling. All these actions are conducted under local legal frameworks and in compliance with our environmental standards.

ZERO FOOD WASTE

Grupo Bimbo's sustainability strategy plays a very important role in achieving the Sustainable Development Goals, with Zero Hunger being the goal upon which we can have the greatest impact.

We are committed to reducing food waste by 50% across all our operations, including shipping to sustainable destinations.*

By 2025, we will reduce food waste in our operations by 50%, reincorporating it into the food chain.



A

From its generation: Through initiatives that allow us to implement more efficient processes, improve synchrony in the value chain and models such as WOW (War on Waste), create a culture, and improve demand planning and root cause analysis.

B

Food rescue: Promote food recovery in our operations through food banks and discount stores, among others.

C

Ensuring sustainable destinations: When it is not possible to achieve the previous criteria, ensure their reincorporation into the food chain, and allocate them to the production of food for animal consumption.

We have different coordination mechanisms, such as waste committees and knowledge communities, which are spaces to identify the main problems and challenges and replicate good practices. These mechanisms have helped reduce food waste within our value chain.



*Following international food loss and waste protocols.

OUR PROGRESS

The War on Waste (WOW) initiative was implemented in 2019, and each year since then, our operations have developed specific actions to reduce food waste by applying the concepts defined in the five pillars that comprise it. In 2022, the level of implementation of the initiative reached 81%.

A.

We achieved successful food rescue exercises through secondary markets such as discount stores and donations to food banks in the United States and Latin America.

B.

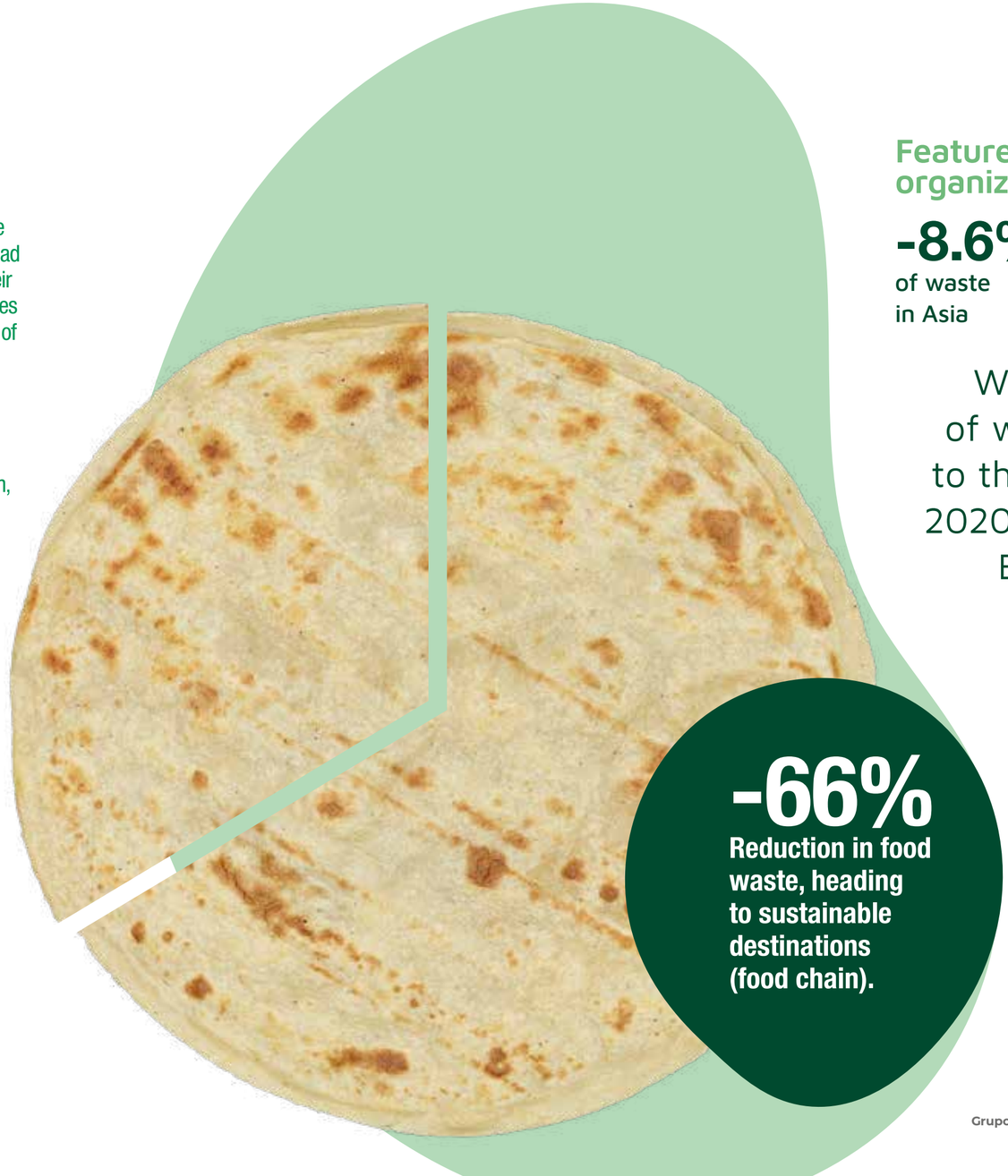
We also reduced food waste by 66% vs. 2020, achieving its integration into the food chain in accordance with the International Food Loss and Waste (FLW) Protocol.

C.

Two success stories worth mentioning are those obtained in Asia and Brazil, which had very positive results in all the nodes of their value chain (Manufacturing, Logistics, Sales Centers and Sales), achieving a reduction of 8.6% and 21%, respectively.

D.

And, as an exemplary project of innovation, our Verygüel brand emerged, which, in alliance with some start-ups, has developed fruit-based products whose appearance or degree of ripeness do not meet aesthetic standards but whose safety characteristics do not affect the end product, thereby meeting quality attributes; an example of entrepreneurship in favor of reducing food waste.



-66%
Reduction in food waste, heading to sustainable destinations (food chain).

Featured organizations:

-8.6%
of waste in Asia

-21%
of waste in Brazil

We prevented 3% of waste compared to that generated in 2020, despite Grupo Bimbo's growth.

STRATEGIC ALLIANCES



1 In Mexico, we participate in the **“Pact for Food”** initiative promoted by the **Mexican Food Bank (BAMX) and the Waste Resources Action Program (WRAP)**. It is important to note that this is the first voluntary agreement of companies in Latin America.

2 We are one of the founding companies of the **#SinDesperdicio (NoWaste) platform in Latin America and the Caribbean,** led by the **Inter-American Development Bank.** This platform seeks innovative initiatives, public policies, dissemination and training on food loss and waste.

3 We are members of the **Consumer Goods Forum (CGF),** where we participate in different initiatives, specifically the **“Food Waste Coalition.”**

4 In Europe, we are one of the **“Waste Warrior”** brands within the **“Too Good to Go”** initiative, in which we join forces with other brands to implement actions to combat food loss and waste.

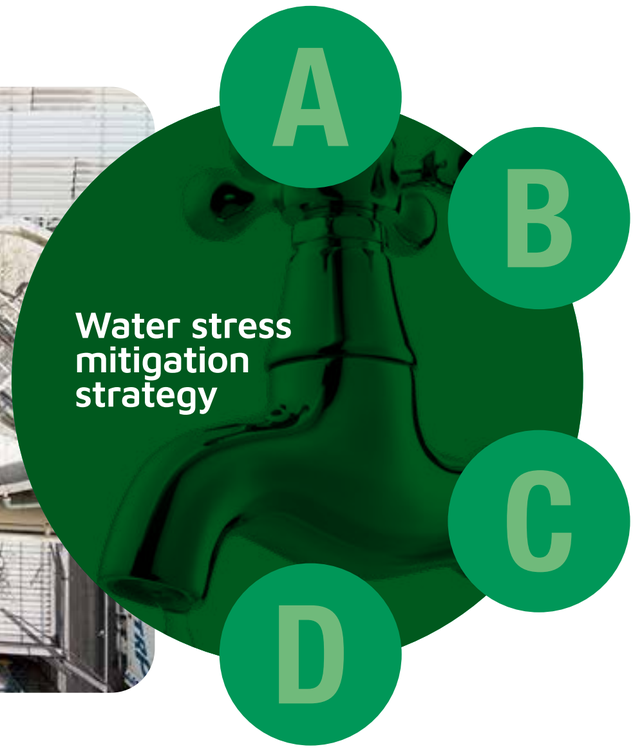
One of the key indicators in the Sustainability Scorecard, which is part of our business plan and is led by the CEO and the Vice Presidents of the business units, is the goal of reduction of food waste, which we monitor regularly.

This result does not include information from Asia (India and China) and only includes Portugal from EMEA because these Organizations have undergone structural changes and have no Operations Managers.

ZERO WATER WASTE

The accessibility and availability of water are essential to life on Earth. We know that water is an essential resource, and that's why the sustainable and responsible management of water resources helps us achieve efficient production from agriculture to our operations.





For Grupo Bimbo, reducing our water footprint represents an important challenge. We must monitor our consumption without losing sight of the quality and safety of our products and integrate this approach into regenerative agriculture field practices.

Water is primarily used in our bakeries to clean machinery and services.

A.

Consumption efficiency

B.

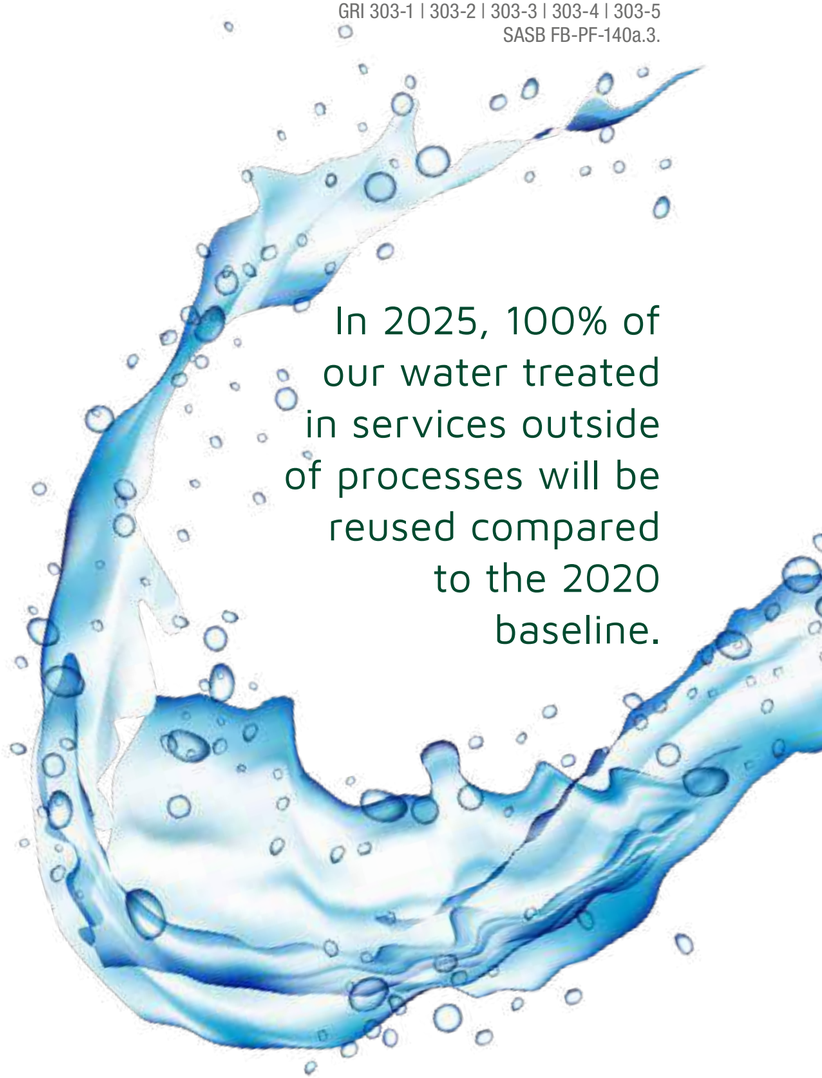
Achieve exceptional treated water quality, surpassing legal requirements

C.

Reuse 100% of the water processed in our treatment plants

D.

Improve water availability for the community with the participation of allies such as water funds, among others.



In 2025, 100% of our water treated in services outside of processes will be reused compared to the 2020 baseline.

Efficiency in Water Consumption

One of the main challenges is focusing on the circularity of water and simultaneously reducing its waste throughout our production cycles and value chain, seeking the greatest efficiency in our operations. To do so, we have the following initiatives:

-2%
of water consumption for each ton we produced during 2022 vs. baseline 2019



1 **Better cleaning processes:** To have a Sustainable Cleaning plan, prioritize cleaning technologies for free consumption of water or those that allow it to be saved, ensuring the same cleaning effectiveness without jeopardizing quality and safety.

2 **General Services:** Implement Mandatory Sustainability Practices and replicate them at all facilities.

3 **Process Services:** Implementing new technologies, such as humidification systems, to eliminate boilers.

Our mandatory practices to make water consumption more efficient are:

- Water reduction devices at all facilities (handwashing, laundry rooms, line cleaning)
- Detection, elimination and prevention of water leaks
- Sustainable cleaning (high-pressure washing, dry cleaning, dry steam, vacuum systems)
- Water treatment with reuse quality
- Reuse of 100% of treated water
- Dry cleaning of vehicles
- Measurement of water uses in lines and services
- Drainage separation projects and maximization of reuse cycles
- Grease trap before the treatment system
- Design of internal water cycles
- CIP (Clean-In-Place) sanitation with local treatment and reuse for closed circuits
- COP (Clean-Out-of-Place) sanitation for detachable equipment
- New reuse standards for cleaning inside production areas

Each of our work centers has plans and activities, according to the context of their region and ensuring that the quality and safety of our processes are not at risk, too:

Reduce water consumption and increase the reuse of water from our treatment plants.

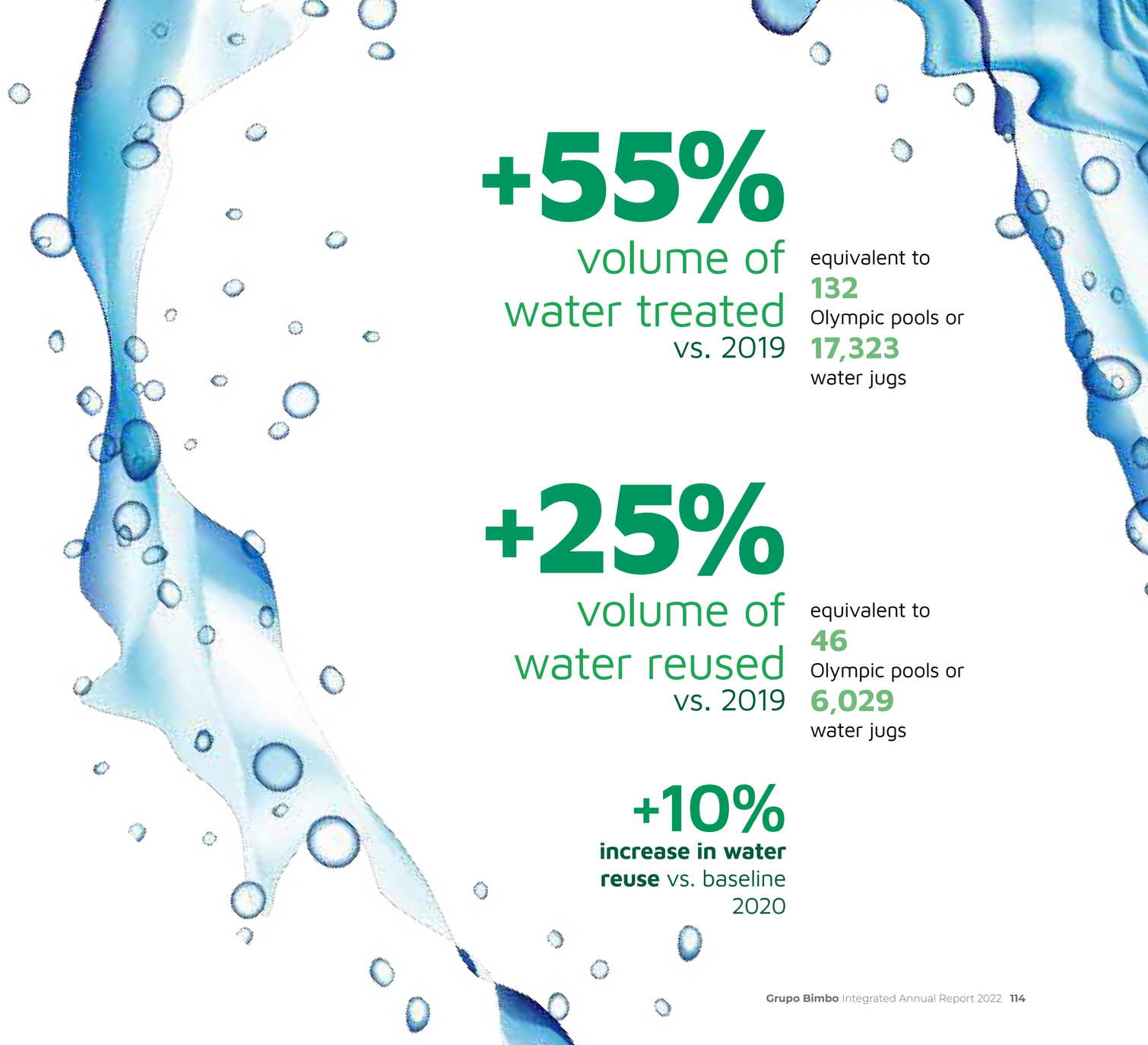
The above focuses on the 89 manufacturing sites detected in the latest risk assessment study as facing some stress.1 An external specialist updates the latter every five years, and the company updates it internally every year.

Reuse of treated water

We have a global standard for managing our water discharge, intended to establish the minimum requirements and parameters for water discharge from Grupo Bimbo's work centers.

We currently reuse water as follows:

- Irrigation of green areas
- Toilets
- Infiltration/absorption wells following local regulations
- Vehicle washing
- Cleaning outside production areas
- Condensers in refrigeration cycles
- Donation of water to third parties



+55%
volume of water treated vs. 2019

equivalent to **132** Olympic pools or **17,323** water jugs

+25%
volume of water reused vs. 2019

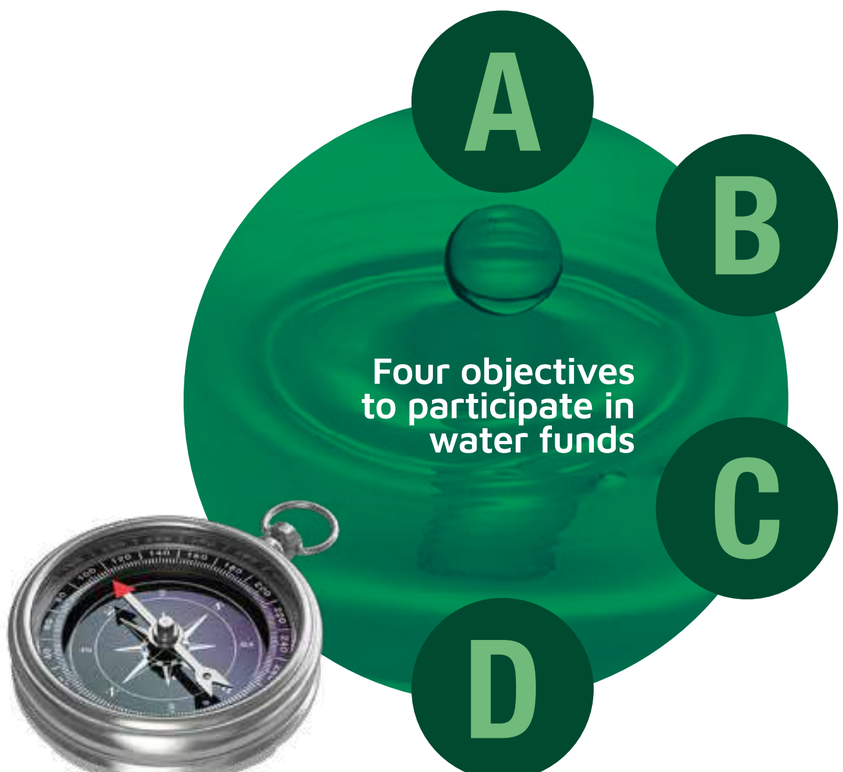
equivalent to **46** Olympic pools or **6,029** water jugs

+10%
increase in water reuse vs. baseline 2020

1. 2019, with tools from the Aqueduct Water Risk Atlas, World Resources Institute, and Water Risk Filter.

Strategic alliances

Our water compensation strategy allows participation in water funds, with which we seek to have a relationship that allows us to:

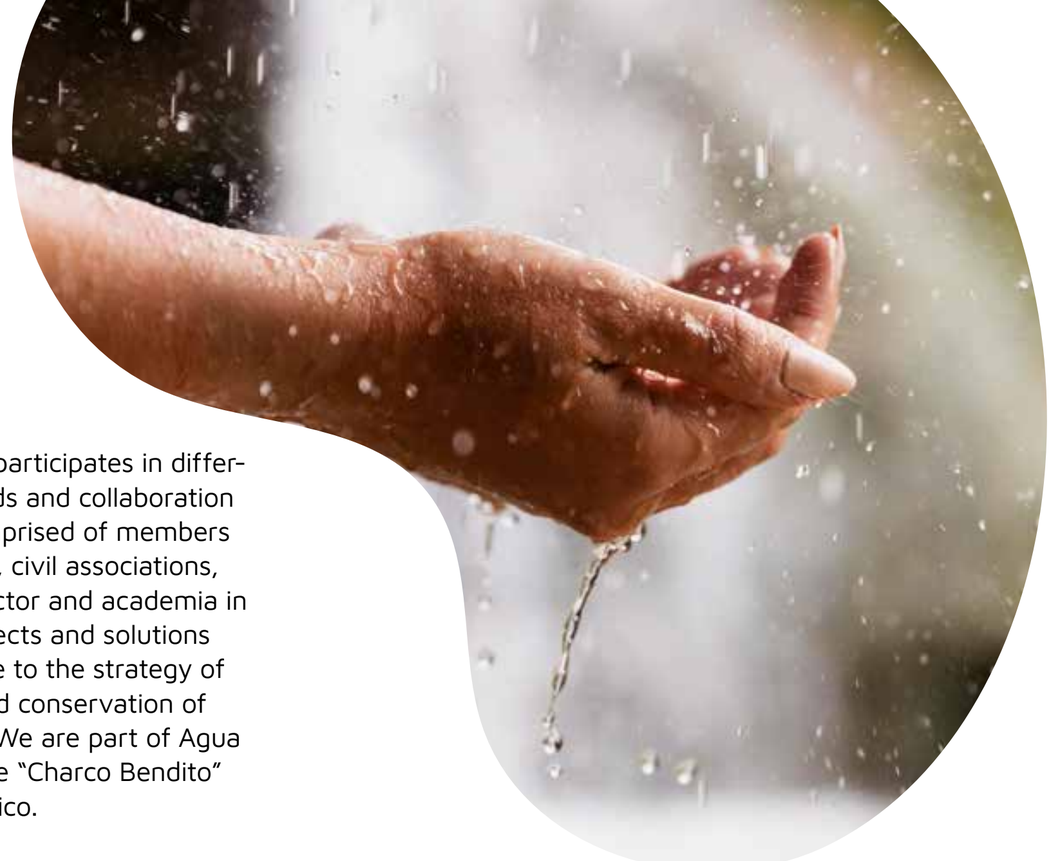


A.
Conservation plan-impact at a social level

B.
Management strategy and water efficiency

C.
Methodology for the analysis of future scenarios

D.
Communication and awareness strategy



Grupo Bimbo participates in different water funds and collaboration platforms comprised of members of civil society, civil associations, the private sector and academia in search of projects and solutions that contribute to the strategy of restoration and conservation of water basins. We are part of Agua Capital and the "Charco Bendito" project in Mexico.

Water reuse at Grupo Bimbo

Grupo Bimbo (Excluding Ricolino)				
Water source	**2019**	**2020**	**2021**	**2022**
Treated water, m3	598,081	629,294	674,592	928,075
Reused water, m3	467,469	520,941	538,471	582,019
Reused percentage vs baseline	74.3%	82.8%	85.6%	92.5%

The water consumption data presented in this report has been verified by a third party, the Carbon Trust, in compliance with the ISAE 3000 standard. The results and conclusions presented in this report are based on the information available at the time of verification and may be subject to changes in the future due to external factors affecting water consumption.

CARBON TRUST VERIFIED WATER

NET ZERO CARBON EMISSIONS



THE ENVIRONMENTAL CHALLENGES WE FACE INSPIRE US TO EXPAND OUR AMBITION TO TRANSFORM OUR BUSINESS MODEL TO ONE LOW IN CARBON, REGENERATIVE AND THAT PROMOTES THE CIRCULARITY OF ITS PROCESSES.

This ambition requires clear targets and strong commitments to accelerate our path to net zero carbon emissions.

The future is built with the decisions of the present. We must mitigate our environmental impact by maximizing models with low-carbon alternatives that promote renewable energy and carbon sequestration.



To do so, our commitment toward net carbon emissions by 2050, based on Science Based Targets Initiative (SBTi) methodology, to be a company with zero net carbon emissions implies two key conditions:[1]

1 Achieve a reduction in the emissions generated in our value chain at the same intensity scale as the reduction achieved internationally to limit global warming to 1.5°C.

2 Neutralize the impact of any source of residual emissions that cannot be reduced by permanently eliminating the equivalent amount of atmospheric carbon dioxide.

Our Path to Net Zero Carbon Emissions

To reduce the environmental impact of our operations and avoid the excessive generation of polluting gas emissions into the atmosphere, since 2012, we have sought to maximize the use of electrical energy from renewable sources, as well as the optimization of the resources used in our processes, with the implementation of energy efficiency projects.

We work under the guidelines established by the SBTi to achieve net zero carbon emissions by 2050.



By 2025, 100% of our electrical energy will be from renewable sources.

CARBON TRUST ISO 14064-3
ORGANISATIONAL CARBON FOOTPRINT

Ton CO_2e	2020	2021	2022
Alcance 1	1,088,534	1,108,620	1,127,129
Alcance 2	198,346	128,019	61,393
Alcance 3	8,397,982	8,696,636	10,071,853
Total	9,684,862	9,933,276	11,260,375

The data presented has been verified by a third party, the Carbon Trust, in accordance with the ISO 14064-3 standard. It is important to note that the Scope 3 data for the year 2022 is currently undergoing verification and therefore is subject to potential changes or adjustments.

1 Definition of net zero by the Science Based Targets Initiative (SBTi): https://sciencebasedtargets.org/

2,400
are electric

5000
alternative fuel vehicles



Our total emissions

1.13 million
$TonCO_2e$ Scope 1

61,000
$TonCO_2e$ Scope 2

10.07 million
$TonCO_2e$ Scope 3

-52%
of Scope 2 carbon emissions vs. 2021

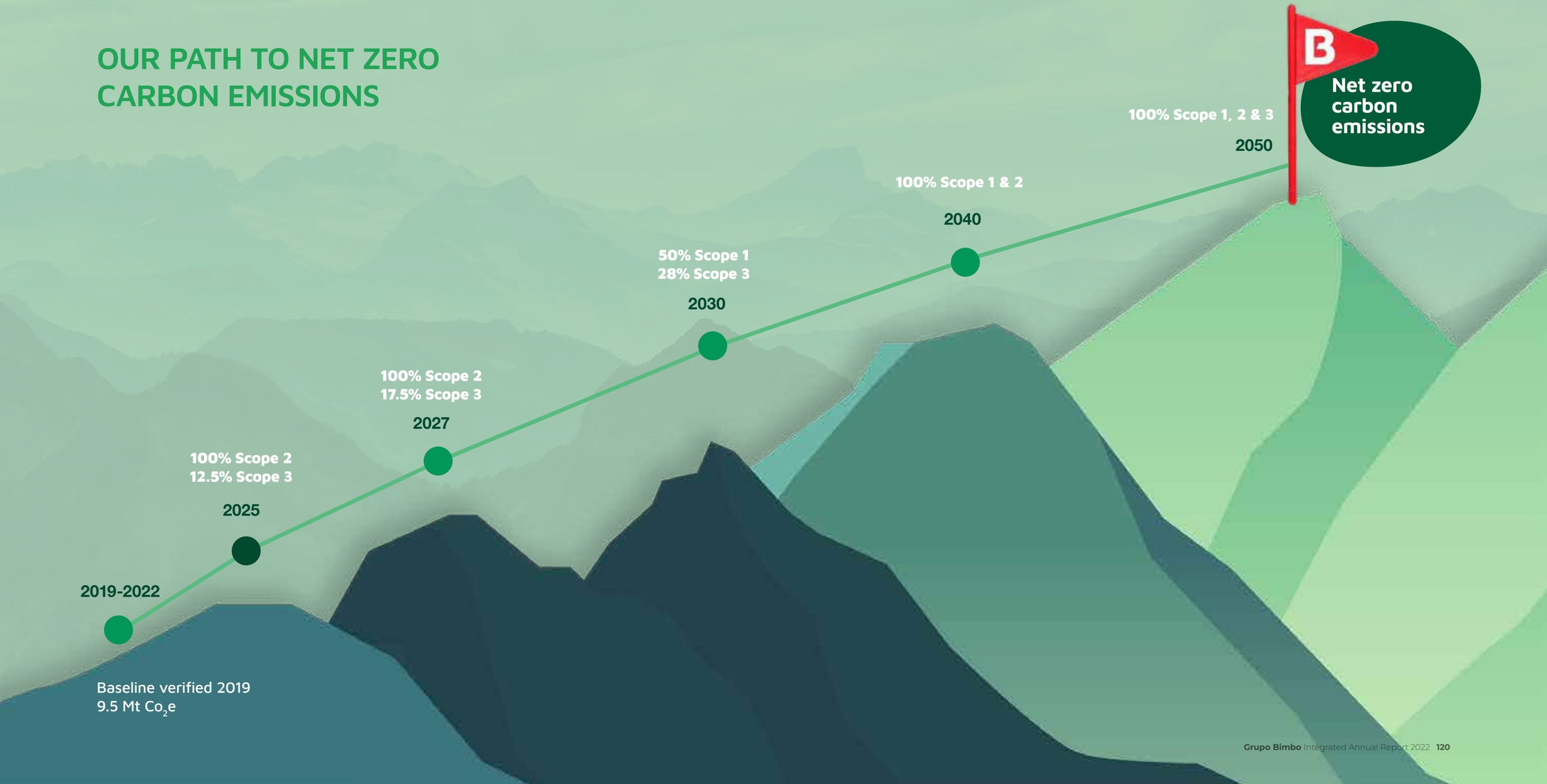
85%
of the energy we use is renewable



62%
of our refrigerants are natural



OUR PATH TO NET ZERO CARBON EMISSIONS



16 strategies defined to meet our goals:

1. Zero carbon mobility (Scope 1)	**2. Elimination** of fossil fuels (Scope 1)	**3. Natural** refrigerants (Scope 1)	**4. Innovation** and new technologies (Scope 1)
5. Energy efficiency and sustainable buildings (Scope 2)	**6. Renewable** energy (Scope 2)	**7. Energy storage** and maintenance (Scope 2)	**8. Electric** installations (Scope 2)
9. Low carbon supply (Scope 3)	**10. Regenerative** agriculture / zero deforestation (Scope 3)	**11. Waste** management reduce/reuse /recycle (Scope 3)	**12. Associates** towards zero carbon emissions (Scope 3)
13. Zero carbon third party vehicles (Scope 3)	**14. Client´s** carbon footprint (Scope 3)	**15. Investments** (Scope 3)	**16. Forest** improvement (Scope 3)

5,000
vehicles
with alternative fuel

2,400
are electric



SCOPE 1

1 Zero carbon mobility

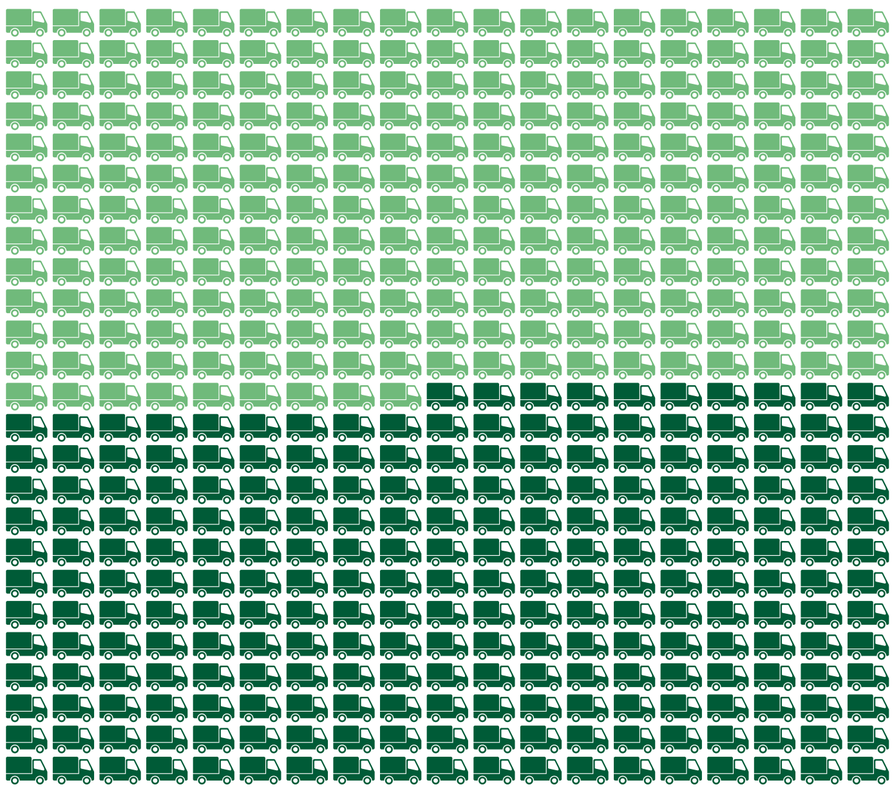
We seek to mitigate emissions from our fleet by converting our fossil fuel units to new technologies such as clean energy-powered electric vehicles or zero-carbon alternative fuels.

In 2022 we committed to acquire

1,001 units

500
for the distribution of Bimbo Mexico products

501
for Barcel Mexico



In Mexico

With this purchase, we will add more than 2,400 zero-carbon emission vehicles in the country, maintaining our position as the company with the largest electric fleet in Latin America. With this new acquisition, the emission of more than 5,000 Tons of CO_2 per year will be avoided.

OUR FLEET



BIMBO Bakeries USA
Electric 30
Hybrid 1,114
Natural Gas 82
LP Gas 302

BIMBO México
Electric 998
Hybrid 44
Natural Gas 551

BIMBO Latin Centro
Guatemala
Electric 6
Hybrid 8

Colombia
Electric 40
Natural Gas 617

Electric 188

BARCEL

BIMBO Brasil
Ethanol 161

BIMBO LatinSur
Chile
LP Gas 23

Peru
LP Gas 131

BIMBO EMEA
Spain
Electric 15
Hybrid 48
Natural Gas 15

Portugal
Electric 2
Hybrid 1

BIMBO EAA
China
Electric 106

India
Natural Gas 493

Electric	1,285
Hybrid	22
Natural Gas	41
LP Gas	31
Ethanol	14



2 Elimination of Fossil Fuels

We implement practices in our value chain to reduce the use of fossil fuels in our production equipment, such as ovens, fryers, boilers, and backup generators.

In 2022 we dedicated ourselves to the search for new technologies that would make it possible for us to achieve our goals. One of our commitments was the installation of pilot plants with electric ovens and green hydrogen burners.

62%
of our refrigerants are natural

3 Natural Refrigerants

We will use refrigerants with the lowest global warming rate, primarily natural refrigerants.

In 2022, we authorized a record investment in Grupo Bimbo to install equipment with natural refrigerants for the years to come.

At year-end, 62% of our refrigerants were already natural. In one of our fresh product bakeries, we launched the first equipment with natural refrigerants in Latin America.

We continue work on the migration of refrigerants with a high environmental impact, seeking the best technical and economical alternative in compliance with international environmental laws and agreements.

4 Innovation and new technologies

We will continue to search for new technologies that will help us achieve our goal of zero emissions most efficiently and affordably for the Organization.

SCOPE 2

5 Energy efficiency and sustainable buildings

This initiative's primary function is to keep our facilities connected to an intelligent system to monitor our sites at all times to optimize the use of resources.



We continue with the rollout of the GB Connected Sustainability Energy initiative, which seeks to measure and visualize the consumption of electricity, water and gas, in our work centers (bakeries), as well as the measurement and visualization of the consumption of water and electricity in sales and distribution centers. This will allow us to analyze the data resulting from the following energy efficiency measures:

Energy efficiency measures

- Risk analysis with thermography
- Automatic shutdown of equipment working empty
- Air leak detection with acoustic chamber
- Heat recovery in compressors
- Major maintenance to ovens and fryers
- High-efficiency steam generators (<15% natural gas consumption)
- Compressed air systems

In addition, we continue to work on energy efficiency actions through our ten mandatory practices, which work across the 16 strategies described in greater detail in the Foundations section.

Ten mandatory sustainable practices in all our bakeries

1 **Oven efficiency**

High-efficiency burners, oven control system update and burner calibration procedure.

2 **Heat recovery systems**

Heat recovery systems for our chimneys and compressors and mineral wool insulation for combustion and refrigeration equipment.

3 **Heating systems**

Eliminate boilers with new, high-efficiency heating systems and solutions in workplaces with extreme weather conditions

4 **Renewable electricity**

Exclusive use of renewable electricity in all our facilities.

5 **Electrical efficiency**

High-efficiency air compressors and motors, efficient conveyor stops, use of natural and LED lighting, air conditioning in essential areas and air-cooled compressors.

6 **Electricity measurements**

Capacitors, monitoring and measurement through general meters in all our production lines to monitor consumption and GB Connected Energy.

7 **Air removal**

Commitment to cleaning. Avoid using compressed air by installing vacuum systems in the following areas: handling minor ingredients and packaging areas.

8 **Dry steam cleaning**

Use dry steam cleaners for belts, conveyors and other key operational equipment to reduce/eliminate water as part of the dry cleaning initiative.

9 **Closed water and treatment cycles**

Closed water and treatment cycles in areas of use such as dispensers and pot washers to maximize internal water cycles before discharge

10 **Recovery in the value chain**

Recovery of product, secondary ingredients and dough during production processes and waste separation and recycling for effective extraction and treatment.

6 Renewable energy

In 2018 we committed to operating with 100% renewable electrical energy in all our locations by joining the RE100 initiative, a global alliance of companies committed to the exclusive use of renewable energy. By year-end 2022, we were already operating with 85% renewable electricity worldwide in 20 countries, representing a 52% reduction in Scope 2 carbon emissions compared to 2021.

Bimbo Bakeries USA, 100% Renewable

BBU became the 41st company in the United States to consume 100% renewable electricity from wind sources as part of the EPA's "Green Power Partnership," a voluntary program with more than 1,700 partner organizations that promote the use of green energy to reduce the environmental impacts related to the use of conventional electricity.

As the largest bakery in the United States, we know the importance of taking the lead in sustainability practices. We are proud to join this important initiative and to be part of the change toward clean energy.

Brazil, 100% Renewable

Bimbo Brazil announced that its six production units in São Paulo, Rio de Janeiro, Minas Gerais, the Federal District, Pernambuco and Rio Grande do Sul now operate with 100% renewable electricity from wind sources.

Ecuador, 100% Renewable

Ecuador joined the countries that use 100% renewable electricity. The energy supply of both bakeries is supplied through a hydroelectric power purchase contract. In addition, the supply in Quito will be complemented by a system of photovoltaic panels.

Bimbo China, 100% Renewable

Bimbo China converted its operation from conventional electric energy to 100% renewable energy by acquiring Renewable Energy Certificates (RECs) from hydroelectric plants. Thanks to this effort, Bimbo Asia is advancing to become 100% renewable.

Mexico, 100% Renewable

In 2022, for the first time, Bimbo Mexico operated with electricity from 100% renewable sources. We also added 15 solar roofs to our sales centers to supply our electric vehicles.



7 Energy storage and maintenance

To optimize our production, mitigate blackouts and generate savings in product withdrawals,

we are installing lithium-ion battery storage systems as electrical energy backup, allowing bakeries to continue their operations without interruption.

With these efforts, by the end of 2022, we have eight storage systems in Mexico, Panama, Costa Rica and the United States.

8 Electric installations

We seek to implement parameters that contribute to keeping our facilities in good condition and in compliance with each country's energy regulations.

In this way, we ensure not only the operation's continuity but also put our associates' safety first by guaranteeing modern and reliable facilities around the world.



SCOPE 3

9 Low carbon supply

We know that our supply chain is key to reducing the carbon footprint of our entire chain. Therefore, we work closely with our key suppliers, encouraging them to disclose their performance.

For the fourth consecutive year, Grupo Bimbo involved 230 suppliers in the Carbon Disclosure Project (CDP) Climate Change Supply Chain program. The disclosure of information made by suppliers of the indirect materials and packaging categories helps us strengthen our sustainability strategy throughout the Supply Chain and promote the involvement of Level 2 suppliers in actions favoring the environment.

Grupo Bimbo is among the top 8% of companies known for engaging suppliers in climate change, based on its dissemination of the CDP in 2022.

We are very pleased to have been recognized by CDP as a Supplier Engagement Leader in 2022, raising the bar for climate action throughout our value chain.

10 Regenerative agriculture / zero deforestation

On our path to net zero carbon emissions by 2050, our Regenerative Agriculture initiative is a fundamental part of reducing emissions from our farm-sourced ingredients through practices that improve soil health and, in turn, seek carbon reduction and capture.

Our primary objective in this initiative is to have 100% of our key ingredients obtained from land cultivated with regenerative agriculture practices by 2050, which will contribute to achieving a 28% reduction of Scope 3 carbon emissions by 2030.

11 Zero Waste

Our Zero Waste initiative will contribute in the same way to reducing the indirect emissions these produce by promoting a circular economy and the reduction of waste throughout our value chain.

Grupo Bimbo is among the top 8% of companies known for engaging suppliers in climate change, based on its dissemination of the CDP in 2022.



100%
of ingredients grown with regenerative agriculture practices by 2050

12 Associates towards zero carbon emissions

Associates form a vital part of Grupo Bimbo's operations, so supporting them as they evolve toward cleaner practices on their way to work is important.

We will look for transport alternatives so that our associates can get to their work sites in a more environmentally friendly way.

We will also work hand in hand with airlines to promote cleaner fuels and mitigate the carbon footprint generated by our people's travel.

13 Zero carbon third party vehicles

We will seek to mitigate emissions from our outsourced fleets through workshops and conversations with suppliers to propose migrating to new technologies, such as electric vehicles powered by clean energy or alternative fuels with zero carbon emissions.

14 Client´s carbon footprint

We will try to deliver our products with the least amount of CO_2e emissions possible to collectively ensure a sustainable value chain, being the preferred supplier for customers and consumers and influencing the replication of good practices.



15 Investments

We will work to define an internal strategy to allocate our investments to projects or funds with Zero Carbon Emissions.

16 Forest improvement

Following up on our pilot project for the Adoption of Forest Communities in 2022, we evaluated options to increase our commitment to forest ecosystems, where we will include a holistic vision that includes: carbon capture, water savings, biodiversity and community support.

We earned an "A" for our actions against climate change at the CDP Awards!



Every year, the non-governmental organization Carbon Disclosure Project (CDP) publishes a list in which it rates the actions implemented by companies worldwide to counter climate change.

The scores range from "A" to "D-" (from highest to lowest, respectively), where the transparency of company plans, objectives and actions in environmental matters is evaluated, as well as their commitment to carry them out and how they are led in the process of putting them into practice, among other variables.

During the CDP Awards 2022 award ceremony in São Paulo, Brazil, it was revealed that of the 15,000 rated companies worldwide from all sectors, only 283 achieved the highest rating.

With our inclusion in the 2022 "A List," we were awarded the highest rating that a company can obtain, which is only possible thanks to the work and effort of all our associates.

Although Grupo Bimbo's commitment to the environment has existed formally for more than 30 years, it was not until 2012 that we launched our first renewable energy project in Mexico and developed our first electric vehicle. We still have a long road ahead of us, but we are on our way to making it a reality.

REGENERATIVE AGRICULTURE





86,000 Hectares with regenerative agriculture



United States
76,100
hectares benefited

570
farmers trained

Mexico
9,900
hectares benefited

+37,200
Ton. corn

+44,500
Ton. wheat



GOALS, PROGRESS AND PATH

According to the Food Agriculture Organization (FAO), 24 billion tons of fertile land are lost annually due to erosion, which puts the nutrition of future generations at risk, considering the demographic projection estimating more than 9.8 billion people by 2050.

At Grupo Bimbo, we are preparing to respond to this scenario, considering that, by 2050, a planet-friendly diet will be one of the main dietary requirements. This diet is a nutritional plan based on a system that does not destroy the planet while benefiting our health. That's why we promote regenerative agriculture processes, since these represent an agricultural production system that improves soil health, biodiversity and the health of productive ecosystems while at the same time improving the nutritional contribution of resources and farmers' quality of life.



Through practices focused on each region, it is possible to assess the requirements, and attend in a specialized way to the needs of the soil, minimizing its alteration, improving the water cycle and carbon capture, in addition to contributing to the development of the producers who work in these resilient ecosystems.

Our primary goal is to ensure 100% of our key ingredients are obtained from land cultivated with regenerative agriculture practices by 2050.

Toward this goal, we are in the process of implementing the following actions:

- Develop and launch regenerative agriculture pilot projects with key farmers and wheat suppliers in major sourcing regions.
- Empower farmers and suppliers to align with environmental improvement objectives that promote a resilient food system. This means 200,000 hectares of wheat will be cultivated with regenerative agriculture practices by 2030.
- Collaborate with the research and development of technology applied to agriculture
- Contribute to reducing at least 28% of Scope 3 emissions by 2030.

OUR PROGRESS:

We expanded the program and worked with strategic wheat suppliers.

We invested in regenerative agriculture studies and diagnostics in the United States and Canada to better understand Alberta, Saskatchewan, Oklahoma and Texas wheat-producing regions.

We identified current agricultural practices and opportunities for the implementation of regenerative agriculture

- In Mexico, we have trained 570 farmers and implemented regenerative practices in more than 9,900 hectares, from which more than 81,800 tons were harvested.
- In Bimbo QSR, France, our team participates with McDonald's–one of our main customers–in an important regenerative agriculture project.
- In collaboration with Mexico, we implemented regenerative agriculture pilot projects in the United States on 86,000 hectares.



With these actions, every day, we advance further in our goal of being more sustainable and leaving a positive footprint on the land that has given us, for more than 75 years, the raw material necessary to bring delicious and nutritious food to everyone's table



SUCCESS STORIES

PROJECT IN MEXICO

The Regenerative Agriculture project began in 2018. Since then, many farmers have voluntarily joined upon learning of the benefits to their land and businesses.

At Grupo Bimbo, we have advanced in the identification of measurement technologies and expanded our field of research toward new seed varieties that can adapt to different climates.

Progress

In conjunction with the International Maize and Wheat Improvement Center (CIMMyT), we completed our fourth cycle, reducing carbon and water footprints and increasing resource efficiency.



This year, we will start the pilots for global scaling.

Based on the lessons learned in Mexico, we will replicate these practices in Central and South America, working on activities with the ingredients typical of each region.

WHEAT IN MEXICO

This year, we started regenerative agriculture practices in Guanajuato that add to the efforts in Sinaloa and Sonora, with which we have obtained the following achievements:

6,776 hectares
with regenerative agriculture



428
farmers trained

+44,500
Tons of wheat produced

+15%
productivity in the use of water
compared to conventional practices

11,925
Ton CO_2e
of potential emission reductions by 2022

We continue to promote sesame production in Sinaloa to encourage crop rotation.

CORN IN MEXICO

Corn production projects are conducted in the States of Sinaloa and Jalisco and are also on track for:

3,158 Hectares

with regenerative agriculture

146
farmers trained in 7 events

3
in Sinaloa

4
in Jalisco



+37,200
Ton. corn

+3%
productivity in the use of water
compared to conventional practices

5,000
Ton CO_2e
of potential emission reductions by 2022

For the Fall-Winter 2022/23 cycle, the project will be extended to Sonora, adding wheat and corn to the crop rotation strategy and, in Sinaloa, wheat-corn and corn-potato.

WHEAT IN THE UNITED STATES

Building on lessons learned from other pilot projects and expanding the results of the 2021 regional diagnostic, we have intensified our knowledge of wheat production in Kansas and the area's regeneration opportunities. Additionally, we have invested in developing relationships with stakeholders such as mills, suppliers, researchers and commercial organizations.

Actions taken to support the pilot project in North America and the development of a replicable model include:

Design of pilot parameters - based on the work conducted in Mexico to establish KPIs, metrics, data collection and analysis partners and information frameworks.



Building alliances with strategic partners and supply chain stakeholders such as researchers, the Kansas Wheat Commission and regional leaders in regenerative agriculture.

Development of criteria for the selection of partners in data collection

FOUNDATIONS

Our commitment is...

To develop a responsible and sustainable business with a culture of operational responsibility for our world.



AT GRUPO BIMBO, WE ARE RESPONSIBLE FOR COMPLYING WITH HIGH INTERNAL AND EXTERNAL STANDARDS, WHICH HAVE BEEN PART OF OUR CULTURE FOR MANY YEARS AND WHICH ALLOW US TO MAINTAIN GLOBAL LEADERSHIP UNDER CRITERIA OF EXCELLENCE AND WITH A FIRM COMMITMENT TO NOURISHING A BETTER WORLD, BAKED FOR YOU, BAKED FOR NATURE AND BAKED FOR LIFE.

We achieve all this by sourcing sustainably, having high-quality standards for our products and their safety and proper treatment, promoting fair trade and with legal compliance, care and respect for human rights and the environment as our reasons for being.

Running a responsible business and protecting our global and local operations licenses.

Our "Foundations" represent the basis of our strategy and our sustainable business model. They are built from policies, internal standards and initiatives we have implemented and enhanced over many years with highly positive results. These successful practices are part of our operational culture and have contributed to achieving the excellence and leadership necessary to achieve our sustainability goals and objectives.



OUR FOUNDATIONS

Environmental Standards

Legal Compliance

- 100% of the centers will comply with the environmental regulations of the countries where we operate and with Grupo Bimbo standards
- 100% of our work centers have a sustainable building analysis in accordance with the Grupo Bimbo standard and have an improvement plan

Natural Capital

- Implement at least one biodiversity conservation or improvement project in each organization by 2025

Chemicals

- Gradual substitution of HCFC and HFC refrigerants



Quality and Food Safety

Food Safety

- We will guarantee that 100% of the products will be produced in factories certified according to the GFSI (Global Food Safety Initiative)
- 100% of the factories will be audited to ensure compliance with the strictest quality and food safety standards

100%
GFSI-certified workplaces



Human Rights and Labor Standards

Human Rights

- Ongoing commitment to ensure no forced or child labor violations occur. If any violation occurs, it is handled appropriately
- Guarantee that all associates in every work center communicate and comply with the Global Human Rights Policy

Fair wages and benefits

- Commitment to pay more than local minimum wages in all operations by 2025
- All Grupo Bimbo operations respect the trade union agreements that apply to each business unit and union members everywhere
- 100% of suppliers are signatories of the Supplier Code of Conduct
- 100% of associates are signatories of the Grupo Bimbo Code of Ethics
- 100% compliance with local and Grupo Bimbo labor regulations



Sustainable Sourcing of Raw Materials

Palm Oil

- We will obtain 100% RSPO certification by 2023
- We will achieve 97% traceability by 2025
- We will provide ongoing support to palm oil farmers and plantations

Paper and Cardboard

- 100% of paper and cardboard purchases will be free from deforestation and sourced from certified sustainable or recycled sources by 2025

Products of Animal Origin

- We will use 100% Free Range Chicken Eggs for our recipes by 2025

Other Key Ingredients

- We will ensure that no supply chain leads to deforestation

100%
traceability in our strategic and risk ingredients

ENVIRONMENTAL STANDARDS

We seek to ensure legal compliance and maintain the highest environmental standards in all our operations. A fundamental step to achieve this is to have policies, codes and regulations that help ensure the traceability of our compliance, not only internally but throughout the supply chain.

During 2022, no significant penalties or spills were reported in our operations.*



10 mandatory sustainable practices in all our bakeries

1 **Oven efficiency**
High-efficiency burners, oven control system update and burner calibration procedure.

2 **Heat recovery systems**
HRS for our chimneys and compressors and mineral wool insulation for combustion and refrigeration equipment.

3 **Heating systems**
Eliminating boilers with new and high-efficiency systems and solutions in workplaces with extreme weather conditions.

4 **Renewable electricity**
Exclusive use of renewable electricity in all our facilities.

5 **Electrical efficiency**
High-efficiency air compressors and motors, efficient conveyor stops, natural and LED lighting, air conditioning in essential areas and air-cooled compressors.

6 **Measurements of electricity**
Capacitors, monitoring and measurement through general meters in all our production lines to monitor consumption and GB Connected Energy.

7 **Air removal**
Commitment to cleaning: avoid using compressed air by installing vacuum systems in the areas handling minor ingredients and packaging.

8 **Dry steam cleaning**
Use dry steam cleaners for belts, conveyors and other key operational equipment to reduce/eliminate water as part of the dry cleaning initiative.

9 **Closed water and treatment cycles**
Closed water and treatment cycles in areas of use such as dispensers, and pot washers, among others, to maximize internal water cycles before discharge.

10 **Recovery in the value chain**
Recovery of product, secondary ingredients and dough during production processes and waste separation and recycling for more effective extraction and treatment.

* Events are considered significant when penalized by a fine exceeding USD 10,000 and temporary or permanent closure or when the continuity of our operations is at risk.



SUSTAINABLE BUILDINGS

In addition to the mandatory practices, we have criteria used to evaluate our buildings (bakeries, sales and distribution centers) in a sustainability standard generated by Grupo Bimbo and divided by maturity levels.



Level 1

Compliance with minimum operational and legal sustainability requirements and minimum investments for improvement.

Level 2

Measurement of impacts on the building's sustainability, actions that require a medium investment for improvement.

Level 3

Management and continuous improvement. Major investment projects.

QUALITY AND FOOD SAFETY

Our commitment

- At Grupo Bimbo, we care about offering the best products made with the best quality and safety operations standards. We have an institutional framework that includes our Quality and Food Safety Policy, the Global Standard for Food Safety, and the adoption of other international guidelines. These have allowed us to standardize our production processes globally and guarantee the safety and quality of our products.
- Thanks to these criteria, we can provide certainty about marketing safe products to consumers. These criteria and commitments are adopted by senior management and implemented in the production chain, contributing to work in safe and hygienic locations and reducing contamination risks.



Our Goals

- To guarantee that 100% of the products are made in bakeries and other plants certified according to the GFSI (Global Food Safety Initiative).
- Conducts audits of 100% of our bakeries and other plants to ensure compliance with the strictest quality and food safety standards.

74%

of the resources used to make our products are certified under GFSI criteria.

WE PROMOTE A CULTURE OF QUALITY AND SAFETY



The quality of our food depends on the quality of our resources, from selection to manufacturing processes. Our quality and safety management systems focus on mitigating or eliminating any potential incident in all process phases.

This year we conducted a global survey aimed at associates of production centers to measure the level of maturity regarding the culture of safety and quality. The results allow us to have a baseline of information for comparison and the development of the strategy to follow starting in 2023.

Some of our safety-focused programs include: prerequisite programs, traceability and recalls. Hazard Analysis Critical Control Point (HACCP) and special programs include microbiological monitoring, foreign matter control, and ingredient controls.

ACTIONS TO STRENGTHEN THE QUALITY AND SAFETY OF OUR PRODUCTS

We have a series of actions that reinforce our system and allow us to have better control, minimize risk and properly manage all quality and safety issues that may arise.



1. **Prerequisite Programs**
These involve the fundamentals of our food safety and quality management system, such as good manufacturing practices, a master cleaning program, allergenic and sensitive ingredients, chemical control and pest control. They contribute significantly to reducing risks and achieving a hygienic environment for the process of our products.

2. **Product traceability and recall**
Our global policy guides a basic procedure that all our operations must implement and recall the product when necessary, based on safety and quality complaints.

3. **Management of consumer and customer complaints[1]:**
We have the tool Hazard Analysis and Critical Control Points (HACCP) Program, which facilitates the detection of hazards and the design of control measures on our raw materials; it also facilitates close surveillance as a preventive control mechanism.

4. **Quality management system:**
Continuous training process for our associates.

5. **Audit and inspection program:**
The implementation of verification procedures to ensure compliance with the Global Standard for Food Safety[2] within our operations. This is reinforced through the audits conducted by our Audit Department, which developed its audit program on food safety.

6. **Food defense program:**
Development of actions that detect threats and vulnerabilities, such as alterations and any other malicious act against our products.

1. Under the GFSI certification, there is no information on cases of non-compliance at a global level. Each organization or country addresses and follows up on non-conformities.
2. Exclusions: This does not apply to Bimbo India operations, which work under an Indian Standard 2022.

7 **Management of suppliers and maquiladoras:**
Definition of compliance requirements regarding safety, quality and regulation for suppliers who want to work with us.

8 **Process control:**
Implementation of routine manufacturing control procedures for our products.

9 **Evaluation and release of products:**
Once the standards are met, the products are suitable for commercialization.

10 **Business continuity crisis management:**
We have a guide to prepare for potential or real events that may represent a crisis for our operation. Under these criteria, we guarantee adequate communication and business continuity.



In 2022, 100% of product recall has been voluntary and, in all cases, recovered. No complaints or significant consequences from our consumers or customers were reported.

Production volume manufactured at sites certified by an independent third party:

95.71% of the tons produced were processed in 181 operations with Global Food Safety Initiative (GFSI)[1] certification.

1. Exclusions: The Ricolino plant operations are excluded from this total since they stopped reporting to GB as of May 2022. Kazakhstan/Morocco, BQ/Switzerland are not considered as they are Joint Ventures.

HUMAN RIGHTS AND LABOR STANDARDS

At Grupo Bimbo, we respect the right of association and collective bargaining of our associates. We grant the right to form or join unions or existing labor representations in accordance with local law on the right to association.

As of year-end 2022, 59% of Grupo Bimbo's associates were represented by a collective contract or agreement. The rest of the personnel is governed by local laws and under an individual contract where most benefits adhere to the collective agreements, while others are established and differentiated by the company according to the position level.

None of our decisions or operations limit the freedom or rights of associates to association or collective bargaining. Therefore, any measure is governed under strict adherence to the legislation of each country and international agreements.



59%

of Grupo Bimbo associates are represented by a collective contract or agreement

ERADICATION OF CHILD LABOR AND FORCED LABOR

We established global policies to support this commitment and thus ensure compliance with human rights throughout our business process.
We conduct periodic internal inspections by entity and corporate functional or regional offices.



Prohibition of Child Labor

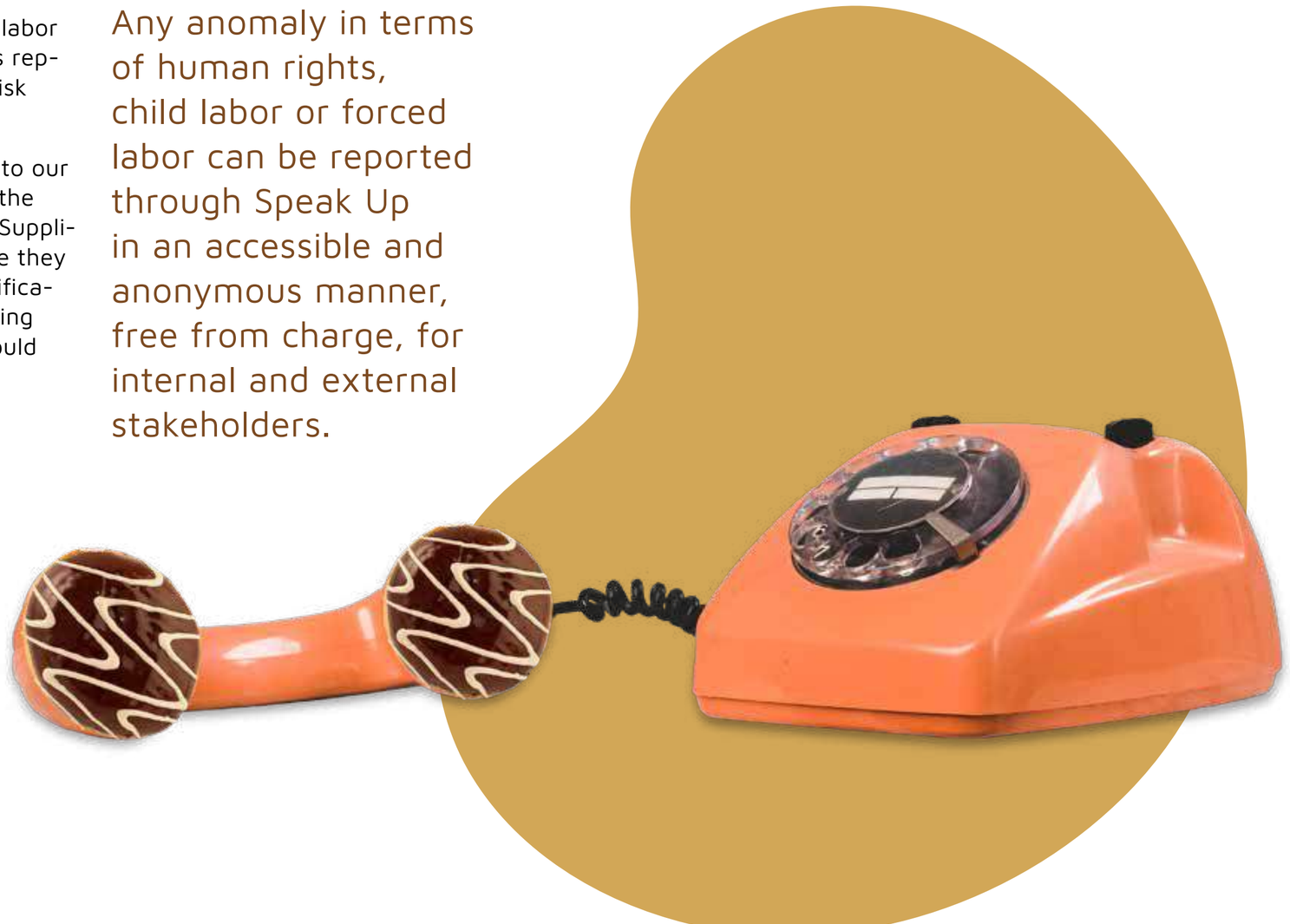
- Our recruitment processes incorporate the request for the official documentation corresponding to each country that accredits the legal age of job candidates.
- In some countries, government agencies or public health institutions verify and validate this information[1].
- We meet the criteria determined by local legislation and the ILO for young people of legal working age.
- We conduct periodic internal inspections by entity and corporate functional or regional offices to corroborate compliance with human and labor rights processes per the provisions established by local legislation and internal policies.

1. Any young person considered of legal working age. Verification of local legislation is made, and we strictly adhere to the guidance of the international standards of the International Labor Organization (ILO).

In 2022, no cases of child labor or exposed young workers representing a considerable risk were reported.

Our commitment extends to our supplier network through the mandatory signing of the Supplier Code of Conduct, where they commit to having age verification procedures and applying remediation measures should child labor be detected.

Any anomaly in terms of human rights, child labor or forced labor can be reported through Speak Up in an accessible and anonymous manner, free from charge, for internal and external stakeholders.



In 2022 we identified ten complaints about overtime without compensation, five of which have been addressed and resolved. The rest are under investigation. However, this does not entail a significant risk related to forced labor; we avoid this risk by reporting the voluntary signing of individual work contracts.

In Bimbo QSR operations, our main customers conduct external audits to verify that there is no forced labor or child labor throughout our production chain, among other social and environmental aspects.

SOCIAL MANAGEMENT OF OUR SUPPLIERS

We are aware of the work and labor context in which we operate, as well as the culture and customs of each region, and we have established criteria that strengthen the social management of our suppliers. We know there are still many challenges, and we develop appropriate and relevant practices for each region based largely on the Supplier Code of Conduct and the Global Policy for Agriculture.





Thanks to the practices developed in the Grupo Bimbo organizations, we implement standards or programs focused on improving the quality of life of the people in our supply chain.

North America currently encourages the inclusion of diverse suppliers in our supply chain through our Supplier Diversity Program. Thanks to the association with suppliers through the diversity program, we purchase goods and services from certified companies to better connect with all our consumers.

We continuously implement social assessments to detect risks of negative impact within the supply chain on social, environmental and good governance issues. No cases related to the subject were reported in 2022.

4. i. We join supplier diversity councils focused on ethnic minorities, Aboriginal groups and women (NMSDC, WBENC, CAMSC, WeConnect); ii. Updated supplier diversity questionnaire for new suppliers in the U.S. and Canada; iii. Development of Supplier Diversity Policy (local); iv. Launch of the new internal BBU website

SUSTAINABLE SOURCING OF RAW MATERIALS

Our Foundations describe all the work we do to ensure that our strategic raw materials come from a supply chain with the best sustainable supply practices, which is why we work with our suppliers to develop and grow together toward compliance with our sustainability goals.

As a company, we define our most strategic ingredients in which we will be working according to the environmental and social impact that we have as a company on them and ensure in the future the well-being of those who work throughout our supply and value chain, as well as the continuity of the supply.

In 2022, Grupo Bimbo continued work on implementing our Global Agriculture Policy, ensuring the traceability of our products through supply chains.



PALM OIL

Regarding palm oil, we specifically apply our Global Palm Oil Policy, reaffirming our commitment to best practices in supplying raw materials and promoting commitments to No Deforestation, No Peat and No Exploitation (NDPE).

Grupo Bimbo is a member of the Roundtable on Sustainable Palm Oil (RSPO), also participating in the North American (NASPON) and Latin American (GCAL) working groups.

In 2019, Grupo Bimbo committed to buying 100% RSPO-certified oil by 2023.

By the end of 2022, 80% of Grupo Bimbo's volume of palm oil was RSPO-certified.*

Grupo Bimbo achieved 95% traceability to mill (TTM) and 59% traceability to plantation (TTP). These advances contribute to the transparency of our supply chain.

The entire production process of this ingredient is evaluated under the following criteria:

- Supplier's sourcing policy and content
- Traceability to mill and plantation
- Supplier commitment and implementation plan
- Support in transformation initiatives: Focus on labor and social issues or focus on land management and conservation
- Mechanism to manage claims
- Verification and monitoring processes of NDPE commitments

To ensure the implementation of the policy, we have conducted a risk assessment in sustainability aspects using the criteria established in the supply chain with suppliers (Level 1) that have direct transactions with Grupo Bimbo.



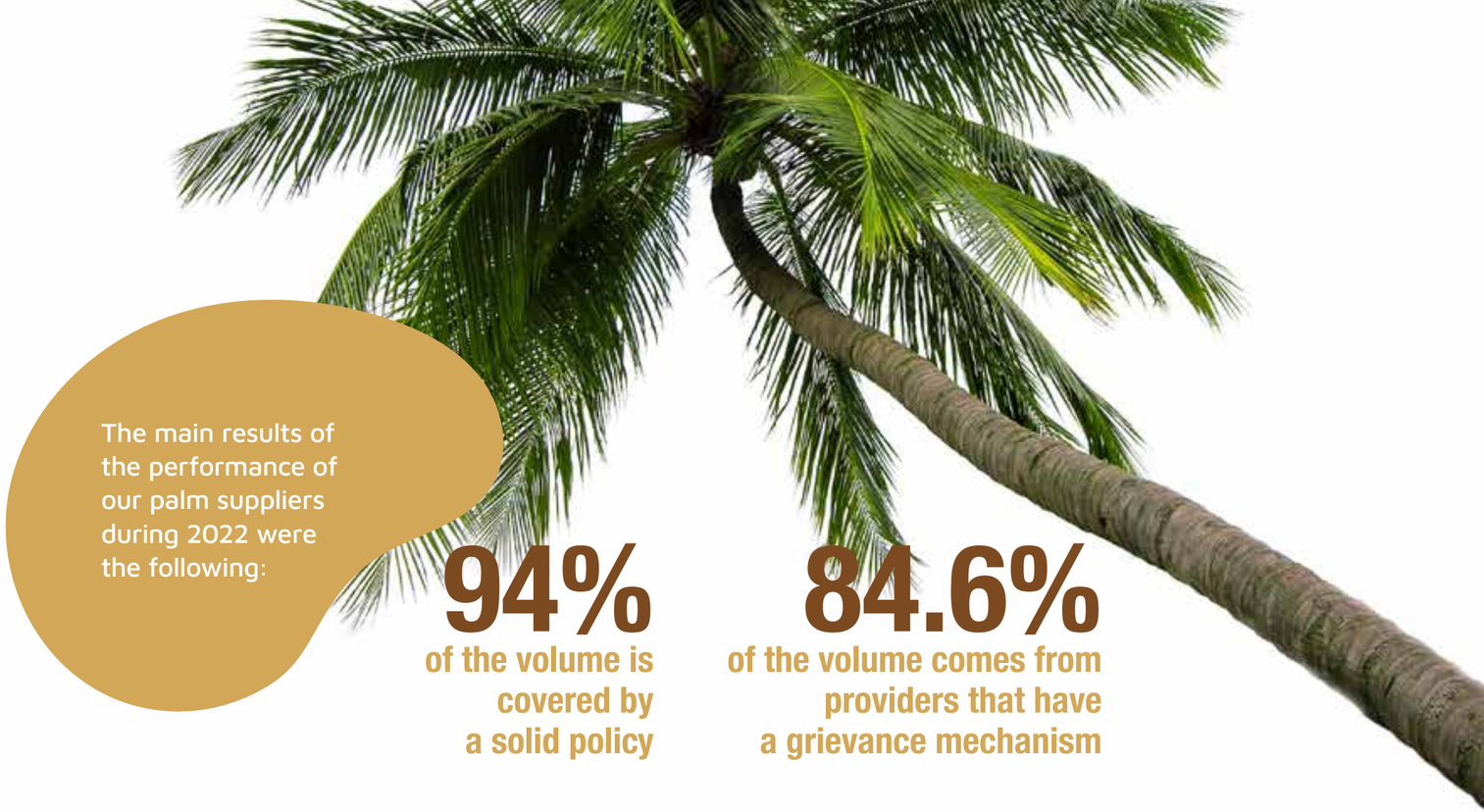
*Certification level

This year, Grupo Bimbo included suppliers representing 96% of its palm oil and palm kernel oil and achieved a response from suppliers representing 92.37% of its volume.

The results indicate that Grupo Bimbo's suppliers have made considerable progress in applying their NDPE commitments.

Grupo Bimbo is working this year under a framework to identify different levels of compliance by supplier (robust, moderate and entry-level) to discuss specific actions based on the maturity level. For the second consecutive year, 100% of committed suppliers have a responsible sourcing policy.

Grupo Bimbo established a dialogue with its suppliers to discuss opportunities for improvement and establish an Action Plan to close the gaps identified.



The main results of the performance of our palm suppliers during 2022 were the following:

94%
of the volume is covered by a solid policy

84.6%
of the volume comes from providers that have a grievance mechanism

80%
of the volume of palm oil comes from suppliers who publicly report the measures they are adopting to advance their NDPE commitments: no deforestation, no peat, no commercial exploitation

82%
of the contracted volume has systems to control deforestation in its own supply chain

SATELLITE MONITORING

Grupo Bimbo continues to monitor deforestation in its supply chain through Starling, a satellite tracking tool developed by Airbus and the Earthworm Foundation. This process includes the key suppliers that supply us with palm and complements our suppliers' evaluation and development efforts to increase transparency in terms of data and response to identified deforestation alerts.

These monitoring efforts have verified that 45% of Grupo Bimbo's volume is deforestation-free while we continue to reduce risk by implementing our policy.





SUCCESS STORIES AND RELEVANT MILESTONES



Palm Oil

Grupo Bimbo continued to support the Landscape of Chiapas, Mexico, one of the company's most important regions for palm oil supplies. The landscape project is centered on "La Encrucijada" and "Marqués de Comillas," where actions are carried out to manage palm oil cultivation to protect forests and other natural ecosystems while guaranteeing livelihoods for small producers.

Grupo Bimbo is currently working on an initiative in Guatemala to promote socially conscious development among palm oil suppliers with a commitment to labor and human rights. The advances of this initiative are focused on the following objectives: i) increase the capacity to confront key social issues; ii) generate key knowledge for its implementation in the future; and iii) build relationships between social organizations and palm oil companies.

SOY

In addition, at Grupo Bimbo, we have been working since 2019 on the responsible supply of soy, continuously reinforcing mapping, our engagement program and support in transformation.

During 2022, Grupo Bimbo mapped 89% of its supply chain to understand its associated challenges and to continue implementing the Global Agriculture Policy and the expectations established by the Consumer Goods Forum.

Of the 89% of the volume analyzed, we determined that 46% of the soy comes from low-risk countries such as the United States and Canada, and 54% comes from high-risk countries such as Brazil, Argentina, Paraguay and Bolivia.

With suppliers that source from high-risk regions, Grupo Bimbo has agreed on an Action Plan based on the gaps identified and the level of maturity of the supplier in terms of responsible sourcing. It is important to mention that of the 54% of high-risk volumes; most are covered by mechanisms or tools to address responsible sourcing.



Grupo Bimbo has asked suppliers from high-risk regions, which represent 49% of the analyzed volume, to share the biomes associated with their regions[1]

1. Closed biomes account for more than half of the high-risk volumes.



SUCCESS STORIES

Soy worker training

Grupo Bimbo continues its efforts to support soy transformation initiatives. At the beginning of the year, in collaboration with the Earthworm Foundation and the organization Clube Amigos da Terra in Sorriso, Brazil, 176 rural workers from 55,000 hectares planted with soybeans were trained in personal protective equipment and the safe use of chemical products, fire control and operating machinery.

Restoration of the Lira River

Grupo Bimbo has joined multiple organizations to restore the natural springs of the Lira River, intending to restore the river's ecosystem, specifically to provide water to the local population and use it for farming. The recovery of watercourses is a critical aspect of the natural hydrological cycle and in the maintenance of large-scale agriculture in rainfed areas of Brazil.

This project is relevant because Sorriso, Brazil, has become the soybean capital of the world. At the same time, soy is one of the key ingredients for Grupo Bimbo in terms of operation and sustainability.

Positive impact generated. The Lira River serves numerous producers of soybeans and other crops. Spring restoration has a local impact on erosion and nutrient leaching.





SUGAR

We promote the adherence of sugar suppliers to the Global Agriculture Policy through the EPI[1] (Engagement for Policy Implementation), with which we work with 88% of the volume of sugarcane globally. During this process, we systematically evaluate information from our suppliers through documented audits, subsequently encouraging a dialogue focused on discussing the areas of opportunity detected for the development of action plans by our suppliers to address these opportunities and promote continuous improvement.

Grupo Bimbo seeks to promote social management in sugarcane processing, especially regarding labor issues. Following the development of the Human Rights policy with one of our primary sugarcane suppliers in Mexico, we continue to collaborate to develop a guide containing the best practices that will facilitate the self-assessment of working conditions for the rest of the suppliers in 2023.

1. We conduct an annual assessment through an audit process, where the responses and documentation to the suppliers are reviewed.



CACAO

In 2022, Grupo Bimbo advanced in understanding its supply chain associated with cacao by conducting a traceability exercise at the country level with 94% of its volume to identify the main supply regions and the related social and environmental challenges. Grupo Bimbo continues to work with its suppliers to increase the level of transparency in the supply of cacao.

SUSTAINABLE SUPPLY

For us, in every action we promote, we seek to benefit our environment and our stakeholders. We are continually looking for ways to influence each aspect we are involved in positively. That's why Grupo Bimbo has prospered since its foundation. The work and alliances forged with suppliers have established business relationships that strengthen trust, commitment and continuous improvement under ethical and sustainable principles.

In addition, we support local consumption since we supply strategic categories such as raw materials and packaging from our most important geographies, such as Mexico, the United States and Canada, 95.2%, 94.7% and 78%, respectively, respectively, come from local communities.

We have a Code of Conduct for Grupo Bimbo Suppliers seeking not only compliance with applicable international laws and regulations but also providing a sustainable approach, which allows us to forge long-term relationships, ensuring the excellence of our products, the sustainability of our environment and the benefit for our consumers and other stakeholders. Signing the Supplier Code of Conduct, in which suppliers agree to comply with social, environmental and ethical aspects, is a pre-requisite to starting any business relationship with us.



Our criteria:

- Sustainable sourcing
- Ethical behavior and shared commitment
- Anti-bribery and anti-corruption practices
- Conflicts of interest
- Fraud and criminal conduct
- Regulations and employment guidance
- Quality and safety
- Traceability
- Health and safety
- Transparency and accountability
- Environmental stewardship
- Intellectual property and reputation
- Communication channels and due diligence

For further information, see the Supplier Code of Ethics and Conduct on our website.

SUPPLIER MANAGEMENT

Supplier evaluation and traceability

We publicly disclose our approach to supply chain management through the publication of our action plan, in which we inform our stakeholders of the actions that will be taken throughout the year to advance our responsible sourcing commitments. Every six months, Grupo Bimbo publishes a progress report on our Global Agriculture Policy and Global Palm Oil Policy, based on our commitment to responsible sourcing and transparency in the agricultural supply chain.[1]

Every year we conduct the Engagement for Policy Implementation (EPI) assessment of our suppliers of different agricultural materials, which helps us identify their maturity in sustainability issues and to work on an action plan to improve or resolve identified areas of opportunity and promote continuous improvement in environmental and social standards. Similarly, we carry out traceability exercises that help us identify risks in our supply chains.



1. These reports are aligned with Grupo Bimbo's ESG sustainability strategy. The policy progress report and the Global Agriculture Policy and Palm Oil Policy report risks from the agricultural supply chain. Communication actions on progress are conducted twice annually.

Identification of risks and impacts

Grupo Bimbo continuously assesses and identifies risks in the supply chain. We can identify critical suppliers through the traceability results and the Engagement for Policy (EPI) exercises. We are currently in the process of implementing a process for the identification of non-substitutable or similar suppliers.

We are referring to critical suppliers since they are the main suppliers in our sourcing, which forces us to reinforce taking action in evaluating their sustainability and responsibility in their supply chain.

This evaluation allows us to identify priorities to integrate into our sustainability strategy with the agricultural supply chain.

We conduct various evaluations to determine the degree of maturity of the different groups of suppliers.

Agricultural suppliers

Using the criteria established by EPI, including environmental and social aspects such as policies related to child labor; discrimination; forced labor; freedom of association; collective bargaining; human rights; diversity and inclusion.

Depending on their level of compliance, suppliers must develop an action plan as part of their ongoing improvement and in keeping with the expectations of Grupo Bimbo and the industry to continue to mature in Sustainability.

For suppliers in non-agricultural categories

We encourage our suppliers to disclose information on their performance in environmental management through questionnaires on climate change and forests developed by the CDP Supply Chain program.

In 2022, Grupo Bimbo was recognized by CDP Latin America as one of the companies in the top 8% for its engagement with its suppliers in climate change matters.

In 2022, we conducted evaluations on **270 suppliers**, of which:

- 230 were through CDP (non-agricultural suppliers)
- 37 through EPI (agricultural)

In addition to obtaining this commitment from our suppliers and their responses to questionnaires, several training sessions were conducted during the response period based on our suppliers' levels of maturity in environmental management. We are committed to generating and strengthening the capacities of our allies in this sustainability strategy. For these training sessions, we invited some of our more mature suppliers to share their experiences in including ESG in their companies. CHEP, Scania AB and Mondi Jackson accompanied us throughout the cycle.

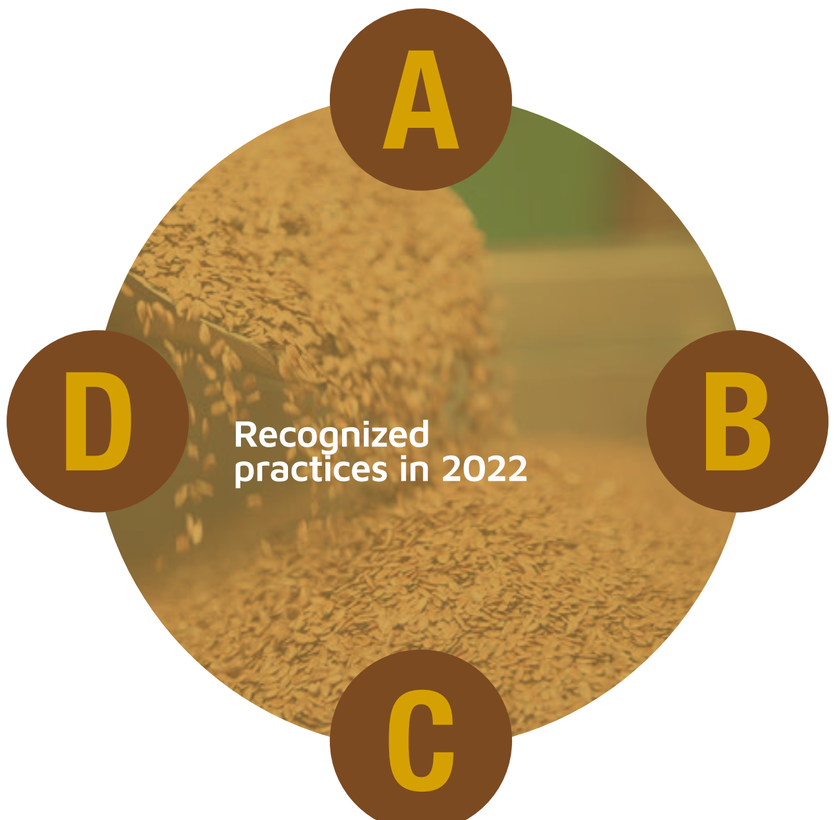


Strategic Alliances: Forest Positive Coalition

We have partnered on initiatives, such as the Positive Forest Coalition of the Consumer Goods Forum, to develop collective actions at an industrial level to halt deforestation and forest degradation, based on the supply chains' impact on key raw materials.

Inspire to accelerate ambition: Best practices in responsible sourcing

We have launched an internal communication program to disseminate the relevant milestones related to responsible sourcing, in which we share good practices that the Purchasing team carries out in the different Grupo Bimbo organizations, inspiring recognition and replicability.



A

"Supplier Diversity in BBU" Program

B

Replacement of plastic closing clips with cardboard clips (100% recycled cardboard)

C

Rockwell remanufacturing program

D

Inclusion of holes in corrugated cardboard boxes and pallet assembly redesign initiative

ANIMAL WELFARE

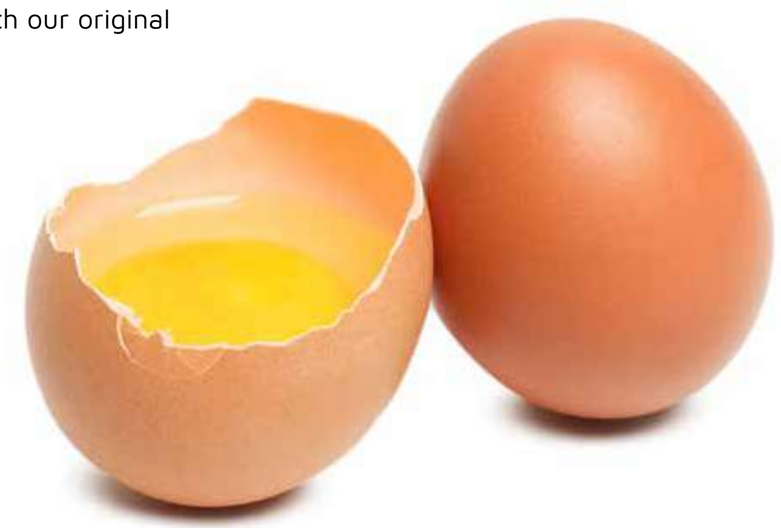
We have worked hand in hand with our suppliers and strategic partners to create and strengthen the supply of cage-free chicken eggs; we have done so in close collaboration with Humane Society International (HSI), an allied organization with which we have made a significant effort to train our suppliers and internal teams, as well as the identification of key suppliers that already have certification in animal welfare.

The key points that are being developed with various partners, particularly HSI,* are:

1. Identify cage-free egg producers in each country and region.
2. Work as an advisor to develop the capacities of producers through joint work with HSI and the implementation of workshops that seek to strengthen the supply side of the challenge.
3. Establish a dialogue with other companies that have announced similar commitments to join forces.
4. Engage in commercial conversations between companies and producers of cage-free eggs to enter into long-term purchase agreements that ensure a return on investment for producers.
5. Start conversations with the processing companies to align the incentives of all the actors in the production process.
6. Play an advisory role with producers, working with HSI to bring financial institutions and instruments to the table that benefit the required investments and reduce credit costs.

While our work has been rigorous, it's important to mention that global conditions have changed dramatically since the year the company assumed this commitment. The pandemic, the war in Ukraine, bird flu and high inflation rates have complicated the process of developing cage-free egg supplies in some markets and regions where we operate, which has complicated compliance with our original progress rate.

However, despite the challenges we face, in 2022, we have made significant progress in regions and countries such as France and the United Kingdom, where we have reached 100% of our target. This year in Canada, we reached 60% utilization of cage-free eggs.



* Humane Society International

TECHNOLOGY INSPIRES US

BIMBO VENTURES

Through Bimbo Ventures, Grupo Bimbo connects our business with the window to the future. An area dedicated to seeking technological solutions in the world's innovation ecosystems, we identify opportunities for collaboration and investment in promising start-ups that drive new technology and disruptive solutions for our products, ingredients and packaging, digital marketing, e-commerce, digitization, operations optimization and process innovation that drive business development and achievement of our sustainability goals.



6
investments in Venture Capital funds around the world

+37
minority investments in companies with innovative solutions

Our portafolio

Acceleration program

5
editions

+1000
start-up applicants from regions such as the United States, Latin America, Europe and Israel

40
start-ups supported in the acceleration process



SUCCESS STORIES 2022

- Acceleration of Latin American manufacturers of healthy products.
- Open innovation program for packaging circularity with UC Davis.
- 7 product and food tech companies added to the Bimbo Ventures investment portfolio.

For this reason, this year, with Bimbo Ventures, we have invested in five large projects to promote healthy diets with nutritional diversity, improve the quality of life of our consumers and preserve the environment:

- **Livekuna live healthy, live well:** works directly with farmers to create superfood-based products that are vegan, organic, and healthy.
- **Eatsane:** Low-carb products based on nuts and seeds without artificial sweeteners or preservatives.
- **Soozy's grain-free:** It has developed all its recipes with nutrient-dense, grain-free ingredients, thus achieving clean labeling for all its products.
- **Rule Breaker Snacks:** Created a delicious plant-based brownie and blondie snacks recipe.
- **The Greater Knead:** Has become a producer of bagels and pretzels, all free from allergens and gluten without losing their delicious, dense and chewy flavor.

BIMBO OpenDoor

Grupo Bimbo is a start-up acceleration program that promotes sustainable projects in the baking and snacks sector.

+250
ventures



CORPORATE governance

CORPORATE GOVERNANCE

Board of Directors

The Board of Directors and the Senior Management are responsible for the administration of the Company, performing the functions established by the Law of Commercial Companies (Ley General de Sociedades Mercantiles) and the Securities Market Law (Ley del Mercado de Valores), in accordance with our corporate Bylaws.

Appointment and selection

The members of the Board of Directors are elected, as a general rule, by the shareholders of the Company at the Annual Ordinary General Shareholders' Meeting. However, the Board of Directors may appoint provisional members in the event of resignation or failure to designate an alternate director.

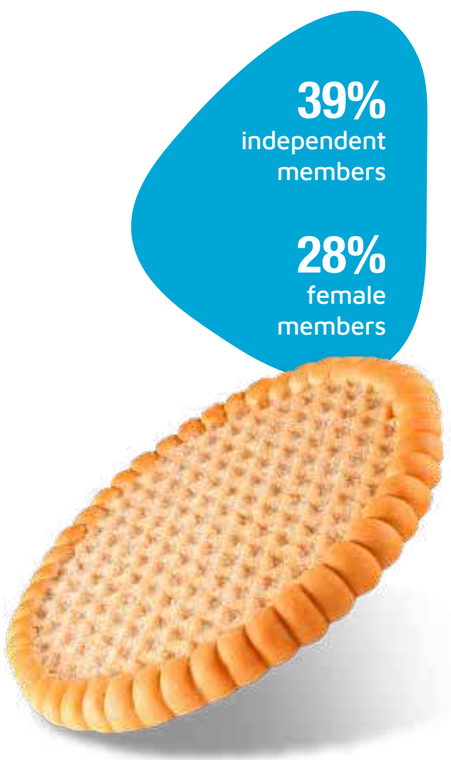
The Board of Directors, appointed and ratified during the Annual and Extraordinary General Shareholders' Meeting, is comprised of 18 directors.

Functions

Its functions include establishing the guidelines and general strategy for conducting the business and overseeing compliance with the foregoing. It legally represents the Company and carries out the acts and operations in accordance with the Bylaws.

The Board of Directors participated in the 2022 materiality analysis. It reviews the financial and operating quarterly results of the Company and provides the corresponding approvals. Within the sustainability governance structure, it delegates the fulfillment of the objectives and goals within the strategy, the management of social, environmental and ethical impacts, and the preparation of reports on the performance of material topics.

The company's CEO is also the Chairman of the Board of Directors. The Company has a Global Conflicts of Interest Policy that specifies the mechanisms to avoid and mitigate such conflicts. The Audit Committee is responsible for authorizing, rejecting or proposing appropriate measures to the Board of Directors regarding possible conflicts of interest of the CEO and those received from the Ethics Committee.



CHAIRMAN OF THE BOARD

Daniel Javier Servitje Montull
Chairman of the Board

BOARD MEMBERS

Andrés Obregón Servitje
Arturo Manuel Fernández Pérez (I)
Daniel Javier Servitje Montull
Edmundo Miguel Vallejo Venegas (I)
Guillermo Lerdo de Tejada Servitje
Jaime Antonio El Koury (I)
Jaime Chico Pardo
Javier de Pedro Espínola
José Ignacio Pérez Lizaur (I)
Juana Francisca de Chantal Llano Cadavid (I)
Lorenzo Sendra Creixell
Luis Jorba Servitje
María del Pilar Mariscal Servitje
María Isabel Mata Torrallardona
María Luisa Jorda Castro (I)
Marina de Tavira Servitje
Mauricio Jorba Servitje
Rogelio Miguel Rebolledo Rojas (I)

SECRETARY*

Luis Miguel Briola Clement
Secretary
Norma Isaura Castañeda Méndez
Alternate Secretary

(I): Independent Board Member.
*The Secretary and Alternate Secretary are not members of the Board of Directors.

INTERMEDIATE ADMINISTRATIVE BODIES

Committees

For the performance of its functions, the Board of Directors has the support of the following intermediate bodies responsible for assisting the Board of Directors in managing the Company:

- **Audit and Corporate Practices Committee**
- **Evaluation, Compensation and Nominations Committee**
- **Finance and Planning Committee**

Audit and Corporate Practices Committee*

CHAIRMAN

Edmundo Miguel Vallejo Venegas

MEMBERS

Arturo Manuel Fernández Pérez
Juana Francisca de Chantal Llano Cadavid
Maria Luisa Jorda Castro
Jaime A. El Koury

100% of the members of this committee are independent.

Evaluation, Compensation and Nominations Committee

CHAIRMAN

Luis Jorba Servitje

MEMBERS

Javier de Pedro Espínola
José Ignacio Pérez Lizaur
Edmundo Miguel Vallejo Venegas
María Luisa Jorda Castro

Finance and Planning Committee

CHAIRMAN

Rogelio Miguel Rebolledo Rojas

MEMBERS

Jaime Chico Pardo
Javier De Pedro Espínola
Luis Jorba Servitje
Daniel Javier Servitje Montull
José Ignacio Pérez Lizaur
Andrés Obregón Servitje
María del Pilar Mariscal Servitje

Steering Committee

Daniel Javier Servitje Montull
Chariman of the Board and CEO, Grupo Bimbo

Diego Gaxiola Cuevas
CFO, Grupo Bimbo

Rafael Pamias Romero
COO, Grupo Bimbo

Juan Muldoon Barrena
Chief People Officer, Grupo Bimbo

Raúl Ignacio Obregón Servitje
Chief Information and Transformation Officer, Grupo Bimbo

Mark Bendix
Executive VP, Grupo Bimbo

Fernando Lerdo de Tejada Servitje
Executive VP, Grupo Bimbo

Alejandro Rodríguez Bas
President, Barcel

Tony Gavin
President, Bimbo Bakeries USA

Miguel Ángel Espinoza Ramírez
President, Bimbo Mexico

To learn about the experience and commitments of the members of the highest governance body and its committees, see:

Board of Directors:
https://www.grupobimbo.com/en/investors/governance/board-directors

Committees
https://www.grupobimbo.com/en/investors/governance/committees



Daniel Javier Servitje Montull

Mr. Servitje Montull is a member of the Board of Directors of Grupo Financiero Banamex, S.A. de C.V., Coca-Cola Femsa, S.A.B de C.V., Instituto Mexicano para la Competitividad, A.C., The Global Consumer Goods Forum, Latin America Conservation Council (The Nature Conservancy), and Aura Solar.

Mauricio Jorba Servitje

Mr. Jorba Servitje is a member of the Board of Directors of VIDAX and of Administración de Promociones Monser, S.A. of C.V.



María Luisa Jorda Castro

Mrs. Jorda Castro is a member of the Board of Merlin Properties, Chairman of the Appointments and Remuneration Committee and Member of the Audit Committee; member of the Board of the BANKINTER Group (Financial Entity), member of the Bank's Risk and Regulatory Compliance Committee, Chairman of the Audit Committee and Member of the Risk Committee; She is President of the Technical Advisory Committee of the Institute of Internal Auditors of Spain and a professor in the Directors Program at the ESADE Business School.

She has been a member of the Board and member of the Audit and Control Committee of Tubos Reunidos, S.A., a member of the Board of the European Finance Bank (Unicaja Group) and Chairman of its Audit Committee, and she was a member of the Jazztel Board and Chairman of the Audit Commission; She is a member of the Governing Board and a member of the Audit Committee of the Institute of Directors and Administrators (ICA).

Mrs. Jorda Castro has held various executive positions in her more than 30-year professional career, belonging to the different Management, Investment and Audit Committees, among which the following stand out: General Economic-Financial Director of the Deoleo Group, Director of Internal Audit and of Corporate Governance of Metrovacesa, General Director of Finance and Investments of the ONCE Business Corporation, as well as others in the Real Estate and Food sectors.

Arturo Manuel Fernández Pérez

Mr. Fernández Pérez is the Dean of the Instituto Tecnológico Autónomo de México (ITAM) and a member of the Board of Directors of Industrias Peñoles, S.A.B. de C.V., Grupo Nacional Provincial, S.A.B. de C.V., Grupo Palacio de Hierro, S.A.B. de C.V., Valores Mexicanos, Casa de Bolsa, S.A.B. de C.V., Grupo Financiero BBVA Bancomer, S.A. de C.V., Grupo Profuturo, S.A.B. of C.V. and Fresnillo, plc.

Luis Jorba Servitje

Mr. Luis Jorba Servitje is CEO of Frialsa Frigoríficos, the largest cold chain logistics services company in Latin America, with a presence in Mexico and Peru

María Isabel Mata Torrallardona

Ms. Mata Torrallardona is the Chief Executive Officer of Fundacion Jose T. Mata, A.C. and has professional experience at the Rufino Tamayo Museum and at the Lic. Luis López Morton Auction House

Javier de Pedro Espínola

Over the last 30 years, he has participated as a director and shareholder in various private companies in sectors such as the manufacture and sale of school supplies, mattresses, cushions, and the real estate sector. He additionally participates as a counselor in charitable institutions including Fundación José T Mata.

José Ignacio Pérez Lizaur

Mr. Pérez Lizaur is an independent member of the Grupo Bimbo Board (member of the Audit Committee and the Evaluation, Compensation and Nomination Committee).

Until 2016 he was a member of the Board of Newell Brands in the USA (member of the Audit Committee and the Compensation Committee) and of Central American Bottling Corporation (CBC) in Central America and the Caribbean (Chairman of the Audit Committee). He was also a member of the Board of Walmex.

He currently dedicates part of his time to various forms of participation in civil society.

Edmundo Miguel Vallejo Venegas

Mr. Vallejo Venegas is a business academic, counselor, lecturer, author, social promoter, and former President and CEO of GE Latin America.

Jaime Chico Pardo

Mr. Chico is a member of the Board of Grupo Bimbo and the Advisory Board of BDT Capital Partners. He previously served on the boards of Honeywell Intl., AT&T and American Funds Mutual Funds. He has also been a member of the University of Chicago Booth Council since 2012.

He previously served as chairman of the board of Telmex and IDEAL.

Jaime Antonio El Koury

Mr. Jaime A. El Koury is the Legal Director of the Junta de Supervisión y Administración Financiera of Puerto Rico, an official body created by the Congress of the United States of America. He holds the positions of Proprietary Director of Fomento Economico Mexicano, S.A.B. of C.V. and Alternate Director of the Board of Coca Cola FEMSA, S.A.B. of C.V. He was previously a partner at Cleary Gottlieb Steen & Hamilton LLP.

Rogelio M. Rebolledo Rojas

Mr. Rogelio M. Rebolledo Rojas is a member of the Board of Directors of Grupo Bimbo. He was previously a member of the Pepsi Bottling Group, Kellogg, Clorox, Best Buy and Applebee's Boards in the United States and Alfa and Jose Cuervo Internacional in Mexico. For 30 years he held various key positions at PepsiCo, eventually holding the position of CEO of Frito Lay International. Upon his retirement from Frito Lay International in 2000, he held the position of CEO and President of PBG in Mexico until 2004.



Andrés Obregón Servitje

Mr. Obregón Servitje is Managing Partner of a firm specializing in wealth and investment advice. Over the last 15 years he has been actively involved in private equity investments in various sectors such as education, food, financial services, logistics and manufacturing. Additionally, he participates in the Board of Directors of Grupo Bimbo.

Marina De Tavira Servitje

Marina de Tavira is a mexican theatre, film and television actress. Mrs. de Tavira holds an acting degree from La Casa del Teatro, A.C. and a diploma in acting from the Núcleo de Estudios Teatrales, A.C.

She has been nominated by different associations of theatrical journalists in Mexico and to the award "Diosas de Plata" for her work in cinema.

Together with Enrique Singer, formed Incidente Teatro. Where they have produced "Tragaluz", "El Río", "Traición", "Crímenes del Corazón", "La Mujer Justa", "La Anarquista", and "Obseción".

Marina was nominated for an Oscar in 2019 for Best Supporting Actress for her portrayal of the role of "Sofia" in the multi-award-winning "Roma".

For this same role, Marina was awarded with an "Ariel" in the category of Best Female Co-Acting in the 2019 edition of the most important awards in Mexican cinema.

María del Pilar Mariscal Servitje

Mariscal Servitje has a long career in the business sector and organizations of the civil society. She currently holds the position of General Director of the León XIII Foundation, IAP.

Juana Francisca de Chantal Llano Cadavid

Mrs. Llano Cadavid is President of Suramericana, an insurance, trends and risk management company. She has a long history in said Company, holding different positions, and since 2020 she has served as President.

Guillermo Lerdo de Tejada Servitje

Mr. Guillermo Lerdo de Tejada Servitje is Managing Partner of a firm specialized in wealth and investment advisory. He has extensive professional experience in the government sector, having held various responsibilities at the executive and legislative levels in Mexico.

Lorenzo Sendra

Lorenzo Sendra held various positions within Bimbo Organization for more than 17 years in both the United States and South America. He has been President of Accesorios DESA for more than 8 years, a company specialized in Accessories and Spare Parts for Motorcycles, and to Motoacces and Fussen, motorcycles businesses of Suzuki and BMW.

Luis Miguel Briola Clément

Luis M. Briola is the General Counsel and Compliance Officer, and Secretary of the Board at Grupo Bimbo, S.A.B. de C.V.

Mr. Briola received an Attorney degree from the Escuela Libre de Derecho in Mexico City in 1994, a Diploma in Finance from Universidad Iberoamericana in Mexico City in1995, and an LL.M. degree from Columbia University in New York City in 1997.

Before becoming an officer of Grupo Bimbo, he practiced law as a partner of Briola & Asociados, S.C. and as an associate of White & Case, S.C. in México City and as foreign associate of Cleary, Gottlieb, Steen & Hamilton, LLP. in New York City.

Norma I. Castañeda Méndez

Norma Castañeda, is the Global Intellectual Property Manager and the alternative Secretary of the Board at Grupo Bimbo, S.A.B. de C.V. (”Grupo Bimbo”)

Mrs. Castaneda holds a Law degree and a specialization certificate in Administrative Law from Universidad Panamericana and a Master of Laws from Duke University School of Law

Before joining Grupo Bimbo, she practiced law at Von Wobeser y Sierra, S.C. and as foreign associate at Cleary, Gottlieb, Steen & Hamilton, LLP and Skadden, Arps, Slate, Meagher & Flom LLP in New York City.

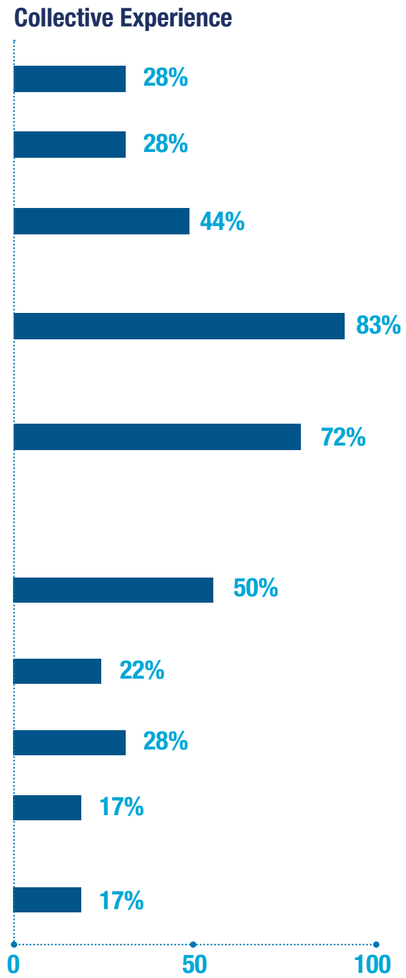


Collective knowledge and competencies of Board members on ESG issues

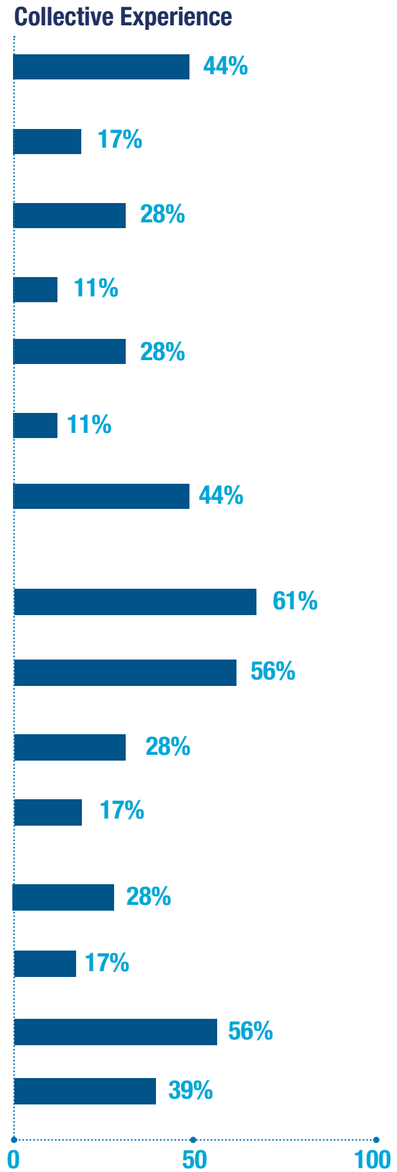
The members of the Board of Directors were consulted for the 2022 materiality analysis; they were given guidance on the importance of relevant issues for the business from the impact and financial perspective. In 2022, a training and communication session was also held on Grupo Bimbo´s new sustainability strategy.

Grupo Bimbo Board Members Competency Matrix			Andrés Obregón	Arturo Fernández	Daniel Servitje	Edmundo Vallejo	Guillermo Lerdo de Tejada	Ignacio Pérez	Jaime Chico	Jaime El Koury	Javier De Pedro	Juana Llano	Lorenzo Sendra	Luis Jorba	María I. Mata	Marina de Tavira	Marisa Jorda	Mauricio Jorba	Pilar Mariscal	Rogelio Rebolledo
General Information																				
Gender	Men 72%	Women 28%	M	M	M	M	M	M	M	M	M	W	M	M	W	W	W	M	W	M
Nationality	83%	Other 17%	MX	MX	MX	MX	MX	MX	MX	US	MX	CO	MX	MX	MX	MX	MX	ES	MX	MX	MX
Independence	yes 39%	no 61%	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	No	No	No	Yes	No	No	Yes
Age	60 years on average		47	69	64	65	38	71	73	69	59	43	49	64	57	49	59	74	53	78
Years on the Board	9 years on average		3	16	29	11	0	12	9	6	12	0	0	16	17	1	7	25	1	5

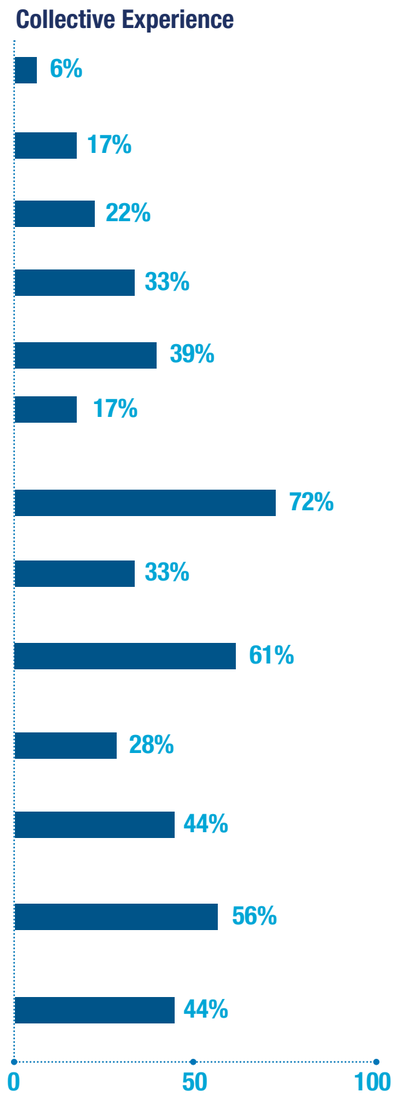
Competency Matrix	Names of Board Members							
Grupo Bimbo Committees (C: Chairman)								
Audit and Corporate Practices	•Arturo Fernández	•Edmundo Vallejo (C)	•Jaime El Koury	•Juana Llano	•Marisa Jorda			
Evaluation, Compensation and Nominations	•Edmundo Vallejo	•Ignacio Pérez	•Javier de Pedro	•Luis Jorba (C)	•Marisa Jorda			
Finance and Planning	•Andrés Obregón	•Daniel Servitje	•Ignacio Pérez	•Jaime Chico	•Javier de Pedro	•Luis Jorba	•Pilar Mariscal	•Rogelio Rebolledo (C)
Other Boards								
Experience in other Boards	•Andrés Obregón •Juana Llano	• Arturo Fernández • Javier de Pedro	•Daniel Servitje •Luis Jorba	•Edmundo Vallejo •Marisa Jorda	•Guillermo Lerdo de Tejada	•Ignacio Pérez •Pilar Mariscal	•Jaime Chico •Rogelio Rebolledo	•Jaime El Koury •Lorenzo Sendra
Seats currently held on other Boards	•Andrés Obregón •Javier de Pedro	•Arturo Fernández •Luis Jorba	•Daniel Servitje •Marisa Jorda	•Edmundo Vallejo •Pilar Mariscal	•Ignacio Pérez •Lorenzo Sendra	•Guillermo Lerdo de Tejada	•Jaime Chico	•Jaime El Koury
Management Experience								
C-suite Business Management in a global company / Corporate	•Daniel Servitje •Mauricio Jorba	•Edmundo Vallejo •Rogelio Rebolledo	•Ignacio Pérez	•Jaime Chico	•Juana Llano	•Luis Jorba	•Marisa Jorda	
C-suite Business Management in a venture	•Andrés Obregón	•Ignacio Pérez	•Javier de Pedro	•Lorenzo Sendra				
Managing director in a global company / Corporate	•Ignacio Pérez	•Javier de Pedro	•Marisa Jorda	•Mauricio Jorba	•Lorenzo Sendra			
Managing Director in a venture	•Javier de Pedro	•Pilar Mariscal	•Lorenzo Sendra					
Senior positions in Government and Public Affairs	•Arturo Fernández	•Jaime El Koury	•Guillermo Lerdo de Tejada					



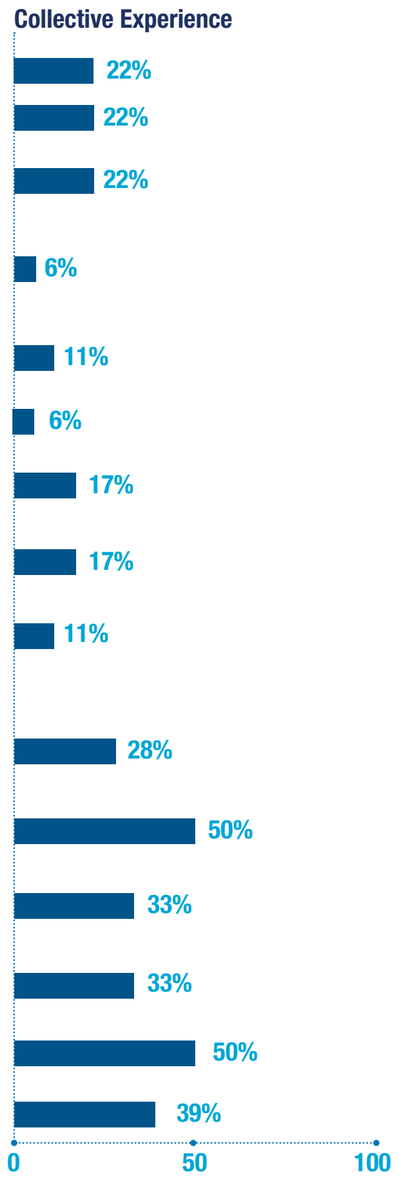
Industry Knowledge or Experience							
Food and Beverages	•Andrés Obregón •Lorenzo Sendra	•Daniel Servitje	•Javier de Pedro	•Luis Jorba	•Marisa Jorda	•Mauricio Jorba	•Rogelio Rebolledo
Technology / Digital	•Andrés Obregón	•Jaime Chico	•Marisa Jorda				
Banking and Finance	•Arturo Fernández	•Jaime Chico	•Javier de Pedro	•Marisa Jorda	•Juana Llano		
Energy	Arturo Fernández	•Jaime Chico					
Retail	•Andrés Obregón	•Arturo Fernández	•Ignacio Pérez	•Javier de Pedro	•Marisa Jorda		
Agroindustrial	•Luis Jorba	•Marisa Jorda					
Others	•Arturo Fernández •Pilar Mariscal	•Edmundo Vallejo	•Guillermo Lerdo de Tejada	•Juana Llano	•Javier de Pedro	•Marina de Tavira	•Marisa Jorda
International Experience							
North America	•Andrés Obregón •Marisa Jorda	•Daniel Servitje •Mauricio Jorba	•Edmundo Vallejo •Rogelio Rebolledo	•Ignacio Pérez •Lorenzo Sendra	•Jaime Chico	•Jaime El Koury	•Javier de Pedro
Central / South America	•Daniel Servitje •Pilar Mariscal	•Edmundo Vallejo •Rogelio Rebolledo	•Ignacio Pérez •Lorenzo Sendra	•Jaime Chico	•Jaime El Koury	•Juana Llano	•Marisa Jorda
Europe	•Daniel Servitje	•Jaime Chico	•Marisa Jorda	•Mauricio Jorba	•Rogelio Rebolledo		
Asia	•Daniel Servitje	•Ignacio Pérez	•Marisa Jorda				
Technical Skills or Experience							
Finance	•Andrés Obregón	•Jaime Chico	•Jaime El Koury	•Javier de Pedro	•Marisa Jorda		
Legal (legal / fiscal)	•Guillermo Lerdo de Tejada	•Jaime El Koury	•Marisa Jorda				
Strategic Planning	•Daniel Servitje •Mauricio Jorba	•Guillermo Lerdo de Tejada	•Jaime Chico •Rogelio Rebolledo	•Javier de Pedro •Lorenzo Sendra	•Juana Llano	•Luis Jorba	•Marisa Jorda
Brand Development / Marketing and Sales	•Daniel Servitje	• Edmundo Vallejo	•Ignacio Pérez	•Javier de Pedro	•Juana Llano	•Rogelio Rebolledo	•Lorenzo Sendra



Technical Skills or Experience							
Information Technologies and Cybersecurity	•Marisa Jorda						
Audit, Risk Management and/or Internal Control	•Javier de Pedro	•Juana Llano	•Marisa Jorda				
Human Resources and/or Compensation	•Ignacio Pérez	•Javier de Pedro	•Luis Jorba	•Marisa Jorda			
Industrial, Operations, Logistics and/or Manufacturing	•Ignacio Pérez	•Jaime Chico	•Javier de Pedro	•Luis Jorba	•Mauricio Jorba	•Rogelio Rebolledo	
Corporate Operations (Mergers and Acquisitions)	•Andrés Obregón	•Guillermo Lerdo de Tejada	•Jaime Chico	•Jaime El Koury	•Javier de Pedro	•Luis Jorba	•Marisa Jorda
Others	•Arturo Fernández	•Edmundo Vallejo	•Marina de Tavira				
Corporate Governance							
Development of Strategies, Plans and Policies	•Daniel Servitje •Juana Llano	•Edmundo Vallejo •Luis Jorba	•Guillermo Lerdo de Tejada	•Ignacio Pérez •Marisa Jorda	•Jaime Chico •Mauricio Jorba	•Jaime El Koury •Rogelio Rebolledo	•Javier de Pedro •Lorenzo Sendra
Development of Codes of Ethics and Standards of Conduct	•Guillermo Lerdo de Tejada	•Ignacio Pérez	•Jaime El Koury	•Javier de Pedro	•Marina de Tavira	•Marisa Jorda	
Supervision of Senior Management in the fulfillment of their duties	•Arturo Fernández •Marisa Jorda	•Daniel Servitje •Mauricio Jorba	•Edmundo Vallejo •Rogelio Rebolledo	•Ignacio Pérez •Lorenzo Sendra	•Jaime Chico	•Jaime El Koury	•Javier de Pedro
Experience in Organizational Culture and Talent Issues	•Daniel Servitje	•Edmundo Vallejo	•Ignacio Pérez	•Jaime El Koury	•Marina de Tavira		
Experience in the Control and Management of Corporate Governance Risks	•Arturo Fernández •Rogelio Rebolledo	•Guillermo Lerdo de Tejada	•Ignacio Pérez	•Jaime Chico	•Jaime El Koury	•Javier de Pedro	•Marisa Jorda
Monitoring and Periodic Review of Results	•Arturo Fernández •Mauricio Jorba	•Daniel Servitje •Rogelio Rebolledo	•Ignacio Pérez •Lorenzo Sendra	•Jaime El Koury	•Javier de Pedro	•Luis Jorba	•Marisa Jorda
Experience in Companies that are Traded, Regulated and with Corporate Governance	•Arturo Fernández •Marisa Jorda	•Daniel Servitje	•Ignacio Pérez	•Jaime Chico	•Jaime El Koury	•Javier de Pedro	•Juana Llano



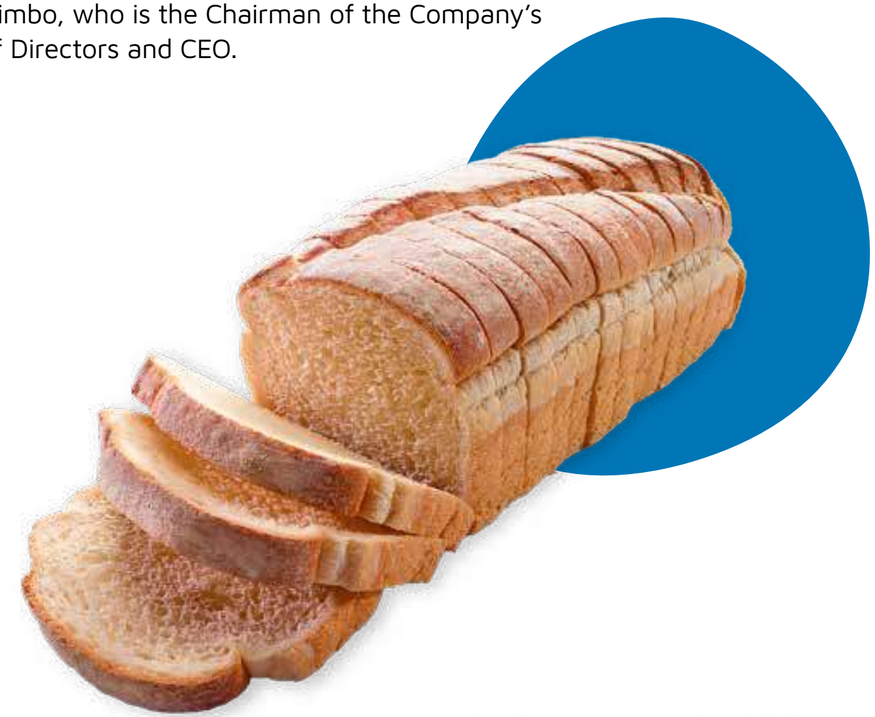
Environmental / Sustainable							
Climate Change	•Arturo Fernández	•Daniel Servitje	•Juana Llano	•Marisa Jorda			
Renewable energy	•Arturo Fernández	•Daniel Servitje	•Jaime Chico	•Luis Jorba			
Agricultural / Food Safety	•Daniel Servitje	•Ignacio Pérez	•Luis Jorba	•Rogelio Rebolledo			
Circular Economy, Waste Reduction, Sustainable Packaging	•Ignacio Pérez						
Water Consumption Reduction	•Arturo Fernández	•Luis Jorba					
Biodiversity	•Daniel Servitje						
Sustainable Sourcing of Raw Materials	•Ignacio Pérez	•Javier de Pedro	•Rogelio Rebolledo				
International Standards (e.g., GRI, environmental)	•Arturo Fernández	•Marisa Jorda	•Rogelio Rebolledo				
Nutritional Standards and Policies	•Jaime Chico	•Rogelio Rebolledo					
Social							
Human Rights and Labor Standards	•Guillermo Lerdo de Tejada	•Javier de Pedro	•Luis Jorba	•Marina de Tavira	•Mauricio Jorba		
Diversity, Equity and Belonging	•Arturo Fernández •Pilar Mariscal	•Ignacio Pérez •Rogelio Rebolledo	•Jaime Chico	•Javier de Pedro	•Juana Llano	•Marina de Tavira	•Marisa Jorda
Social Impact or Volunteer Projects	•Edmundo Vallejo	•Guillermo Lerdo de Tejada	•Ignacio Pérez	•Jaime Chico	•Juana Llano	•Marina de Tavira	
Safety and Wellness in the Workplace	•Arturo Fernández	•Daniel Servitje	•Javier de Pedro	•Marina de Tavira	•Marisa Jorda	•Rogelio Rebolledo	
Talent Management	•Daniel Servitje •Mauricio Jorba	•Edmundo Vallejo •Rogelio Rebolledo	•Ignacio Pérez	•Javier de Pedro	•Juana Llano	•Luis Jorba	•Marisa Jorda
Compensation	•Daniel Servitje	•Ignacio Pérez	•Javier de Pedro	•Luis Jorba	•Marisa Jorda	•Mauricio Jorba	•Rogelio Rebolledo





Sustainable development goals commitment

Every year we reaffirm Grupo Bimbo's commitment to the Ten Principles of the United Nations Global Compact through The Communication on Progress on the Global Compact, which reports on progress in social, environmental and good governance matters, as well as the efforts to integrate sustainability into the commercial, cultural and operational strategy, thus contributing to the Sustainable Development Goals. This letter is signed by the highest executive of Grupo Bimbo, who is the Chairman of the Company's Board of Directors and CEO.



SUSTAINABILITY GOVERNANCE AT GRUPO BIMBO

At Grupo Bimbo, we seek to maximize the positive impact through our sustainability strategy, which is managed through a solid governance structure that provides transparency and accountability regarding the progress of our goals and objectives to the different governing bodies and Company stakeholders.

The sustainability governance structure at Grupo Bimbo has the following objectives:

- Ensure the achievement of the objectives established within the sustainability strategy.
- Identify and manage the company's actual and potential positive and negative impacts on the economy, the environment and people.
- Monitor performance and track progress (performance evaluations linked to environmental goals).
- Ensure that strategic and tactical decisions are aligned with the sustainability goals.
- Provide clarity and transparency regarding sustainability in Grupo Bimbo to the Company's priority stakeholders.

Global Governance

The global sustainability team is led by the CSO (Chief Sustainability Officer), who is responsible for applying and managing sustainability across all our operations.



Coordination mechanisms, meetings and working groups:

Executive Sustainability Committee
Reports the company's sustainability performance to the CEO, the Global Steering Committee, and the Grupo Bimbo business units. The Executive Sustainability Committee met quarterly in 2022 to review relevant issues related to the organizations.

Global Sustainability Committee
Comprised of the global initiative leaders and global sustainability team. It meets quarterly to evaluate progress made in each initiative, strategic project, synergy, action plan, and specific need.

Global Working Groups (Baked For You, Baked For Nature and Baked For Life)
Specialized groups for each initiative to share knowledge and solve problems that help advance their implementation and achieve their goals.

One-on-One Sessions (Organization Leaders / Global Initiative Leader):
Sessions of the Global Sustainability team with the leaders of the initiative and the Organization for the alignment of ambitions, objectives and goals, as well as technical support and accompaniment.

External Advisory Council
Sessions with external experts to receive advice on sustainability issues that could affect achieving strategic goals.

Local Governance

Each business unit is led by a Sustainability Leader who coordinates a regional Sustainability committee comprised of thematic leaders by initiative; together, they are responsible for implementing and managing the strategy throughout their region.



Grupo Bimbo has internal Handbooks on the initiatives, which specify the process to manage each initiative, and with this, to support the business units in their implementation. These documents include: **Goals for 2022, 2025 and 2030, main lines of action, general guidelines, coordination mechanisms and definitions.**

The regional committees are responsible for submitting periodic reports to the Global Sustainability Team, as follows:

- Provide a detailed summary of regional results compared to the objectives.
- Identify regions behind or ahead of schedule in meeting their goals, including reasons and the action plan to achieve the established progress indicators.
- Identify specific regional challenges and risks.
- Present additional projects to the sustainability strategy to disseminate practical cases and success stories with other regions.
- The additional human or financial resources required to meet the goals.



ETHICAL CULTURE

For the sixth consecutive year, **the Ethisphere Institute** named Grupo Bimbo **one of the World's Most Ethical Companies**, a distinction for companies that demonstrate exceptional leadership and a commitment to business integrity through ethics, compliance, sustainability and governance best practices.

Policies and Code of Ethics

Our commitments and policies for responsible business conduct establish the general guidelines for adherence to integrity, corporate ethics and due diligence. The general functional policies are found on the Company's internal page. All associates sign indicating their understanding and commitment to comply with said policies.

At Grupo Bimbo, we incorporate the principles of responsible business conduct in all our activities through our Global Regulatory Scheme Policy. The policy establishes that the "policy owners" are primarily responsible for the content, updating and presentation to the Board of Directors. They oversee, monitor and advise on fulfilling our acquired commitments.

The Global Speak Up Policy establishes the guidelines and mechanisms so that all our associates and suppliers can report any breach of our Code of Ethics and Policies related to integrity.

Code of Ethics

Since its inception, Grupo Bimbo has worked under the principle of its Golden Rule. We reinforce this principle through our commitment to respect, promote and experience respect for the human rights of our associates, stakeholders, people in our value chain and communities in which we operate in accordance with the company culture.

We align ourselves with the laws applicable in each country, International Law and other global instruments such as International Human Rights Law, Agreements of the International Labor Organization, the Global Compact and the Sustainable Development Goals. Our code provides information on the criteria of conduct and a guide for action on the related issues that must be followed in cases of non-compliance.

Each year, it is sent to all members of the Board of Directors, managers and associates, as well as complementary information, training and awareness through permanent communication campaigns in our internal communication channels.



Global Integrity Policy

Establishes general guidelines and parameters to ensure that our company, its associates, and representatives understand and comply with local and international anti-corruption laws and are guided by correct conduct when doing business and in all relationships that may arise from it, as well as in its social and commercial environment of engagement.

Global Human Rights Policy

Defines the general guidelines on respect for the human rights of our associates, stakeholders, people in our value chain and the communities in which we operate. This policy promotes inclusion and diversity, ensuring healthy and safe work environments and decent working conditions extending to the value chain and stakeholders.

Global Conflict of Interest Policy

The Company has a global policy that establishes the guidelines for managing and reporting conflicts of interest, reinforcing the environment of trust and integrity within Grupo Bimbo, S.A.B. de C.V., its subsidiaries and affiliates.

Grupo Bimbo carries out commercial operations with some associated or affiliated companies, including operations related to raw materials, office supplies and uniforms for its associates. These operations are subject to approval, on a case-by-case basis, by the Board of Directors, except for (i) those that, due to their amount, are immaterial, (ii) are part of the ordinary course of business or (iii) are considered to be made at market prices.

Operations conducted with related parties must be analyzed by the Audit and Corporate Practices Committee before any recommendation for approval by the Board of Directors, except for distributions of less than 5% of the consolidated assets of Grupo Bimbo. The company plans to continue conducting operations with its associates and affiliates. Operations with related companies for the last three years have been conducted in market terms; therefore, the terms are no less favorable than those that could be obtained in a comparable operation with an unrelated company.

Global Policy on Commercial Practices

Establishes the criteria related to the commercial practices and relations of Grupo Bimbo associates to ensure strict compliance with the legal provisions related to free competition in all the markets in which we participate. The policy applies to all associates of the Organizations, affiliates and subsidiaries of Grupo Bimbo in their different geographies and functions.

Global Personal information Protection Policy

Regulates the legitimacy of processing personal information in Grupo Bimbo to guarantee privacy and avoid security breaches. Periodic privacy scans are conducted to determine the impact and likelihood of data security risk. Before processing personal information, we make the corresponding privacy notices available to associates, suppliers, customers and consumers. In 2022, no substantiated complaints regarding violations of customer privacy were received.



SPEAK UP

Grupo Bimbo has the Speak Up communication mechanism, a reliable channel to report any violation of our policies. Therefore, the communication program is based on respect for the person, ensuring compliance with our corporate philosophy.

This channel allows us to identify and respond to reports, providing solutions and remediation to the negative impacts derived from these complaints. Thanks to this mechanism, we detect and prevent risks associated with breaches of the code of ethics, sexual harassment, labor relations, safety and well-being, integrity and human rights to maintain a healthy working environment and ethical business relationships.

All our communication channels are confidential and free to the associate and supplier. Each report is investigated under the Speak Up policy and process, and we keep permanent campaings in all our work centers.

How does it work?

The report can be made through different communication channels and is channeled to the committee of the corresponding organization.

A specialist for investigation and resolution handles the case. In response, consequences and action plans are defined.*

In addition, for Grupo Bimbo associates, there is a Comments section in GB-On where they may consult:

- Speak Up Policy
- Code of Ethics
- Integrity Policy
- Diversity, Equity and Inclusion Policy
- Policy for the Prevention of Harassment and Discrimination
- Procedure, manifest, communication channels and report flow.

In addition to *Speak Up*, the Global Compliance Department has an email: compliance@grupobimbo.com, through which associates may report any breach of integrity in Grupo Bimbo.

1,289
reports received and addressed in 2022

SPEAK UP

Reports can be made through our contact: comenta@grupobimbo.com

1,163 closed reports	**505** anonymous cases
126 open reports	**784** cases with identity
400 founded reports	**387** female
763 unfounded reports	**676** male
126 reports in process	**226** not specified

Conflict of interest	**45**
Gender	**30**
Discrimination	**33**
Integrity Policy	**163**
Labor Relations	**828**
Safety and wellness	**79**
Sexual harassment	**49**
Violation of the code of ethics	**61**
Suppliers	**1**

*The associate and/or supplier can follow up on their report by calling the corresponding number in the country.

COMMUNICATION AND TRAINING IN ETHICS AND INTEGRITY

Over 80,000 associates (85% of our workforce) were informed of the organization's anti-corruption policies and procedures.

More than 25,000 associates received direct training on the integrity policy and internal processes, including management team members, administrators, supervisors, and executives.

Approximately 70,000 operational associates received communication and information from teams and functional departments about our integrity and behavior policies and procedures.

Our suppliers are aware of the Global Integrity Policy and the mandatory knowledge and compliance clause of the Code of Conduct for suppliers, established in the terms and conditions of purchase orders and contracts. Similarly, we continue with integrity training for suppliers classified as at risk in integrity and anti-corruption issues.

+85%
of associates were informed and trained on the Global Conflict of Interest Policy

+85%
of associates were informed and trained on the Global Integrity Policy



100% of the members of the highest governance body (18) were informed of the organization's anti-corruption policies and procedures. Additionally, the secretary of the Grupo Bimbo Board of Directors sends the Board members a questionnaire to keep them updated through the following integrity and anti-corruption documents:

- Code of Professional Ethics of the Mexican Stock Market Community
- Code of Best Corporate Practices
- Internal Regulations of the Mexican Stock Exchange
- Grupo Bimbo Code of Ethics
- Grupo Bimbo Global Integrity Policy

Training and awareness on integrity for associates and at-risk third parties is a priority. Therefore, we reinforce communication with associates each year through integrity capsules, which can be used at the beginning of meetings or work meetings.



25,853
associates were trained through the GB University platform on integrity issues



Training sessions by region

Mexico	14,281
North America	5,023
EAA	2,354
Latin America	4,195

Compliance Program

Regulatory and legal compliance is the basis for the ethical culture at Grupo Bimbo. The Global Legal and Regulatory Compliance Department promotes, regulates and standardizes the various aspects of the integrity and transparency model at Grupo Bimbo through the Regulatory Compliance Program, whose objective is to consolidate processes and activities in strict adherence to internal and external regulations, seeking the incorporation of global best practices and the continuous improvement of the processes under its responsibility.

We have an Ethics and Regulatory Compliance Committee responsible for ensuring the correct implementation and monitoring of the compliance program based on the Global Integrity Policy.

Grupo Bimbo has a Procedure for investigations of breaches in Regulatory Compliance with a global scope, applicable to all organizations and associates, whose objective is to establish the guidelines for conducting investigations, setting the steps to collect and evaluate information, assign responsibilities, investigate, remedy and follow up on reports of potential cases of regulatory non-compliance or public corruption.

In addition, Grupo Bimbo has a Global Procedure for Fraud Investigations and Determination of Corrective Actions, which establishes the mechanisms for planning, executing, reporting and defining corrective actions resulting from investigations of acts and suspicions of fraud.

COMMUNICATION ON POLICIES AND PROCEDURES

Critical concerns

The Global Corporate Affairs Department is responsible for monitoring the economic, political and social environment and analyzing the implications that this could have, both for the business and the reputation of the company.

There is a direct escalation procedure to the Steering Committee in which critical concerns are reported and actions proposed for decision-making that avoids or minimizes the identified risks' impact. In like manner, the Audit Committee is regularly informed about the incidents and/or crises reported by the Organizations in matters related to Crisis Management and Business Continuity.

In 2022, 67 critical concerns were reported to the company's Steering Committee.

The nature of the critical concerns derives from regulatory issues, legislative processes, environment and political, social and economic situations that may impact the company's operation or reputation.

The Global Corporate Affairs Department has different tools to manage and mitigate the different associated risks:

Global Report of New Regulations
Report to monitor and communicate the outlook on regulatory and legislative matters in the different countries where we operate, assigning them a level of risk based on the established criteria.

Risk maps developed in each country
Mechanism that allows for continuous monitoring, analysis and coordination of actions to minimize or eliminate the impact of identified risks.

In 2017, the Canadian antitrust authorities launched an investigation into alleged collusion between various participants in the bakery industry (including Canada Bread, which Grupo Bimbo acquired in 2014) concerning price fixing since 2001. As of the date of this Annual Report, the investigation continues, and some people have admitted to having committed some irregular conduct. Neither Grupo Bimbo nor its subsidiaries have been charged for such conduct. Grupo Bimbo and Canada Bread are cooperating with Canadian authorities in the investigation. In addition, Grupo Bimbo was notified of two class action suits resulting from consolidating 12 lawsuits filed in the past against the parties related to that investigation by consumers or consumer associations. Grupo Bimbo cannot ensure that the outcome of this investigation or the class actions will not adversely affect its business, financial situation, operating results and prospects.

Regulatory Compliance

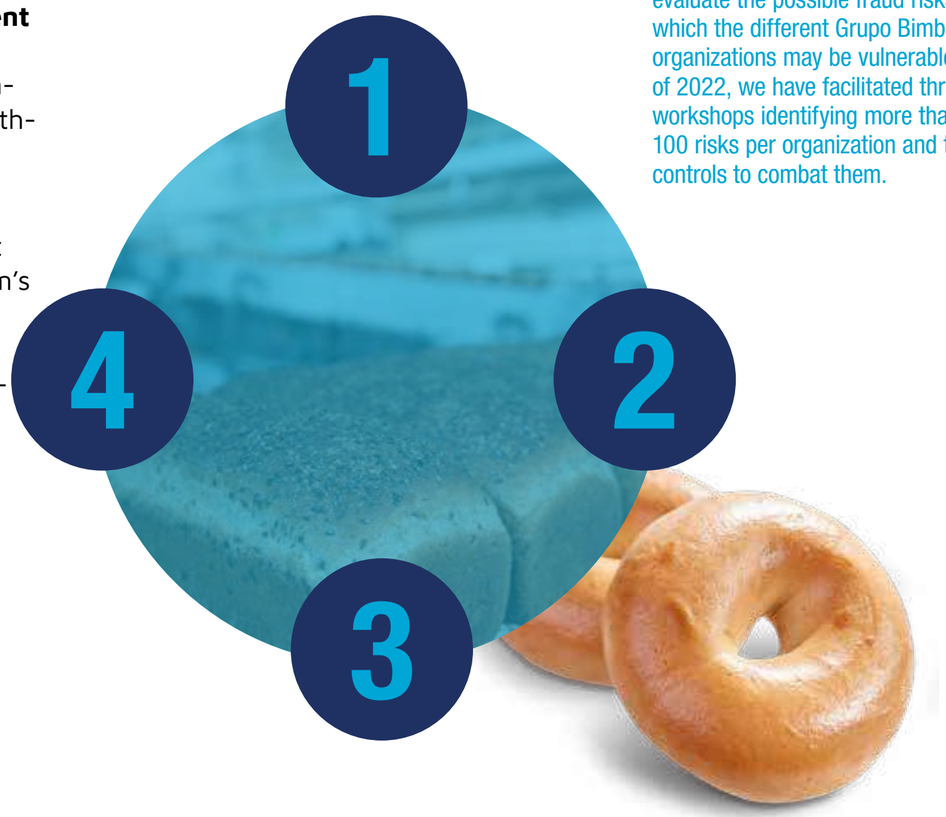
At Grupo Bimbo, we carry out studies to identify and measure risks in terms of integrity, prevention of money laundering and protection of personal information, considering factors of the environment and type of business, maturity of operations due to recent acquisitions, exposure to integrity risks and sales volumes. In 2022 we conducted studies in the United Kingdom, Argentina, Honduras and Peru, regions in which we could understand the strengths of the organizations, as well as the activities and processes that need to be reinforced to maintain a high degree of compliance in integrity. These analyses are added to the risk mitigation plans prepared in 2021 in Mexico, Venezuela, Ecuador, Brazil, India, China and Kazakhstan.

We promote continuous improvement through preventive processes in terms of integrity, relying on technological tools that allow us to identify deviations from policy based on digital data internal and external to the company.

Our **Zero Tolerance policy** for integrity breaches has obtained outstanding results, as no reports include confirmed cases of public or private corruption to date.

We have a **Fraud Risk Management Program to manage and analyze risk and to prevent**, detect and investigate possible acts of fraud within Grupo Bimbo based on four essential pillars.

Currently, the Global Internal Audit Department facilitates the program's implementation and works closely with the Global Departments of Safety, People, Regulatory Compliance, Internal Controls and Comptrollership, who monitor its execution, updates and improvements every four months.



1.

Governance
The model includes creating, updating and monitoring a regulatory framework through the assignment of a responsible area and a policies and procedures committee.

2.

Risk Assessment
Multidisciplinary teams analyze and evaluate the possible fraud risks to which the different Grupo Bimbo organizations may be vulnerable. As of 2022, we have facilitated three workshops identifying more than 100 risks per organization and the controls to combat them.

3.

Prevention and Detection
Controls related to the Speak Up reporting channel, Recruitment and Selection, Segregation of Duties, Authorization and Training Matrices. In 2022, we integrated the training on the Global Policy for Fraud Risk Management into the training file of all Grupo Bimbo associates.

4.

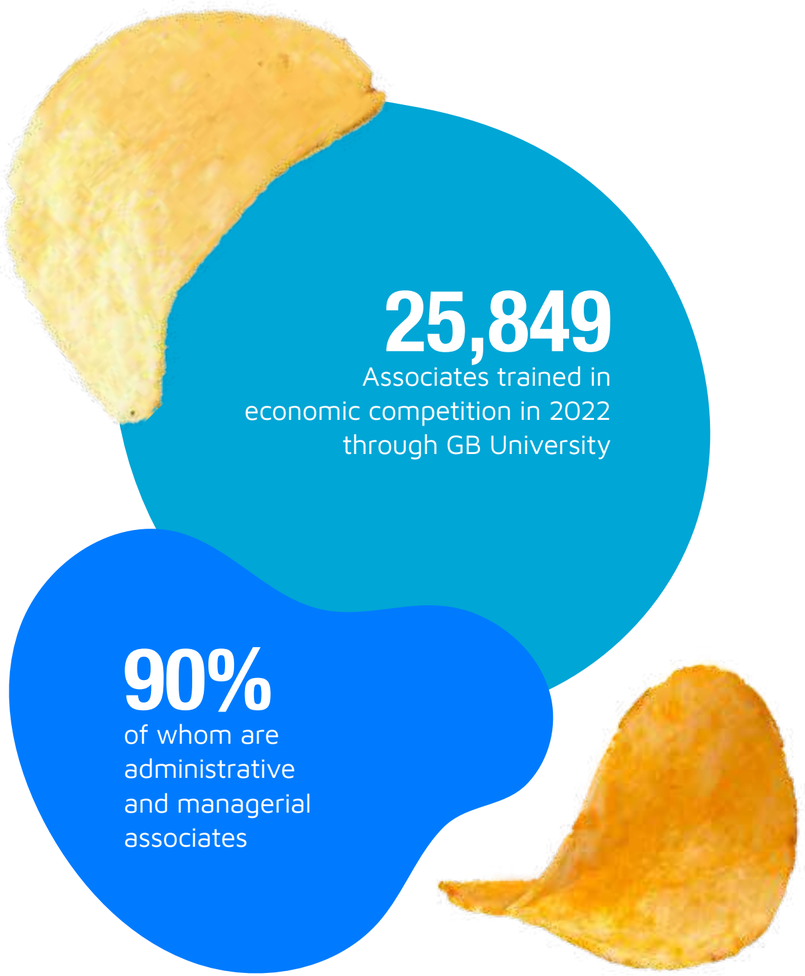
Investigation
Fraud investigation procedure and determination of corrective actions reflecting best practices to investigate and resolve potential fraud involving Grupo Bimbo.

FAIRTRADE

Business Practices and Competitiveness

At Grupo Bimbo, we have developed mechanisms to establish actions and guidelines on fair business practices. Based on this, we have a Global Policy on Commercial Practices and Economic Competition to ensure our strict commitment and compliance with the legal provisions of free competition in all the markets where we operate.

This policy defines a purpose and scope for us and facilitates the definitions of absolute and relative monopolistic practices and the responsibilities assumed by the Company.



Public Politics

Grupo Bimbo does not contribute financial or in-kind financing to political parties or representatives in any of the countries in which it operates. The foregoing is based on our Global Integrity Policy, which states that: "Contributions on behalf of the Company, directly or indirectly, to political parties or candidates for elected positions are prohibited." Similarly, our Code of Ethics establishes that "we maintain adequate processes that comply with all applicable legislation and that promote a culture of integrity, control and legality, to prevent situations that could result in acts of corruption. Receiving money, gifts, favors, or services affects the results and calls into question the corporate reputation and the reputation of everyone working at the company." Unrestricted compliance with this regulation is why, in 2022, Grupo Bimbo was recognized for the seventh consecutive year as one of the World's Most Ethical Companies by the Ethisphere Institute.

STAKEHOLDER ENGAGEMENT

Our stakeholders are those audiences that impact or are impacted by the company's actions and are defined in the Global Policy. At Grupo Bimbo, we are committed to delivering the maximum positive impact through our sustainability strategy, "Nourishing a Better World."

To guarantee this, we have created a solid governance structure that provides transparency, accountability, and progress regarding our commitments and objectives to all our stakeholders.

We maintain a continuous dialogue with all these groups that allows us to identify their expectations, requirements, concerns and contributions. For our materiality analysis, different types of specific approaches were conducted to determine the expectations and the importance of environmental, social and good governance issues in our management.



STAKEHOLDER STUDIES

Task Force on Climate-Related Financial Disclosures (TCFD)

In 2022, Grupo Bimbo analyzed risks associated with climate change under the 11 TCFD recommendations. The framework includes four thematic areas: governance, strategy, risk management, and metrics and targets, and helps us recognize the potential impact of our business actions on revenues, costs, expenses, assets and liabilities.

We completed a transition and physical risk assessment as part of this exercise.

For transition risks, as a first stage, we evaluated the Policy risks derived from government policies associated with reducing emissions through tax mechanisms known as carbon pricing.

This year we were also able to identify physical risks in our bakeries and plants, to begin establishing mitigation actions and strategies to align our business plans in the short, medium and long term.

Governance

The risks identified in the analysis will be managed by the Sustainability Committee and our Chief Sustainability Officer (CSO) under the general structure described in the Sustainability Governance at Grupo Bimbo chapter of this report.

Strategy

Our sustainability strategy Nourishing a Better World, under the Baked For Nature action line, includes goals and objectives associated with the company's environmental performance that may be consulted in this report.

Risk management

The results obtained in this exercise will be included in our current company risk management system using the same methodology.

Regarding risk assessment, we rate risks (and opportunities) differently based on four criteria: impact, probability, management control, and speed, and this rating applies to both direct operations and the rest of the supply chain value (upstream and downstream).

There are four different levels of risk impacts (low, moderate, high, and critical), four levels of probability of occurrence (remote, unlikely, likely, or very likely), four levels of management controls (inadequate, weak, adequate, and strong), and three speed levels (slow, moderate, fast). Risk assessment is performed more than once a year.

In addition, the definition of risk mitigation and actions also requires an extended process that includes: 1) risk analysis at the process level; 2) implementation of mitigation proposals; 3) analysis of the risk report; 4) coordination of initiatives; 5) implementation of improvement initiatives. The company uses three time horizons to mitigate these risks: short (1-2 years), medium (2-3 years) and long-term (3-5 years).

Metrics and Targets

We established targets and commitments to achieve our goal of being a net zero carbon emissions company by 2050.

We have ambitious initiatives and goals that will allow us to responsibly manage water use and thus mitigate the impact of our operations in sites identified with risks of water stress.

This information may be consulted in the Baked for Nature chapter.



1. Study conducted by S&P Global

Materiality Analysis

The new exercise conducted in 2022, with the support of a group of expert advisors, integrated the double materiality approach for the first time, conducting an assessment that contemplates impact materiality (GRI standards) and financial materiality (SASB standards). In like manner, the consultation was extended to complementary groups: consumers, shareholders, authorities and governments, and new geographies were added: Canada and India, to financial year 2019.

At Grupo Bimbo, we regularly update our analysis of materiality with a triple purpose:

1.

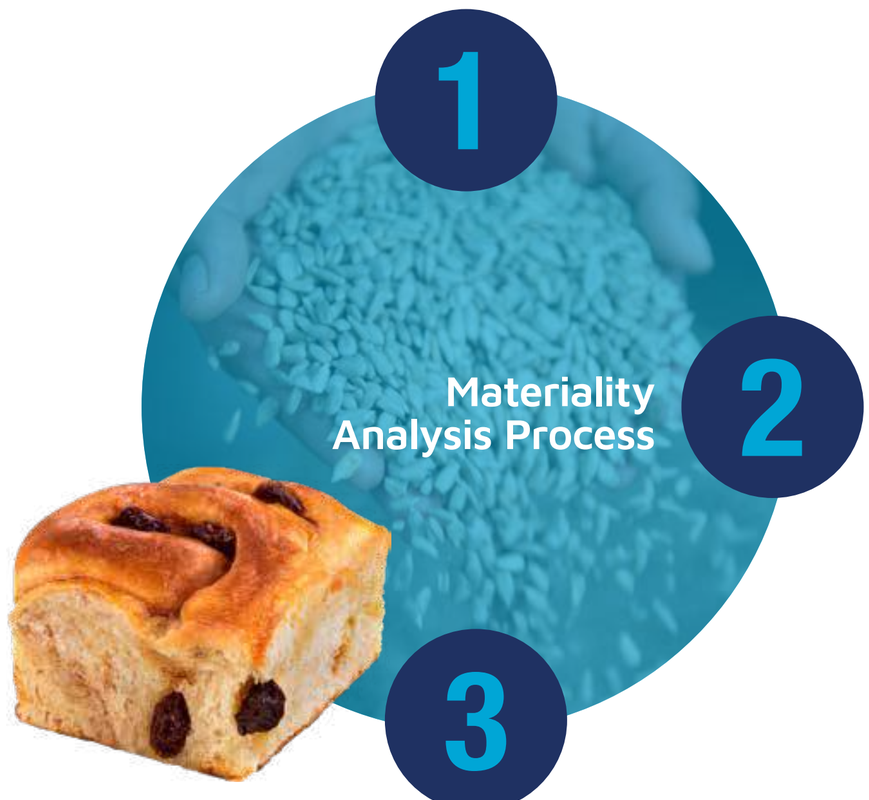
Further explore the relationship with our strategic stakeholders through direct consultations on their perception of the strengths and opportunities of the relationship, as well as progress in ESG (Environmental, Social and Governance) aspects. Communication is established through different channels to inform our groups about our performance.

2.

Determine the issues with the greatest environmental, social and financial impact.

3.

Define the main approaches to the sustainability strategy launched in 2021 and update it with our stakeholders' needs and expectations.



1.

Identification / Review
Identification of the set of potentially relevant topics, based on the existing base of the process in 2019, documentary reviews, risk analysis, market perspectives and a reference framework for relevant topics for companies in the sector.

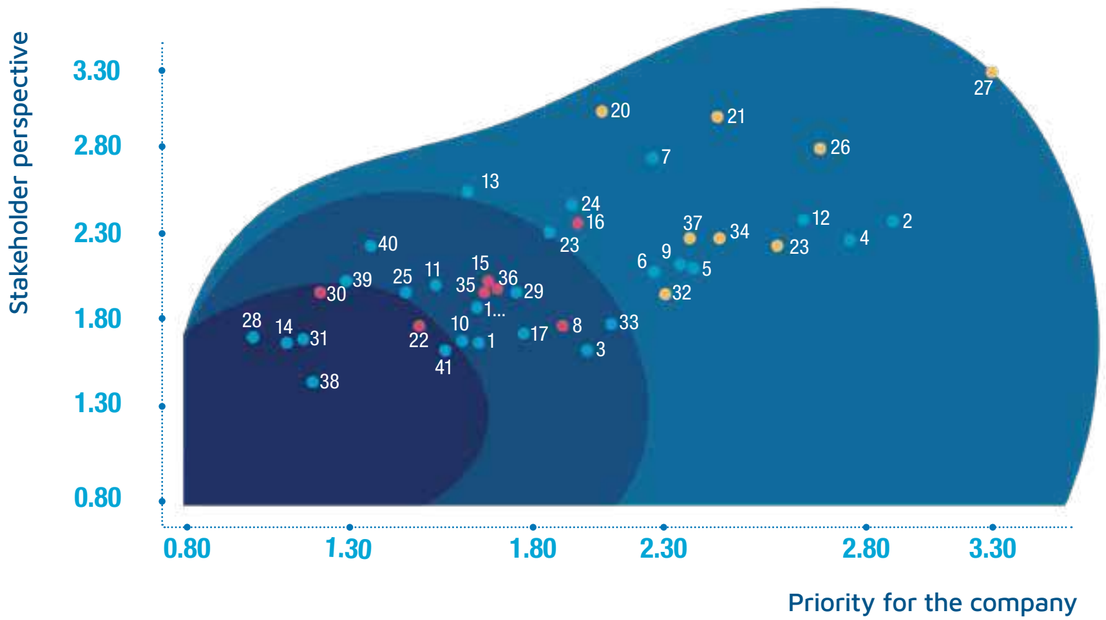
2.

Prioritization
Prioritization of topics based on the opinion of the different relevant stakeholders and the company's strategic perspective.

3.

Material Topics / Validation
Construction of the global materiality matrix and validation of relevant topics with their respective correlation with the Sustainable Development Goals (SDG).

Globally integrated materiality matrix



N.	Material Topics (16)
27	Consumer experience
26	Safety and quality of products
21	Communication and responsible labeling
2	Organizational climate and culture
4	Diversity and equal opportunities
20	Innovation toward healthy products
12	Corporate governance
7	Ethics and integrity
19	Sustainable agriculture practices
34	Energy efficiency and renewable energy in processes
37	Sustainable packaging and the circular economy
5	Health, safety and wellness
24	Nutrition and a healthy lifestyle
9	Transparency and commitment to stakeholders (accountability)
32	Climate change adaptation and mitigation (physical risks)
13	Responsible management practices in the supply chain

N.	Potentially Material Topics (18)
16	Rural development and local supplies
6	Legal compliance
23	Safety in production and the value chain
33	Climate change adaptation and mitigation (transition risks)
29	SME development
15	Sustainable raw material supplies
36	Logistics and sustainable distribution
8	Responsible use of innovation and new technologies
35	Waste management
3	Compensation and benefits (associates)
40	Philanthropy and social investment
11	Relations with governments
18	Technology to improve the traceability of the supply chain
17	Human Rights in the supply chain
25	Health and wellness activities
1	Training and career development
39	Participation in the local community
30	Care and management of water

Socio-environmental Materiality

- Material Topics
- Potential Material Topics (short-term)
- Non-Material Topics

Financial Materiality

- Impact and Finance Material Topics
- VALUE REPORTING FOUNDATION SASB STANDARDS

As a result of this exercise, 16 primary material topics were identified, of which nine have double materiality.

N.	Non-material Topics (7)
10	Internal communication
22	Food waste
41	Attraction and retention of local talent
31	Biodiversity protection
14	Inclusion of sustainability aspects in company acquisition processes
28	Consumer data privacy
38	Environmental challenges

This new 2022 financial year allowed us to confirm that the resulting global material topics are directly related to the dimensions and lines of action established in our 2021 Sustainability Strategy.

Through strategy, objectives and goals, we identify, mitigate and manage real and potential negative impacts and maximize the positive impact through our performance, ensuring the creation of shared value for people, the planet and the communities where we operate.

PILLARS	LINES OF ACTION	MATERIAL TOPICS I DOUBLE IMPACT
Baked For You	Best nutritional profiles for all	• Innovation toward healthy products • Nutrition and healthy lifestyle • Consumer experience • Safety and quality of products
	Transparent Sustainable Brands	• Communication and responsible labeling • Ethics and integrity • Transparency and commitment to stakeholders • Corporate governance • Responsible use of innovation and new technologies
	Enabling Healthier Plant Based Diets	• Innovation toward healthy products • Nutrition and healthy lifestyle • Sustainable sourcing of raw materials
Baked For Life	Strengthening Communities	• Rural development and local supplies
	Caring For Our People	• Organizational climate and culture • Diversity and equal opportunities • Health, safety and wellness
Baked For Nature	Zero waste	• Sustainable packaging and circular economy • Food waste • Waste management
	Regenerative agriculture	• Sustainable agriculture practices • Responsible management practices in the supply chain • Management and care of water
	Net zero carbon emissions	• Climate change adaptation and mitigation (physical risks) • Energy efficiency and renewable energy in processes • Logistics and sustainable distribution

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The SDGs provide a framework for collective action to address global issues such as poverty, gender equality and climate change.

Grupo Bimbo's sustainability strategy plays an important role in contributing to the achievement of these SDGs. It primarily contributes to nine of the 17 Sustainable Development Goals, having the greatest impact in SDG 2 (Zero Hunger) due to combining multiple areas of the strategy to maximize the positive impact.



SDG 2 – Zero Hunger

Improve the nutritional profile of products, providing nutritional education worldwide, optimizing our agricultural practices for the benefit of productivity and supporting small stores to provide better access to nutrition to consumers are some of our actions to contribute to Zero Hunger, as well as:

- Improve our products' nutritional profile through better and more nutritious recipes with natural ingredients.
- Provide nutritional education to millions of Grupo Bimbo consumers worldwide to help them make better decisions and lead healthier lives.
- Support vulnerable or at-risk groups by creating specific products that meet their concrete needs and provide healthy nutrition year-round.
- Work with smallholder farmers and key suppliers to improve farming practices and adopt regenerative agriculture techniques that help improve crop productivity, increase yields, and create more sustainable farming systems.
- Increase the variety of grains and ingredients used in Grupo Bimbo products to help create a more resilient, diverse and equitable agricultural system.
- Support small shopkeepers and other partners to provide better nutritional access to consumers globally that helps reduce malnutrition in local communities, especially the groups most at-risk.



SDG 3 – Good Health and Wellbeing

- Promote healthy lifestyles and the associates' well-being at all facilities worldwide and ensure safe operations supporting human health.



SDG 5 – Gender Equality

- Build a safe, healthy, diverse, equitable and inclusive workplace for all associates.
- Promote the representation of women and other minority groups at risk of exclusion.

SDG 6 – Clean Water and Sanitation

- Reduce the use of water in all operations to ensure its conservation
- Ensure that agricultural practices maximize water stewardship and efficiency
- Ensure all plants and sites have wastewater treatment processes to ensure safe waste or reuse

SDG 7 – Affordable and Clean Energy

- Work toward 100% of operations running on renewable electricity
- Reduce dependence on fossil fuels and reduce CO_2 emissions in all operations

SDG 8 – Decent Work and Economic Growth

- Foster a work environment that is diverse, inclusive, and accessible to associates with disabilities
- Ensure no forced or child labor violations exist in the value chain

SDG 12 – Responsible Consumption and Production

- Support a circular economy through sustainable packaging and programs to reduce food waste by 50%
- Support responsible diets by increasing plant-based ingredients in product formulations
- Update the list of restricted hazardous substances and chemicals

SDG 13 – Climate Action

- Reduce carbon emissions and sequester emissions without abating to achieve net zero emissions
- Work to increase community resilience and adaptability to the effects of climate change through the Good Neighbor program

SDG 16 – Peace, Justice and Strong Institutions

- Ensure responsible business throughout the Grupo Bimbo value chain through our ethics and Code of Conduct



ASSOCIATIONS

INTERNATIONAL

Alianza latinoamericana de Asociaciones de la Industria de Alimentos y Bebidas (ALAIAB), Centro Integral de Mejoramiento de Maíz y el Trigo (CIMMYT), Consumer Goods Forum (CGF), Earthworm Foundation, International Food and Beverage Alliance (IFBA), Roundtable on Sustainable Palm Oil (RSPO), World Federation of Advertisers (WFA), Asociación de Industrias de Chocolate, Galletas y Confitería de Europa (CAOBISCO), Asociación Internacional de panaderías (AIBI) MÉXICO, Asociación Mexicana de Energía Solar (ASOLMEX), Asociación Nacional de Fabricantes de Chocolates, Dulces y Similares A.C. (ASCHOCO), Asociación Nacional de Tiendas de Autoservicio y Departamentales (ANTAD), Asociación Nacional de Transporte Privado (ANTP), Cámara de la Industria de Transformación Nuevo León (CAINTRA), Cámara Nacional de la Industria de la Transformación (CANACINTRA), Cámara Nacional de la Industria Panificadora y Similares de Mexico (CANAINPA), Cámara Nacional de Maíz Industrializado (CANAMI), Centro Mexicano para la Filantropía (CEMEFI), Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES), Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN), Confederación Patronal de la República Mexicana (COPARMEX), Consejo Coordinador Empresarial (CCE), Consejo de Autorregulación y Ética Publicitaria (CONAR), Consejo de la Comunicación, Consejo Mexicano de Asuntos Internacionales (COMEXI), Consejo Mexicano de la Industria de Productos de Consumo (ConMexico), Consejo Mexicano de Negocios (CMN), Consejo Nacional Agropecuario (CNA), Consejo para el Desarrollo del Comercio en Pequeño y la Empresa Familiar (ConComercioPequeño), Ecología y Compromiso Empresarial (ECOCE), Fundación Mexicana para la Salud (FUNSALUD), International Chamber of Commerce (ICC), Unión Social de Empresarios de Mexico (USEM) **ARGENTINA:** Asociación Cristiana de Dirigentes de Empresa (ACDE), Asociación de Industrias de Marca (ADIM), Cámara de Industriales de Productos Alimenticios (CIPA), Coordinadora de las Industrias de Productos Alimenticios (COPAL) **BRAZIL:** Brazilian Advertisers Association (ABA), Brazilian Biscuit, Pasta and Bread Industry Association (ABIMAPI), Brazil Foodservice Institute (IFB), Brazilian Food & Industry Association (ABIA) **CANADA:** Advertising Standards Canada (ASC), Alberta Association of Safety Partnerships, British Columbia Food & Beverage, Canada Plastics Pact, Canadian Aboriginal and Minority Supplier Council (CAMSC), Canadian Association of Importers and Exporters, Canadian Franchise Association, Cereals Canada, Chambre de Commerce et d'Industrie Nouvelle-Beauce, Conseil Trans Alimentaire du Quebec (CTAQ), Food & Beverage Canada, Food & Beverage Ontario, Hamilton Chamber of Commerce, WeConnect International. **CHILE:** Asociación de Alimentos y Bebidas de Chile, Asociación Gremial de Industrias Proveedoras, Cámara de Integración Chileno-Mexicana, Chile Alimentos, Unión Social de mpresarios Cristianos **CHINA:** AmCham China, China Association of Bakery and Confectionery Industry, China Association of Enterprises with Foreign Investment, Tianjin Association of Enterprises with Foreign Investment, Wuhan Association of Enterprises with Foreign Investment **SOUTH KOREA:** Chungnam Bukbu Chamber of Commerce and Industry, Korea Chamber of Commerce and Industry **COSTA RICA:** Cámara Costarricense de Industrias Alimenticias (CACIA), Cámara de Exportadores de Costa Rica, Cámara de Industria Costa Rica-Mexico (CICOMEX), Cámara de Industrias de Costa Rica **ECUADOR:** Asociación Nacional de Fabricantes de Alimentos y Bebidas (ANFAB), Cámara Binacional de Comercio Ecuador-Mexico (COMECUAMEX), Cámara de Comercio de Guayaquil, Cámara de Comercio de Quito, Cámara de Industrias de Guayaquil, Cámara Ecuatoriano Americana de Comercio Guayaquil EE.UU., American Association of Cereal Chemists (AACC), American Bakers Association (ABA), American Society of Baking (ASB), Consumer Brands Association (CBA), Food Marketing Institute (FMI), Institute of Food Technologies (IFT), Muskingum Valley Human Resources Association, Ohio Trucking Association, Orangeburg County Chamber Commerce, Pennsylvania Chamber of Business, Research Chefs Association, Society of Human Resources Association, The Association of Food and Dairy Retailers, Wholesalers and Manufacturers, Wheat Quality Council, Workers Compensation Research Institute, Zanesville/Muskingum Chamber of Commerce **EL SALVADOR:** Asociación de Líderes del Talento Humano (ALTHES), Asociación Salvadoreña de Industriales (ASI), Cámara de Comercio e Industria de El Salvador, Consultores para el Desarrollo Empresarial (COPADES) El Salvador, Fundación Empresarial para la Acción Social (FUNDEMAS) **SPAIN:** Asociación de Fabricantes y Distribuidores (AECOC), Asociación Española de la Industria de Panadería, Bollería y Pastelería (ASEMAC), Asociación Española del Dulce (PRODULCE), Asociación Multisectorial de Empresas (AME), El Valor de la Marca (PROMARCA), Federación Española de Industrias de Alimentación y Bebidas (FIAB) FRANCIA, ARIA-Regional Association of Food Industry, Fédération des Entreprises de Boulangerie/Pâtisserie (FEB) **GUATEMALA:** Asociación Guatemalteca de Exportadores (AGEXPORT), Cámara de Comercio de Guatemala, Cámara de Comercio e Industria Guatemalteco Mexicana (CAMEX), Cámara de Comercio Guatemalteco Americana (AMCHAM) Cámara de Industria de Guatemala, Gremial de Alimentos y Bebidas de Guatemala **HONDURAS:** Asociación Nacional de Industriales de Honduras, Cámara de Comercio e Industria de Cortés (CCIC), Cámara de Comercio e Industria de Tegucigalpa **ITALY:** Confindustria-Italian Association of manufacturing companies **NICARAGUA:** Cámara de Comercio e Industria Mexicana (CAMEXNIC), Cámara de Comercio y Servicio de Nicaragua **PANAMA:** Asociación Panameña de Crédito, Cámara de Comercio e Industrias de Panamá, Cámara Mexicana en Panamá **PARAGUAY:** Sociedad Nacional de Industrias, Unión Industrial Paraguaya **PERU:** Asociación Peruana de Empresas de Consumo Masivo (APECOM), Cámara de Comercio Peruano Mexicana **PORTUGAL:** Asociación Portuguesa de Empresas de Productos de Marca (CENTROMARCA), Federación Portuguesa de Alimentación y Bebidas (FIPA) **SOUTH AFRICA:** SA National Halaal, South African Chamber of Baking, Union of orthodox **TURKEY:** Chamber of Food Engineers, Gebze Chamber of Commerce, Istanbul Mercantile Exchange, Kocaeli Chamber of Industry **UKRAIN:** Dnepropetrovsk Chamber of Commerce and Industry, European Business Association **URUGUAY:** Cámara de Industrias del Uruguay (CIU), Cámara Industrial de Alimentos (CIALI), Centro de Industriales Panaderos del Uruguay (CIPU)

RECOGNITIONS

For BBU

- EPA Green Power Partner
- EPA Green Power Leadership Award
- EPA Energy Star Challenge
- EPA Energy Star Certification
- Energy Star Partner of the Year
- Colorado Green

In Mexico

- Clean Industry 1
- Clean Industry 2
- Merco ESG Responsibility

In Canadá

- Energy Star for Industry Certification
- Energy Star for Industry Certification
- Energy Star for Industry Certification
- Energy Star for Industry Certification
- Top Project of the Year - 2022
- Emerging Sustainability Leader - Jeff Robertson
- Bronze Medal - Advertising Category (Digital)
- IDEA 2022 Awards - Vidéo / Films publicitaires - 30 secondes (pièce unique)
- IDEA 2022 Awards - Réalisation - Film publicitaire
- IDEA 2022 Awards - Effets spéciaux
- IDEA 2022 Awards - Vidéo / Films publicitaires - Moins de 15 secondes (campagne)
- IDEA 2022 Awards - Affichage / Affichage grand format (pièce unique)
- IDEA 2022 Awards - Autres / Campagne intégrée
- IDEA 2022 Awards - Meilleure utilisation de l'affichage (panneaux imprimés et numériques)
- IDEA 2022 Awards - Affichage / Affichage de proximité (campagne)
- IDEA 2022 Awards - Numérique / Campagne numérique
- Excellence in Community Service
- Excellence in Co rporate Social Responsibility (Ethical And Environmental Responsibility)
- Best New Product Award - Oroweat Organic 22 Grain
- Best New Product Award - Dempster's Signature Bagels
- Best New Product Award - Dempster's Chickpea Tortillas
- Best New Product Award - Takis Dragon Sweet Chili
- Best New Product Award - Sara Lee Little Bites Party Cake Mini Muffins
- 2022 Excellence Awardee - Best Corporate Social Responsbility Strategy
- Star Women in Grocery - Sylvia Sicuso
- Impact Award - Supporting Employees Category

In LAS

- Reconocimiento a las mejores Prácticas Empresariales que contribuyen a las ODS
- Reconocimiento a las mejores Prácticas Empresariales que contribuyen a las ODS
- Great Place to work Argentina
- Marca empleadora 2o lugar Uruguay
- 1er puesto Programa Lima Inclusiva - Bimbo Perú

In BQ EMEA

- Türkiye bakery for SME with best Environmental Management
- Türkiye bakery for SME with best Productivity Management

EMEA

- Certificación ISO 14001 EMEA (Rotherdam, Maidstone, Las Mercedes)
- Certificación ISO 14001 India (Modern)

OUR FINANCIAL results



FINANCIAL RESULTS

Record levels in Net Sales and Profits

NET SALES
CAGR 2012-2022:
8.7%



Points of Sale	+2.2 M	+3.3 M
Countries	19	33
Bakeries and Plants	154	204
Associates	+125 K	+139 K

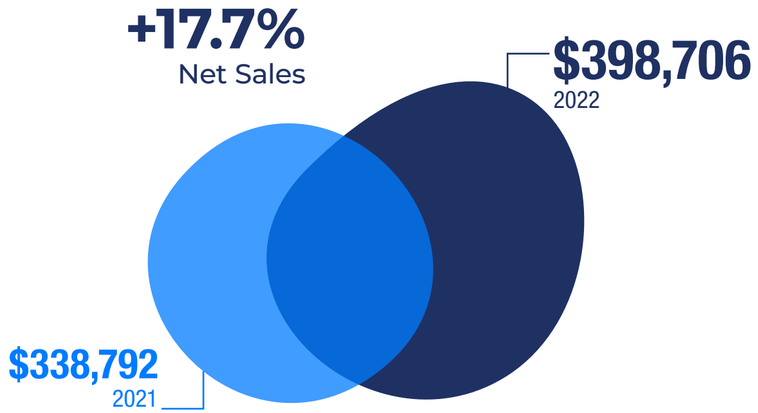
"2022 was a remarkable year with historic financial performance. We reached $19.8 billion dollars in Net Sales and $2.7 billion dollars in EBITDA, posting 10% and 12% 10-year CAGR, respectively. We saw market share gains in most categories, made record CAPEX investments, fine-tuned our strategic focus on grain-based foods, successfully turned around Argentina and Brazil, and we launched our sustainability strategy."

Daniel Servitje,
Chairman and CEO

FINANCIAL PERFORMANCE

NET SALES

2022 Net Sales reached a record level at Ps. 398,706 million, an increase of 17.7%, mainly attributable to strong price/mix and volume across every region, which was partially offset by FX rate effect. Excluding this effect, Net Sales increased 20.6%.



North America[1]

Net Sales in North America in US dollars terms grew 18.4%, mainly reflecting the successful implementation of the pricing strategy across categories and channels. Net Sales also benefited from an extra week of sales compared to prior year. Snacks, Premium and Mainstream bread, and Sweet Baked Goods categories outperformed, with continued solid market share performance in multiple categories.

Mexico[2]

Net Sales increased 19.5%, attributable to favorable price/product mix performance and price increases. Every channel posted double-digit growth, most notably the convenience, retail, and traditional channels, as did the snacks, sweet baked goods, snack cakes, cookies, and bread categories.

Latin America[3]

Net Sales increased 23.5% in peso terms. Excluding the FX rate effect, Net Sales increased by 36.4%, mainly due to favorable price/mix and strong volume performance. Almost every country posted double-digit growth in local currency, highlighting Brazil, Colombia, Argentina and Chile. To a lesser extent, sales growth was also benefited by the inorganic contribution from the acquisition of Aryzta do Brasil.

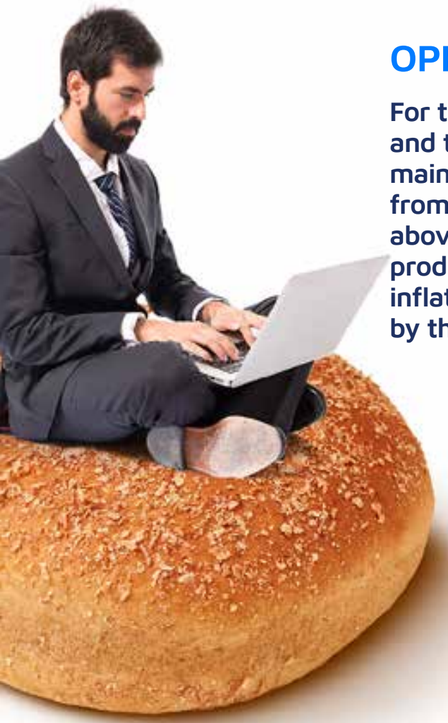
EAA[4]

Net Sales increased 9.8% in peso terms. Excluding the FX rate effect, Net Sales increased 21.3%. Primarily reflecting pricing actions and volume growth across most countries in the region, as well as the incremental sales from the acquisition of St. Pierre. This was partially offset by a continued challenging Covid environment in China.

1 The North American region includes the results of operations in the United States and Canada.
2 Inter-company transactions have been removed from Mexico.
3 The Latin America region includes the results of operations in Central and South America.
4 The EAA region includes the results of operations in Europe, Asia and Africa.

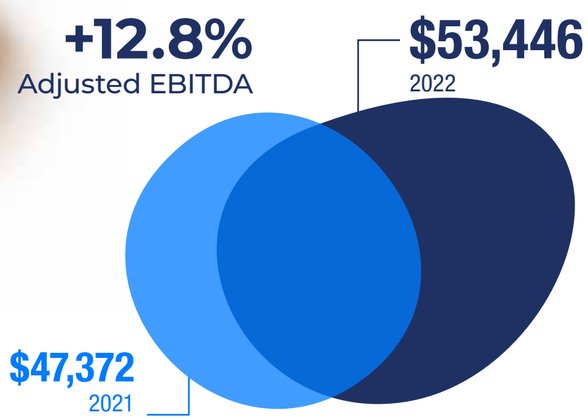
GROSS PROFIT

Gross Profit increased 13.4%, while the margin contracted 200 basis points to 51.5%, mainly due to higher raw material costs.



OPERATING INCOME

For the full year, Operating Income grew 64.8% and the margin expanded 390 basis points, mainly due a non-cash benefit of US $934 million from the adjustment to the MEPPs liability, the above-mentioned strong sales performance and productivity savings across every region despite the inflationary environment. This was partially offset by the abovementioned effects.



ADJUSTED EBITDA

Adjusted EBITDA reached a record level at Ps. 53,455 million an increase of 12.8%, while the margin contracted 60 basis points, primarily attributable to the abovementioned higher cost of sales, partially offset by the strong sales performance globally.

North America

The 120 basis point margin contraction in North America was mainly due to a higher inflationary environment, including commodities and labor costs. This was partially offset by pricing, favorable product mix and productivity benefits from past restructuring investments.

Mexico

In Mexico, the margin contracted 110 basis points, mainly attributable to higher raw material costs. This was partially offset by strong sales performance, the favorable product and category mix, and distribution and administrative expenses efficiencies.

Latin America

The margin expanded 270 basis points, primarily due to strong sales performance across all organizations, an improved product mix, productivity gains throughout the supply chain, and strong results in Brazil and Argentina.

EAA

EAA posted a 90 basis point margin contraction, mainly due to higher raw material costs, FX headwinds and negative product mix effect in Iberia, as well as weak results in China.

*Note: Multi-Employer Pension Plans (“MEPPs”)

COMPREHENSIVE FINANCING COST

Comprehensive Financing Cost totaled Ps. 2,916 million, a 33.4% increase when compared to the fourth quarter of 2021, attributable to higher exchange loss and interest expenses.

NET MAJORITY INCOME

Net Majority Income rose 194.7% and the margin expanded 710 basis points, due to the strong sales and operating performance, the divestiture of Ricolino, the positive effect of MEPPs, and a lower effective tax rate which stood at 31.3%. Excluding these effects, Net Majority Income increased 21.4% and the margin expanded 20 basis points.



FINANCIAL STRUCTURE

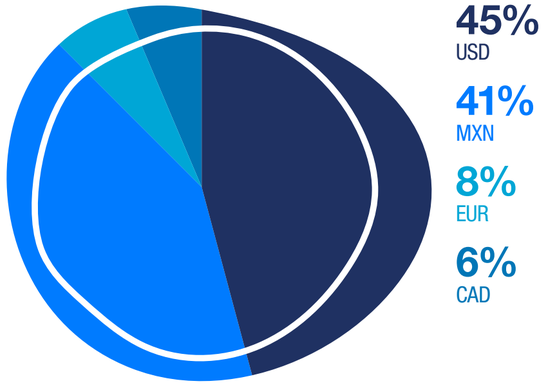
Total Debt on December 31, 2022, was Ps. 84 billion, compared to Ps. 93 billion on December 31, 2021. The decrease was primarily due to the prepayment of debt using the proceeds from Ricolino and the FX rate effect.

Average debt maturity was 14.1 years with an average cost of 6.0%. Long-term Debt comprised 92% of the total; 45% of the debt was denominated in US dollars, 41% in Mexican pesos, 8% in Euros and 6% in Canadian dollars.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 1.5 times, compared to 2.0 times on December 31, 2021.

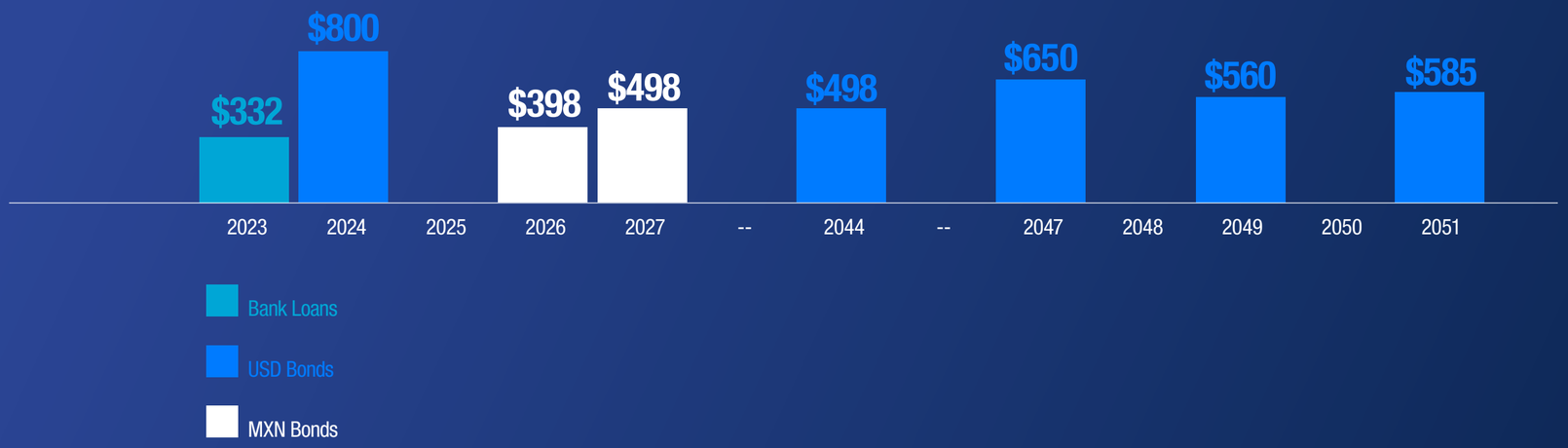


Currency Mix



AMORTIZATION PROFILE

(MILLIONS OF US DOLLARS)



"I'm very proud of the impressive hard work of our teams to navigate under difficult conditions, with a successful implementation of pricing actions, an excellent execution at the point of sale and delivering better-than-expected results. After a year of outstanding results, we start 2023 well-positioned to reach our plan, with continued investments in key strategic opportunities for sustainable growth."

Diego Gaxiola,
CFO

*Note: Does not include US $56 mm of long-term debt at subsidiary level. Includes 30-year issuance by BBU

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2022, 2021 and 2020, and the consolidated statements of profit or loss, consolidated statements of other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries as of December 31, 2022, 2021 and 2020, and its consolidated results and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico in accordance with the Código de Ética Profesional del Instituto Mexicano de Contadores Públicos (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements

Assessment of impairment in the value of goodwill and intangible assets with indefinite useful lives

Description of key audit matter

As described in Notes 11 and 12 to the consolidated financial statements, the Company recognized goodwill and intangible assets of $127,147 million as of December 31, 2022. Impairment exists when the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit level.

The analysis of impairment in the value of goodwill and intangible assets with indefinite useful lives was significant to our audit since the value of such assets is significant with respect to the consolidated financial statements. In addition, the calculation of the recoverable value of the assets requires significant and complex judgements and estimates by management, that are sensitive to the weighted average cost of capital rate, the revenue growth rate and operating margins, which are affected by future economic and market conditions, particularly in emerging economies. In addition, the calculation of the recoverable amount is subject to the risk that the future cash flows used in the calculation may differ from the expected amounts, or the results may be different from the originally estimated values.

How our audit addressed the key audit matter

Among other audit procedures applied, we involved our internal valuation specialists to assist us in the assessment of the key assumptions and methods used by Company management in the impairment testing.

We also assessed the key assumptions used by management in preparing financial projections, primarily with regard to the annual revenue growth rates and projections of costs, along with other key assumptions used to prepare the impairment tests, and we compared them with publicly available information obtained from market participants, current and historical results and relevant industry trends.

We obtained the business plans that the Company used as a basis to determine its future cash flow estimates for the impairment testing of the CGUs within the audit scope.

We assessed the reasonableness of the disclosures included in the Company's consolidated financial statements.

Business combinations

Description of the key audit matter

As described in Note 1 to the consolidated financial statements, during 2022 the Company finalized the distribution of the purchase price of the net assets acquired in business combinations of the previous year, with an adjustment to the preliminary distribution of $356 million.

We consider that the definitive allocation of the purchase price in business combinations is a key audit matter due to the complexity of the key assumptions used in estimating the fair value of the assets acquired, determining the discount rate and measuring the assets identified as part of the transaction. The fair value determination is sensitive to assumptions used by management and financial projections, discount rates and other assumptions used in fair value measurement models

How our audit addressed the key audit matter

For business combinations in 2022 for which the Company completed the definitive allocation of the purchase price among the net assets acquired, among other procedures, we involved our internal valuation specialists to assist in the assessment of the key assumptions and methodology used by the Company management, primarily in determining the fair value of property, plant and equipment, and intangible assets with definite and indefinite useful lives.

We also assessed the key assumptions used by management, with regard to the annual growth rates and cost projections, along with other key assumptions used in measuring the fair value of intangible assets and we compared them with publicly available information obtained from market participants and relevant industry trends.

We obtained the business plans that the Company used as a basis to determine its future cash flow estimates for the fair value measurement of intangible assets.

We assessed the reasonableness of the disclosures regarding the Company's business combinations in the consolidated financial statements.

Sale of the confectionery business

Description of key audit matter

As disclosed in Notes 1 and 24 to the consolidated financial statements, on 1 November 2022, the Company completed the sale of its confectionery business for Ps. 25,797 million, which included the sale of shares of the subsidiaries engaged in the confectionery business, as well as their trademarks.

We consider the financial effects of the discontinued operation from the sale of the confectionery business to be a key audit matter due to its impact on recognition, presentation and disclosure in the consolidated financial statements, as well as its tax effects.

How our audit addressed the key audit matter

We analyzed the calculation of the financial impact generated by this transaction, including the profit earned and the respective tax effects, accounting cost and consideration received, among others.

We involved our internal tax specialists in the review of the methodology used by Company management to calculate the corresponding tax effects.

We also evaluated the reasonableness of the Company's recognition, presentation and disclosure of discontinued operations in the consolidated financial statements as at 31 December 2022.

Other information included in the 2022 annual report of the Company

The other information comprises the information included in the annual report filed with the National Banking and Securities Commission (CNBV, by its acronym in Spanish) and the annual report submitted to the shareholders but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report. Management is responsible for the other information

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the CNBV and the annual report submitted to the shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the CNBV that contains a description of the matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Corporate Practices Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Company's financial information of the entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Audit and Corporate Practices Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Corporate Practices Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Corporate Practices Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited



Adán Aranda Suárez
Mexico City, Mexico April 5, 2023

AUDIT COMMITTEE LETTERS AND CORPORATE PRACTICES

Mexico City, April 4th, 2023

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V

In my capacity as chairman of the Audit and Corporate Practices Committee (the "Committee") of Grupo Bimbo, S.A.B. de C.V. (the "Company"), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2022

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with international financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31 2022 and for the year ended on that date.

Sincerely,



Edmundo Vallejo Venegas
Chairman of the Audit and Corporate Practices Committee of Grupo Bimbo, SA.B. de C.V.

Mexico City, April 4th, 2023

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear members of the Board of Directors.

To comply with the "Ley del Mercado de Valores", the charters of the Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. ("the Group", "the Company", "the Society"), I submit to you the report of the activities carried out by the Audit and Corporate Practices Committee ("the Committee") during the year ended on December 31, 2022. During the development of our work, we kept in mind the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work program, the Committee met seven times in the year, and we vented the issues that we are legally bound by law and conduct the activities that I describe below:

INTERNAL CONTROL

We ensure that management has established the general guidelines on internal control as well as the necessary processes for its application and compliance, with the help of both Internal and External Auditors. Additionally, we followed up on the observations developed in this regard by both audit bodies in the performance of their work.

Those responsible for the Administration presented us with the action plans corresponding to the observations derived from the internal audits, in such a way that the contact with them was frequent and their responses satisfactory.

The Committee learned about the functions of the Global Internal Control and Risk Management Department during the year, who presented the consulting work conducted by the firm Deloitte on the evaluation of the activities of that department in terms of governance structure, control selfassessment process, risk assessment, global policies and regulations. He also reported on the progress of the implementation of the Control Self-Assessment model, as well as the progress of the regulatory compliance project related to properties at risk of closure due to lack of regulatory permits. Finally, he was informed about the progress of the Identity and Access (IAM) project that is already functional and is implemented in the operations of Mexico, BBU and Bimbo Canada.

CODE OF ETHICS

With the support of both Internal Audit and other instances of the company, we ensure the degree of compliance, by its staff, with the Code of Ethics in force in the Group.

We learned about the results and outstanding topics in the contact line for the Group's associates. The Administration let us know of the actions they took in such cases.

EXTERNAL AUDIT

We were in constant contact with the representative of the firm EY to follow up on the relevant matters and learn about the activities conducted during the year, in conjunction with the Company's Management. The audit of the consolidated financial statements as of December 31, 2022, was completed and the opinion was clean.

We approved the contract and fees for these services for the years 2022 and 2023, including those related to the additional fees for the growth of the Group and other permitted services. We ensured that such payments did not interfere with their independence.

The external auditors presented us, and the Committee approved, their approach and work program and the areas of interaction with the Group's Internal Audit Department.

The external auditors asked this committee about the knowledge of relevant fraud, complaints about financial information, concerns about transactions of related parties and/or knowledge of possible violations of laws or regulations, to which the Committee gave a negative answer to these questions.

We maintained direct and close communication with the external auditors, and they informed us quarterly of the progress of their work, the observations they had and we took note of their comments on the quarterly and annual financial statements. We learned in a timely manner its conclusions and reports on the annual financial statements.

We review the contents in a timely manner of the Communication prior to the issuance of the External Audit Report (or Report of the Independent Auditors) made in accordance with International Standards on Auditing on the Company's consolidated financial statements as of December 31, 2022 and for the year ended then, which have been prepared in accordance with International Financial Reporting Standard (hereinafter IFRS), issued by the Company's Independent External Auditor and legal representative of Mancera, S.C. (or EY Mexico), in order to comply with the provisions of Article 35 of the General Provisions Applicable to Entities and Issuers Supervised by the National Banking and Securities Commission that Contract External Audit Services of Basic Financial Statements (hereinafter Provisions, Single Circular of External Auditors or CUAE).

We evaluated the services provided by the firm of external auditors, corresponding to the year 2022 and we knew the preliminary financial statements in a timely manner.

Finally, it was reported that EY in conjunction with the management, reached an agreement to renew for five more years the external audit services for Grupo Bimbo. Based on this agreement, the board was asked to approve the renewal of EY as an external auditor.

EY also introduced Enrique García C., partner of the EY audit area to the Audit Committee, who will be the partner responsible for Bimbo's account from 2023 until 2027.

INTERNAL AUDIT

The audit plan for 2023 was approved, corresponding to a total of 468 projects in 31 countries, which represents a 5% increase compared to the number of projects in 2022 and covers 11% of the auditable universe of Grupo Bimbo, which consists of 45% of the total bakeries and snacks, 42% of all distribution centers; 31% of all legal entities and 3% of all sales centers. To comply with the Audit Plan, the Management has 119 auditors and 5 trainees and the collaboration with PwC for a cosourcing in India with 10 auditors.

At each session of this Committee, we receive and adopt periodic progress reports on the approved program of work. We followed up on the observations and suggestions made by Internal Audit and made sure that the administration solved the internal control deviations indicated, so we consider that the state of said system is reasonably correct.

We authorize the annual training plan for area personnel and ensure its effectiveness. Several firms of specialized professionals actively participate in this plan, in such a way that the topics covered keep the members of this function updated.

In accordance with compliance with the Standards for the Professional Practice of Internal Auditing, this Committee approved the update to the Internal Audit Charter of Grupo Bimbo, the Audit VP confirmed to the Committee the independence of the internal audit activity, there were no relevant risks assumed by the operation that this Committee had to know and the conflicts that currently occur with the auditors of the department and the Plan for its mitigation.

SECURITY

The Global Head of Security and Assets reported on major security developments during the year across organizations. Special attention is given in the countries of Mexico and the Central Latin American region.

INFORMATION TECHNOLOGIES

The Global Business Technology Department presented the company's cybersecurity strategy, as well as the actions that have been taken to improve the group's security systems which generated favorable comments from the committee.

FINANCIAL INFORMATION AND ACCOUNTING POLICIES

Together with the persons responsible for the preparation of the quarterly and annual financial statements of the company, we knew about them, reviewed them, and recommended their approval to the Board of Directors and granted the authorization to be published. To carry out this process, we considered the opinion and observations issued by the external auditors.

The Committee approved, at the request of the Global Comptroller's Office, the company's accounting policies for 2022, which have not undergone significant changes compared to 2021. The only changes correspond to the change of the estimate of the useful life of wood displays in BBU from 2 to 5 years and the incorporation of Turkey into the accounting model for hyperinflationary economies.

With the support of the internal and external auditors and in commenting on the financial statements, we ensure that the criteria, accounting policies and information used by Management to prepare financial information are adequate and sufficient and have been applied in a manner consistent with the prior period, taking into account the changes applicable both in the year and for the previous year, related to IFRS. Accordingly, the information presented by Management reasonably reflects the Company's financial position, results of operations, changes in stockholders' equity and cash flows.

COMPLIANCE WITH REGULATIONS AND LAWS THAT CAN BE MET WITH CONTINGENCIES

We ensure the existence and reliability of the internal controls established by the company to fully comply with the different legal provisions to which it is subject, making sure that they were adequately disclosed in the financial information. All the above with the support of internal and external auditors.

At the end of each quarter we reviewed the various fiscal, legal and labor contingencies existing in the company and we made sure that the procedure established to identify them was comprehensive and followed consistently, so that the Administration had the elements for its timely and adequate follow-up. The status and progress of activities related to cases that continue to be faced in various countries were reviewed.

The firm PwC presented the annual evaluation to its work in transfer pricing. It was commented on the activities that have generated a positive evaluation, as well as the areas for improvement, related to information flows and delivery times. The Committee was aware and satisfied with the evaluation and progress in the relationship.

The Global Procurement Department presented its report of related suppliers that offer their services to Grupo Bimbo. In this report, the amounts, categories and percentages of participation of each one with the company were presented.

The Global Chief Compliance Officer presented his annual report on progress and plans on training and compliance with the code of ethics, anti-corruption policy, and regulatory compliance.

The Global Insurance Department reported on the behavior of the cost in global insurance, in particular property insurance, cybersecurity, crime. Likewise, the global policy administration model was commented on in terms of the sufficiency of limits, definition of appetite, declaration of risk values and loss prevention actions.

The Global Institutional Relations Department reported the progress of the Speak Up complaint line in terms of the number of cases per Organization, the levels of complaint attention in Grupo Bimbo, the types of incidents and the average days of response also by Organization. Fraud risk processes were included in the case catalog and training in the processes of investigation and response of labor cases was reinforced.

The Global Procurement commented on the conditions of the markets for raw materials throughout the year, the hedging conditions and the future strategy due to the volatility of the markets, especially the prices of wheat and corn.

The Global Quality and Food Safety Department commented on the evolution of the global strategy on this issue and its incorporation into the entire supply chain, as well as the formation of the new technical audit task force required to support the reviews between this new technical audit team and the work carried out by the internal audit department, with the purpose of increasing the frequency of visits and coverage of food safety risks in bakery factories and snacks.

The Global Corporate Affairs' VP presented the new structure of the Business Continuity and Crisis Management model that now depends on this direction. It was commented on the new strategy aligned with the maturity models of the best practices in Business Continuity and Crisis Management

Such as ISO22301, which includes the design of the new policies, governance model, risk analysis, strategy design, as well as its implementation and validation.

COMPLIANCE WITH OTHER OBLIGATIONS

We hold meetings with the VPs and officials of the Administration that we consider necessary to keep us informed of the progress of the Company and relevant and unusual activities and events.

We were aware of the significant issues that could involve possible breaches of the operating policies, internal control system and accounting record policies, likewise, we were informed about the corrective measures taken in each of them, finding them satisfactory.

We do not consider it necessary to request the support and opinion of independent experts because de issues discussed in each session were duly supported by the relative information and therefore the conclusions reached were satisfactory for the members of the Committee.

OPERATION WITH STAKEHOLDERS

We review and recommend to the Board for approval, each and every one of the transactions with stakeholders that require approval by the Board of Directors for the year 2022, as well as the recurring transactions that are planned to be held during the year 2023 and that require approval by the Board of Directors.

MANAGEMENTE EVALUATION

We review and recommend to the Board for approval, the evaluation of the management an remuneration of the CEO, as well as the VPs that make up the Executive Committee for the year 2022, previously reviewed and recommended by the Evaluation and Results Committee.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported to the Board of Directors the activities that we carry out collegially within that body.

The work we carried out was duly documented in the prepared minutes of each meeting, which were reviewed and approved in a timely manner by the members of the Committee.

Kind regards,



Edmundo Vallejo
President
Chairman of the Audit and Corporate Practices Committee
of Grupo Bimbo, S.A.B. de C.V.

about THIS REPORT

This annual report aims to share with our stakeholders the fulfillment of our corporate purpose through the achievements and progress made, guided by our Business and Sustainability Strategy.



This report contains the global economic, social, environmental and financial results of Grupo Bimbo for the period beginning January 1 and ending December 31, 2022. It has been prepared in accordance with the GRI Sustainability Reporting Standards "core" option with the information requested by the Mexican Stock Exchange through SAM (now S&P Global) for inclusion in the Sustainable Index and with information obtained in response to requests about our material topics and stakeholders. It is also aligned with the 10 Principles of the United Nations Global Compact and the 17 Sustainable Development Goals. The last report was prepared for the same period corresponding to 2021.

Consistent with our principles of caring for the environment, we have prepared this document in digital format.

For the 12th time, we report the results of the activities conducted in Mexico, North America, Latin America, Europe, Asia and Africa. The information obtained from the specialized areas in the different GRI indicators was submitted to an internal audit to validate the qualitative and quantitative information. The financial information was submitted to an external verification process.

During this last period, there are no significant changes with respect to the previous periods reported in materiality or coverage.

Data and information updated as of July 07, 2023.

FOR MORE INFORMATION

Contact for questions about the report or its content:



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Grupo Bimbo Materiality
https://grupobimbo.com/es/sustentabilidad/gruposde-interes/ materialidad

Grupo Bimbo Policies
https://grupobimbo.com/es/nuestro-grupo/politicas

Corporate Governance and Risks
https://grupobimbo.com/es/sustentabilidad/informacion-para-evaluadora

ANNEXES



EXCLUSIONS

Baked For You

GRI FP6

- 97% does not include Bimbo Morocco and Bimbo India; these will be integrated in 2023. Not included:
- Products where GB does not own the recipe or brand;
- Food Service Products;
- Products intended for non-end consumers.
- Progress is reported in % of daily consumption portfolio and not in % of sales.

GRI FP7 and compliance with daily consumer products (SKUs in compliance/total SKUs)

- Scope: Products in the sliced bread, buns and rolls, tortillas, flatbread, savory bagels and English muffin categories active as of January 12, 2023 (Q4-2022 cut-off), where GB owns the brand and recipe. Excluding:
- Products with non-proprietary recipes or brands, including private labels.
- Food Service Products
- Products intended for non-end consumers
- Organizations: Bimbo Morocco and Bimbo India (which will be integrated in 2023)

Breakdown of HSR Compliance by Type of Portfolio

- Scope: Products where GB owns the brand and the recipe with registered sales from January 1 to December 31, 2022. Excluding
- Products with non-proprietary recipes or brands, including private labels
- Food Service Products
- Products intended for non-end consumers
- Organizations: Bimbo Morocco and Bimbo India (will be integrated in 2023), and Ricolino.

Bimbo Mexico Sliced bread

- At Bimbo Mexico, we have eliminated artificial preservatives in most of our sliced bread, except for Bimbo white bread, which we intend to eliminate in the short term.

Baked For Life

2-7 Employees

- Gender is not reported in external associates since they are not part of the associates registered in the Organizations.
- Specialized third-party personnel and Self-Employed Workers are independent vendors and are part of the Business Strategy of each Organization.
- The information does not include the acquisitions made in 2021 (Modern Foods, BQ Brasil and Popcornopolis).

2-21 Annual Total Compensation Ratio

- The total annual compensation—Total Rewards—is a methodology that is based on four dimensions:
- Remuneration
- Benefits
- Career
- Work/Life
- It also considers additional aspects on an annual basis, such as base salary, guaranteed compensation, incentives, commissions, and short and long-term bonuses.
- It does not include the company car allowance. Information varies by country.

201-3 Economic Performance

- Retirement provisions are not offered to more than 40% of the countries where GB operates.

203-1 - Indirect Economic Impacts

- 23 projects in progress that will be delivered in Q1 2023 are excluded (2 in EAA, 20 in Mexico, 1 in North America).
- India, Ukraine, Russia, South Korea, Switzerland, and Kazakhstan are excluded.

403-9 Occupational Health and Safety

- Incidents at work involving non-payroll personnel are not counted in the GB result, but they are investigated and accounted for.

405-1, 405-2 Diversity and Equal Opportunity

- The breakdown of associates by gender and employment category does not include data from the highest level of the organization.
- The information for Popcornopolis is not included since, in 2022, they were still in the process of integration.
- The following factors are taken into account to calculate the ratio between the base salary and male and female compensation: full-time non-operative associates, excluding part-time, specific projects and international assigned associates; associates who occupy regional positions in the countries considered; and those associates excluded from annual increases because they have been promoted, or because they are newly hired.

406-1 Non-Discrimination

- Portugal is not considered within the scope of said standard.

Baked For Nature

303-5 Water and effluents

- The new operations of BQ Brazil and India, integrated in 2022, are excluded.
- There is information on additional sources of extraction: rain, municipal water and tanks, are considered in the total information presented.

303-4 Water discharge

- Sites that do not have a treatment plant (treated and reused water) and new sites integrated in 2022 (BQ Brazil and India) are excluded; it applies to water stress situations.
- All water not reused in the applications described in the water discharge management standard is discharged to the sewer with a higher quality than the same and reported in the table as “third-party water.”

306-3, 306-4, 306-5 Waste

- New operations of BQ Brazil and India are excluded. The excluded operations enter into an annual plan to control and monitor their records according to the standard.

301-3 – Waste:

- The reported waste corresponds to post consumption. Our packaging cannot be reused, so we do not have the data.

•

Zero food waste

- Regarding the percentage: 81% during the "War on Waste" campaign implementation. The result does not include information from Asia (India and China) and only includes Portugal from EMEA because both Organizations have undergone structural changes and have no operations managers.

Foundations

Compliance with the Global Standard for Food Safety.

- This standard does not apply to Bimbo India's operations since they are maturing to comply with the fundamental principles of food safety (Prerequisites and Special Programs) due to the nature of the business and the state of the operations at the time they were acquired.
- These operations work under an Indian Standard 2022.

308-2 Supplier Environmental Assessment

- CDP evidence is for suppliers in non-agricultural categories

414-2 Supplier Social Assessment

- The Engagement for Policy Implementation (EPI) for Cocoa does not include social issues. However, it responds to the internal agricultural policies of suppliers

GRI FP2 – Sourcing

- Only suppliers of raw materials/ingredients are considered for calculating these percentages; this does not include packaging and wrapping suppliers.
- In the same manner, the information on the suppliers of specific raw materials for the points of sale of the El Globo Organization (Tradition in Pastry) is not considered since the Bimbo Mexico Organization manufactures the products sold.

GRI FP5 - Product responsibility

- The operations of the Ricolino plants are excluded from this total since they stopped reporting to GB in May 2022.
- Kazakhstan/Morocco, BQ/Switzerland are also not considered since they are Joint Ventures.

Corporate Governance

2-12 Role of the highest governance bod

- Detailed information on the board of directors' expertise is not public other than providing a brief biography.

ANNEXES
BAKED FOR LIFE

Total number of associates at Grupo Bimbo GRI 2-7, 2-8

	Total associates on payrol	Total contracted and self-employed workers	Total associates Grupo Bimbo	%
Mexico	75,733	0	75,733	48%
United States / Canada	27,196	8,326	35,522	23%
Latin America	23,044	3,248	26,292	17%
Europe, Asia, Africa	13,653	5,610	19,263	12%
Total within Grupo Bimbo Payroll	139,626	17,184	156,810	100%

	Total associates within Payroll	%
Mexico	75,733	54%
United States / Canada	27,196	19%
Latin America	23,044	17%
Europe, Asia, Africa	13,653	10%
Total within payroll Grupo Bimbo	139,626	100%



2-7 Associates

Region	Number of Managers	Local Managers	Percentage of senior management coming from the local community	Rounded percentage
Europe, Asia and Africa	16	12	75.00%	75%
Latin America	28	21	75.00%	75%
Mexico	93	86	92.50%	92%
North America	75	74	98.70%	99%
Total	212	193	91.00%	91%

			Full-time		Part-time	
Regions1	Men	Women	W	M	W	M
Mexico 54%	60,255	15,478	15,478	60,255	0	0
North America 19%	21,529	5,667	5,617	21,299	50	230
Latin America 17%	17,434	5,610	5,591	17,417	19	17
EAA 10%	10,500	3,153	3,106	10,457	47	43
TOTAL	109,718	29,908	29,792	109,428	116	290



Total associates within Payroll

	TOTAL ASSOCIATES ON PAYROLL					SPECIALIZED THIRD PARTY PERSONNEL		TOTAL SELF-EMPLOYED WORKERS	
	Total	Men	Woman	Not specified	% of Total	Total	% of Total	Total	% of Total
Mexico	75,733	60,255	15,478	0	54%	0	0%	0	0%
North America	27,196	21,529	5,667	0	19%	614	11%	7,712	67%
Latin America	23,044	17,434	5,610	0	17%	1,446	26%	1,802	16%
Asia, Europe, Africa	13,653	10,500	3,153	0	10%	3,554	63%	2,056	18%
Total within Grupo Bimbo Payroll	139,626	109,718	29,908	0	100%				
Percentage of Gender		79%	21%						
Total Specialized Third-Party Personnel	5,614	NA	NA	NA		5,614	100%		
Self-Employed	11,570	NA	NA	NA				11,570	100%

	Total
World Total	156,810
FTE	136,904
Full Time	139,220
Part-time	406
Total Within Payroll Grupo Bimbo	139,626
Total Associates Within Payroll plus Specialized Personnel of Third Parties	145,240
Total Associates Within Payroll plus Specialized Personnel from Third Parties and Self-Employed Workers	156,810

Total associates within Payroll

	FULL TIME		PART TIME		
	Men	Women	Men	Women	Total
Mexico	60,255	15,478	0	0	75,733
United States / Canada	21,299	5,617	230	50	27,196
Latin America	17,417	5,591	17	19	23,044
Asia, Europe, Africa	10,457	3,106	43	47	13,653
Total within Payroll Grupo Bimbo	109,428	29,792	290	116	139,626
Total	139,220		406		

	PERMANENT CONTRACT		TEMPORARY CONTRACT		NO DATA		
	Men	Women	Men	Women	Men	Women	Total
Mexico	57,208	13,628	3,047	1,850			75,733
United States / Canada	1,331	640	137	25	20,061	5,002	27,196
Latin America	16,791	5,256	643	354			23,044
Asia, Europe, Africa	9,381	2,749	1,117	402	2	2	13,653
Total within Payroll Grupo Bimbo	84,711	22,273	4,944	2,631	20,063	5,004	139,626
Total	106,984		7,575		25,067		

401-1 New associates hires and turnover

		ACTIVE PERSONNEL DURING 2022			TOTAL TURNOVER (TERMINATIONS 2022)			VOLUNTARY TURNOVER (TERMINATIONS 2022)			NEW HIRES DURING 2022		
REGION GRI	Age Range	Male	Female	Grand Total	Male	Female	Grand Total	Male	Female	Grand Total	Male	Female	Grand Total
Mexico	1 Less than 30	16,355	7,167	23,522	3,712	1,721	5,433	3,692	1,699	5,391	7,618	3,546	11,164
	2 Between 30 and 50	46,943	12,750	59,693	5,026	2,112	7,138	4,862	2,078	6,940	5,640	3,560	9,200
	3 Older than 50	8,604	1,112	9,716	759	151	910	522	114	636	148	157	305
Total Mexico		71,902	21,029	92,931	9,497	3,984	13,481	9,076	3,891	12,967	13,406	7,263	20,669
North America	1 Less than 30	5,019	1,530	6,549	1,838	636	2,474	1,802	631	2,433	2,723	875	3,598
	2 Between 30 and 50	12,513	3,802	16,315	2,501	952	3,453	2,433	929	3,362	3,424	1,268	4,692
	3 Older than 50	9,686	2,470	12,156	1,223	348	1,571	866	279	1,145	949	352	1,301
Total North America		27,218	7,802	35,020	5,562	1,936	7,498	5,101	1,839	6,940	7,096	2,495	9,591
Latin America	1 Less than 30	5,754	2,663	8,417	1,361	553	1,914	1,182	504	1,686	2,515	1,270	3,785
	2 Between 30 and 50	14,240	4,255	18,495	2,099	670	2,769	1,636	530	2,166	2,223	946	3,169
	3 Older than 50	1,760	396	2,156	171	42	213	86	15	101	100	39	139
Total LATIN AMERICA		21,754	7,314	29,068	3,631	1,265	4,896	2,904	1,049	3,953	4,838	2,255	7,093
Europe Asia And Africa	1 Less than 30	7,131	1,098	8,229	2,318	132	2,450	2,257	127	2,384	4,502	820	5,322
	2 Between 30 and 50	8,320	3,855	12,175	1,322	352	1,674	1,188	309	1,497	2,751	1,651	4,402
	3 Older than 50	2,269	1,013	3,282	216	107	323	110	61	171	483	260	743
Total Europe Asia And Africa		17,720	5,966	23,686	3,856	591	4,447	3,555	497	4,052	7,736	2,731	10,467
Grand Total		138,594	42,111	180,705	22,546	7,776	30,322	20,636	7,276	27,912	33,076	14,744	47,820

401-1 New associates hires and turnover

		TOTAL OF NEW ASSOCIATES WHO LEAVE THE NEW JOB BEFORE COMPLETING THE 1ST. YEAR (TOTAL TURNOVER)			TOTAL OF NEW ASSOCIATES WHO LEAVE THE NEW JOB BEFORE COMPLETING THE 1ST. YEAR (VOLUNTARY TURNOVER)			TOTAL TURNOVER INDEX 2022			VOLUNTARY TURNOVER INDEX 2022			INDEX OF NEW ASSOCIATES 2022		
REGION GRI	Age Range	Male	Female	Grand Total	Male	Female	Total General	Male	Female	Grand Total	Male	Female	Total General	Male	Female	Grand Total
Mexico	1 Less than 30	1,916	881	2,797	1,909	870	2,779	23%	24%	23%	23%	24%	23%	47%	49%	47%
	2 Between 30 and 50	1,301	929	2,230	1,295	923	2,218	11%	17%	12%	10%	16%	12%	12%	28%	15%
	3 Older than 50	34	51	85	33	51	84	9%	14%	9%	6%	10%	7%	2%	14%	3%
Total Mexico		3,251	1,861	5,112	3,237	1,844	5,081	13%	19%	15%	13%	19%	14%	19%	35%	22%
North America	1 Less than 30	1,179	431	1,610	1,163	428	1,591	37%	42%	38%	36%	41%	37%	54%	57%	55%
	2 Between 30 and 50	1,280	518	1,798	1,257	514	1,771	20%	25%	21%	19%	24%	21%	27%	33%	29%
	3 Older than 50	362	122	484	354	121	475	13%	14%	13%	9%	11%	9%	10%	14%	11%
Total Northamerica		2,821	1,071	3,892	2,774	1,063	3,837	20%	25%	21%	19%	24%	20%	26%	32%	27%
Latin America	1 Less than 30	644	289	933	602	280	882	24%	21%	23%	21%	19%	20%	44%	48%	45%
	2 Between 30 and 50	530	187	717	494	176	670	15%	16%	15%	11%	12%	12%	16%	22%	17%
	3 Older than 50	17	4	21	14	4	18	10%	11%	10%	5%	4%	5%	6%	10%	6%
Total Latin America		1,191	480	1,671	1,110	460	1,570	17%	17%	17%	13%	14%	14%	22%	31%	24%
Europe Asia And Africa	1 Less than 30	1,195	73	1,268	1,151	71	1,222	33%	12%	30%	32%	12%	29%	63%	75%	65%
	2 Between 30 and 50	526	114	640	456	103	559	16%	9%	14%	14%	8%	12%	33%	43%	36%
	3 Older than 50	43	11	54	28	10	38	10%	11%	10%	5%	6%	5%	21%	26%	23%
Total Europe Asia And Africa		1,764	198	1,962	1,635	184	1,819	22%	10%	19%	20%	8%	17%	44%	46%	44%
Grand Total		9,027	3,610	12,637	8,756	3,551	12,307	16%	18%	17%	15%	17%	15%	24%	35%	26%



401-1 New associates hires

		Men	Women	Total
Mexico 13,406 Men 7,263 Women	Less than 30	7,618	3,546	11,164
	Between 30 and 50	5,640	3,560	9,200
	Older than 50	148	157	305
				20,669
North America 7,096 Men 2,495 Women	Less than 30	2,723	875	3,598
	Between 30 and 50	3,424	1,268	4,692
	Older than 50	949	352	1,301
				9,591
Latin America 4,838 Men 2,255 Women	Less than 30	2,515	1,270	3,785
	Between 30 and 50	2,223	946	3,169
	Older than 50	100	39	139
				7,093
Europe, Asia and Africa 7,736 Men 2,731 Women	Less than 30	4,502	820	5,322
	Between 30 and 50	2,751	1,651	4,402
	Older than 50	483	260	743
				10,467

403-5 Training of associates on health and safety at work

HEALTH, SAFETY AND EMERGENCY MANAGEMENT TRAINING COURSES	Description	Total hours of training	Average hours of training
Wellness School	Basic concepts and recommendations to implement healthy lifestyles to benefit the health and wellbeing of associates and their families - Correct nutrition - Physical activation - Prevention of chronic illnesses - Energy management (rest) - Family health and emotional health - Family health and emotional health - Health in the family and emotional health - Health and wellness in the workplace. Chronic Diseases - Energy Management (Rest) - Family Health and Emotional Health at Work - Fire Extinguisher Management.	26,951.4	2.17
Handling of Fire Extinguishers	Use and application of fire extinguishers (fire classification).	10,097.25	0.75
SWAT Team and Emergency Brigade Manual	Training on integration and operation of SWAT teams and Emergency Brigades.	4,074.56	4.28
Welfare Policy and Model	To know the Global Wellness Policy, responsibilities as managers and main lines of action of the Grupo Bimbo Employee Wellness Model.	4,282.30	0.55
Safety and Wellness Model	The objective of this course is to publicize the cultural change in safety that we seek and the adoption of the safety value in each of our associates, as well as the main components of our S&B Model.	35,741.14	2.35
Electrical Risks	The objective of this course is to present the cultural change in safety that we are seeking and the adoption of the safety value in each of our associates, as well as the main components of our S&B Model.	5,652	3
Sales Leaders Report	Through this course, sales leaders will be able to learn basic concepts and take actions to prevent accidents.	1,519.14	0.42
Safety distances of protections for machinery and equipment.	Training on safety distance standards for machinery and equipment.	724.35	0.33
My Worst Nightmare (Fire Webinar)	Webinar on fire prevention led by our Grupo Bimbo leaders.	5,065.06	0.77
Total	_	94,107.20	14.62

403-9 Work accident injuries

Injuries due to work-related accidents	Total associates	Rate associates	Whether the rates are calculated per 200,000 or per 1,000,000 hours worked.	Total number of associates who are not associates but whose work or place of work is controlled by the organization	Rate of associates who are not associates, but whose work or workplace is controlled by the organization
Fatalities resulting from work-related injuries	4	0.0023	200,000	0	0
Occupational injuries with major consequences (excluding fatalities)	18	0.010	200,000	1	0.0005
Recordable occupational injuries	3,288	1.96	200,000	Not applicable see exclusion	Not applicable see exclusion
Number of hours worked	334, 778, 960	-	200,000	Not applicable see exclusion	
Cuts, falls, slips, back pain, muscle tears, bruised fingers, bumps, bruises					

403-10 Occupational illnesses and diseases

Occupational diseases and illnesses	Associates	Contractors, but whose jobs or workplaces are controlled by the organization
Deaths resulting from an occupational disease or occupational illness	0	0
Cases of recordable occupational diseases and illnesses	0	0

BAKED FOR NATURE

301-1 Materials used by weight and volume

MATERIALS BY WEIGHT AND VOLUME			
Total	88,713	Renewable	65%
Recyclable	80,823	No renewable	35%

*We consider pulp & paper as renewable materials

Recycled			
%Pulp & Paper from recycled sources	72.96%		

*8 main suppliers that represent 59% of our pulp/paper spend, This year we will work to have a better representation.

% Recyclable	91%
% Non-Recyclable	9%
% Multilaminated	6%
% Polystyrene	3%
% Polypropylene	0%

302-1 Energy consumption inside the organization

ELECTRICITY

Grupo Bimbo in kWh	2020	2021	2022
Total indirect energy consumption of suppliers**	564,565,370	391,008,240	219,927,436
Renewable energy	854,287,209	1,065,446,467	1,258,210,316
Total*	1,418,852,579	1,456,454,707	1,478,137,752
% Renewable Energy	60.21%	73.15%	85.12%

ELECTRICITY

Grupo Bimbo in GJ	2020	2021	2022
Total indirect energy consumption of suppliers.**	2,032,435	1,407,630	791,739
Renewable energy	3,075,434	3,835,607	4,529,557
Total*	5,107,869	5,243,237	5,321,296
% Renewable energy	60.21%	73.15%	85.12%

* Consolidated Renewable Base and Match vs. BEST of each organization
1 kWh = 0.0036 GJ
** Plant Consumption, from suppliers Example CFE for Mexico

302-2 Energy consumption outside the organization

TOTAL ENERGY

Grupo Bimbo in GJ	2020	2021	2022
Total fuel consumption from non-renewable sources	23,848,493	24,983,563	25,028,448
Total fuel consumption from renewable sources	0	0	0
Electricity consumption	5,107,869	5,243,237	5,321,296
Total energy consumption	28,956,362	30,226,800	30,349,743

TOTAL ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION (GJ)

Grupo Bimbo in GJ	2020	2021	2022
Total fuel consumption from non-renewable sources	6,439,760	7,251,423	7,318,904
Total fuel consumption from renewable sources	-	-	-
Electricity consumption	-	-	-
Total energy consumption	6,439,760	7,251,423	7,318,904



TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

Grupo Bimbo in GJ	2020	2021	2022
Total fuel consumption from non-renewable sources	17,408,732	17,732,140	17,709,543
Total fuel consumption from renewable sources	-	-	0
Electricity consumption	5,107,869	5,243,237	5,321,296
Total energy consumption	22,516,602	22,975,377	23,030,839

302-3 Energy intensity

SCOPE 1

Energy intensity ratio	2020	2021	2022
Total Fuel Consumption GJ*	17,408,732	17,732,140	17,709,543
Total Energy Consumption GJ	17,408,732	17,732,140	17,709,543
TPE (tons)	5,025,741	5,164,538	5,268,678
Ratio*	3.46	3.43	3.36

SCOPE 2 & 3

Energy intensity ratio	2020	2021	2022
Total Fuel Consumption 3P VehGJ	6,439,760	7,251,423	7,318,904
Total Electricity Consumption GJ	5,107,869	5,240,676	4,909,097
Total Energy Consumption GJ	11,547,629	12,492,099	12,228,001
TPE (tons)	5,025,741	5,164,538	5,268,678
Ratio*	2.30	2.42	2.32



*Vehicles included

FUELS

Energy consumption kWh	2020	2021	2022
#2 Fuel Oil	12,479,760	10,033,088	5,556,783
Diesel Fuel (Non-road Grade)	37,706,114	22,148,009	10,034,939
Generator Diesel Fuel	10,508,549	9,031,931	361,041
Natural Gas	2,777,340,764	2,819,441,392	2,938,768,645
LP Gas	209,719,814	232,130,381	261,781,620
kWh Subtotal in Plants	3,047,755,001	3,092,784,801	3,216,503,029
Diesel	1,049,066,022	1,079,810,172	1,027,061,841
Gasoline	664,920,336	678,138,721	629,896,098
LPG in Vehicles	16,351,356	16,206,433	16,530,743
Natural Gas in Vehicles	56,930,123	58,131,237	43,352,540
Ethanol	736,179	522,995	200,819
kWh Subtotal in Vehicles	1,788,004,016	1,832,809,558	1,717,042,041
Diesel in Third Party Vehicles	1,767,795,743	1,991,830,881	1,993,931,611
Gasoline in Third Party Vehicles	25,349	18,127	0
LP Gas in Third Party Vehicles	247,970	118,836	2,565,688
Natural Gas in Third Party Vehicles	20,753,195	22,316,450	36,531,636
Ethanol in Third Party Vehicles	0	0	0
kWh Subtotal in Third Party Vehicles	1,788,822,257	2,014,284,294	2,033,028,936
Total energy consumption from non-renewable primary primary non-renewable sources (purchases)	6,624,581,274	6,939,878,653	6,966,574,005

FUELS

Energy consumption (GJ)	2020	2021	2022
#2 Fuel Oil	44,927	36,119	20,004
Diesel Fuel (Non-road Grade)	135,742	79,733	36,977
Generator Diesel Fuel	37,831	32,515	1,300
Natural Gas	9,998,427	10,149,989	10,456,801
LP Gas	754,991	835,669	942,199
GJ Subtotal in Plants	10,971,918	11,134,025	11,457,281
Diesel	3,776,638	3,887,317	3,767,986
Gasoline	2,393,713	2,441,299	2,267,971
LPG in Vehicles	58,865	58,343	59,511
Natural Gas in Vehicles	204,948	209,272	156,071
Ethanol	2,650	1,883	723
GJ Subtotal in Vehicles	6,436,814	6,598,114	6,252,262
Diesel in Third Party Vehicles	6,364,065	7,170,591	7,178,154
Gasoline in Third Party Vehicles	91	65	0
LP Gas in Third Party Vehicles	893	428	9,236
Natural Gas in Third Party Vehicles	74,712	80,339	131,514
Ethanol in Third Party Vehicles	0	0	0
GJ Subtotal in Third Party Vehicles	6,439,760	7,251,423	7,318,904
Total energy consumption from primary non-renewable sources (purchases)	23,848,493	24,983,563	25,028,448

kWh

FUEL

Energy Consumption kWh	Mexico	North America	Latin America	Europe Asia & Africa	GB
#2 Fuel Oil	-	-	-	5,556,783	5,556,783
Diesel Fuel (Non-road Grade)	987,157	442,836	5,764,948	2,839,999	10,034,939
Generator Diesel Fuel	236,571	-	-	124,470	361,041
Natural Gas	1,137,126,954	1,206,013,900	235,436,903	360,190,888	2,938,768,645
Propane	65,328,681	4,562,808	140,834,823	51,055,308	261,781,620
kWh Sub-total in Plants	1,203,679,363	1,211,019,543	382,036,674	419,767,448	3,216,503,029
Diesel	797,768,769	97,586,437	107,586,938	24,119,698	1,027,061,841
Gasoline	286,748,492	323,052,372	12,288,275	7,806,960	629,896,098
LPG	4,078	13,837,516	2,689,149	-	16,530,743
CNG	14,761,783	12,580,040	7,365,724	8,644,992	43,352,540
Ethanol	-	-	200,819		200,819
kWh Sub-total in Vehicles	1,099,283,121	447,056,365	130,130,905	40,571,649	1,717,042,041
Diesel in 3rd party vehicles	85,279,108	1,584,186,144	183,558,891	140,907,467	1,993,931,611
Gasoline in 3rd party vehicles	-	-	-	-	-
LPG in 3rd party vehicles	-	-	65,875	2,499,813	2,565,688
CNG in 3rd party vehicles	-	23,833,302	12,698,334	-	36,531,636
Ethanol in 3rd party vehicles	-	-	-	-	-
kWh Sub-total in 3P Vehicles	85,279,108	1,608,019,446	196,323,101	143,407,280	2,033,028,936
Total direct consumption of energy from non-renewable primary sources (purchased)	2,388,241,593	3,266,095,355	708,490,679	603,746,378	6,966,574,005

ELECTRICITY

Electricity Consumption in kWh	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total indirect consumption of energy from suppliers.**	0	113,769,921	33,221,712	72,935,802	219,927,435
Renewable energy*	388,854,152	511,790,770	148,983,304	208,582,090	1,258,210,316
Total*	388,854,152	625,560,691	182,205,016	281,517,892	1,478,137,751
% Renewable Energy	100.00%	81.81%	81.77%	74.09%	85.12%

*Consolidated Renewable Base and Match vs BEST of each organization
1 kWh = 0.0036 GJ
1 Gcal = 4.184 GJ
0.003600
** Consumption of Plants, of suppliers Example CFE for Mexico

GJ

FUEL

Energy Consumption GJ	Mexico	North America	Latin America	Europe Asia & Africa	GB
#2 Fuel Oil	-	-	-	20,004	20,004
Diesel Fuel (Non-road Grade)	3,554	1,594	20,754	10,224	36,126
Generator Diesel Fuel	852	-	-	448	1,300
Natural Gas	4,093,657	4,341,650	847,573	1,296,687	10,579,567
Propane	235,183	16,426	507,005	183,799	942,414
GJ Sub-total in Plants	4,333,246	4,359,670	1,375,332	1,511,163	11,579,411
Diesel	2,871,968	351,311	387,313	86,831	3,697,423
Gasoline	1,032,295	1,162,989	44,238	28,105	2,267,626
LPG	15	49,815	9,681	-	59,511
CNG	53,142	45,288	26,517	31,122	156,069
Ethanol	-	-	723	-	723
GJ Sub-total in Vehicles	3,957,419	1,609,403	468,471	146,058	6,181,351
Diesel in 3rd party vehicles	307,005	5,703,070	660,812	507,267	7,178,154
Gasoline in 3rd party vehicles	-	-	-	-	-
LPG in 3rd party vehicles	-	-	237	8,999	9,236
CNG in 3rd party vehicles	-	85,800	45,714	-	131,514
Ethanol in 3rd party vehicles	-	-	-	-	-
GJ Sub-total in 3P Vehicles	307,005	5,788,870	706,763	516,266	7,318,904
Total direct consumption of energy from non-renewable primary sources (purchased)	8,597,670	11,757,943	2,550,566	2,173,487	25,079,666

ELECTRICITY

Grupo Bimbo in GJ	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total indirect consumption of energy from suppliers.**	0	409,572	119,598	262,569	791,739
Renewable energy*	1,399,875	1,842,447	536,340	750,896	4,529,557
Total*	1,399,875	2,252,018	655,938	1,013,464	5,321,296
% Renewable Energy	100.00%	81.81%	81.77%	74.09%	85.12%

*Consolidated Renewable Base and Match vs BEST of each organization
1 kWh = 0.0036 GJ
1 Gcal = 4.184 GJ
0.003600
** Consumption of Plants, of suppliers Example CFE for Mexico

TOTAL ENERGY

Grupo Bimbo in GJ	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total Fuel Consumption from non-renewable sources	8,597,670	11,757,943	2,550,566	2,173,487	25,079,666
Total Fuel Consumption from renewable sources	-	-	-	-	-
Electricity Consumption	1,399,875	2,252,018	655,938	1,013,464	5,321,296
Total Energy Consumption	9,997,545	14,009,962	3,206,505	3,186,951	30,400,962

TOTAL ENERGY WITHIN THE ORG

Grupo Bimbo in GJ	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total Fuel Consumption from non-renewable sources	8,290,665	5,969,073	1,843,803	1,657,221	17,760,762
Total Fuel Consumption from renewable sources	-	-	-	-	-
Electricity Consumption	1,399,875	2,252,018	655,938	1,013,464	5,321,296
Total Energy Consumption	9,690,540	8,221,092	2,499,741	2,670,685	23,082,058

TOTAL ENERGY OUTSIDE THE ORG

Grupo Bimbo in GJ	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total Fuel Consumption from non-renewable sources	307,005	5,788,870	706,763	516,266	7,318,904
Total Fuel Consumption from renewable sources	8,597,670	11,757,943	2,550,566	2,173,487	-
Electricity Consumption	-	-	-	-	-
Total Energy Consumption	8,904,675	17,546,813	3,257,330	2,689,753	7,318,904

CO2e Emissions (Ton)

Grupo Bimbo	Mexico	North America	Latin America	Europe Asia & Africa	GB
#2 Fuel Oil	-	-	-	1,585	1,585
Diesel Fuel (Non-road Grade)	258	119	1,619	765	2,762
Generator Diesel Fuel	69	-	-	34	103
Natural Gas	229,877	219,807	47,772	72,819	570,275
Propane	14,853	1,003	32,967	11,759	60,581
CO2 Sub-total in Plants*	245,058	220,929	82,358	86,961	635,306
Diesel	216,351	24,612	28,760	6,510	276,233
Gasoline	81,427	78,243	3,145	1,936	164,750
LPG	1	2,778	590	-	3,369
CNG	3,256	2,316	1,609	2,858	10,039
Ethanol	-	-	0	-	0
CO2 Sub-total in Vehicles	301,034	107,949	34,104	11,304	454,391
CO2e total direct emissions (scope 1)	546,092	328,878	116,462	98,265	1,089,697
Electricity	-	14,062	7,263	40,068	61,393
CO2e total indirect emissions (scope 2)	-	14,062	7,263	40,068	61,393
Diesel in 3rd party vehicles	22,750	423,293	48,967	37,589	532,599
Gasoline in 3rd party vehicles	-	-	-	-	-
LPG in 3rd party vehicles	-	-	15	-	15
CNG in 3rd party vehicles	-	4,904	2,565	505	7,974
Ethanol in 3rd party vehicles	-	-	-	-	-
CO2 total third party vehicles emissions (scope 3)	22,750	428,197	51,547	38,094	540,588
TOTAL CO2e EMISSIONS	568,841	771,137	175,272	176,427	1,691,678

NOX, SOX, COVs, PM10, PM2.5	Mexico	North America	Latin America	Europe Asia & Africa	GB
NOX (kg)	172,156.22	182,320.36	33,080.67	246,031.77	633,589.03
SOX (kg)	1,032.94	1,093.92	198.48	1,476.19	3,801.53
COVs (kg)	9,468.59	10,027.62	1,819.44	13,531.75	34,847.40
PM10 (kg)	13,083.87	13,856.35	2,514.13	18,698.42	48,152.77
PM2.5 (kg)	13,083.87	13,856.35	2,514.13	18,698.42	48,152.77

CO_2e Emissions (Ton) KPI

SCOPE 1	CO_2e				
CO_2e INTENSITY RATIO	México	Norteamérica	Latinoamerica	Europa Asia y Africa	GB
Total CO_2e Emissions (tons)	546,092	328,878	116,462	98,265	1,089,697
TPE	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio	0.32	0.16	0.18	0.12	0.21
SCOPE 2					
Total CO_2e Emissions (tons)	-	14,062	7,263	40,068	61,393
TPE	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	0.00	0.01	0.01	0.05	0.01
SCOPE 2 & 3					
Total CO_2e Emissions (tons)	22,750	442,259	58,810	78,162	601,981
TPE	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	0.01	0.21	0.09	0.10	0.11
SCOPE 3					
Total CO_2e Emissions (tons)	22,750	428,197	51,547	38,094	540,588
TPE	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	0.01	0.20	0.08	0.05	0.103
SCOPE 1, 2 & 3					
Total CO_2e Emissions (tons)	568,841	771,137	175,272	176,427	1,691,678
TPE	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	0.34	0.36	0.27	0.22	0.32

*Vehicles included

INDICATORS*	Mexico				
Electric energy (kwh/TPE)	229.39	295.14	282.44	348.02	280.55
Thermal energy (Gcal/TPE)	0.61	0.49	0.51	0.45	0.53

*Factory Only

Energy KPI

SCOPE 1	Fuel & Electricity				
ENERGY INTENSITY RATIO	Mexico	North America	Latin America	Europe Asia & Africa	GB
Total Fuel Consumption GJ*	8,290,665	5,969,073	1,843,803	1,657,221	17,760,762
Total Energy Consumption GJ	8,290,665	5,969,073	1,843,803	1,657,221	17,760,762
TPE (tons)	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	4.89	2.82	2.86	2.05	3.37
SCOPE 2 & 3					
Total Fuel Consumption 3P VehGJ	307,005	5,788,870	706,763	516,266	7,318,904
Total Electricity Consumption GJ	1,399,875	2,252,018	655,938	1,013,464	5,321,296
Total Energy Consumption GJ	1,706,880	8,040,888	1,362,701	1,529,731	12,640,200
TPE (tons)	1,695,136	2,119,520	645,106	808,916	5,268,678
Ratio*	1.01	3.79	2.11	1.89	2.40

*Vehicles included

303-3, 303-4, 303-5 Extraction, discharge and consumption of water

WATER IMPACT AT GRUPO BIMBO (MEGALITERS)

	2019	2020	2021	2022
Well Water	983	932	1,065	1,143
Mains Water	4,396	4,808	4,828	4,956
Rainwater	6	7	12	10
Piped Water	28	31	27	45
Treated Water*	598	629	675	927
Reused Water*	467	521	538	582
Treated Water Discharged	131	108	136	345
Recycled Water (POS)	86	103	164	100
Total Drinkable	5,412	5,778	5,932	6,153
Total Treated	598	629	675	927
Total Reused	467	521	538	582



Historical water consumption

	2019	2020	2021	2022	% vs base line
Water consumption (m3/Ton)	5,412	5,778	5,932	6,153	13.66%
Produced Tons	4,597,432	4,979,811	5,092,028	5,201,449	13.14%
Water Efficiency (m3/Ton)	1.177	1.160	1.165	1.183	0.46%

*Third Party Verified Data (Carbon Trust)

303-3, 303-4, 303-5 Extraction, discharge and consumption of water

MEGALITERS	Water impacts North America				Water impacts LA+Mex				Water impacts Europe Asia and Africa			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Well Water	0	0	0	0	983	916	976	1,070	0	16	88	72
Mains Water	2,373	2,504	2,477	2,606	1,167	1,199	1,223	1,232	836	1,105	1,129	1,186
Rainwater	0	0	0	0	3	7	11.73	10.02	0	0	0	0
Piped Water	0	0	0	0	28	31	27	45	0	0	0	0
Treated Water	0	0	0	0	598	646	657	842	0	0	68	137
Reused Water	0	0	0	0	467	521	527	578	0	0	23	28
Treated Water Discharged	0	0	0	0	130	125	130	264	0	0	45	109
Recycled Water (Ceves)	0	4	6	2	89	100	0.39	0.32	0	0	0	0
TOTAL DRINKABLE	2,373	2,504	2,477	2,606	2,180	2,153	2,238	2,357	836	1,121	1,217	1,259
TOTAL TREATED	0	0	0	0	598	646	657	842	0	0	68	137
TOTAL REUSED	0	0	0	0	467	521	527	578	0	0	23	28

Water Stressed at Grupo Bimbo (Megaliters)

MEGALITERS	North American Water Impacts at Water Stressed Sites				Water Impacts LA+Mex at Water Stressed Sites				Water Impacts Europe Asia and Africa at Water Stressed Sites				Water Impacts GB at Water Stressed Sites			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Well Water	0	0	0	0	756	719	814	910	0	13	85	68	656	647	813	978
Mains Water	614	634	613	643	613	631	575	578	595	705	651	625	1,816	2,070	1,960	1,963
Rainwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Piped Water	0	0	0	0	28	17	27	35	0	0	0	0	28	17	27	35
Treated Water	0	0	0	0	400	434	454	583	0	0	64	127	394	443	531	743
Reused Water	0	0	0	0	341	391	419	447	0	0	22	23	334	399	453	503
Treated Water Discharged	0	0	0	0	59	44	35	136	0	0	42	104	59	44	77	240
TOTAL DRINKABLE	614	634	613	643	1,396	1,367	1,416	1,524	595	718	738	693	2,500	2,734	2,801	2,977
TOTAL TREATED	0	0	0	0	400	434	454	583	0	0	64	127	394	443	531	743
TOTAL REUSED	0	0	0	0	341	391	419	447	0	0	22	23	334	399	453	503

305-1 Direct GEI Emissions

CO_2e emissions (Tons)			
Grupo Bimbo	**2020**	**2021**	**2022**
Fuel oil in plants	3,488	2,804	1,585
Diesel in plants	12,954	8,394	2,864
Natural Gas in plants	537,118	546,289	570,275
LP Gas in plants	48,527	53,698	60,581
CO_2 Sub-total in Plants*	602,087	611,185	635,306
Diesel in vehicles	282,811	290,430	276,233
Gasoline in vehicles	166,146	169,470	164,750
LPG in vehicles	3,525	3,486	3,369
Natural Gas in vehicles	11,134	11,528	10,039
Ethanol in vehicles	1	1	0
CO_2 Subtotal in vehicles	463,617	474,914	454,391
CO2e total direct emissions (scope 1)	1,065,703	1,086,099	1,089,697
Electricity	198,346	128,019	61,393
CO2e total indirect emissions (scope 2)	198,346	128,019	61,393
Diesel in Third Party Vehicles	454,109	512,022	532,599
Gasoline in Third Party Vehicles	6	5	0
LP Gas in Third Party Vehicles	57	26	15
Natural Gas in Third Party Vehicles	3,757	4,116	7,974
Ethanol in Third Party Vehicles	0	0	0
Total CO_2e emissions in Third-Party Vehicles (scope 3)	457,930	516,169	540,588
TOTAL CO_2e EMISSIONS	1,721,980	1,730,287	1,691,678



* Total CO2e emissions in outsourced vehicles does not consider intermodal.
* Scope 1 emissions do not consider refrigerants or residual water.

CO_2e Emissions (Tons) KPI

SCOPE 1

CO_2e Intensity ratio	2020	2021	2022
Total CO_2e Emissions (tons)	1,065,703	1,086,099	1,089,697
TPE	5,025,741	5,164,538	5,268,678
Ratio	0.21	0.21	0.20

vehicles included

SCOPE 2

CO_2e Intensity ratio	2020	2021	2022
Total CO_2e Emissions (tons)	198,346	128,019	61,393
TPE	5,025,741	5,164,538	5,268,678
Ratio*	0.04	0.02	0.01

GRI 305-4, 305-2 SCOPE 2 & 3

CO_2e intensity ratio	2020	2021	2022
Total CO2e Emissions (tons)	656,276	644,188	601,981
TPE	5,025,741	5,164,538	5,268,678
Ratio*	0.13	0.12	0.12

*Scope 3 only considers third party vehicles

* Scope 3 only considers category 4. Outsourced vehicles, does not consider intermodal.
Verified by Carbon Trust so there is a slight variation vs. what has been reported in previous years.
[1] Data considers global operations.

GRI 305-3 SCOPE 3

CO_2e intensity ratio	2020	2021	2022
Total CO2e Emissions (tons)	457,930	516,169	540,588
TPE	5,025,741	5,164,538	5,268,678
Ratio*	0.09	0.10	0.10

*Only considers third party vehicles

GRI 305-4 SCOPE 1, 2 & 3

CO_2e intensity ratio	2020	2021	2022
Total CO2e Emissions (tons)	1,721,980	1,730,287	1,691,678
TPE	5,025,741	5,164,538	5,268,678
Ratio*	0.34	0.34	0.32

*Scope 3 only considers third party vehicles

Indicators*	2020	2021	2022
E. Electricity (kwh/TPE)	282	282	281
E. Thermal (Gcal/TPE)	0.52	0.52	0.52

*Solo de Fábricas

GRI 305-7 OTHER EMISSIONS [1]:

NOX (kg)	633,589
SOX (kg)	3,802
VOCs (kg)	34,847
PM10 (kg)	48,153
PM2.5 (kg)	48,153

306-3 Waste generation

The management of waste generated by Grupo Bimbo is delegated to external specialist suppliers that meet all the requirements for the handling, disposal and transportation of waste according to the classification of our categories; and to control and monitor the disposal, we use the "BEST" System—Bimbo Environmental Sustainability Tool—, which processes the information and issues a report by Organization for subsequent analysis.

WASTE GENERATED	Waste not destined for disposal Metric tons	Waste for disposal Metric tons	Waste generated Metric tons
Hazardous	0	1,272	1,272
Non-hazardous	22,546	375,122	397,669
Other	-	-	-
Total waste generated	22,546	375,122	398,941
Coverage: What percentage of your production/revenue does the reported waste information cover?	-	100%	-

For waste that is handled in units, for example: plastic containers, pallets, raffia/plastic bags, etc. The unit weight of each should be estimated and the factor to convert to Metric Tons should be applied and reported.
* Excluded operations enter into an annual plan for the control and monitoring of their records according to the environmental standard.

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factories have achieved the goal of Zero Waste to Landfill by the end of December 2022

	North America Waste Generated				Mexico & Latin America Waste Generated				Europe Asia & Africa Waste Generated			
Metric Ton	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Recyclable waste	134,130	136,721	149,457	173,612	127,881	124,257	128,024	129,416	34,893	78,181	83,838	81,456
Non-recyclable waste	5,972	7,215	6,373	7,321	7,412	6,704	5,551	4,238	4,709	4,382	5,958	2,325
Hazardous residues**	0.14	0.03	0.55	0.55	971	484	674	975	1,469	560	414	297
Recycled waste*	132,558	134,843	146,465	167,324	127,757	117,805	124,327	129,028	31,287	74,093	80,289	79,325
Total	140,102	143,936	155,830	180,934	136,263	131,445	134,248	134,629	41,071	83,123	90,211	84,078
% Recycling	-	-	-	-	94%	90%	93%	96%	76%	89%	89%	94%

*Effectively recycled
**All hazardous waste is recycled and managed in accordance with the legislation of each country where we operate.

306-4 Waste not destined for disposal

All our operations, except for the new facilities in BQ Brazil and India,* are reported under the environmental standard, with the following results:

WASTE NOT DESTINED FOR DISPOSAL	Hazardous	Non-hazardous	Total
Preparation for reuse	0	0	0
Recycling	0	22,546	22,546
Other recovery operations	0	0	0
Total	0	22,546	22,546

HAZARDOUS WASTE NOT DESTINED FOR DISPOSAL	On-site	Off-site	Total
Preparation for reuse	0	0	0
Recycling	0	0	0
Other valuation operations	0	0	0
Total	0	0	0

HAZARDOUS WASTE NOT DESTINED FOR DISPOSAL	On-site	Off-site	Total
Preparation for reuse	0	0	0
Recycling	0	0	0
Other valuation operations	22,546	0	22,546
Total	22,546	0	22,546



306-5 Waste destined for disposal

Similar process and data collection under our BEST system and environmental standards, also excluding the new BQ Brazil and India operations.

WASTE FOR DISPOSAL	Hazardous	Non-hazardous	Total
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Transfer to landfill	0	22,546	22,546
Other disposal operations: recycling	1,272	397,669	398,941
Waste with an unknown method of unknown disposal method	0	0	0
Total	1,272	397,669	398,941
Annual target for the reporting period	90% Recycling	-	-
Coverage: What percentage of your production / revenue does the reported waste information cover?	100%	-	-

HAZARDOUS WASTE FOR DISPOSAL	On-site (306-5di)	Off-site (306-5dii)	Total
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery	0	0	0
Transfer to landfill	0	0	0
Other disposal operations: recycling	0	1,272	1,272
Waste with unknown method of disposal	0	0	0
Total	0	1,272	1,272

NON-HAZARDOUS WASTE FOR DISPOSAL	On-site (306-5di)	Off-site (306-5dii)	Total
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Transfer to landfill	0	0	0
Other disposal operations: recycling	376,395	0	376,395
Waste with unknown method of disposal	0	0	0
Total	376,395	0	376,395 (306-5c)

CORPORATE GOVERNANCE

Speak Up Line

SPEAK UP

Country	Telephone number
Bimbo Canada	18- 4436-37305
Bimbo Bakeries USA	866-458-5428
Barcel USA	1 888 220 2006
Bimbo Mexico (Barcel, Ricolino, Global Services, Blue Label, Corporate)	800-522- 6491 / 800-012-4626
Bimbo Latin Centro	
Colombia	01-800-518-9647 / 01-800-752-2198
Venezuela	0800-1362-575 / 0800-1627-331
Ecuador	1 800-001-183 / 1 800-000-448
Guatemala	1 800-83-50-335
Costa Rica	0-800-0521580
El Salvador	800-6580
Nicaragua	001-800-22-60-345
Honduras	800-27919-154 / 800-0122 Clave 6627
Panama	008002030285 / 0-800-05-21-357
Bimbo Latin Sur	
Argentina	0-800-800-1499 / 0-800-444-2251
Chile	12300201369 / 800-83-56-48
Paraguay	009 800 5210096 / 009-800-110445
Peru	0-800-76933 / 0-800-00948
Uruguay	000-4019-1342 / 000-4052-10115
Bimbo Brazil	0-800-8911-532 / 800-8923-255

Country	Telephone number
Bimbo EMEA	
United Kingdom	0 800-0478412
Spain	900 834216
Bimbo QSR	
United States	1 888-220-2006 / 1-855-9383-336
Brazil	0-800-8911-532 / 800-8923-255
China (South)	1 0800-1402845
China (North)	1 0800-7142826
South Korea	00798-14-800-6599 / 00308-110-480 / 00798-1-1-009-8084
France	0 800-905421
Italy	800-761696
South Africa	800-980406
Ukraine*	0 800-502-886
Turkey*	0811-288-0001

DIVERSITY IN GOVERNING BODIES

	Women			Men			Total
	-30 years	<30 and 50 years>	+50 years	-30 years	<30 and 50 years>	+50 years	
Board of Directors	0	5.55	16.66	0	5.55	72.22	100%
Audit and Corporate Practices Committee	0	0	20	0	0	80	100%
Evaluation and Compensation Committee	0	0	20	0	0	80	100%
Finance and Planning Committee	0	0	0	0	0	100	100%

GRI CONTENTS

Global Reporting Initiative

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*Reported waste corresponds to post consumption. Our packaging cannot be reused, so we do not have the data.

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GRI 410 Security Practices		
410-1	Security personnel trained in human rights policies or procedures	NA

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411-1	Incidents of violations involving rights of indigenous peoples	NA
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413-1	Operations with local community engagement, impact assessments, and development programs	60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 101, 105, 142
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GRI 417 Marketing and Labeling		
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GRI 418 Customer Privacy		
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GRI Processed Food Sector Supplement

Standard	Content	Page
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FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	154
FP2	Percentage of purchased volume from suppliers compliant with company's sourcing policy	146, 221
FP3	Percentage of purchased volume from suppliers compliant with company's sourcing policy	NA
Society		
"(former FP4)"	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need	16, 19, 32, 35, 58
Animal Welfare		
FP9	Percentage and total of animals raised and/or processed, by species and breed type	NA
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic	NA
FP11	Percentage and total of animals raised and/ or processed, by species and breed type, per housing type	NA
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	NA
Customer Health and Safety		
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	148, 221
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FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives	29, 30, 31, 33, 220
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SASB Standards | Processed foods

Standard	Content	Page
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FB-PF-130a.1	“(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable”	NA
Water Management		
FB-PF-140a.1.	"(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress"	112
FB-PF-140a.2.	"Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations"	NA
FB-PF-140a.3.	"Description of water management risks and discussion of strategies and practices to mitigate those risks"	112
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FB-PF-250a.1.	"Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances"	148
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FB-PF-250a.3.	"(1) Total number of notices of food safety violation received, (2) percentage corrected"	NA
FB-PF-250a.4.	"(1) Number of recalls issued and (2) total amount of food product recalled"	148
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FB-PF-260a.2.	"Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers"	23
Product Labeling & Marketing		
FB-PF-270a.1.	"Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines"	NA
FB-PF-270a.2.	"Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO"	NA
FB-PF-270a.3.	"Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes"	NA
FB-PF-270a.4.	"Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices"	NA

Packaging Lifecycle Management		
FB-PF-410a.1.	"(1) Total weight of packaging, (2) percentage made from recycled and/or renewabl materials, and (3) percentage that is recyclable, re-usable, and/or compostable"	NA
FB-PF-410a.2.	"Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle"	NA
Environmental & Social Impacts of Ingredient Supply Chain		
FB-PF-430a.1.	"Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard"	146
FB-PF-430a.2.	"Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances"	NA
Ingredient Sourcing		
FB-PF-440a.1.	"Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress"	NA
FB-PF-440a.2.	"List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations"	NA

INDEPENDENT LIMITED ASSURANCE REPORT ON KEY INDICATORS OF SUSTAINABILITY PERFORMANCE (NON-FINANCIAL INFORMATION

To the Board of Directors of Corporativo Bimbo, S.A. de C.V.

We were engaged by the Administration of Corporativo Bimbo, S.A. de C.V. (hereinafter "Bimbo") to report on the Environmental and Nutritional Indicators of the Global Reporting Initiative (GRI) Standards and related to the "Best Nutritional Profiles for All" pillar (Non-Financial Information), prepared and presented by Bimbo's Global Research and Development Direction and Global Sustainability Direction, included in Bimbo's 2022 Annual Report for the period from January 1 to December 31, 2022 (the "Report"), that are detailed in Annex A attached to this report (the "Contents"), in the form of an independent conclusion of limited assurance, regarding whether, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared in all material aspects, in accordance with the criteria established in the Global Reporting Initiative (GRI) Standards and Bimbo's "Best Nutritional Profiles for All" Guidelines.

Management responsibilities

Bimbo's Global Research and Development Direction and Global Sustainability Direction are responsible for the preparation and presentation of the information subject to our review and the information and statements contained within it.

Bimbo's Management is responsible for designing, implementing, and maintaining the relevant internal control for the preparation and presentation of the information subject to our review, which is free from material errors, whether due to fraud or error.

Bimbo's Management is also responsible for ensuring that the personnel involved in the preparation of the Contents are adequately trained, the information systems are duly updated and that any change in the presentation of data and/or in the form of reporting, include all significant reporting units.

Our responsibilities

Our responsibility is to review the information concerning the Contents included in the 2022 Report and to express an independent conclusion of limited assurance based on the evidence obtained. We carry out our work based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board, that standard requires that we plan and perform the engagement to obtain limited assurance about whether, based on our work and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents included in the 2022 Report for the period from January 1 to December 31, 2022, are not prepared in all material respects, in accordance with the Standards of the Global Reporting Initiative (GRI) and Bimbo's "Best Nutritional Profiles for All" Guidelines.

KPMG CARDENAS DOSAL, S.C. (the "Firm") applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the requirements of the International Ethics Standards Boards for Accountants (including international independence standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our knowledge and experience of the Contents presented in the 2022 Report and other circumstances of the work, and our consideration of the areas in which material errors may occur.

When obtaining an understanding of the Contents included in the 2022 Report, and other work circumstances, we have considered the processes used to prepare the Contents, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Bimbo's internal control over the preparation and presentation of the Contents included in the 2022 Report.

Our engagement also included assessing the appropriateness of the main subject, the suitability of the criteria used by Bimbo in the preparation of the Contents, assessing the appropriateness of the methods, policies and procedures, as well as models used.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Criteria

The criteria on which the preparation of the Contents has been evaluated refer to the established requirements and in accordance with the criteria established in the Global Reporting Initiative (GRI) Standards and Bimbo's "Best Nutritional Profiles for All" Guidelines that are detailed in Annex A.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed based on, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Contents detailed in Annex A attached to this assurance report, prepared by Bimbo's Global Research and Development Direction and Global Sustainability Direction and included in Bimbo's 2022 Report for the period from January 1 to December 31, 2022 are not prepared in all material aspects, in accordance with the criteria established in the Global Reporting Initiative (GRI) Standards and Bimbo's "Best Nutritional Profiles for All" Guidelines.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party to acquire rights against us other than Bimbo's Global Research and Development Direction and Global Sustainability Direction, for any purpose or in any other context. Any party other than Bimbo's Global Research and Development Direction and Global Sustainability Direction who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Bimbo for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Bimbo, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

KPMG CARDENAS DOSAL, S.C.



Juan Carlos Reséndiz Muñiz

Partner

Mexico City, July 4th, 2023.

Annex A

Description of the Contents object of the limited assurance engagement:

Standard	Content		Indicator
"GRI 301 Materials 2016"	301-1	Materials used by weight or volume	"Percentage of renewable materials (paper and carboard) used for packaging"
			"Percentage of non-renewable materials (plastics) used for packaging"
	301-2	Recycled input materials used	"Percentage of renewable packaging that comes from recycled or certified sources"
	301-3	Reclaimed products and their packaging materials	Tons of recovered packaging by post-consumer programs
"GRI 303 Water and effluents 2018"	303-1	Interactions with water as a shared resource	Description
	303-2	Management of water discharge-related impacts	Description
	303-3	Water withdrawal	Megaliters of water withdrawal, by source
			"Megaliters of water withdrawal in areas with water stress, by source"
"GRI 306 Waste 2020"	306-1	"Waste generation and significant waste- related impacts"	Description
	306-2	Management of significant waste-related impacts	Description
	306-3	Waste generated	Tons of waste generated, by type
	306-4	Waste diverted from disposal	"Tons of waste diverted from disposal, by type and recovery operation"
	306-5	Waste directed to disposal	"Tons of waste directed to disposal, by type and disposal operation"
"GRI 416 Customer Health and Safety 2016"	416-1	Assessment of the health and safety impacts of product and service categories	Description
"GRI G4 Sector Disclosures"	"G4 DMA (former FP4)"	"Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need"	Description
	FP6	"Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars"	Percentage of compliance in daily consumption products (SKU in Compliance/Total SKUs) by nutrient
	FP7	"Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals, or functional food additives"	"Percentage of compliance in daily consumption products (SKU in Compliance/Total SKUs)"
			"Percentage of sales that come from food with ≥3.5 stars per the HSR standard"
Best Nutritional Profiles	Goal 1	"100% of our daily consumption portfolio will comply with our internal guidelines on maximum sodium, saturated and trans fatty acids, and added sugar content"	Percentage progress vs. goal
		"100 % of our daily consumption portfolio will be free from artificial colors and flavors"	Percentage progress vs. goal
	Goal 3	100% of our specialty grain breads, buns and rolls will meet our positive nutrition parameters	Percentage progress vs. goal

Consolidated FINANCIAL Statements

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

DECEMBER 31, 2022, 2021 AND 2020
WITH INDEPENDENT AUDITOR'S REPORT

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GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in millions of Mexican pesos)

	Notes	December 31 2022	2021	2020
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents		$ 12,313	$ 8,748	$ 9,268
Trade receivables and other accounts receivable, net	5	32,185	27,170	27,487
Inventories	6	16,989	13,710	10,893
Prepaid expenses		928	2,296	1,944
Derivative financial instruments	17	38	1,293	871
Guarantee deposits for derivative financial instruments	17	879	-	-
Assets held for sale		138	194	140
Total current assets		63,470	53,411	50,603
Property, plant and equipment, net	8	113,505	103,891	91,248
Right-of-use assets, net	9	28,477	30,754	29,163
Investments in associates	10	5,144	4,452	3,143
Derivative financial instruments	17	2,005	1,962	267
Deferred income tax	16	3,962	7,861	8,733
Intangible assets, net	11	59,062	56,965	55,007
Goodwill	12	68,085	74,565	66,904
Other non-current assets, net		4,054	3,779	2,583
Total assets		$ 347,764	$ 337,640	$ 307,651
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Current portion of non-current debt	13	$ 6,435	$ 10,625	$ 600
Trade accounts payable		44,058	35,752	26,679
Other accounts payable and accrued liabilities	14	24,198	24,102	24,901
Current lease liabilities	9	5,930	5,793	5,153
Accounts payable to related parties	15	1,240	1,527	1,334
Current income tax	16	4,604	708	-
Statutory employee profit sharing		1,811	1,692	1,017
Derivative financial instruments	17	1,458	169	1,183
Other current liabilities	17	-	392	398
Total current liabilities		89,734	80,760	61,265
Non-current debt	13	77,619	82,230	84,629
Non-current lease liabilities	9	23,255	25,356	23,936
Non-current derivative financial instruments	17	590	67	214
Employee benefits	18	9,382	30,712	33,832
Deferred income tax	16	7,575	7,087	6,766
Other non-current liabilities	19	12,007	9,822	8,998
Total liabilities		220,162	236,034	219,640
EQUITY:				
Capital stock	20	3,984	4,021	4,061
Retained earnings		111,486	73,384	64,265
Other equity financial instrument	20	8,098	8,867	8,996
Cumulative foreign currency translation effect from foreign operations		1,132	10,297	9,046
Remeasurements on defined benefit plans liability		1,152	696	(443)
Valuation of equity financial instrument		(690)	(742)	(661)
Unrealized (loss) gain on cash flow hedges	17	(1,051)	577	(1,551)
Controlling interest		124,111	97,100	83,713
Non-controlling interest		3,491	4,506	4,298
Total equity		127,602	101,606	88,011
Total liabilities and equity		$ 347,764	$ 337,640	$ 307,651

The accompanying notes are an integral part of these consolidated financial statements.

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Amounts in millions of Mexican pesos, except for basic earnings per ordinary share in Mexican pesos)

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
CONTINUING OPERATIONS				
Net sales		$ 398,706	$ 338,792	$ 322,943
Cost of sales	21	193,325	157,703	148,004
Gross profit		205,381	181,089	174,939
General expenses:				
Distribution and selling		140,455	124,422	121,482
Administrative		26,172	23,147	22,228
Integration expenses		367	724	1,968
Other (income) expenses, net	22	(15,309)	216	5,196
	21	151,685	148,509	150,874
Operating profit		53,696	32,580	24,065
Comprehensive financing cost:				
Interest expense	23	8,049	7,823	9,357
Interest income		(740)	(363)	(352)
Foreign exchange (gain)/loss, net		995	538	(82)
(Gain) on monetary position		(34)	(25)	(70)
		8,270	7,973	8,853
Associates profit sharing	10	452	247	194
Profit before income tax		45,878	24,854	15,406
Income tax	16	14,381	8,726	5,943
Net profit from continuing operations		31,497	16,128	9,463

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
DISCONTINUED OPERATION				
Net profit after income tax discontinued operation	3e) y 24	16,988	1,254	1,088
Consolidated net profit		$ 48,485	$ 17,382	$ 10,551
Controlling interest				
Continuing operation		$ 30,324	$ 14,692	$ 8,049
Discontinued operation		16,586	1,224	1,062
Controlling interest		$ 46,910	$ 15,916	$ 9,111
Non-controlling interest				
Continuing operation		$ 1,173	$ 1,436	$ 1,414
Discontinued operation		402	30	26
Non-controlling interest		$ 1,575	$ 1,466	$ 1,440
Basic earnings per ordinary share				
Continuing operation		$ 6.81	$ 3.28	$ 1.77
Discontinued operation		3.73	0.27	0.23
		$ 10.54	$ 3.55	$ 2.00
Weighted average number of outstanding shares (in thousands of shares)		4,448,693	4,487,268	4,552,712

The accompanying notes are an integral part of these consolidated financial statements.

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(Amounts in millions of Mexican pesos)

	Notes	2022	2021 Reformulated	2020 Reformulated
Consolidated net profit		$ 48,485	$ 17,382	$ 10,551
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Valuation of equity financial instrument	3c	(32)	(112)	(239)
Remeasurements on defined benefit plans liability	18	800	1,543	(362)
Income tax	16	(207)	(432)	145
		561	999	(456)
Items that may be reclassified subsequently to profit or loss:				
Effect of net investment hedge		667	(723)	(2,828)
Foreign operations currency translation effect of the year		(9,862)	2,114	7,400
Net change in unrealized (loss) gain on cash flow hedges	17	(2,213)	2,988	(386)
Income tax	16	142	(937)	3,672
		(11,266)	3,442	7,858
Other comprehensive income		(10,705)	4,441	7,402
Consolidated comprehensive income		$ 37,780	$ 21,823	$ 17,953
Comprehensive income attributable to controlling interest		$ 36,625	$ 20,353	$ 16,185
Comprehensive income attributable to non-controlling interest		$ 1,155	$ 1,470	$ 1,768

The accompanying notes are an integral part of these consolidated financial statements.

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(Amounts in millions of Mexican pesos)

	Capital stock	Other equity financial instrument	Retained earnings	Accumulated other comprehensive income	Equity attributable to controlling interest	Non-controlling interest	Total equity
Balance as of December 31, 2019	$ 4,156	$ 8,931	$ 61,332	$ (683)	$ 73,736	$ 4,575	$ 78,311
Other equity instrument dividends	-	-	(648)	-	(648)	-	(648)
Other equity instrument income taxes	-	65	194	-	259	-	259
Consolidation effect of structured entities	-	-	-	-	-	(1,025)	(1,025)
Net changes in non-controlling interest	-	-	207	-	207	(873)	(666)
Dividends declared	-	-	(2,286)	-	(2,286)	(147)	(2,433)
Repurchase of shares (Note 20)	(95)	-	(3,645)	-	(3,740)	-	(3,740)
Balance before comprehensive income	4,061	8,996	55,154	(683)	67,528	2,530	70,058
Consolidated net profit for the year	-	-	9,111	-	9,111	1,440	10,551
Other comprehensive income	-	-	-	7,074	7,074	328	7,402
Consolidated comprehensive income	-	-	9,111	7,074	16,185	1,768	17,953
Balance as of December 31, 2020	4,061	8,996	64,265	6,391	83,713	4,298	88,011
Other equity instrument dividends	-	-	(621)	-	(621)	-	(621)
Other equity instrument income taxes	-	(129)	187	-	58	-	58
Consolidation effect of structured entities	-	-	-	-	-	(1,099)	(1,099)
Net changes in non-controlling interest	-	-	-	-	-	-	-
Dividends declared	-	-	(4,502)	-	(4,502)	(163)	(4,665)
Repurchase of shares (Note 20)	(40)	-	(1,861)	-	(1,901)	-	(1,901)
Balance before comprehensive income	4,021	8,867	57,468	6,391	76,747	3,036	79,783
Consolidated net profit for the year	-	-	15,916	-	15,916	1,466	17,382
Other comprehensive income	-	-	-	4,437	4,437	4	4,441
Consolidated comprehensive income	-	-	15,916	4,437	20,353	1,470	21,823
Balance as of December 31, 2021	4,021	8,867	73,384	10,828	97,100	4,506	101,606
Other equity instrument dividends	-	-	(649)	-	(649)	-	(649)
Other equity instrument income taxes	-	(424)	195	-	(229)	-	(229)
Consolidation effect of structured entities	-	-	-	-	-	(2,011)	(2,011)
Repurchase equity instrument	-	(345)	(32)	-	(377)	-	(377)
Dividends declared	-	-	(5,791)	-	(5,791)	(94)	(5,885)
Repurchase of shares (Note 20)	(37)	-	(2,531)	-	(2,568)	-	(2,568)
Decrease non-controlling interest by discontinued operation	-	-	-	-	-	(65)	(65)
Balance before comprehensive income	3,984	8,098	64, 576	10,828	87,486	2,336	89,822
Consolidated net profit for the year	-	-	46,910	-	46,910	1,575	48,485
Other comprehensive income	-	-	-	(10,285)	(10,285)	(420)	(10,705)
Consolidated comprehensive income	-	-	46,910	(10,285)	36,625	1,155	37,780
Balance as of December 31, 2022	$ 3,984	$ 8,098	$ 111,486	$ 543	$ 124,111	$ 3,491	$ 127,602

The accompanying notes are an integral part of these consolidated financial statements.

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in millions of Mexican pesos)

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
OPERATING ACTIVITIES				
Profit before income tax from continuing operation		$ 45,878	$ 24,854	$ 15,406
Profit before income tax from discontinued operation	24	23,516	1,499	1,337
Profit before income tax		69,394	26,353	16,743
Adjustments for:				
Depreciation and amortization	8, 9, 11, 22, 24	18,282	16,375	16,251
(Gain)/loss on sale of property, plant and equipment		650	(157)	(127)
Property, plant and equipment write-off due to casualty		-	379	-
Share of profit of associates	10	(452)	(247)	(194)
Impairment of non-current assets		1,046	694	1,075
Profit on disposal of discontinued operation	24	(22,038)	-	-
Multi-employer pension plan and other non-current liabilities	22	(19,010)	(2,247)	2,494
Current year service cost	18	1,013	1,128	991
Interest expense	23	8,049	7,884	9,424
Interest income		(740)	(373)	(387)
Short-term and low-value lease expenses	9	2,519	2,183	2,017
Changes in assets and liabilities:				
Trade receivables and other accounts receivable		(6,647)	666	(914)
Inventories		(4,163)	(2,320)	(769)
Prepaid expenses		1,261	(365)	(684)
Trade accounts payable		9,920	8,286	3,004
Other accounts payable and accrued liabilities		(3,395)	(1,025)	4,718
Accounts payable to related parties		287	209	270
Income tax paid		(11,824)	(7,578)	(5,789)
Guarantee deposits for derivative financial instruments		(1,271)	6	723
Statutory employee profit sharing payable		122	675	(165)
Employee benefits		(754)	(2,567)	(2,955)
Assets held for sale		-	-	168
Dividends receivable from discontinued operation	24	(879)	-	-
Short-term and low-value lease expenses		(2,519)	(2,183)	(2,017)
Net cash flows from operating activities		38,851	45,776	43,877

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	8	(28,669)	(20,671)	(13,218)
Acquisitions of business and non-controlling interests, net of cash received	1	(6,520)	(10,637)	(3,453)
Price charged for sale of the discontinued operation	24	25,797	-	-
Proceeds from sale of property, plant and equipment		20	882	763
Proceeds from insurance claims		272	201	-
Purchase of intangible assets, net of write offs	11	(798)	(622)	(528)
Increase of distribution rights in structured entities	11	3	(77)	(351)
Other assets		(770)	(951)	(218)
Dividends received		954	59	93
Interest received		740	373	387
Investments in associates	10	(151)	(1,016)	(163)
Net cash flows used in investing activities		(9,122)	(32,459)	(16,688)
FINANCING ACTIVITIES				
Proceeds from loans, net of transaction costs	13	51,670	38,924	34,818
Repayments of loans	13	(55,542)	(33,535)	(40,745)
Interest paid		(6,407)	(6,781)	(6,410)
Other equity instrument dividends paid		(649)	(621)	(648)
Repurchases equity instrument dividends paid		(344)	-	-
Dividends paid		(5,885)	(4,636)	(2,433)
Payment of lease liabilities	9	(6,385)	(5,372)	(5,544)
Payment of derivative financial instruments		-	(1,690)	(2,431)
Collection of derivative financial instruments		418	1,496	2,970
Repurchase of shares	20	(2,568)	(1,901)	(3,740)
Net cash flows used in financing activities		(25,692)	(14,116)	(24,163)
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		(472)	279	(9)
Net Increase (decrease) in cash and cash equivalents		3,565	(520)	3,017
Cash and cash equivalents at beginning of year		8,748	9,268	6,251
Cash and cash equivalents at end of year		$ 12,313	$ 8,748	$ 9,268

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022, 2021 AND 2020

(Amounts in millions of Mexican pesos, except where otherwise indicated)

1. Activities and significant events

Activities- Grupo Bimbo, S.A.B. de C.V. and subsidiaries ("Grupo Bimbo" or "the Company") is a Mexican entity, primarily engaged in the production, distribution and sale of bakery products, cookies, tortillas, salty snacks and until November 2022 confectionery.

The Company operates in different geographical areas that represent the reporting segments used by the Company, which are Mexico, North America, Latin America and Europe, Asia and Africa ("EAA").

The Company's corporate offices are located at Prolongación Paseo de la Reforma No. 1000, Colonia Peña Blanca Santa Fe, Álvaro Obregón, Código Postal 01210, Mexico City, Mexico.

During 2022, 2021 and 2020, the net sales of the subsidiaries that are classified in the Mexico segment represented approximately 29%, 29% and 29%, respectively, of the Company's consolidated net sales. During 2022, 2021 and 2020, the net sales of the Company's subsidiaries classified in the North America segment represented approximately 52%, 52% and 53%, respectively, of the Company's consolidated net sales.

Relevant events

Sale of the confectionery business

On November 1st 2022, the Company sold its confectionery business to Mondelez International, Inc. for Ps. 25,797, which was collected in cash and included the sale of shares of the subsidiaries engaged in the confectionery business, as well as its trademarks, in line with the Company's strategy of focusing on grain-based foods, specifically in the bakery and snack categories. This transaction was subject to approval from the relevant authorities. The subsidiaries engaged in the confectionery business have been deconsolidated as of the aforementioned date. This transaction is presented in the consolidated financial statements in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Acquisitions in 2022

St. Pierre acquisition

On September 22, 2022, through one of its subsidiaries in United Kingdom, the Company acquired a 100%-stake in Sherlock Foods Holdings Limited, company that operates mainly in the United Kingdom and the United States of America. This acquisition will contribute to the Company's growth and geographic expansion plans in those countries. Its main activity is the sale of baked bread under the St. Pierre, Baker Street and Paul Hollywood trademarks.

Since the acquisitions mentioned above were closed during the third quarter of 2022, the purchase price allocation is preliminary and is the best estimate as of December 31, 2022, with respect to the valuation of the assets acquired, liabilities assumed (including income taxes), intangible assets and goodwill. At the date of issuance of these consolidated financial statements, the Company is in the process of determining the final purchase price allocation and will recognize the fair value adjustments during the measurement period of twelve months following the closing date of each acquisition. It is expected that a portion of the goodwill presented in the table above will be reallocated to intangible assets, such as brands and customer relationships, mainly. The segment that will group this business will be that of EAA.

	Preliminary fair value
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	$ 170
Other current assets	711
Property, plant and equipment	28
Identified intangible assets	5,331
Goodwill	3,021
Other non-current assets	137
Total identifiable assets	**$ 9,398**
Total liabilities assumed	**$ 2,724**

Acquisitions in 2021

The business acquisitions will contribute to the Company's growth and geographic expansion plans, mainly in India, the United States of America, Spain and Brazil, in terms of branded products and QSR (Quick Service Restaurants) businesses. They also represent an opportunity to create significant synergies by optimizing the supply chain to better serve more consumers.

The difference between the consideration transferred and the net of assets acquired and liabilities assumed at fair value will be subject to amortization for tax purposes in accordance with local legislation.

Acquisition of Kitty Industries

On October 26, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Kitty Industries Private Limited in India, a company engaged in the production, distribution and sale of white, wholemeal, wheat and fruit bread, among other products.

Acquisition of Aryzta Do Brasil

On October 13, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Arytza Do Brasil Alimentos Ltda., company engaged in the production, distribution and sale of bakery and confectionery products, mainly aimed at the Quick Service Restaurants industry in Brazil.

Acquisition of Popcornopolis

On September 17, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Popcornopolis, LLC, company operating in the United States of America and which main activity is the production, distribution and sale of popcorn under the Popcornopolis brand. This acquisition has been funded using the Company's own resources.

Acquisition of Siro Medina (Dulces del Campo)

On June 1, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Siro Medina, S.A.U. in Spain, a company engaged in the production of confectionery and pastry products. On June 24, 202, the company name was changed to Dulces del Campo, S.A.U.

Business acquisition of Emmy's Organics

On May 11, 2021, through one of its subsidiaries in the United States of America, the Company acquired the organic cookie business of the Emmy's Organics brand.

Acquisition of Modern Foods

On February 17, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Modern Enterprises Privated Limited in India, this company is engaged in the production of bread under the "Modern" brand and has a broad portfolio of white and fruity bread, healthy breads, buns and pavés, cake, sponge cake and Indian bread along with some other products. This acquisition was funded using the Company's own resources.

Accounting effects of the acquisitions

The process of the final allocation of fair values and recognition of the acquisitions of Modern Foods, Emmy's Organics and Dulces del Campo, was conclude during the year ended in December 31, 2021 in accordance with International Financial Reporting Standards (IFRS) 3 Business Combinations. The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized resulting of these acquisitions at the spot rate at the date of each transaction:

	Fair value preliminary	Purchase price Adjustments	Fair value final
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	$ 103	$ -	$ 103
Others short-term assets	167	-	167
Property, plant and equipment	1,018	514	1,532
Identified intangible assets	141	1,025	1,166
Goodwill	1,577	(1,144)	433
Other assets	107	-	107
Total identifiable assets	$ 3,113	$ 395	$ 3,508
Total liabilities assumed	$ 381	$ 395	$ 776

The goodwill resulting from these acquisitions were allocated to the North America and EAA segments.

Additionally, for the acquisitions of Popcornopolis, Aryzta do Brasil and Kitty Industries, the final allocation of fair values was completed during the year 2022 in accordance with International Financial Reporting Standards (IFRS) 3 *Business Combinations*. The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized resulting of these acquisitions at the spot rate at the date of each transaction:

	Fair value preliminary	Purchase price Adjustments	Fair value final
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	$ 70	$ (25)	$ 45
Others short-term assets	868	(1)	867
Property, plant and equipment	1,400	760	2,160
Identified intangible assets	1,240	1,574	2,814
Goodwill	5,287	(1,804)	3,483
Other long-term assets	807	66	873
Total identifiable assets	$ 9,672	$ 570	$ 10,242
Total liabilities assumed	$ 1,594	$ 214	$ 1,808
Transferred consideration	$ 8,078	$ 356	$ 8,434

The goodwill resulting from this acquisition were allocated to the North America, Latin America and EAA segments.

Acquisitions in 2020

Acquisition of Siro Paterna - Spain

On June 30, 2020, the Company acquired, through its subsidiary, a 100%-stake in Siro Paterna Valencia in Spain, a company engaged in the production of sliced bread and salted pastries under a private label. This acquisition has been funded using the Company's own resources.

Business acquisition – USA

On January 2nd, 2020, the Company acquired, through one of its subsidiaries, acquired the Lender's brand frozen bagel business from Conagra Brands.

Bimbonet Servicios (before Blue Label México)

On September 21, 2020, the Company acquired a 47.56% stake in Bimbonet Servicios, S.A.P.I. de C.V. as a result of this transaction, the Company increased its equity interest to 95.12% and obtained control over the company as of that date. In December 2021, the Company acquired the remaining 4.88% stake, so that is now holds a 100% stake. Bimbonet Servicios is engaged mainly in the distribution of digital services and electronic payments.

Accounting effects of the acquisitions

The valuation and recognition of the acquisitions was performed in accordance with International Financial Reporting Standards (IFRS) 3 Business Combinations. The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized as a result of these acquisitions at the exchange rate ruling at the date of each transaction:

	Fair value final
Amount paid in operations	$ 2,789
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	82
Trade receivables	149
Inventories	147
Property, plant and equipment, net	1,127
Right-of-use assets	32
Identifiable intangible assets	1,742
Other assets	14
Total identifiable assets	3,293
Goodwill	724
Total assets acquired	$ 4,017
Total liabilities assumed	$ 927
Non-controlling interest	35
Result from acquisition in stages	(266)
Value of acquired investments	$ 2,789

The goodwill resulting from this acquisition was allocated to the Mexico and EAA segments.

Acquisitions of non-controlling interests in 2020

Ready Roti - India

On May 13, 2020, the Company acquired, through one of its subsidiaries, the remaining 35% of the voting shares of Ready Roti India Private Limited, to complement the acquisition made in May 2017, so that it now holds all of the share capital of this company.

Health contingency caused by COVID-19 during 2021 and 2020:

COVID-19, an infectious disease caused by the SARS COV-2 virus, was declared a world-wide pandemic by the World Health Organization (WHO) on March 11, 2020. The measures to slow the spread of COVID-19 have had a significant impact on the global economy. Given the evolving nature of the COVID-19 pandemic and the limited recent experience of the economic and financial impacts of such a pandemic, changes to estimates may need to be made in the measurement of entities' assets and liabilities may arise in the future.

The health contingency caused by COVID-19 has had the following impacts on the Company's liquidity, cash flows, solvency and business:

(a) Liquidity: It was benefited since the third month of 2020 from changes in consumers habits globally as a result of the pandemic and which can be prolonged in an uncertain and indefinite manner. The Company modified its financial strategy in the first six months of 2021 by prioritizing the generation and preservation of cash flow, reassessing temporarily the capital investment plan, reducing general and administrative expenses, and postponing certain restructuring projects. During 2021, capital investment plans were resumed, as well as certain restructuring projects.

(b) Cash flows: The Company has a diversified revenue base as it operates in several countries, and through various channels in various categories, which provides stability to its cash flows, coupled with the results generated by its operations during the pandemic.

(c) Solvency: The Company considers that its financial situation, given its ability to generate cash flows, allows it to meet its current and non-current financial commitments.

(d) Business: It was partially affected, mainly during 2021 and 2020, by the pandemic, since some plants engaged in the production for the quick-service restaurant business ("QSR") operated below their capacity due to restrictions on mobility of individuals imposed in the different countries where it has a presence. In addition, the Company incurred in COVID-19 related costs and expenses such as: increases in the labor cost by hiring additional associates, donations to different associations to support customers and consumers in the uncertain environment and in health measures in all of its plants and workplaces around the world.

2. Basis of preparation

Adoption of new and revised International Financial Reporting Standards

a) Application of new and revised International Financial Reporting Standards (IFRS) and their interpretations, the adoption of which is mandatory in the current year

In 2022, the Company adopted a series of new and amended IFRS issued by the International Accounting Standards Board (IASB), which are effective for annual periods beginning on or after January 1st, 2022:

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies that standard to determine whether at the acquisition date a present obligation exists as a result of past events. For a lien that would be within the scope of IFRIC 21 Liens, an acquirer applies that interpretation to determine whether the event giving rise to a liability to pay the lien has occurred on the date of acquisition.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after January 1st, 2022. Earlier application is permitted if an entity also applies all other references. updated (published together with the updated Conceptual Framework) at the same time or earlier.

As of December 31, 2022, the amendments to IFRS 3 have not had an impact on the Company's consolidated financial statements since there have been no business combinations to which said amendments apply.

Annual Improvements 2018-2022 Cycle

In May 2021, the IASB issued the following annual improvements to IFRS:

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendments permit a subsidiary that adopts IFRS after its parent to measure the cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date of transition to IFRS, provided that no adjustments have bene made to the consolidation process and for the purposes of the business combination in which the parent acquired the subsidiary.

IFRS 9 Financial Instruments

The amendments clarify that fees in the ten per cent test for derecognition of financial liabilities must only be fees paid or received between the entity (the borrower) and the lender.

As of December 31, 2022, these annual improvements to IFRS have not had an impact on the Company's consolidated financial statements since it has not had the transactions subject to modifications mentioned above.

b) New and revised IFRS issued but not yet effective

The new and amended standards that are issued but not yet effective and that may be applicable to the Company are as follows:

Amendments to IAS 1	**Classification of liabilities as current and non-current [1]**
Amendments to IAS 1 and practice statement 2	**Disclosure of Accounting Policies [1]**
Amendments to IAS 8	**Definition of accounting estimates [1]**
Amendments to IAS 12	**Deferred tax related to assets and liabilities arising from a single transaction [1]**
Modificaciones a las NIIF 10 y NIC 28	**Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [2]**

(1) Effective for annual periods beginning on or after January 1st, 2023.
(2) Effective for annual periods beginning on or after a certain date that has yet to be determined.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1st, 2023 and must be applied retrospectively. The Company is in the process of assessing the impact that the adoption of these amendments will have on its consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and Practice Statement IFRS Preparation of Judgments on Materiality - Disclosure of Accounting Policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies.

The amendments replace all instances of the term "significant accounting policies" with "material disclosures about accounting policies." Information about accounting policies is material if, when considered together with other information in an entity's financial statements, it could reasonably be expected to influence the decisions that primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Information about accounting policies may be material due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is material.

The Board has also developed guides and examples to explain and demonstrate the application of the "four-step materiality process" described in Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1st, 2023, with early application permitted and must be applied retrospectively. The Practice Statement 2 amendments do not contain an effective date or transition requirements.

The Company is currently in the process of evaluating the impacts on the disclosures to the consolidated financial statements as a result of the changes in this standard.

Amendments to IAS 8 Definition of Accounting Estimates

In February, 2021, the IASB issued amendments to IAS 8, the amendments are intended to introduce a definition of accounting estimates. The amendments clarify the distinction between changes in accounting policies from changes in accounting estimates. Also, clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual periods beginning on or after January 1st, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed as long as this fact is disclosed.

Material effects are not expected in the Group for these amendments.

Amendments to IAS 12: Deferred tax related to assets and liabilities arising from an individual transaction

The amendments introduce an additional exception to the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal cumulative and deductible temporary differences.

Depending on the applicable tax legislation, equal cumulative and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination that does not affect accounting profit or tax profit.

The amendments to IAS 12 require an entity to recognize the deferred tax asset and liability related to the recognition of any deferred tax asset subject to the recoverability criteria of IAS 12.

The modifications apply to transactions that occur on or after the beginning of the first comparative period. Additionally, at the beginning of the earliest comparative period, an entity recognizes:

A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be used) and a deferred tax liability for all cumulative and deductible temporary differences associated with:

- Rights-of-use asset and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of stockholders' equity, as applicable) as of that date.

The amendments are effective for annual periods beginning on or after January 1st, 2023, with early application permitted and it is expected that the amendments will not have an effect on the consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

The amendments establish that any gain or loss resulting from loss of control over a subsidiary that does not constitute a business in a transaction with an equity-method accounted associate or joint venture are recognized in profit or loss of the parent only to the extent of unrelated investors' interest in the associate or joint venture. Gains and losses resulting from the remeasurement at fair value of the investment retained in a former subsidiary (which has become an equity-accounted associate or joint venture) is recognized in profit or loss of the parent only to the extent of unrelated investors' interest in the associate or joint venture.

The effective date of these amendments has not been determined by the IASB. Early application is permitted. Company management believes that the adoption of these amendments will not have a material effect on the Company's consolidated financial statements in the future if such transactions arise.

c) Consolidated statement of profit or loss and other comprehensive Income

The Company presents its profit or loss in two separate statements: i) the consolidated statement of profit or loss, and ii) the consolidated statement of other comprehensive income. The Company's expenses are presented based on their function, which is consistent with the customary practices of the industry to which the Company belongs. The nature of these expenses is described in Note 21. Although not required to do so under IFRS, the Company includes operating profit in the consolidated statement of profit or loss, since this item is an important indicator for evaluating the Company's financial and business performance.

d) Consolidated statements of cash flows

The Company prepares the statement of cash flows using the indirect method. Interest and dividends received are shown as investing activities, while interest and dividends paid are shown as financing activities. As of December 31, 2022, 2021 and 2020 there were no material non-monetary transactions in investment and financing activities.

3. Summary of significant accounting policies

a) Compliance statement

The Company's consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB.

b) Basis of preparation

The Mexican peso is the Company's functional currency for transactions in Mexico and the presentation currency of its consolidated financial statements.

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities (mainly derivative financial instruments) and other equity instruments, which are measured at fair value at the end of the reporting period, and the non-monetary assets of the Company's subsidiaries in hyperinflationary economies, which are restated for inflation, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally equal to the fair value of the consideration to which the Company is entitled in exchange for the goods and services received.

ii. Fair value

Fair value is the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value-in-use in IAS 36.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly indirectly
- Level 3: unobservable inputs are considered.

Restatement of financial statements

The consolidated statement of income, the consolidated statement of other comprehensive income and the consolidated statement of cash flows for the years ended December 31, 2021 and 2020, were reformulated to present the confectionery business disposed of in 2022 as a discontinued operation.

Basis of presentation

Current versus non-current (short-term versus long-term) classification

The Company presents assets and liabilities in the consolidated statement of financial position as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Basis of consolidation

In accordance with IFRS 10, the consolidated financial statements comprise the financial statements of the Company, its subsidiaries and other entities as of December 31, 2022, 2021 and 2020.

The Company's most significant subsidiaries included in the consolidated financial information are as follows:

Subsidiary	% equity interest	Country	Segment	Primary activity
Bimbo, S.A. de C.V.	97	Mexico	Mexico	Baking
Barcel, S.A. de C.V.	98	Mexico	Mexico	Snacks
Productos Ricolino, S.A.P.I. de C.V. (1).	98	Mexico	Mexico	Confectionery
Bimbo Bakeries, Inc.	100	United States	North America	Baking
Canada Bread Corporation, LLC	100	Canada	North America	Baking
Bimbo do Brasil, Ltda.	100	Brazil	Latin America	Baking
Bakery Iberian Investments, S.L.U.	100	Spain and Portugal	EAA	Baking

(1) On November 1st, 2022, the confectionery business was sold.

Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control is lost. Gains and losses of subsidiaries acquired during the year are recognized in the consolidated statement of profit or loss and statement of comprehensive income from the acquisition date, as applicable.

Non-controlling interest represents the portion of profit or loss and net assets that do not correspond to the Company but to the minority shareholders and is recognized separately in the consolidated financial statements.

The political and economic situation in Venezuela has significantly limited the capacity of the Company's subsidiaries in Venezuela to maintain their production process under normal conditions. Due to the above, and since Grupo Bimbo will continue its operations in Venezuela, as of June 1, 2017, the Company changed the method under which it consolidated the financial position and performance of its operations in Venezuela; therefore, at the date of these financial statements, the Company measures its investment in Venezuela at fair value through other comprehensive income (OCI), in accordance with IFRS 9.

The Company elected to classify irrevocably its equity investments in affiliates in Venezuela under this category as it intends to hold these investments for the foreseeable future. As of December 31, 2022, 2021 and 2020, the Company recognized an impairment loss of $32, $112 and $239, respectively, in other comprehensive income.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intercompany balances and transactions have been eliminated on consolidation.

d) Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business acquisition is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Company, the liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Costs related to the acquisition are generally recognized in profit or loss as incurred.

At the acquisition date, all identifiable assets acquired and liabilities assumed in a business combination are measured at fair value, except for:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree that are measured in accordance with IFRS 2 Share-based Payments at the acquisition date (as of December 31, 2022, 2021 and 2020, the Company does not have share-based payments);
- Assets (or disposal groups) that are classified as held for sale and measured in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Goodwill is measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If, after reassessment, the fair value of the net assets acquired and liabilities assumed at the acquisition date is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interests in the acquiree and any previous interest held over the acquiree is recognized in profit or loss as gain on business combinations.

Non-controlling interests may be initially measured either at fair value or at the proportional share of the acquiree's identifiable net assets. The election is made on a transaction-by-transaction basis.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively and the corresponding adjustments are charged against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year following the acquisition date) on facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on the classification of the contingent consideration. Contingent considerations classified as equity are not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent considerations classified as assets or liabilities are remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, and the corresponding gain or loss is recognized in profit or loss.

When a business combination is achieved in stages, any previous interest held over the acquiree is remeasured at fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss when such treatment is appropriate if that interest is disposed of.

If the initial accounting treatment for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company must report provisional amounts for the items for which the accounting is incomplete. Such provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e) Assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets or disposal groups. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs that the Company expects to incur in the sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as after-tax profit or loss from discontinued operations in the income statement. Additional disclosures are provided in Note 24. All other notes to the financial statements include amounts for continuing operations, unless otherwise indicated.

f) Recognition of the effects of inflation

The effects of inflation are recognized when the functional currency of an entity is the currency of a country with a hyperinflationary economic environment.

An analysis of the cumulative inflation rates for the three prior years in the countries of the Company's primary operations is as follows:

	2022 – 2020		2021 – 2019		2020 – 2018	
	Cumulative inflation rate	Type of economy	Cumulative inflation rate	Type of economy	Cumulative inflation rate	Type of economy
Mexico	19.39%	Non-hyperinflationary	13.87%	Non-hyperinflationary	11.19%	Non-hyperinflationary
USA	15.86%	Non-hyperinflationary	10.97%	Non-hyperinflationary	5.40%	Non-hyperinflationary
Canada	12.90%	Non-hyperinflationary	8.10%	Non-hyperinflationary	5.05%	Non-hyperinflationary
Spain	11.98%	Non-hyperinflationary	7.05%	Non-hyperinflationary	1.51%	Non-hyperinflationary
Brazil	15.90%	Non-hyperinflationary	13.01%	Non-hyperinflationary	12.92%	Non-hyperinflationary
Argentina	299.49%	Hyperinflationary	215.85%	Hyperinflationary	162.53%	Hyperinflationary

Starting in July 2018 and June 30, 2022, the economies of Argentina and Turkey, respectively, are considered to be hyperinflationary; consequently, the Company's subsidiaries in these countries recognized, in accordance with IAS 29, the following adjustments for the cumulative effects of inflation:

- Using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment, and intangible assets.
- Recognizing the net monetary position in the consolidated statement of profit or loss.

g) Foreign currency transactions

Exchange differences on monetary items are recognized in profit or loss, except in the following cases:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 17);
- Exchange differences on monetary assets or liabilities related to foreign operations with no planned settlement and for which payment cannot be made (thus forming part of the net investment in the foreign operation) are initially recognized in other comprehensive income and are reclassified from equity to profit or loss as reimbursements of monetary items.

Translation to the Company's presentation currency

On consolidation, the assets and liabilities of foreign operations are translated into Mexican pesos using the prevailing exchange rate at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The assets and liabilities of operations in hyperinflationary economies are translated using the exchange rate prevailing at the reporting date. The exchange differences arising on translation for consolidation are recognized in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. Exchange differences resulting from the translation are recognized in other comprehensive income.

The annual average and closing exchange rates of the Mexican peso and the exchange rates functional currencies of the countries of the main subsidiaries as of December 31, 2022, 2021 and 2020 is as follows:

	Average exchange rate			Closing exchange rate		
	2022	2021	2020	2022	2021	2020
USA	20.1250	20.2818	21.4955	19.3615	20.5835	19.9487
Canada	15.4634	16.1111	16.0529	14.2931	16.1782	15.5424
Spain	19.1003	23.3129	24.5343	18.1525	21.4648	24.4790
Brazil	3.8960	3.6885	4.1764	3.7107	3.7629	3.8387
Argentina	0.1542	0.2004	0.3045	0.1093	0.2133	0.2371

h) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits in checking accounts and highly liquid, readily available low-risk investments in short-term securities, maturing within three months following the purchase date. Cash is stated at nominal value and cash equivalents ($9,856, $6,393 and $5,663 in 2022, 2021 and 2020) are stated at fair value. Gains and losses from changes in the value of cash and cash equivalents are recognized in profit or loss (see financial assets below). Cash and cash equivalents principally consist of investments in government debt instruments with daily maturities.

i) Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial asset classification

Financial instruments are measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The remaining financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Notwithstanding the above, upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they are not held for trading and do not correspond to contingent consideration transferred by an acquirer in a business combination.

Equity investments at fair value through OCI are initially measured at cost, plus transaction costs, and are subsequently measured at fair value and the gains and losses from the fair value changes are recognized in OCI. Upon derecognition, cumulative gains and losses are never recycled to profit or loss, and instead are recorded in retained earnings.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. Accounts receivable

   Trade accounts receivable and other accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded on an active market. These instruments are classified as accounts receivable and are measured at amortized cost using the effective interest rate method and are subject to impairment.

   Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2. Impairment in the value of financial assets

   The Company assesses at each reporting date whether its non-FVTPL financial assets are impaired.

   The Company recognizes a provision for expected credit losses for trade receivables. The Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision matrix is initially based on the Company's historical credit loss experience and is subsequently adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current direction and forecast of future conditions at the reporting date, including the time value of money, when applicable.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Regarding trade accounts receivables, the carrying amount is reduced through the expected credit losses reserve. The expected credit losses of these financial assets are estimated using a matrix based on the Company's history of credit losses adjusted for specific credit factors associated to the customers, general economy conditions and an assessment of current and future conditions as of the reporting period, including time value of money as appropriate.

j) Inventories and cost of sales

Inventories are valued at the lower of cost or net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials, containers, packaging and spare parts: at cost, which includes the cost of the merchandise plus import costs, minus discounts, using the average cost method.
- Finished goods and orders in process: standard cost equal to the cost of direct materials and direct labor costs, plus a proportion of manufacturing overheads based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell and the estimated costs necessary to make the sale.

k) Property, plant and equipment

Property, plant and equipment is recognized at its adjusted historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Fixed assets acquired in Mexico before December 31, 2007 were restated for inflation through that date based on the National Consumer Price Index (NCPI), which became the estimated cost of such assets as of January 1st, 2011 upon the Company's adoption of IFRS.

The cost includes those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The costs of expansion, remodeling or improvements that enhance the capacity and increase the productivity and extend the useful life of the asset are also capitalized. Repair and maintenance costs are expensed as incurred. The carrying amount of the replaced asset, if any, is derecognized when replaced, and the effect is recognized in profit and loss.

Freehold land is not depreciated. Depreciation of property, plant and equipment is calculated on the assets' carrying amounts on a straight-line basis over the estimated useful lives of the assets, as follows:

	No. of years
Buildings::	
Construction	**15 – 30**
Foundations	**35 – 50**
Roofs	**10 – 30**
Fixed facilities and accessories	**10 – 20**
Production equipment	**3 – 25**
Transportation equipment	**8 – 16**
Furniture and equipment	**2 – 18**
Computing equipment	**4**
Leasehold improvements	**The lower of either the related lease term or the useful life of the asset**

The Company allocates the amount initially recognized in respect of an item of buildings and production equipment to its various significant parts (components) and depreciates each of these components separately.

The carrying amount of an asset is adjusted to its recoverable value, when the carrying amount exceeds its estimated value in use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in results.

Leasehold improvement and adaptations to buildings and sites in which the Company is the lessee are recognized at historical cost less the respective depreciation.

l) Right-of-use assets

Right-of-use assets are initially measured at the present value of lease payments, less any lease incentives received and initial direct costs. Right-of-use assets are subsequently measured at cost net of accumulated depreciation, impairment losses and adjustments for any remeasurement of lease liabilities in accordance with IFRS 16. The Company decided to present leases as finance or capitalized operating as shown in Note 9.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease payments for low-value assets (less than USD5,000) and short-term leases (less than 12 months) are recognized directly in profit or loss.

m) Investment in associates

An associate is an entity over which the Company has significant influence that it is defined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and the net assets and liabilities of associates are recognized in the consolidated financial statements using the equity method, except if the investment or part of the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. When the Company's share of loss of an associate exceeds the Company's interest in that associate, the Company discontinues the recognition of its share of further losses.

On acquisition of the investment, any difference between the cost of the investment and the Company's share of the net fair value of the identifiable assets and liabilities of the associate is accounted for as goodwill, which is included in the carrying amount of the investment.

The Company discontinues the use of the equity method from the date the investment ceases to be an associate, or when the investment is classified as held for sale.

The investment in an associate will be subject to impairment if, and only if, there are one or more events with an impact on the estimated future cash flows of this investment; in which case the book value, including goodwill, will be subject to impairment tests in accordance with IAS 36. Any reversal of that impairment loss is subsequently recognized in income when the recoverable amount of the investment increases.

If the Company's participation in an associate is reduced, but it continues to apply the equity method, it reclassifies to results the proportion of the gain or loss that had previously been recognized in other comprehensive income for the value of the reduction of its interest in the associate. investment if that profit or loss had been reclassified to the income statement on the disposal of the related assets or liabilities.

Profits and losses resulting from transactions between the Company and the associate are recognized in the Company's consolidated financial statements only to the extent of unrelated investors' interests in the associate.

n) Intangible assets

Intangible assets are primarily comprised of trademarks and customer relationships resulting from the acquisition of businesses. Intangible assets acquired through a business combination are recognized at fair value at the acquisition date, separately from goodwill. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite, based on the contractual terms established at acquisition. Trademarks are considered to have indefinite useful lives when ownership is acquired and otherwise are amortized.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indicator that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed and adjusted at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss under general expenses.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

o) Impairment of tangible and intangible assets, other than goodwill

At the end of each reporting period, the Company assesses whether there is any indicator that its tangible and intangible assets, including right-of-use assets, may be impaired. If any such indication exists, the Company estimates the asset's recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis can be identified, corporate assets are also allocated to the cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives or not yet available for use, are tested for impairment on an annual basis (for trademarks with indefinite useful lives the recoverable value assessment is estimated by adding it to the CGU of the corresponding group, given that the trademarks do not generate independent cash flows) or more often if there is any indication that the intangible asset may be impaired.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss. Annually, when there are indicators that the carrying amount of the Company's assets with finite useful lives has significantly increased, due to changes in the legal, economic, technological or market environment in which the asset is operated or to changes in interest rates that will affect the discount rate used in prior periods to determine the value in use of the asset, the Company estimates the new recoverable amount of the asset on an annual basis in order to determine the amount of accumulated impairment losses to be reversed.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit or loss.

p) Goodwill

Goodwill arising from business combinations is recognized at the cost determined on the acquisition date of the business, as described in the business acquisitions policy note, net of any accumulated impairment losses (see Note 12).

Goodwill is allocated to each cash-generating unit (or group of cash-generating units) that is expected to benefit from the synergies achieved from the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment on an annual basis, or more frequently if there are any indicators of impairment. If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment losses recognized in respect of the cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. Impairment in goodwill is recognized directly in profit or loss. Any loss from impairment in the value of goodwill cannot be reversed in future years.

When the relevant cash-generating unit is disposed of, the remaining amount of goodwill is included in the calculation of gains or losses at the time of the disposal.

The Company's policy for goodwill arising on the acquisition of an associate is described in Note 3m.

q) Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs, except for financial liabilities designated at fair value through profit or loss, which are initially recognized at fair value. Subsequent measurement depends on the designation of the financial liability.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities. Note 17 describes the category of each financial liability of the Company.

Subsequent measurement depends on the category of the financial liability. Loans and borrowings are subsequently measured using effective interest method. Gains and losses are recognized in the consolidated statements of profit or loss when the liabilities are amortized. Amortized cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included in interest expense caption. For subsequent measurement of derivatives see Note 3 r).

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r) Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Presentation of the related gain or loss from changes in fair value of the derivative financial instrument depends on whether they are designated as hedging instruments, and if so, the nature of the hedging relationship. The Company only holds derivative financial instruments classified as cash flow hedges and hedges of net investment in foreign operations.

At the inception of a hedge relationship, the Company formally documents the hedge relationship between the hedging instrument and the hedged items, including the risk management objective and strategy for undertaking the hedge. Periodically, the Company documents whether the derivative financial instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are not offset in the consolidated financial statements unless the Company has both a legally enforceable right and intention to offset. Derivatives are accounted for as non-current assets or liabilities if the remaining maturity of the instrument is more than 12 months and the instrument is not expected to be realized or settled within 12 months. All other derivatives are accounted for as current assets or liabilities.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI under Valuation effects of cash flow hedges. The gain or loss relating to the ineffective portion is immediately recognized in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized in profit or loss when the forecast transaction occurs, and its effects are ultimately recognized in profit or loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, when the hedge effectiveness requirements are not met or when the Company decides to cancel the hedge designation. To give continuity to the hedging strategy, the Company may extend the hedging terms of the hedged item, by contracting new derivative instruments respecting the main characteristics of the derivative and the original hedging strategy without altering the objective of the administration of Company risk.

Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of Translation effects of foreign subsidiaries. The gain or loss relating to the ineffective portion is immediately recognized in profit or loss under Foreign Exchange gain/(loss), net. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss on the disposal of the foreign operation.

s) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (IBR) applicable in the countries where the Company operates. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made and is adjusted for certain remeasurements or amendments made to the lease contracts.

The estimated IBR is the interest rate that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The Company estimates the IBR using observable inputs, such as market interest rates, when available, and its credit rating.

Leases for which the lease term ends within 12 months after the date of initial application irrespective of when the lease term commenced are accounted for as short-term (current) leases in the consolidated statement of financial position; otherwise, they are accounted for as long-term (non-current) leases.

t) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured based on the estimated cash flows required to settle the present obligation, it is carrying amount represents the present value of these cash flows when the effect of the time value of money is material.

All contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount initially recognized, less cumulative amount of income recognized in accordance with IFRS 15.

Uncertain tax treatments

The Company constantly evaluates the tax treatments of all its consolidated entities and identifies the tax treatments for which there is uncertainty as to their acceptance by the tax authorities. In view of the current circumstances of the reviews underway, as well as the tax treatments applied by the entities, the tax treatments are quantified considering the conditions of each tax jurisdiction and the approach that better predicts the resolution of the uncertainty, using the most likely amount or the expected value method, as applicable. The related effects are recognized in the statement of profit or loss.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

u) Income tax

Income tax expense consists of current and deferred tax. Current and deferred taxes are recognized as either income or an expense in profit or loss, except for tax items that must be recognized as other comprehensive income items or in equity. For business combinations, the tax effect is included in the recognition of the business combination.

1. Current income tax

   Current income tax is calculated based on the tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. The related income tax expense is recorded in profit or loss as incurred.

2. Deferred taxes

   Deferred taxes are recognized on all temporary differences between financial reporting and tax values of assets and liabilities based on tax rates that have been enacted at the reporting date and where applicable, they include unused tax losses and certain tax credits. Deferred tax assets or liabilities are recognized for all temporary differences, with certain exceptions. The Company recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

   Deferred tax assets and liabilities are measured at the tax rates and regulations that that have been enacted or substantively enacted at the reporting date and tax rates that are expected to apply in the year when the temporary differences are reversed.

   Deferred taxes are recognized for all taxable temporary differences, except:

   i) when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) in respect of temporary differences associated with investments in subsidiaries and associates, when it is probable that the temporary differences will not reverse in the foreseeable future.

iii) taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted, for future tax periods, at the end of the reporting date.

The Company offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relate to income taxes levied by the same taxation authority or if they are different taxable entities, which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

v) Employee benefits

i. Pensions and seniority premiums

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity or a fund and will have no legal or constructive obligation to pay further contributions. The obligation is recognized as an expense when the associates have rendered the service entitling them to the contributions.

A defined benefit plan is a post-employment plan under which the Company has the obligation to provide the agreed benefits to current and former associates. The cost of providing benefits under a defined benefit plan that includes pensions and seniority premiums is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are immediately recognized in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss at the date of the plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The defined benefit retirement plan obligation recognized in the consolidated statement of financial position includes changes in the present value of the defined benefit obligation. The present value of the net defined benefit obligation is determined based on the discounted value of estimated net cash flows, using interest rates tied to government bonds denominated in the same currency in which the benefits are to be paid and whose terms are similar to those of the obligation.

ii. Statutory employee profit sharing

In Mexico, Ecuador and Brazil, the Company is required to recognize a provision for employee profit sharing when it has a present legal or constructive obligation as a result of a past event and the amount can be reliably estimated. Employee profit sharing is recognized in profit or loss as incurred.

iii. Short-term employee benefits

A liability is recognized for benefits accruing to associates in respect of wages and salaries, annual leave, short-term bonus and sick leave in the period the related service is rendered.

iv. Termination benefits

A liability is recognized for termination benefits only when the Company cannot withdraw its offer to provide termination benefits to the employee and/or when it recognizes the related restructuring costs.

v. Long-term bonus

The Company grants a long-term cash bonus to certain executives, which is calculated based on performance metrics. The bonus is paid 30 months following the date on which it was granted, and it is recognized in profit or loss in the year in which it accrues and the employee is entitled to receive the bonus.

vi. Multi-employer pension plans (MEPP)

The Company classifies multi-employer plans as defined contribution plans or defined benefit plans in order to determine the accounting for such plans. If the MEPP is classified as a defined benefit plan, the Company accounts for its proportionate share of the defined benefit obligation, plan assets and costs associated with the plan in the same manner as for any other defined benefit plan. When sufficient information is not available to use defined benefit accounting for a MEPP, the Company accounts for such plan as a defined contribution plan and recognized in profit or loss the total amount of contributions paid by the employer.

Liabilities related to the payment of or withdrawal from a multi-employer plan is recognized and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

w) Revenue recognition

The Company earns its revenue primarily from contracts with customers for the sale of products. Revenue is recognized when control of the goods is transferred to the customer, which is when the performance obligation is satisfied and the Company is entitled to collect the consideration from the customer in exchange for these products. To determine the transaction price, the Company considers the effects of variable considerations such as rights of return and rebates. Payments made to customers for commercial services are recognized as distribution and selling expenses.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. For goods that are expected to be returned, the Company recognizes a refund liability and a corresponding adjustment to revenue.

Volume rebates

The Company provides retrospective volume rebates to certain customers when the conditions established in the contract are met. Rebates are offset against amounts payable by the customer and against the respective revenue. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

4. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are recognized in the period of the change and future periods if the change affects both.

a) Critical judgment in applying accounting policies

Consolidation of structured entities

As described in more detail in Note 7, BBU has entered into agreements with third party contractors (Independent Commercial Partners) in which it holds no direct or indirect interest but that qualify as structured entities (SE). The Company has concluded that some of these structured entities meet the requirements to be consolidated in accordance with IFRS 10 Consolidated Financial Statements.

b) Key sources of estimation uncertainty

i. Useful lives, residual values and depreciation methods for long-lived assets

As described in Note 3, the Company periodically reviews the estimated useful lives, residual values and depreciation methods of long-lived assets, including property, plant and equipment and intangibles. Additionally, for intangible assets, the Company determines whether their useful lives are finite or indefinite. The Company, with an effective date of January 1st, 2021, determined that the estimated useful life of the product displays ranges between 2 and 5 years; this change had an effect on the consolidated financial statements during the adoption period. In addition, as of January 1st, 2020, the Company determined that the estimated useful life of trays is 3 years, which had no significant impact on the consolidated financial statements.

ii. Incremental borrowing rate

The Company uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment at contract inception date. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

iii. Impairment of goodwill and indefinite-life intangible assets

Determining whether goodwill and indefinite-life intangible assets are impaired involves calculating the recoverable value of the cash-generating unit to which these assets have been allocated. Recoverable amount is the higher of fair value less costs of disposal and value-in-use. The calculation of the value-in-use requires the Company to determine the expected future cash flows from the cash-generating units, using an appropriate discount rate to calculate the present value.

iv. Fair value measurements

Derivative financial instruments are recognized in the statement of financial position at fair value at the reporting date. In addition, the fair value of certain financial instruments, mainly with respect to long-term debt, is disclosed in the accompanying notes, though there is no risk of adjustment to the related carrying amount (see Note 17). The Company has acquired businesses for which it is required to determine the fair value of the consideration paid, the identifiable assets acquired and liabilities assumed and, if applicable, the non-controlling interest at the date of the acquisition, as described in Note 1.

The fair values described above are estimated using valuation techniques that may include inputs that are not based on observable market data. The main assumptions used by management are described in the related notes. The Company considers that the valuation techniques and assumptions selected are appropriate for the determination of the fair values.

v. Employee benefits

The cost of defined benefit plans and MEPP (considered as defined benefits) is determined using actuarial valuations that involve assumptions related to discount rates, future salary increases, employee turnover rates and mortality rates, among others. Due to the long-term nature of these plans, the assumptions used for such estimates are subject to change.

vi. Recoverability of deferred income tax

To determine whether a deferred income tax asset related to tax losses carryforwards is impaired or if it will be recovered in the future, the Company analyses financial and tax projections to determine its recoverability.

vii. Insurance and other liabilities

Insurance risks in the United States of America related to the liability for general damages to third parties, car insurance and employee benefits are self-insured by the Company with coverage that is subject to specific limitations established in an insurance program. Provisions for claims are recorded on an incurred-claim basis. Insurable risk liabilities are determined using the Company's historical data. As of December 31, 2022, 2021 and 2020, the net liabilities amounted to $4,741, $5,546 and $5,309, respectively.

5. Trade accounts receivables and other accounts receivable

	2022	2021	2020
Trade receivables	$ 22,449	$ 20,081	$ 17,946
Allowance for expected credit loss (1)	(849)	(897)	(838)
	21,600	19,184	17,108
Notes receivable	69	23	29
Income tax, value added tax and other recoverable taxes (2) and (3)	8,249	5,738	8,685
Sundry debtors (4)	2,267	2,225	1,665
	$ 32,185	$ 27,170	$ 27,487

(1) During 2022, 2021and 2020, the Company had no significant increases in its trade receivables balance nor was it necessary to implement changes in the model for estimating expected credit losses as a result of the COVID-19 pandemic.
(2) During 2021, the Company recovered value added tax corresponding to the year 2020 for $3,506, mainly in the subsidiaries of Mexico.
(3) During March 2019, the Company obtained certain favorable rulings on legal actions in Brazil related to some contributions, recognizing a right to recover. As of December 31, 2021 and 2020, the recoverable tax balance amounts to $170 and $388, respectively.
(4) As of December 31, 2022 and 2021, this balance includes an amount of $41 and $569 receivable from the insurance claim associated with the casualty in the San Fernando plant in Argentina.

Credit terms on non-cash sales of goods range from 21 to 60 days, depending on the customer and local business policies of the subsidiaries of the Company.

6. Inventories

	2022	2021	2020
Raw materials, containers and packaging	$ 7,331	$ 5,966	$ 4,490
Work in progress	171	111	108
Finished goods	6,030	4,864	4,036
Spare parts	1,832	1,400	1,143
	15,364	12,341	9,777
Raw materials in transit	1,625	1,369	1,116
	$ 16,989	$ 13,710	$ 10,893

For the years ended December 31, 2022, 2021 and 2020, the Company recognized inventory usage of $133,808, $106,199 and $97,891, respectively, in cost of sales, of which $4,355, $4,631 and $3,554 correspond to the discontinued operation respectively.

7. Structured entities

The Company, through its subsidiary BBU, enters into agreements with independent business partners for distribution rights to sell and distribute the Company's products through direct deliveries to retail stores in certain sales territories. The Company does not hold equity interests in any of the entities controlled by the independent business partners, some of which, finance the purchase of distribution rights through loans from financial institutions with the Company's support. To maintain working routes and ensure the delivery of products to customers, the Company assumes explicit and implicit commitments. The Company has concluded that all independent business partners that are legal entities qualify as Structured Entities (SE), primarily due to the financial and operative support they receive from the Company. Based on this, the SE are consolidated in the Company's financial statements.

An analysis of the assets and liabilities of independent operators before eliminations as of December 31, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Inventories	$ 295	$ -	$ -
Right of use – vehicles	3,422	3,653	3,441
Distribution rights	7,664	8,138	7,631
Total assets	$ 11,381	$ 11,791	$ 11,072

	2022	2021	2020
Current portion of non-current debt:			
Obligations under finance leases	$ 830	$ 807	$ 715
Accounts payables	1,167	-	-
Loans granted to independent business partners	43	45	46
Non-current debt:			
Obligations under finance leases	1,319	1,715	1,858
Loans granted to independent business partners	44	53	48
Debt with affiliates (net of accounts receivable)	6,301	6,581	5,966
Total liabilities	$ 9,704	$ 9,201	$ 8,633
Non-controlling interest	$ 1,677	$ 2,590	$ 2,439

Funding provided by BBU to independent business partners that have been classified as SE and consolidated are eliminated in the consolidated financial statements.

Non-current lease liabilities are secured by the vehicles subject to leases and do not represent additional claims on the Company's assets.

In addition, BBU has sold certain distribution rights to third-parties. These routes may be repurchased again from third-parties to operate or resell them. During 2022, 2021 and 2020, total buybacks, net of sales, were approximately $372, $519 and $351, respectively. When BBU buys a route from an unconsolidated entity, this transaction is accounted for in accordance with IFRS 3. BBU recognizes at the date of the buyback transaction, an impairment when the purchase price of the distribution rights es lower than its cost.

BBU funds up to 90% of the distribution rights sold to certain independent operators. The loans bear interest of between 6% and 11%, with a weighted monthly average of 10%, and are payable in 120 monthly installments. Independent operators make an initial payment to the Company for the remaining 10% of the purchase price. In most cases, an independent third-party finances the down payment. Both the Company and the financing of independent third parties are guaranteed by the distribution routes, equipment, customer lists, and other assets. The independent third-party has priority over the collateral.

Net gain or loss originating from the sale of routes to an entity that is consolidated under IFRS 10 is eliminated in consolidation. Net gain originating from the sale of the distribution rights to entities that are not consolidated under IFRS 10 is deferred primarily due to the financing provided by BBU and an independent third party. BBU recognizes the deferred gain on a straight-line basis over the remaining term of the note receivable after the independent operator obtains a 10% ownership level over the route and, where applicable, the one year put option has expired. BBU recognized losses of $271, $580 and $510 for the sale of routes during 2022, 2021 and 2020, respectively, which is reflected in different lines of the income statement.

8. Property, plant and equipment

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2022, 2021 and 2020 is as follows:

	Balance as of January 1st, 2022	Additions and depreciation of the year [3]	Business combinations and PPA adjustments [1]	Discontinued operation	Transfers [2]	Translation effect	Disposals	Impairment	Inflation restatement	Balance as of December 31, 2022
Investment:										
Buildings	$ 34,256	$ -	$ 130	$ (350)	$ 907	$ (2,869)	$ (174)	$ -	$ 874	$ 32,774
Manufacturing equipment	105,750	-	532	(2,635)	11,363	(7,155)	(1,481)	-	1,088	107,462
Vehicles	14,944	-	14	(506)	2,250	(227)	(479)	-	34	16,030
Office equipment and displays	3,953	-	29	(77)	2,738	(160)	(24)	-	16	6,475
Computer equipment	7,016	-	7	(67)	826	(409)	(155)	-	39	7,257
Total investment	165,919	-	712	(3,635)	18,084	(10,820)	(2,313)	-	2,051	169,998
Depreciation and impairment:										
Buildings	(18,081)	(1,696)	(1)	185	695	1,523	164	-	(630)	(17,841)
Manufacturing equipment	(53,123)	(7,231)	-	1,336	(309)	3,961	1,006	(190)	(640)	(55,190)
Vehicles	(7,082)	(935)	-	238	3	115	382	(8)	(1)	(7,288)
Office equipment and displays	(1,130)	(770)	(18)	15	11	62	21	-	(4)	(1,813)
Computer equipment	(5,588)	(656)	(4)	32	12	349	144	(1)	(30)	(5,742)
Total accumulated depreciation	(85,004)	(11,288)	(23)	1,806	412	6,010	1,717	(199)	(1,305)	(87,874)
	80,915	(11,288)	689	(1,829)	18,496	(4,810)	(596)	(199)	746	82,124
Land	8,537	-	89	(76)	245	(736)	(20)	-	105	8,144
Construction in process and machinery in transit	14,633	28,669	10	(451)	(18,420)	(1,109)	(54)	-	97	23,375
Less: Assets held for sale	(194)	-	-	-	44	12	-	-	-	(138)
Net investment	$ 103,891	$ 17,381	$ 788	$ (2,356)	$ 365	$ (6,643)	$ (670)	$ (199)	$ 948	$ 113,505

	Balance as of January 1st, 2021	Additions and depreciation of the year [3]	Business combinations and PPA adjustments [1]	Transfers	Translation effect	Disposals	Impairment	Inflation restatement	Balance as of December 31, 2021
Investment:									
Buildings	$ 31,431	$ -	$ 629	$ 2,044	$ (24)	$ (233)	$ -	$ 409	$ 34,256
Manufacturing equipment	95,573	-	1,038	10,210	230	(1,570)	-	269	105,750
Vehicles	14,545	-	10	875	15	(515)	-	14	14,944
Office equipment and displays	1,703	-	17	2,248	1	(16)	-	-	3,953
Computer equipment	6,851	-	8	807	109	(772)	-	13	7,016
Total investment	150,103	-	1,702	16,184	331	(3,106)	-	705	165,919
Depreciation and impairment:									
Buildings	(16,511)	(1,622)	-	201	(42)	168	(1)	(274)	(18,081)
Manufacturing equipment	(47,249)	(6,272)	-	(14)	(224)	925	(282)	(7)	(53,123)
Vehicles	(6,556)	(928)	-	28	(15)	397	-	(8)	(7,082)
Office equipment and displays	(851)	(305)	-	15	(3)	14	-	-	(1,130)
Computer equipment	(5,531)	(696)	-	(2)	(91)	744	-	(12)	(5,588)
Total accumulated depreciation	(76,698)	(9,823)	-	228	(375)	2,248	(283)	(301)	(85,004)
	73,405	(9,823)	1,702	16,412	(44)	(858)	(283)	404	80,915
Land	8,261	-	464	35	(70)	(241)	(24)	112	8,537
Construction in process and machinery in transit	9,722	20,671	766	(16,563)	35	(5)	-	7	14,633
Less: Assets held for sale	(140)	-	-	(55)	1	-	-	-	(194)
Net investment	$ 91,248	$ 10,848	$ 2,932	$ (171)	$ (78)	$ (1,104)	$ (307)	$ 523	$ 103,891

	Balance as of January 1st, 2020	Additions and depreciation of the year (3)	Business combinations and PPA adjustments (1)	Transfers	Translation effect	Disposals	Impairment	Inflation restatement	Balance as of December 31, 2020
Investment:									
Buildings	$ 29,196	$ -	$ 253	$ 1,411	$ 890	$ (672)	$ -	$ 353	$ 31,431
Manufacturing equipment	85,079	-	757	9,127	2,470	(2,458)	-	598	95,573
Vehicles	14,511	-	3	640	133	(752)	-	10	14,545
Office equipment	1,564	-	9	116	44	(28)	-	(2)	1,703
Computer equipment	6,025	-	404	534	213	(333)	-	8	6,851
Total investment	136,375	-	1,426	11,828	3,750	(4,243)	-	967	150,103
Depreciation and impairment:									
Buildings	(14,475)	(2,028)	(4)	9	(273)	519	-	(259)	(16,511)
Manufacturing equipment	(41,993)	(5,990)	-	19	(938)	2,224	(191)	(380)	(47,249)
Vehicles	(6,192)	(932)	(1)	15	(73)	637	-	(10)	(6,556)
Office equipment	(739)	(131)	(5)	17	(20)	25	-	2	(851)
Computer equipment	(4,684)	(683)	(364)	18	(139)	329	-	(8)	(5,531)
Total accumulated depreciation	(68,083)	(9,764)	(374)	78	(1,443)	3,734	(191)	(655)	(76,698)
	68,292	(9,764)	1,052	11,906	2,307	(509)	(191)	312	73,405
Land	7,976	-	75	(98)	341	(116)	-	83	8,261
Construction in process and machinery in transit	8,346	13,218	-	(11,962)	143	(10)	-	(13)	9,722
Less: Assets held for sale	(273)	-	-	168	(35)	-	-	-	(140)
Net investment	$ 84,341	$ 3,454	$ 1,127	$ 14	$ 2,756	$ (635)	$ (191)	$ 382	$ 91,248

(1) This column in 2022 includes the preliminary fair value of St. Pierre acquisition and the purchase price allocation adjustments (PPA) of: Popcornopolis, Aryzta Brasil and Kitty Industries; in 2021 includes the fair value of the acquisitions of Modern Foods, Emmy's Organic and Dulces del Campo and the preliminary fair value of Popcornopolis, Aryzta Brasil y Kitty Industries acquisitions; in 2020 includes the fair value of Lender', Julitas, Bimbo QSR Kazakhstan, Siro Paterna, Bimbonet Servicios adquisitions.
(2) Corresponds mainly to transfers of buildings and equipment to right-of-use assets.
(3) Includes depreciation of assets from business acquisitions from the acquisition date.

Impairment losses recognized during the year

In 2022, 2021 and 2020, the Company carried out an analysis of impairment indicators for buildings and manufacturing equipment, resulting in recognition of an impairment loss recognized in profit or loss of $199, $307 and $191, respectively.

As of December 31, 2022, 2021 and 2020, the Company performed its impairment analysis using the value-in-use of the manufacturing equipment in Argentina and resulted in an impairment loss recognized in profit or loss of $4, $36, and $89, respectively.

9. Right-of-use assets and lease liabilities

A reconciliation of the carrying amount of right-of-use assets at the beginning and at the end of 2022, 2021 and 2020 is as follows:

	Balance as of January 1st, 2022	Discontinued operation effect	Additions and depreciation of the year	Business combinations	Disposals	Early termination	Changes and initial costs	Translation effect	Inflation restatement increment	Balance as of December 31, 2022
RIGHT-OF-USE ASSETS:										
Buildings	$ 27,701	$ (522)	$ 1,924	$ 72	$ (562)	$ (318)	$ 1,459	$ (1,212)	$ (9)	$ 28,533
Vehicles	8,309	-	1,277	(2)	(189)	(324)	15	(620)	-	8,466
Other	293	-	202	(3)	(8)	(7)	(4)	(31)	-	442
	36,303	(522)	3,403	67	(759)	(649)	1,470	(1,863)	(9)	37,441
Assets under financial lease	5,915	-	36	-	-	-	202	(396)	-	5,757
Total right-of-use assets	42,218	(522)	3,439	67	(759)	(649)	1,672	(2,259)	(9)	43,198
Depreciation:										
Buildings	(7,009)	188	(3,319)	(4)	562	108	(191)	201	6	(9,458)
Vehicles	(2,885)	-	(1,265)	1	189	248	(5)	252	-	(3,465)
Other	(110)	-	(75)	3	8	7	2	17	-	(148)
	(10,004)	188	(4,659)	-	759	363	(194)	470	6	(13,071)
Assets under financial lease	(1,460)	-	(484)	-	-	-	187	107	-	(1,650)
Total accumulated depreciation	(11,464)	188	(5,143)	-	759	363	(7)	577	6	(14,721)
Right-of-use assets, net	$ 30,754	$ (334)	$ (1,704)	$ 67	$ -	$ (286)	$ 1,665	$ (1,682)	$ (3)	$ 28,477

	Balance as of January 1st, 2021	Additions and depreciation of the year	Business combinations	Disposals	Early termination	Changes and initial costs	Translation effect	Inflation restatement increment	Balance as of December 31, 2021
RIGHT-OF-USE ASSETS:									
Buildings	$ 23,748	$ 2,658	$ 793	$ (506)	$ (540)	$ 1,040	$ 499	$ 9	$ 27,701
Vehicles	7,590	1,162	11	(67)	(508)	7	114	-	8,309
Other	286	125	8	(81)	(31)	1	(15)	-	293
	31,624	3,945	812	(654)	(1,079)	1,048	598	9	36,303
Assets under financial lease	5,483	22	-	(12)	-	321	101	-	5,915
Total right-of-use assets	37,107	3,967	812	(666)	(1,079)	1,369	699	9	42,218
Depreciation:									
Buildings	(4,681)	(3,099)	-	506	251	51	(30)	(7)	(7,009)
Vehicles	(2,023)	(1,253)	-	67	340	8	(24)	-	(2,885)
Other	(114)	(71)	-	81	9	-	(15)	-	(110)
	(6,818)	(4,423)	-	654	600	59	(69)	(7)	(10,004)
Assets under financial lease	(1,126)	(481)	-	12	-	4	131	-	(1,460)
Total accumulated depreciation	(7,944)	(4,904)	-	666	600	63	62	(7)	(11,464)
Right-of-use assets, net	$ 29,163	$ (937)	$ 812	$ -	$ (479)	$ 1,432	$ 761	$ 2	$ 30,754

	Balance as of January 1st, 2020	Additions and depreciation of the year	Business combinations	Disposals	Early termination	Changes and initial costs	Translation effect	Inflation restatement increment	Balance as of December 31, 2020
RIGHT-OF-USE ASSETS:									
Buildings	$ 18,917	$ 6,171	$ 32	$ (398)	$ (1,994)	$ 280	$ 735	$ 5	$ 23,748
Vehicles	6,277	1,620	-	(81)	(420)	(1)	195	-	7,590
Other	166	159	-	(22)	(28)	2	9	-	286
	25,360	7,950	32	(501)	(2,442)	281	939	5	31,624
Assets under financial lease	4,749	734	-	(283)	-	-	283	-	5,483
Total right-of-use assets	30,109	8,684	32	(784)	(2,442)	281	1,222	5	37,107
Depreciation:									
Buildings	(2,540)	(3,070)	-	398	450	79	4	(2)	(4,681)
Vehicles	(1,014)	(1,337)	-	81	232	-	15	-	(2,023)
Other	(61)	(75)	-	22	2	(1)	(1)	-	(114)
	(3,615)	(4,482)	-	501	684	78	18	(2)	(6,818)
Assets under financial lease	(944)	(467)	-	283	-	50	(48)	-	(1,126)
Total accumulated depreciation	(4,559)	(4,949)	-	784	684	128	(30)	(2)	(7,944)
Right-of-use assets, net	$ 25,550	$ 3,735	$ 32	$ -	$ (1,758)	$ 409	$ 1,192	$ 3	$ 29,163

An analysis of changes in lease liabilities in 2022, 2021 and 2020 is as follows:

	Capitalized operating leases	Finance leases	Total
Balance as of January 1st, 2022	$ 28,066	$ 3,083	$ 31,149
Discontinued operation effect	(372)	-	(372)
Additions	3,403	36	3,439
Business combinations	50	-	50
Interest expense	1,077	252	1,329
Payments	(5,164)	(1,221)	(6,385)
Early termination	(298)	-	(298)
Modifications	1,385	52	1,437
COVID-19 rent concessions	(4)	-	(4)
Foreign exchange effects	(26)	(7)	(33)
Translation effect	(1,552)	426	(1,126)
Balance as of December 31, 2022	26,565	2,621	29,186
Less - current portion	(5,017)	(914)	(5,931)
	$ 21,548	$ 1,707	$ 23,255

	Capitalized operating leases	Finance leases	Total
Balance as of January 1st, 2021	$ 25,865	$ 3,224	$ 29,089
Additions	3,945	22	3,967
Business combinations	753	-	753
Interest expense	974	281	1,255
Payments	(4,818)	(554)	(5,372)
Early termination	(509)	-	(509)
Modifications	1,362	-	1,362
COVID-19 rent concessions	(13)	-	(13)
Foreign exchange effects	4	2	6
Translation effect	503	108	611
Balance as of December 31, 2021	28,066	3,083	31,149
Less - current portion	(4,910)	(883)	(5,793)
	$ 23,156	$ 2,200	$ 25,356

	Capitalized operating leases	Finance leases	Total
Balance as of January 1st, 2020	$ 22,402	$ 2,938	$ 25,340
Additions	7,950	734	8,684
Business combinations	32	-	32
Interest expense	1,039	33	1,072
Payments	(4,964)	(580)	(5,544)
Early termination	(1,831)	-	(1,831)
Modifications	340	-	340
COVID-19 rent concessions	(46)	-	(46)
Foreign exchange effects	16	8	24
Translation effect	927	91	1,018
Balance as of December 31, 2020	25,865	3,224	29,089
Less - current portion	(4,356)	(797)	(5,153)
	$ 21,509	$ 2,427	$ 23,936

An analysis of the maturities of non-current lease liabilities are as follows:

	Capitalized operating leases	Finance leases	Total
2024	$ 3,425	$ 689	$ 4,114
2025	2,816	453	3,269
2026	2,278	263	2,541
2027	1,818	117	1,935
2028 and thereafter	11,211	185	11,396
	$ 21,548	$ 1,707	$ 23,255

10. Investments in Associates

An analysis of investments in associates as of December 31, 2022, 2021 and 2020 is as follows:

Associate	Activity	% equity interest	2022	2021	2020
Beta San Miguel, S.A. de C.V.	Sugar refinery	8	$ 1,353	$ 1,110	$ 1,044
Mundo Dulce, S.A. de C.V.	Confectionery	50	392	373	359
Fábrica de Galletas La Moderna, S.A. de C.V.	Cookies	50	424	363	345
Grupo La Moderna, S.A. de C.V.	Holding company	4	353	312	305
Congelación y Almaacenaje del Centro, S.A. de C.V.	Warehouse	15	256	222	224
Fin Común Servicios Financieros, S.A. de C.V. (1)	Financial services	43	281	258	184
Fruitex de México, S.A.P.I. de C.V.	Foods	16	343	295	-
Productos Rich, S.A. de C.V.	Baking	18	208	174	170
B37 Ventures Funds	Food technology	Various	746	561	74
Other	Other	Various	788	784	438
			$ 5,144	$ 4,452	$ 3,143

(1) The percentage of participation in 2020 was 41%.

The associate entities are incorporated and operate primarily in Mexico and are accounted for using the equity method in the consolidated financial statements.

Beta San Miguel, S.A. de C.V., Grupo La Moderna, S.A. de C.V., Congelación y Almacenaje del Centro, S.A. de C.V., Productos Rich, S.A. de C.V. and Fruitex de México S.A.P.I de C.V. and other entities, are all considered associates, since the Company has significant influence over these companies given that it is a member of the Board of Directors of such associates.

The investment in B37 Ventures Funds is not considered a subsidiary since the Company does not have control over it according to IFRS 10 Consolidated Financial Statements.

A summary of the changes in the Company's investments in associates is as follows:

	2022	2021	2020
Balance as of January 1st	$ 4,452	$ 3,143	$ 2,871
Acquisitions and capital contributions	151	1,016	163
Dividends received	(75)	(59)	(93)
Share of profit	452	247	194
Impairment	(73)	-	-
Comprehensive items of associates and others	317	-	-
Translation effect	(80)	105	8
Balance as of December 31	$ 5,144	$ 4,452	$ 3,143

11. Intangible Assets

An analysis of intangible assets by geographical segment as of December 31, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Mexico	$ 1,377	$ 2,540	$ 2,592
North America	41,803	42,712	41,589
EAA	14,567	10,364	9,580
Latin America	1,315	1,349	1,246
	$ 59,062	$ 56,965	$ 55,007

An analysis of intangible assets by item as of December 31, 2022, 2021 and 2020 is as follows:

	Average useful life	2022	2021	2020
Trademarks	**Indefinite**	$ 38,248	$ 37,268	$ 35,548
Use and distribution rights	**Indefinite**	8,143	8,680	8,525
		46,391	45,948	44,073
Trademarks	**4 to 40 years**	1,338	1,445	1,393
Customer relationships	**7 to 40 years**	22,013	21,881	20,269
Licenses and software	**2 to 8 years**	4,143	3,944	2,973
Non-competition agreements	**2 to 5 years**	255	189	187
Other		1,426	1,314	1,508
		29,175	28,773	26,330
Accumulated amortization and impairment		(16,504)	(17,756)	(15,396)
		$ 59,062	$ 56,965	$ 55,007

The accumulated impairment in the value of trademarks with indefinite useful lives as of December 31, 2022, 2021 and 2020 is $ 3,165, $ 4,346 and $4,170, respectively.

The customer relationships that resulted from the Company's acquisitions are as follows:

			Net carrying amount		
	Year of acquisition	Remaining useful life (years)	2022	2021	2020
Bimbo QSR	2017	20 to 35	$ 3,475	$ 4,122	$ 4,226
Canada Bread	2014	13	1,644	2,045	2,099
Weston Foods, Inc.	2009	4	1,336	1,771	2,062
Siro Paterna	2020	22	1,121	1,321	1,449
Sara Lee Bakery Group, Inc.	2011	7	690	841	921

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2022, 2021 and 2020 is as follows:

Cost

	Trademarks	Use and distribution rights	Customer relationships	Licenses and software	Non-competition agreements	Other	Total
Balance as of December 31, 2019	34,721	7,734	17,526	2,441	158	1,464	64,044
Structured entities	-	351	-	-	-	-	351
Additions	156	-	30	342	-	-	528
Business combinations and PPA adjustments	10	-	1,477	37	15	7	1,546
Transfers	-	-	(9)	-	-	16	7
Translation effect	2,054	440	1,245	153	14	21	3,927
Balance as of December 31, 2020	36,941	8,525	20,269	2,973	187	1,508	70,403
Structured entities	-	77	-	-	-	-	77
Additions	-	-	-	882	-	-	882
Disposals	-	(260)	-	-	-	-	(260)
Business combinations and PPA adjustments [1]	1,251	88	1,105	7	5	-	2,456
Transfers	-	-	-	-	-	(201)	(201)
Translation effect	521	250	507	82	(3)	7	1,364
Balance as of December 31, 2021	$ 38,713	$ 8,680	$ 21,881	$ 3,944	$ 189	$ 1,314	$ 74,721
Structured entities	-	(3)	-	-	-	-	(3)
Additions	8	-	42	590	-	158	798
Discontinued operation decrease	(1,058)	-	(83)	(72)	-	-	(1,213)
Business combinations	3,895	-	1,421	15	-	-	5,331
PPA adjustments	746	-	735	-	93	-	1,574
Translation effect	(2,718)	(534)	(1,983)	(334)	(27)	(46)	(5,642)
Balance as of December 31, 2022	$ 39,586	$ 8,143	$ 22,013	$ 4,143	$ 255	$ 1,426	$ 75,566

(1) Includes $166 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.

Accumulated amortization and impairment

	Trademarks	Use and distribution rights	Customer relationships	Licenses and software	Non-competition agreements	Other	Total
Balance as of December 31, 2019	$ (3,605)	$ (565)	$ (5,973)	$ (1,976)	$ (123)	$ (484)	$ (12,726)
Reversal of impairment in structured entities	-	103	-	-	-	-	103
Amortization expense	(34)	-	(944)	(283)	(8)	(269)	(1,538)
Impairment	(204)	-	-	(4)	-	-	(208)
Translation effect	(421)	(30)	439	(117)	(14)	(6)	(1,027)
Balance as of December 31, 2020	(4,264)	(492)	(7,356)	(2,380)	(145)	(759)	(15,396)
Reversal of impairment in structured entities	-	72	-	-	-	-	72
Amortization expense	(35)	(3)	(960)	(293)	(8)	(241)	(1,540)
Impairment	(135)	-	-	-	-	-	(135)
Transfers	-	(483)	-	-	-	-	(483)
Translation effect	12	(14)	(203)	(72)	3	-	(274)
Balance as of December 31, 2021	(4,422)	(920)	(8,519)	(2,745)	(150)	(1,000)	(17,756)
Amortization expense	(60)	-	(1,087)	(473)	(26)	(10)	(1,656)
Impairment	-	9	(140)	-	-	-	(131)
Reversal of impairment in trademarks	861	-	-	-	-	-	861
Discontinued operation decrease	-	-	83	-	-	-	83
Transfers	-	483	-	-	-	-	483
Translation effect	484	74	790	241	15	8	1,612
Balance as of December 31, 2022	$ (3,137)	$ (354)	$ (8,873)	$ (2,977)	$ (161)	$ (1,002)	$ (16,504)
Net balance as of December 31, 2020	$ 32,677	$ 8,033	$ 12,913	$ 593	$ 42	$ 749	$ 55,007
Net balance as of December 31, 2021	$ 34,291	$ 7,760	$ 13,362	$ 1,199	$ 39	$ 314	$ 56,965
Net balance as of December 31, 2022	$ 36,449	$ 7,789	$ 13,140	$ 1,166	$ 94	$ 424	$ 59,062

Amortization of intangible assets is recognized under administrative expenses.

In 2022, 2021 and 2020 an impairment of intangible assets was recognized, mainly in customer relations, in other expenses for $131, $135 and $204, respectively.

As of January 1st, 2022, the indefinite-lived trademarks are evaluated jointly in the impairment tests at the level of each corresponding CGU of the Group; this change originated a reversal of trademark impairments, mainly in the US CGU for an amount of $861, which was recorded under other income (see Note 22).

Impairment tests of distribution rights are performed by determining a fair value, which is estimated based on a multiple applied to the average weekly sales of the last twelve months of operation. The multiple used is in a range that varies depending on the region in which the market is located.

12. Goodwill

An analysis of goodwill by geographical area is as follows:

	2022	2021	2020
GOODWILL:	$ 1,674	$ 2,306	$ 2,084
Mexico	63,381	69,339	63,665
North America	13,894	12,772	11,720
EAA	3,635	4,154	3,125
Latin America	$ 82,584	$ 88,571	$ 80,594
ACCUMULATED IMPAIRMENT:			
Mexico	$ (1,121)	$ (1,204)	$ (1,194)
North America	(6,285)	(6,690)	(6,482)
EAA	(5,388)	(4,299)	(4,122)
Latin America	(1,705)	(1,813)	(1,892)
	(14,499)	(14,006)	(13,690)
	$ 68,085	$ 74,565	$ 66,904

The movements in goodwill for the years ended December 31, 2022, 2021 and 2020 are as follows:

	2022	2021	2020
Balance as of January 1st	$ 74,565	$ 66,904	$ 62,794
Acquisitions in business combinations (Note 1) (1)	3,021	6,983	2,086
Impairment	(1,597)	(324)	(779)
Transfers	-	201	18
Discontinued operation decrease	(549)	-	-
Reclassifications due to adjustments to the values of business combinations (2)	(1,804)	(1,125)	(1,398)
Translation effect	(5,551)	1,926	4,183
Balance as of December 31	$ 68,085	$ 74,565	$ 66,904

(1) In 2021, includes $118 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.
(2) In 2021, includes $19 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.
(3) During 2022 impairments were recognized in China, India, Russia, Ukraine and South Africa for $878, $275, $393, $12 and $39, respectively. During 2021 impairments of $315 were recognized in China and during 2020 impairments of $250 were recognized in China.

An analysis of movements in cumulative impairment losses as of December 31 is as follows:

	2022	2021	2020
Balance as of January 1st	$ 14,006	$ 13,690	$ 12,090
Impairment for the year	1,597	324	779
Translation effect	(1,104)	(8)	821
Balance as of December 31	$ 14,499	$ 14,006	$ 13,690

Key assumptions used in the value-in-use calculations

An analysis of the key assumptions of the primary cash-generating units used in impairment tests is as follows:

	Discount rate (1)			Average growth			Capex over net sales		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Mexico	10.75%	8.45%	9.66%	9.58%	6.96%	7.17%	5.78%	2.41%	5.45%
USA	7.25%	6.95%	6.95%	9.36%	5.12%	3.92%	5.84%	2.69%	2.95%
Canada	6.50%	5.75%	6.50%	2.99%	1.99%	1.97%	5.19%	3.19%	3.74%
Spain	7.50%	6.00%	6.50%	4.32%	3.38%	2.10%	6.24%	5.97%	3.70%
Brazil	11.06%	9.75%	10.25%	8.60%	8.28%	7.04%	3.78%	5.72%	7.51%

(1) Discount rate after income tax.

The projections developed by the Company in the impairment models consider assumptions based on the current macroeconomic conditions of each CGU.

As of December 31, 2022, the Company performed a sensitivity analysis on its main cash-generating units, considering an of 50 basis-point increase in the discount rate or a 50 basis-point decrease in the average growth rate, without giving rise to additional impairment.

Allocation of goodwill to cash-generating units

For impairment testing purposes, goodwill is allocated to cash-generating units, which are mainly the USA, Canada, Spain and others.

The carrying amount of goodwill assigned to each cash-generating unit, after impairment losses, is as follows:

	2022	2021	2020
USA	$ 41,681	$ 47,549	$ 42,724
Canada	13,207	15,003	14,362
Spain	1,338	1,520	1,522
Other CGUs	11,859	10,493	8,296
	$ 68,085	$ 74,565	$ 66,904

USA

The recoverable amount of the CGU is the higher of the asset's value in use and its fair value less costs of disposal. As of December 31, 2022, the value in use was higher and in order to calculate this amount, the Company applied the discounted cash flow method, which consists of applying a discount rate to the projected cash flows of the CGU. The discount rate used is the weighted average cost of capital (WACC), which considers the cost of capital contributed by the shareholder (CAPEM) and the cost of financial debt. The planning horizon was 5 years plus a perpetuity that considers the normalized cash flow with projected country's inflation rate.

After applying the aforementioned methodology, the Company concluded that there is no impairment in the value of the goodwill of this CGU.

China

The Company used the discounted cash flow method, which considers a discount rate applied to projected cash flows provided by the CGU. The discount rate used is the weighted average cost of capital (WACC), which considers the cost of capital contributed by the shareholder (CAPEM) and the cost of bond debt. The planning horizon was 7 years plus a perpetuity that considers the normalized cash flow with projected country's inflation rate.

Based on the application of this methodology, the Company identified impairment in the China CGU's goodwill of $878, $315 and $250 in 2022, 2021 and 2020, respectively which was recognized as other expenses in profit or loss.

India, Russia, Ukraine and South Africa

The recoverable amount of this CGU was determined considering the Value in Use (VU), using the discounted cash flow methodology. The discount rate used is the Weighted Average Cost of Capital, which considers the cost of Capital contributed by the shareholder (CAPEM) and the cost of financial debt. The planning horizon considered was 5 years for India and 7 years for Russia, Ukraine and South Africa, plus perpetuity that contemplates the normalized flow with growth in line with the country's inflation.

Applying the methodology described, the Company concluded that there is goodwill impairment of India, Russia, Ukraine and South Africa in the amount of $275, $393, $12 and $39 in 2022, respectively, recognized other expenses in profit or loss.

Rest of CGUs

For the rest of the CGUs, the value in use was higher than the carrying amount and no impairment losses were recognized during 2022.

13. Debt

	Fair value	Book value 2022	Book value 2021	Book value 2020
INTERNATIONAL BONDS:				
On May 17, 2021 the Company, through its subsidiary Bimbo Bakeries USA, Inc., issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD600 million, maturing on May 17, 2051. Such bond pays a fixed interest rate of 4.000% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. Given the guaranteed structure, this instrument has the same ranking (pari passu) as the rest of Grupo Bimbo's issues. See Note 17.2.3 (g). During 2022, the company made repurchases of this bond for 14.733 million US dollars	$ 8,665	$ 11,332	$ 12,350	$ -
On September 6, 2029 the Company issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD600 million, maturing on September 6, 2049. Such bond pays a fixed interest rate of 4.000% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (e). During 2022, the company made repurchases of this bond for 34.885 million US dollars.	8,338	10,842	12,245	11,898
On November 10, 2017 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD650 million, maturing on November 10, 2047. Such bond pays a fixed interest rate of 4.70% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (d).	10,832	12,585	13,379	12,967

	Fair value	Book value 2022	Book value 2021	Book value 2020
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD800 million, maturing on June 27, 2024. Such bond pays a fixed interest rate of 3.875% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (a) and (b).	$ 15,187	$ 15,489	$ 16,467	$ 15,959
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD500 million, maturing on June 27, 2044. Such bond pays a fixed interest rate of 4.875% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (c) and (f).				
During 2022, the company made repurchases of this bond for 2.5 million US dollars.	8,406	9,632	10,292	9,974

	Fair value	Book value 2022	Book value 2021	Book value 2020
On January 25, 2012 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD800 million, maturing on January 25, 2022. Such bond pays a fixed interest rate of 4.50% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. On January 25, 2022, the Company paid the remainder of said issuance, which was financed through the multicurrency revolving line.	-	-	4,072	15,915
STRUCTURED NOTES: As of December 31, 2022, the Company has issued the following structured notes, payable upon maturity:				

	Fair value	Book value 2022	Book value 2021	Book value 2020
Bimbo 17- Issued on October 6, 2017. This structured note matures on September 24, 2027 and pays a fixed interest rate of 8.18%. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity, as well as the partial payment of the Bimbo QSR acquisition.	$ 8,786	9,633	$ 9,633	$ 9,633
Bimbo 16- Issued on September 14, 2016. This structured note matures on September 2, 2026 and pays a fixed interest rate of 7.56%. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity.	7,093	7,706	7,706	7,706

	Fair value	Book value 2022	Book value 2021	Book value 2020
REVOLVING COMMITTED LINE OF CREDIT (MULTICURRENCY) On September 14, 2021 the Company renewed and amended the terms and conditions of the committed multicurrency line of credit, which is linked to sustainability. The financial institutions engaged in this line of credit are BBVA Bancomer S.A., Citibank N.A., HSBC México S.A., Banco Santander, S.A., JPMorgan Chase Bank N.A., Bank of America N.A., ING Bank N.V., MUFG Bank, Ltd. and Mizuho Bank, Ltd. The total amount is up to USD1,750 million, with USD875 million maturing on September 14, 2023 and USD875 million on September 14, 2026. As of July 1, 2022, a reduction in the applicable rates was obtained as a result of the achievement of the sustainable goals corresponding to this line for 2021. Considering this reduction, the drawdowns against this line of credit bear interest at the London Interbank Offered Rate (LIBOR) plus 0.90% for drawdowns made in USD, at the Canadian Dollar Offered Rate (CDOR) plus 0.90% for drawdowns made in Canadian dollars, at the Interbank Equilibrium Interest Rate (TIIE) plus 0.675% for drawdowns made in Mexican pesos, and at the Euro Interbank Offered Rate (EURIBOR) plus 0.90% for drawdowns made in euros. As of December 31, 2022, there is no outstanding balance on this line of credit.				

	Fair value	Book value 2022	Book value 2021	Book value 2020
During 2022 and 2021, the drawdowns and payments totaled $13,085 and $15,291, respectively.				
Unsecured working capital loans - The Company occasionally enters into short-term unsecured loans to meet its working capital needs. During 2022 and 2021, the drawdowns and payments totaled $30,655 and $430.	-	-	-	-
Other: Certain subsidiaries have entered into other direct loan contracts to meet their working capital needs. The maturity dates for such loans range from 2023 to 2030. During 2022 and 2021, the drawdowns and payments totaled $7,930 and $6,710, $11,413 and $5,905, respectively.	7,522	7,522	7,483	1,708
Debt issuance expenses	(687)	(687)	(772)	(531)
	74,142	84,054	92,855	85,229
Less:				
Current portion of non-current debt	(6,435)	(6,435)	(10,625)	(600)
Non-current debt	$ 67,707	$ 77,619	$ 82,230	$ 84,629

An analysis of maturities of non-current debt as of December 31, 2022 is as follows:

Year	Amount
2024	$ 16,120
2025	115
2026	7,742
2027 and thereafter	53,642
	$ 77,619

During 2022, the Company has made repurchases of several of its International Bond issues for an approximate amount of $1,044 (52.1 million US dollars).

A reconciliation of the Company's debt at the beginning and at the end of the year is as follows:

Debt	2022	2021	2020
Beginning balance	$ 92,855	$ 85,229	$ 86,672
Proceeds from loans, net of debt issuance expenses	51,670	38,924	34,818
Repayments of loans	(55,542)	(33,535)	(40,745)
Debt issuance expenses amortization	70	60	55
Effects of remeasurements	(4,999)	2,177	4,429
Ending balance	$ 84,054	$ 92,855	$ 85,229

All international bonds and revolving committed credit lines are guaranteed by the primary subsidiaries of Grupo Bimbo. As of December 31, 2022 and 2021, the Company has complied with all of its obligations established in the loan agreements, including certain required financial ratios: leverage ratio and interest coverage ratio. As of December 31, 2020, the Company has complied with the established obligations that include the financial ratio of interest coverage and leverage while it was in force. Such ratios are calculated considering a Conformed EBITDA according to the provisions established in the applicable loan agreements. These ratios may differ to similar calculations used by others.

14. Other accounts payable and accrued liabilities

	2022	2021	2020
OTHER ACCOUNTS PAYABLE:			
Other taxes payable	$ 3,839	$ 3,378	$ 4,357
Other creditors	1,248	2,133	1,806
	5,087	5,511	6,163
ACCRUED LIABILITIES:			
Employee compensation and bonuses	$ 9,240	$ 10,152	$ 11,473
Advertising and promotion	1,495	2,026	1,682
Fees and consultations	2,188	1,734	1,193
Insurance and guaranty bonds	1,498	1,566	594
Taxes and contributions	1,239	842	559
Interest payable and bank fees	774	817	999
Supplies and fuel	672	777	1,263
Other	2,005	677	975
	19,111	18,591	18,738
	$ 24,198	$ 24,102	$ 24,901

15. Related party balances and transactions

Balances and transactions between Grupo Bimbo and its subsidiaries, which are related parties, have been eliminated in preparing the consolidated financial statements and are not disclosed in this note. Information on the Company's transactions with related parties is provided below.

a) Business transactions

An analysis of transactions carried out with related parties in the normal course of the Company's operations is as follows:

	2022	2021	2020
PURCHASE OF RAW MATERIALS			
Associates:			
Beta San Miguel, S.A. de C.V.	$ 2,335	$ 2,584	$ 2,390
Other associates	3	7	9
Related parties:			
Frexport, S.A. de C.V.	959	871	749
Other related parties	80	61	59
COMPRAS DE PRODUCTOS TERMINADOS:			
Finished product purchases			
Associates:	$ 1,203	$ 1,083	$ 1,149
Fábrica de Galletas La Moderna, S.A. de C.V.	5	914	803
Mundo Dulce, S.A. de C.V.	273	200	239
Pan-Glo de México, S. de R.L. de C.V.	3	2	3
Other associates			

	2022	2021	2020
STATIONARY, UNIFORMS AND OTHER			
Associates:			
Efform, S.A. de C.V.	$ 379	$ 365	$ 344
Uniformes y Equipo Industrial, S.A. de C.V.	191	202	186
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.	362	234	112
Other associates	23	29	42
RELATED PARTIES:			
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.	40	33	50
Autotab, S.A. de C.V.	7	3	3
Other related parties	301	257	204
FINANCIAL SERVICES:			
Associates:			
Fin Común Servicios Financieros, S.A. de C.V.	$ 1,367	$ 1,094	$ 893

Balances receivable due from related parties consist of unsecured accounts and are payable in cash. No guarantees have been given or received with related parties.

b) Accounts payable to related parties

Net balances payable due to related parties are as follows:

	2022	2021	2020
ASSOCIATES:			
Beta San Miguel, S.A. de C.V.	$ 577	$ 801	$ 747
Fábrica de Galletas La Moderna, S.A. de C.V.	164	144	132
Mundo Dulce, S.A. de C.V.	-	107	81
Efform, S.A. de C.V.	96	83	77
Uniformes y Equipo Industrial, S.A. de C.V.	35	80	48
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.	45	58	40
Pan-Glo de México, S. de R. L. de C.V.	47	34	17
RELATED PARTIES:			
Frexport, S.A. de C.V.	206	119	112
Proarce, S.A. de C.V.	18	33	37
Makymat, S.A. de C.V.	36	26	20
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.	-	8	10
Other associates and related parties	16	34	13
	$ 1,240	$ 1,527	$ 1,334

c) Compensation of key management personnel

Compensation for the Company's Board of Directors and other key management personnel for the years ended December 31, 2022, 2021 and 2020 totaled $596, $658 and $486, respectively. This compensation is determined based on the employee's performance and market trends and is approved by the Board of Directors.

16. Income Tax

Income tax in Mexico

The income tax rate enacted for 2022, 2021 and 2020 was 30% and it is expected that it will remain the same in subsequent years.

Tax reforms

Mexico

On October 26, 2021, a series of tax modifications were approved in Mexico that are effective as of January 1st, 2022, these reforms did not generate a financial impact for the Company, but it did generate a series of compliance obligations.

To date, the Company has complied with its obligation to disclose tax schemes subject to reporting corresponding to fiscal years 2022 and 2021.

In terms of specialized services, the Company continued to comply with the general measures that include: identification of suppliers, documentation and presentation of contracts, as well as safeguarding of the corresponding documents:

- Identification of specialized service providers complying with the criteria of the Ministry of Labor and Social Welfare (STPS).
- Compliance with state obligations: presentation of contracts for specialized services.
- Fulfillment of obligations in terms of receiving, safeguarding and validating documents of specialized service providers.

For 2023, some requirements for tax documents that have been applied opportunely are modified.

United States of America

In August 2022, the CHIPS & Science Act (HR 4346) was enacted, introducing a 25% tax credit for investments in the manufacturing sector. This measure is not expected to have a significant impact on GB's operations in the United States.

In August 2022, the Reduction Act 2022 was enacted, which includes a new minimum tax for certain large taxpayers starting in 2023. The new law gives rise to a minimum tax equal to the difference between such tax and income tax and Base Erosion and Anti-Abuse Tax (BEAT).

The Company is assessing the impact of this measure. However, no material effects on the financial statements are expected.

Spain

On 29 December 2022, Law 38/2022 was enacted, which imposes a temporary limitation in 2023 on the recognition of tax loss carryforwards generated individually by the different entities of a corporate group.

In addition, the remaining individual tax loss carryforwards shall be included in taxable profit in equal parts in each of the first ten fiscal periods beginning on or after 1 January 2024.

On 1 January 2023, a new environmental tax on imported non-reusable plastic packaging became effective which is not expected to have a material effect on the consolidated financial statements.

Income tax in other countries

Subsidiaries established abroad calculate income tax based on the individual performance of each subsidiary and in accordance with the regulations of each country. U.S. regulations allow the filing of a consolidated income tax return. As of 2013, Spanish regulations allow the filing of a consolidated tax return. As of 2019, French regulations allow the filing of a consolidated tax return.

Except for the subsidiaries mentioned above, each subsidiary calculates and pays income tax as an individual legal entity. The annual tax returns are filed within the six months following the end of the fiscal year. Additionally, the subsidiaries must make provisional payments during each fiscal year.

The tax rates applicable in other countries where the Company operates and the period in which tax losses may be applied, are as follows:

	Statutory income tax rate					Expiration of tax loss carryforwards	
	2022		2021		2020		
Argentina	35	(a)	35	(a)	25	5	(b)
Brazil	34		34		34		(c)
Canada	15	(d)	15	(d)	15	20	(e)
Spain	25		25		25		(f)
USA	21	(g)	21	(g)	21		(h)
Mexico	30		30		30	10	

The tax losses generated by the Company are mainly in Mexico, Brazil, Argentina and Spain.

(a) From 2021 and in the coming years, the corporate rate is 35%. Such rate will depend on the range of the accumulated taxable profit generated.

(b) Losses on the sale of shares or other equity investments may only be offset against income of the same nature. Tax losses from foreign sources may only be carried forward against income from foreign sources.

(c) Tax losses may be applied indefinitely but may only be offset each year up to an amount equivalent to 30% of the net taxable profit for each year.

(d) The corporate income tax rate is a combination of the federal corporate tax rate 15%, and relevant state (provincial) corporate income tax rates where the Company has a permanent establishment. State tax rates range from 10% to 16%; therefore, the combined tax rate may range from 25% to 31%.

(e) The Company's tax losses may be carried back against the three prior years.

(f) Tax loss carryforwards have no expiration date; however, their application is limited to 25% of the net taxable profit for the year.

(g) The corporate income tax rate is a combination of the federal rate, which is 21%, and the state rates where the Company has a permanent establishment. State rates range from 0% to 12%, therefore, the combined tax rate may range from 21% to 33%.

(h) As a result of the tax reform, tax loss carryforwards have no expiration date; however, their amortization is limited to 80% of the taxable profit generated for the year.

At the date of issue of these consolidated financial statements, no changes have been disclosed for the corporate tax rates in subsequent years, the applicable changes for the years presented are the following:

- France, where the tax rate was changed from 28% in 2020 to 26.5% in 2021, and as of 2022 it will be 25%.
- Turkey, where the tax rate was changed from 22% in 2020 to 25% in 2021 and as of 2022 it will be 23%.
- Colombia, where the tax rate was changed from 31% in 2021 to 35% in 2022.
- United Kingdom where the tax rate will change from 19% to 25% in 2023.

Operations in the USA, Canada, Uruguay, Colombia, Guatemala, Panama, Honduras, Nicaragua and Ecuador are subject to minimum income tax payments or substitutive tax.

Analysis of provisions, effective tax rate and deferred effects

a) The Company's consolidated income tax is as follows:

	2022	2021	2020
INCOME TAX:			
Current income tax	$ 9,929	$ 7,846	$ 4,904
Deferred income tax	3,891	593	843
	13,820	8,439	5,747
Reversal tax withheld abroad booked in previous year	$ (906)	$ -	$ -
Income tax – uncertain tax positions	1,467	287	196
	$ 14,381	$ 8,726	$ 5,943

b) A reconciliation of the statutory income tax rate to the effective income tax rate in Mexico expressed as a percentage of the profit before income tax for the years ended December 31, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Profit before income tax and discontinued operations	$ 45,878	$ 24,854	$ 15,406
Profit before income tax from discontinued operations	23,516	1,498	1,337
Profit before income tax	69,394	26,352	16,743
Statutory income tax rate	30%	30%	30%
Income tax at statutory tax rate	20,818	7,906	5,023
Plus/(less) the tax effects of the following items:			
Inflationary effects of monetary accounts in the statement of financial position and statement of profit or loss	1,051	1,025	584
Non-deductible expenses and other	1,508	973	851
Non-taxable profit and tax incentives	(356)	(322)	(420)
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(1,243)	(421)	(148)
Effects on tax values of property, plant and equipment	(807)	(561)	(324)
Share of loss of associates	(136)	(74)	(58)
Permanent effects of discontinued operation	(528)	(205)	(152)
Unrecognized available tax loss carryforwards	602	650	836
Income tax recognized in profit or loss	$ 20,909	$ 8,971	$ 6,192
Effective income tax rate	30.1%	34.0%	37.0%
Income tax continuous operation	$ 14,381	$ 8,726	$ 5,943
Income tax discontinued operation (Note 24)	6,528	245	249
Income tax	$ 20,909	$ 8,971	$ 6,192
Effective income tax rate continuous operation	31.3%	35.1%	38.5%
Effective income tax rate discontinued operation	27.7%	16.4%	18.6%

To determine their deferred income tax as of December 31, 2022, 2021 and 2020, the Company's subsidiaries applied the income tax rate that will be in effect when the temporary differences giving rise to deferred taxes are expected to reverse.

c) The primary items that generate deferred income tax as of December 31, are as follows:

	Balance as of January 1st, 2022	Effects through profit or loss	Effects through comprehen-sive income	Translation effect	Discontinued operation	Business combinations	Balance as of December 31, 2022
Allowance for expected credit loss	$ (301)	$ (148)	$ -	$ -	$ 11	$ -	$ (438)
Inventories and advances	16	46	-	-	-	-	62
Property, plant and equipment	4,501	299	-	-	(49)	14	4,765
Intangible assets and other assets	7,869	134	-	(2,098)	(112)	1,481	7,274
Other reserves and provisions	(12,501)	5,030	207	(47)	157	-	(7,154)
Current employee profit sharing	(500)	(48)	-	-	13	-	(535)
Available tax loss carryforwards	(303)	(40)	-	-	-	-	(343)
Net economic hedge	-	(432)	432	-	-	-	-
Lease assets and liabilities, net	(469)	(70)	-	-	10	-	(529)
Derivative financial instruments	914	182	(574)	(11)	-	-	511
Total deferred income tax (asset), net	$ (774)	$ 4,953	$ 65	$ (2,156)	$ 30	$ 1,495	$ 3,613

	Balance as of January 1st, 2021	Effects through profit or loss	Effects through comprehen-sive income	Translation effect	Business combinations	Balance as of December 31, 2021
Allowance for expected credit loss	$ (283)	$ (18)	$ -	$ -	$ -	$ (301)
Inventories and advances	(59)	75	-	-	-	16
Property, plant and equipment	5,026	(525)	-	-	-	4,501
Intangible assets and other assets	8,068	565	-	(641)	(123)	7,869
Other reserves and provisions	(13,922)	989	432	-	-	(12,501)
Current employee profit sharing	(299)	(201)	-	-	-	(500)
Available tax loss carryforwards	(568)	265	-	-	-	(303)
Net economic hedge	-	(77)	77	-	-	-
Lease assets and liabilities, net	(329)	(140)	-	-	-	(469)
Derivative financial instruments	399	(345)	860	-	-	914
Total deferred income tax (asset), net	$ (1,967)	$ 588	$ 1,369	$ (641)	$ (123)	$ (774)

	Balance as of January 1st, 2020	Effects through profit or loss	Effects through comprehensive income	Translation effect	Business combinations	Balance as of December 31, 2020
Allowance for expected credit loss	$ (288)	$ 5	$ -	$ -	$ -	$ (283)
Inventories and advances	(31)	(28)	-	-	-	(59)
Property, plant and equipment	3,606	1,420	-	-	-	5,026
Intangible assets and other assets [1]	10,709	(3,059)	-	(21)	439	8,068
Other reserves and provisions	(11,430)	(2,347)	(145)	-	-	(13,922)
Current employee profit sharing	(352)	53	-	-	-	(299)
Available tax loss carryforwards	(1,381)	3,722	(2,909)	-	-	(568)
Net economic hedge	-	645	(645)	-	-	-
Lease assets and liabilities, net	(173)	(156)	-	-	-	(329)
Derivative financial instruments	(9)	526	(118)	-	-	399
Total deferred income tax liability/(asset), net	$ 651	$ 781	$ (3,817)	$ (21)	$ 439	$ (1,967)

(1) During 2020, the Company recognized a deferred tax asset on intangible assets of $4,270.

The deferred income tax assets and liabilities are presented separately in the consolidated statement of financial position, since they correspond to different taxable entities and tax authorities. An analysis is as follows:

	2022	2021	2020
Deferred income tax asset	$ (3,962)	$ (7,861)	$ (8,733)
Deferred income tax liability	7,575	7,087	6,766
Total deferred income tax (asset)/liability, net	$ 3,613	$ (774)	$ (1,967)

The Company has determined that the undistributed earnings of its foreign subsidiaries will not be distributed in the foreseeable future. As of December 31, 2022, there are undistributed earnings for temporary differences related to investments in subsidiaries and associates for which no deferred tax liabilities have been recognized. In the same date, the amount of undistributed earnings for temporary differences related to subsidiaries is immaterial.

As of December 31, 2022, the Company's unused tax losses have the following expiration dates:

Year	Amount
2023	$ 953
2024	1,236
2025	1,008
2026	1,310
2027	742
2028	67
2029	39
2030 and thereafter	22,752
	28,107
Unrecognized available tax loss carryforwards	(26,727)
Total	$ 1,380

Certain subsidiaries that have tax losses have not recognized the deferred tax asset, since they do not have sufficient taxable income or projected earnings to estimate the time for recovery of such tax losses. Unrecognized accumulated benefits of such tax losses were $7,902 in 2022, $8,644 in 2021 and $7,637 in 2020.

Some subsidiaries have unused tax losses. The unused tax losses for which a deferred tax asset has been recognized can be recovered, provided that they meet certain requirements. As of December 31, 2022, the Company expects to recover such tax losses through the reversal of temporary differences and future taxable profits.

17. Financial instruments

1. Financial instruments by category as of December 31 is as follows:

	2022	2021	2020	Categoría / Jerarquía
ASSETS				
Financial assets:				
Cash and cash equivalents	$ 12,313	$ 8,748	$ 9,268	Fair value – Level 1
Trade accounts receivables and other accounts receivable, net	23,936	21,432	18,802	Amortized cost
Derivative financial instruments	38	1,293	871	Fair value - Level 1 and 2
Guarantee deposits for derivative financial instruments	879	-	-	Fair value - Level 1
Total current assets	37,166	31,473	28,941	
Other non-current assets	675	273	85	Amortized cost
Other non-current assets – plan asset surpluses and other assets	1,752	1,657	913	Fair value - Level 1, 2 and 3
Derivative financial instruments	2,005	1,962	267	Fair value - Level 1 and 2
Total assets	**$ 41,598**	**$ 35,365**	**$ 30,206**	

	2022	2021	2020	Categoría
LIABILITIES				
Financial liabilities:				
Current portion of non-current debt	$ 6,435	$ 10,625	$ 600	Amortized cost
Trade accounts payable	44,058	35,752	26,679	Amortized cost
Other accounts payable	1,154	1,998	1,790	Amortized cost
Accounts payable to related parties	1,240	1,527	1,334	Amortized cost
Guarantee withdrawals for derivative financial instruments	-	392	398	Fair value - Level 1
Derivative financial instruments	1,458	169	1,183	Fair value - Level 1 and 2
Total current liabilities	54,345	50,463	31,984	
Non-current debt	77,619	82,230	84,629	Amortized cost
Derivative financial instruments	590	67	214	Fair value - Level 1 and 2
Total liabilities	**$ 132,554**	**$ 132,760**	**$ 116,827**	

2. Risk management

During the normal course of its operations, the Company is exposed to risks inherent to financial variables, as well as changes in the prices of some of its raw materials that are traded in international markets. The Company has established an orderly risk management process that assesses the nature and extent of those risks.

The primary financial risks to which the Company is exposed are as follows:

- Market risk
- Interest rate risk
- Foreign currency risk
- Commodity price risk
- Liquidity risk
- Credit risk
- Equity risk

The risk management process includes the following activities:

- Identify, evaluate and monitor external and internal risks that could have a significant impact on the Company
- Prioritize risks
- Ensure risk assignment and monitoring
- Validate bodies and/or those responsible for risk management
- Validate the progress made in the management of each prioritized risk
- Review the consistency of open positions in respect of the corporate strategy
- Make recommendations

Since the variables to which the Company is exposed are dynamic, hedging strategies are evaluated and monitored periodically. Such strategies are reported to the relevant governing body within the Company. The primary purpose of hedging strategies is to achieve a neutral and balanced position in relation to the risk exposure caused by certain financial variables.

2.1 Market risk

The Company is exposed to interest rate and foreign currency exchange risks, as well as commodity price risks. The Company occasionally uses derivative financial instruments to mitigate the potential impact of fluctuations in these variables and prices on its financial performance. The Company considers that the derivative financial instruments it enters into provide flexibility that allows for greater financial stability and better visibility and certainty regarding future costs and expenses.

The Company determines the target amounts and parameters of the primary positions for which the derivative financial instruments are contracted in order to minimize one or more of the risks generated by a transaction or group of transactions associated with the primary position.

The Company only enters into derivative financial instruments with financial institutions of well-known solvency and within the limits set for each institution.

The main types of derivative financial instruments used by the Company are as follows:

a) Contracts that establish a mutual obligation to exchange cash flows on preestablished future dates, at the nominal or reference value (swaps):

   1. Interest rate swaps to balance the mix of fixed and variable interest rates used for financial liabilities

   2. Cross currency swaps, to change the currency in which both the principal and interest of a financial liability are expressed

b) Foreign currency forwards

c) Foreign currency call options

d) Foreign currency denominated zero-cost call and put options (zero-cost collars)

e) Raw materials futures

f) Options on raw material futures

g) Commodity swaps

Market risk exposure is monitored and reported on an ongoing basis.

The Company's policy is to contract derivative financial instruments for the sole purpose of hedging its foreign currency risk. Accordingly, in order to contract a derivative financial instrument, it must necessarily be associated with a primary position that exposes the Company to a specific risk. Consequently, the notional amounts of the Company's derivative financial instruments must be consistent with the amounts of the primary positions that are being hedged. The Company does not contract derivative financial instruments to obtain earnings from premiums.

An analysis of the Company's derivative financial instruments is as follows:

	2022		2021		2020	
	Book value	Changes in OCI	Book value	Changes in OCI	Book value	Changes in OCI
ASSETS						
Current assets:						
Forwards on raw materials	$ -	$ (92)	$ 92	$ 92	-	$ -
Futures of raw materials	25	(922)	953	152	684	595
Swaps of raw materials and energetics	13	(237)	248	174	187	132
Total current derivative financial instruments	$ 38	$ (1,251)	$ 1,293	$ 418	$ 871	$ 727
Non-current assets:						
Cross currency swap	$ 1,430	$ 249	$ 1,951	$ 427	$ 267	$ 27
Interest Rate swaps	575	575	-	-	-	-
Swaps of raw materials and energetics	-	(9)	9	9	-	-
Forwards on raw materials	-	(2)	2	2	-	-
Total non-current derivative financial instruments	$ 2,005	$ 813	$ 1,962	$ 438	$ 267	$ 27

	2022		2021		2020	
	Book value	Changes in OCI	Book value	Changes in OCI	Book value	Changes in OCI
LIABILITIES						
Current liabilities:						
Foreign currency forwards	10	76	169	$ 175	399	(170)
Forwards on raw materials	512	(512)	-	784	784	(456)
Futures of raw materials	234	(237)	-	-	-	-
Cross currency swap	-	-	-	-	-	(26)
Swaps of raw materials and energetics	702	(702)	-	-	-	107
Total current derivative financial instruments	$ 1,458	$ (1,375)	$ 169	$ 959	$ 1,183	$ (545)
Total non-current derivative financial instruments	$ 590	$ (54)	$ 67	$ 1,203	$ 214	$ (636)
Equity:						
Total valuation of cash flow hedges, net of accrued interest	$ (1,100)	$ (1,867)	$ 767	$ 3,018	$ (2,251)	$ (427)
Closed contracts for unused futures	(352)	(346)	(6)	(30)	24	41
	(1,452)	(2,213)	761	2,988	(2,227)	(386)
Deferred income tax, net	401	585	(184)	(860)	676	116
Other comprehensive (loss)/income	$ (1,051)	$ (1,628)	$ 577	$ 2,128	$ (1,551)	$ (270)

As of December 31, 2022, 2021 and 2020, derivative financial instruments did not generate significant ineffectiveness in the hedging strategies executed.

2.2 Management of interest rate risk

The Company is exposed to interest rate risk, mainly with respect to its financial liabilities. The risk is managed through an adequate mix of fixed and variable rates, which on occasion, is achieved by contracting derivative financial instruments, such as interest rate swaps, which are accounted for as hedging instruments when they meet with the corresponding criteria.

As a result of the COVID-19 pandemic, volatility in financial markets led to fluctuations in interest rates, particularly in short-term rates. Since most of the Company's financial liabilities bear interest at long-term fixed rates, these fluctuations did not have a material effect on the consolidated financial statements during 2022, 2021and 2020.

Company management considers that the interest rate risk related to its financial assets is limited, since they are generally current assets.

As of December 31, 2022, 2021 and 2020, the Company had no non-current debt bearing interest at variable rates.

2.3 Management of foreign currency risk

The Company carries out transactions in different foreign currencies and presents its consolidated financial statements in Mexican pesos. Accordingly, it is exposed to foreign currency risk (i.e. due to forecasted purchases of raw materials, contracts and monetary assets and liabilities) and foreign currency translation risk (i.e. due to net investments in foreign subsidiaries). The Company is mainly exposed to foreign currency risk associated with the performance of the Mexican peso against the American dollar and the Canadian dollar, and the Canadian dollar against the USD.

As a result of the COVID-19 pandemic, during 2022, there was no volatility in financial markets nor did led to fluctuations in exchange rates. However, the Company did not modify its foreign currency risk management strategy. In 2021, volatility in financial markets led to fluctuations in exchange rates. However, the Company did not modify its foreign currency risk management strategy.

-Management of foreign currency translation risk

The Company has investments in foreign subsidiaries whose functional currency is not the Mexican peso, which exposes it to foreign currency translation risk. The Company has contracted intercompany financial assets and liabilities with those foreign subsidiaries in various currencies, which also generates foreign currency translation risks.

Foreign currency translation risk is mitigated mostly through the issuance of one or more loans denominated in currencies other than the functional currency to naturally hedge exposure to foreign currency and presented as a net investment in foreign subsidiaries.

As of December 31, 2022, 2021 and 2020, the loans in USD (described in Note 13) that have been designated as hedges on the net investment in foreign subsidiaries amount to USD1,058 million, USD1,295 million and USD1,521 million, respectively. On December 28, 2020, the company discontinued the hedge accounting of the international bond due on January 25, 2022, for a notional amount of USD797 million.

As of December 31, 2022, 2021 and 2020, the loans that have been designated as hedges on the net investment in foreign subsidiaries amount to CAD354 million for the three periods (see Note 17, 2.3 (a)).

As of December 31, 2022 and 2021, the loans that have been designated as hedges on the net investment in foreign subsidiaries in Spain amount to EUR318 million and EUR126 million, respectively.

As of December 31, 2022, 2021 and 2020, the amount designated as a hedge for non-current intercompany asset positions is CAD630 million for the three periods.

As of December 31, 2022, and 2021, the amount loans for non-current intercompany that have been designated as the investment in USA subsidiaries is USD756 million and USD748 million, respectively.

As of December 31, 2022, the amount designated as a hedge for non-current intercompany asset positions is GBP18 million.

To test hedge effectiveness, the Company compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the net investment.

Management of transactional foreign currency risk

The Company's risk management policy on transactional foreign currency risk consists of hedging expected cash flows, mainly with regard to expected obligations that qualify as hedged items, represented by "highly probable" forecasted transactions for purposes of hedge accounting. When the future purchase is made, the Company adjusts the non-financial asset hedged for the gain or loss previously recognized in OCI.

Foreign currency sensitivity

The sensitivity analyses below have been determined based on balances exposed to foreign currency risk, considering both derivative and non-derivative financial instruments at the reporting date; therefore, the analyses may not be representative of the foreign currency risk for the period due to changes in the balances exposed to such risk.

A depreciation/appreciation of one Mexican peso per USD that represents management's estimate of a reasonable potential change in the parity of both currencies would result in an increase/decrease of approximately $80 in profit or loss for the year ended December 31, 2022.

A depreciation/appreciation of one Mexican peso per Canadian dollar that represents management's estimate of a reasonable potential change in the parity of both currencies would result in an increase/decrease of approximately $3 in profit or loss for the year ended December 31, 2022.

A depreciation/appreciation of one Mexican peso per euro that represents management's estimate of a reasonable potential change in the parity of both currencies would result in an increase/decrease of approximately $0 in profit or loss for the year ended December 31, 2022.

Analysis of derivative financial instruments for hedging interest rate and foreign currency risk

An analysis of the derivatives used to hedge interest rate and foreign currency risks and their fair value as of December 31, 2021, 2020 and 2019 is as follows:

a) Swaps that translate the 144A bond of USD800 million, which matures on June 27, 2024, to Canadian dollars and change the fixed interest rate in UDS to a fixed interest rate in Canadian dollars, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
270	USD	354	CAD	27-jun-2024	3.875%	3.9700%	$ 133	$ (171)	$ (176)

b) Swaps that translate the 144A bond of USD800 million, which matures on June 27, 2024, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	1,827	MXN	27-jun-2024	3.875%	8.410%	$ 162	$ 339	$ 189
150	USD	3,225	MXN	27-jun-2024	3.875%	7.160%	-	103	(130)
76	USD	1,392	MXN	27-jun-2024	3.875%	8.387%	123	257	143
204	USD	4,376	MXN	27-jun-2024	3.875%	7.330%	-	123	(201)
							$ 285	$ 822	$ 1

c) Swaps that translate the 144A bond of USD500 million, which matures on June 27, 2044, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	1,829	MXN	27-jun-2028	4.875%	9.8385%	$ 183	$ 423	$ 247
100	USD	1,829	MXN	27-jun-2044	-	1.1900%	131	245	298
							$ 314	$ 668	$ 545

d) Swaps that translate a portion of 144A bond of USD650 million, maturing on November 10, 2047, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	2,150	MXN	10-nov-2047	-	3.415%	$ 92	$ -	$ -
50	USD	1,075	MXN	10-nov-2047	-	3.120%	71	-	-
							$ 163	$ -	$ -

e) Swaps that translate a portion of 144A bond of USD595 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
50	USD	1,075	MXN	06-mar-2030	4.00%	8.08%	$ -	$ 72	$ (20)
50	USD	1,033	MXN	06-sep-2030	4.00%	9.81%	-	5	(89)
50	USD	1,018	MXN	06-sep-2030	4.00%	9.67%	-	30	(58)
25	USD	495	MXN	06-sep-2030	4.00%	9.37%	-	44	2
25	USD	494	MXN	06-sep-2030	4.00%	9.34%	-	44	2
200	USD	3,733	MXP	06-sep-2049	-	2.98%	5	185	-
							$ 5	$ 380	$ (163)

f) Swaps that translate a portion of 144A bond of USD500 million, maturing on June 27, 2044, to euros and change the fixed interest rate in USD to a fixed interest rate in euros, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	93	EUR	28-jun-2032	4.87%	3.61%	$ 41	$ -	$ -

g) Swaps that translate a portion of 144A bond of USD595 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in euros.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
150	USD	126	EUR	6-mar-2031	4.00%	2.11%	$ 488	$ 252	$ -

h) Interest rate swap that hedges the floating rate in USD of coupon payments related to forecast transactions:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
200	USD	24-may-2034	SOFR 3M	1.69%	$ 513	$ -	$ -
75	USD	30-jun-2033	SOFR 3M	3.32%	21	-	-
75	USD	30-jun-2033	SOFR 3M	3.32%	22	-	-
					$ 556	$ -	$ -

i) Interest rate swap that hedges the variable rate in USD (LIBOR):

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
160	USD	30-jun-2031	3-month LIBOR	3.29%	$ -	$ -	$ 60

j) Long-term swaps to cover the price risk associated with raw materials and others:

	December 2022		December 2021		December 2020		Market value		
Unit	Quantity	Average price	Quantity	Average price	Quantity	Average price	2022	2021	2020
Barrels	-	-	21,450	49.66	14,950	48.32	$ -	$ 9	$ -

k) Long-term forwards to cover the exchange risk associated with raw materials and others:

		Decembe 2022		Decembe 2021		Decembe 2020		Market value		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Canada	USD/CAD	-	-	10	1.25	-	-	$ -	$ 3	$ -
Mexico	USD/MXN	-	-	3	22.52	-	-	-	(1)	-
								$ -	$ 2	$ -

l) Interest rate swap that hedges forecast flows related to the finance lease of Italy operation:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
8	EUR	03-feb-2031	Euribor 3M	1.28%	$ 11	$ -	$ -
7	EUR	03-mar-2031	Euribor 3M	1.25%	9	-	-
					$ 20	$ -	$ -
Total assets long-term financial instruments					$ 2,005	$ 1,962	$ 267

During 2022, the Company restructured the notional amounts (for USD150 million) and interest rates of some derivative financial instruments, as indicated in paragraph h), resulting in the collection of $419 corresponding to the fair value of these instruments at

the time of the restructuring. The Company's risk management objectives were not modified as a result of this restructuring.

During 2020, the Company restructured the notional amounts and interest rates of some derivative financial instruments, as indicated in paragraphs a), b) and e), resulting in the collection of $2,096 corresponding to the fair value of these instruments at the time of the restructuring. The Company's risk management objectives were not modified as a result of this restructuring.

m) Swaps that translate the 144A bond of USD800 million, which matures on June 27, 2024, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
150	USD	3,225	MXP	27-jun-2024	3.875%	7.160%	$ 163	$ -	$ -
204	USD	4,376	MXP	27-jun-2024	3.875%	7.330%	234	-	-
							$ 397	$ -	$ -

n) Swaps that translate a portion of 144A bond of USD595 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate Mexican peso, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
50	USD	1,075	MXP	06-mar-2030	4.00%	8.08%	$ 27	$ -	$ -
50	USD	1,033	MXP	06-sep-2030	4.00%	9.81%	80	-	-
50	USD	1,018	MXP	06-sep-2030	4.00%	9.67%	57	-	-
25	USD	495	MXP	06-sep-2030	4.00%	9.37%	5	-	-
25	USD	494	MXP	06-sep-2030	4.00%	9.34%	4	-	-
							$ 173	$ -	$ -

o) Swaps that translate a portion of 144A bond of USD650 million, maturing on November 10, 2047, to Euros, where the notional to maturity is hedged by changing the debt denominated in USD to Euros.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	99	MXP	10-nov-2032	1.02%	-	$ 20	$ -	$ -

p) Non-current forwards to hedge foreign currency risk related to raw materials and other:

Country	Currency	December 2022 Notional amount	December 2022 Average exchange rate	December 2021 Notional amount	December 2021 Average exchange rate	December 2020 Notional amount	December 2020 Average exchange rate	Market valueo 2022	Market valueo 2021	Market valueo 2020
Mexico	USD/MXN	-	-	2	20.78	12	20.15	$ -	$ -	$ 1
Canada	USD/CAD	-	-	14	1.31	8	1.32			5
								$ -	$ -	$ 6

q) Non-current forwards to hedge forecast transactions:

Country	Currency	December 2022 Notional amount	December 2022 Average exchange rate	December 2021 Notional amount	December 2021 Average exchange rate	December 2020 Notional amount	December 2020 Average exchange rate	Market valueo 2022	Market valueo 2021	Market valueo 2020
Mexico	USD/MXN	-	-	-	-	58	20.85	$ -	$ -	$ 185

r) Interest rate swap that hedges the variable rate in USD:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
200	USD	24-may-2034	SOFR3M	1.69%	$ -	$ 54	$ -

On June 24, 2020, the Company extended the maturity date of its interest rate swap for a notional of USD160 million and settled the fair value at that date of $935 (see paragraph k). The characteristics of this instrument, valid until May 2021, are described in paragraph f); generating on that date the final settlement of the instrument in favor

of the Company for $263; the Company's risk management objectives and strategy were not revised as a result of this restructuring.

s) Interest rate swap hedging forecasted flows related to financial leases of Italy operation:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
8	EUR	03-feb-2031	3-month Euribor	1.28%	$ -	$ 7	$ 13
7	EUR	03-mar-2031	3-month Euribor	1.25%	-	6	10
					$ -	$ 13	$ 23
Total non-current financial liabilities					$ 590	$ 67	$ 214

Foreign currency hedges

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components.

As of December 31, 2022, 2021 and 2020, the Company had the following forwards to hedge forecast transactions:

		December 2022		December 2021		December 2020		Market value		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Mexico	MXN/CLP	1,388	43.23	894	40.24	1,022	35.19	$ 3	$ 20	$ 6
Mexico	USD/MXN	190	19.63	252	21.39	273	21.72	19	(189)	(404)
Mexico	MXN/USD	607	19.91	51	20.48	799	19.97	5	-	2
Mexico	USD/GBP	31	1.13	-	-	-	-	(41)	-	-
Mexico	EUR/MXP	100	21.01	-	-	-	-	(12)	-	-
Spain	EUR/RUB	-	-	-	-	10	92.20	-	-	(3)
United Kingdom	EUR/GBP	30	1.15	-	-	-	-	17	-	-
United Kingdom	USD/EUR	53	1.08	-	-	-	-	(1)	-	-
Total non-current liabilities financial instruments								$ (10)	$ (169)	$ (399)

An analysis of the maturities of these forwards as of December 31, 2022 is as follows:

	< 1 Month	> 1 month < 3 months	> 3 months < 6 months	> 6 months < 9 months	> 9 months < 12 months	Total
Mexico						
Notional amount in MXP	-	-	1,388	-	-	1,388
Average exchange rate CLP	-	-	43.23	-	-	43.23
Mexico						
Notional amount in USD	78	49	63	-	-	190
Average exchange rate	19.40	19.63	19.90	-	-	19.63
Mexico						
Notional amount in MXP	-	607	-	-	-	607
Average exchange rate USD	-	19.91	-	-	-	13.91
Mexico						
Notional amount in EUR	100	-	-	-	-	100
Average exchange rate	21.01	-	-	-	-	21.01
Mexico						
Notional amount in USD	-	31	-	-	-	31
Average exchange rate	-	1.13	-	-	-	1.13
United Kingdom						30
Nocional amount in EUR	3	6	8	6	7	30
Average exchange rate	1.16	1.16	1.16	1.16	1.16	1.16
United Kingdom						
Nocional amount in USD	4	7	12	14	16	53
Average exchange rate	1.16	1.13	1.09	1.06	1.05	1.06

As of December 31, the Company had contracted the following forwards to hedge its foreign currency risk related to raw materials and other:

Country	Currency	December 2022 Notional amount	December 2022 Average exchange rate	December 2021 Notional amount	December 2021 Average exchange rate	December 2020 Notional amount	December 2020 Average exchange rate	Market value 2022	Market value 2021	Market value 2020
Argentina	USD/ARS	-	-	-	-	5	94.68	$ -	$ -	$ (5)
Canada	USD/CAD	140	1.30	125	1.26	98	1.33	116	17	(74)
Canada	CAD/USD	47	1.36	28	1.28	19	1.29	1	7	2
Chile	USD/CLP	67	936.37	37	795.93	31	779.59	(104)	65	(68)
Colombia	USD/COP	18	4,665.24	16	3,894.38	14	3,747.20	22	19	(23)
Mexico	USD/MXP	613	20.90	320	21.12	323	21.95	(525)	(43)	(586)
Mexico	MXP/USD	1,745	20.06	545	21.43	342	20.05	26	20	6
Mexico	EUR/MXP	2	22.67	1	25.29	3	25.34	(2)	(1)	(2)
Peru	USD/PEN	28	3.95	25	4.03	14	3.57	(14)	-	4
Uruguay	USD/UYU	11	43.01	9	46.09	10	44.47	(11)	(2)	(5)
France	USD/EUR	6	1.06	6	1.16	6	1.17	(2)	2	(6)
Russia	EUR/RUB	-	-	1	73.76	-	-	-	1	-
Russia	USD/RUB	-	-	1	85.18	1	74.03	-	-	-
Brazil	USD/BRL	14	5.43	15	5.62	37	5.44	(4)	3	(29)
Brazil	BRL/USD	22	5.44	53	5.79	8	5.58	2	4	2
Costa Rica	USD/CRC	12	648.50	-	-	-	-	(17)	-	-
Total current assets (liabilities) financial instruments								$ (512)	$ 92	$ (784)

The maturities of these forwards as of December 31, 2022 are as follows:

	< 1 Month	> 1 month < 3 months	> 3 months < 6 months	> 6 months < 9 months	> 9 months < 12 months	Total
Canada						
Notional amount in USD	16	30	35	34	25	140
Average exchange rate	1.29	1.28	1.28	1.29	1.35	1.30
Canada						
Notional amount in CAD	17	30	-	-	-	47
Average exchange rate USD	1.36	1.36	-	-	-	1.36
Chile						
Notional amount in USD	8	15	17	16	11	67
Average exchange rate	908.27	906.23	940.27	966.42	949.07	936.37
Colombia						
Notional amount in USD	2	4	5	4	3	18
Average exchange rate	4,479.03	4,393.53	4,500.94	4,857.92	5,188.81	4,665.24
Mexico						
Notional amount in USD	80	136	199	116	82	613
Average exchange rate	20.88	20.82	20.80	21.16	20.94	20.90
Mexico						
Notional amount in MXP	434	834	276	201	-	1,745
Average exchange rate USD	19.83	19.98	20.26	20.58	-	20.06
Mexico						
Notional amount in EUR	-	1	1	-	-	2
Average exchange rate	-	22.63	22.94	-	-	22.67
Peru						
Notional amount in USD	4	6	7	7	4	28
Average exchange rate	3.94	3.94	3.95	3.96	3.98	3.95

	< 1 Month	> 1 month < 3 months	> 3 months < 6 months	> 6 months < 9 months	> 9 months < 12 months	Total
Uruguay						
Notional amount in USD	1	3	4	2	1	11
Average exchange rate	43.52	43.03	42.88	43.34	42.03	43.01
France						
Notional amount in USD	1	1	2	1	1	6
Average exchange rate	1.05	1.06	1.06	1.07	1.07	1.06
Brazil						
Notional amount in USD	3	6	4	1	-	14
Average exchange rate	5.46	5.42	5.41	5.50	-	5.43
Brazil						
Notional amount in BRL	9	11	2	-	-	22
Average exchange rate USD	5.42	5.46	5.49	-	-	5.44
Costa Rica						
Notional amount in USD	3	5	3	1	-	12
Average exchange rate	654.12	649.67	643.50	640.16	-	648.50

As of December 31, 2022, 2021 and 2020, the Company reclassified $394, $549 and $(302), respectively, to cost of sales.

2.4 Management of commodity price risk

There is an economic relationship between the hedged items and the hedging instruments as the terms of purchases of raw materials match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the purchases of raw materials are identical to the hedged risk components.

In accordance with the Company's risk management policies, it enters into wheat, natural gas, and other commodity futures contracts to minimize the risk of variation in international prices of such commodities.

Wheat, the main commodity used by the Company, together with natural gas, are some of the commodities hedged. The transactions are carried out in well-known commodity markets and through their formal documentation, are designated as cash flow hedges of forecasted transactions. The Company performs prospective and retrospective effectiveness tests of the instruments to ensure that they mitigate the variability of cash flows from fluctuations in the price of such commodities.

As of December 31, 2022, 2021 and 2020, the Company has recognized, in other comprehensive income, closed wheat derivative contracts that have not yet been reclassified to cost of sales, since the wheat under these contracts has not been used for flour consumption.

Analysis of derivative transactions to hedge commodity price risk

As of December 31, the principal characteristics of the Company's futures contracts are as follows:

	2022			2021			2020		
	Contracts			Contracts			Contracts		
	Number	Maturity	Fair value	Number	Maturity	Fair value	Number	Maturity	Fair value
Diesel	-	-	$ -	1,841	Jan-22 a Dec-22	$ 245	3,471	Jan-21 to Jul-22	$ 7
Gasoline	-	-	-	764	Jan -22 a Dec-22	130	1,714	Jan-21 to Jul-22	54
Natural gas	-	-	-	628	Jan -22 a Dec-22	(12)	533	Jan-21 to Dec-21	14
Polyethylene	-	-	-	84,269	Jan -22 a Dec-22	(124)	45,561	Jan-21 to Oct-21	112
Wheat	-	-	-	13,202	Jan -22 a Dec-22	936	8,334	Jan-21 to Dec-21	601
Soybean oil	798	Jan-23 a Dec-23	25	818	Jan -22 a Dec-22	14	678	Jan-21 to Dec-21	82
Crude Oil	21,450	Jan-23 a Nov-23	13	23,400	Jan -22 a Dec-22	12	13,650	Jan-21 to Dec-21	1
Total current assets			$ 38			$ 1,201			$ 871
Polyethylene	109,571	Jan-23 a Mar-24	$ 482			$ -			$ -
Natural gas	623	Jan-23 a Jan-24	194			-			-
Wheat	11,375	Feb-23 a Dec-23	234			-			-
Diesel	1,982	Jan-23 a Jan-24	12			-			-
Gasoline	1,239	Jan-23 a Dec-23	14			-			$ -
Total current liabilities			$ 936			$ -			$ -

As of December 31, 2022, 2021 and 2020, the Company reclassified $(1,749), $(1,351) and $525, respectively, to cost of sales.

The fair values of these financial instruments used to hedge the raw material price risk are considered within Level 1 of the fair value hierarchy.

As of December 31, 2022, 2021 and 2020, the Company has not identified any embedded derivatives that require bifurcation.

Valuation techniques and assumptions applied to measure fair value

The fair value of other financial assets and liabilities carried at fair value is determined in accordance with accepted pricing models, generally based on an analysis of the discounted cash flows.

As of December 31, 2022, 2021 and 2020, the carrying value of financial assets and liabilities does not vary significantly from their fair value.

These derivative financial instruments are considered within level 1 and 2 of the fair value hierarchy.

The valuation of the Company's structured notes was determined based on the market value with prices provided by Valuación Operativa y Referencias de Mercado S.A. de C.V. ("VALMER"), which is an entity supervised by the Mexican National Banking and Securities Commission (CNBV, Spanish acronym) that provides updated prices for financial instruments. This valuation is considered Level 1 in accordance with the hierarchy described below.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated statement of financial position are categorized within one of the following three hierarchy levels based on the data used in the valuation. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.5 Management of liquidity risk

Liquidity risk management allows the Company to determine its short-term, medium-term and long-term cash flow needs, while seeking financial flexibility. The Company maintains sufficient liquidity through an orderly management of its resources and constant monitoring of cash flows, as well as through a variety of credit lines (some of them committed) with banking institutions and proper management of working capital. These actions ensure the payment of future obligations. Due to the nature of its business, the Company considers its liquidity risk to be low.

Obligations arising from accounts payables, derivative financial instruments and debt amortization are as follows:

	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Debt and interest	$ 10,538	$ 24,218	$ 23,759	$ 88,207	$ 146,722
Lease liabilities	5,930	9,231	5,641	15,688	36,490
Derivative financial instruments	2,125	1,629	899	5,463	10,116
Trade payables and accounts payable to related parties	45,298	-	-	-	45,298
Total	$ 63,891	$ 35,078	$ 30,299	$ 109,358	$ 238,626

2.6 Management of credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company recognizes a provision for expected credit losses for trade receivables. The Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision matrix is initially based on the Company's historical credit loss experience and is subsequently adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current direction and forecast of future conditions at the reporting date, including the time value of money, when applicable.

With respect to transactions with derivative financial instruments related to interest rate and exchange rate hedges, and some commodities such as natural gas, these instruments are entered into bilaterally with counterparties of high repute that meet certain criteria mentioned below, and who maintain a significant and ongoing business relationship with the Company.

These counterparties are deemed of high repute, as they are sufficiently solvent, based on their "counterparty risk" rating from a rating agency, for current and non-current obligations in local and foreign currency.

The Company's transactions with derivative financial instruments related to raw materials are carried out in the following renowned markets:

a) Minneapolis Grain Exchange (MGE)

b) Kansas City Board of Trade (KCBOT)

c) Chicago Board of Trade (CBOT)

d) New York Mercantile Exchange (NYMEX)

The Company monitors counterparty credit risks on a monthly basis and performs the related measurements.

All derivative financial instrument transactions are performed under standardized derivatives contracts that are duly executed by the legal representatives of the Company and those of the counterparties.

The appendices and annexes to these derivative contracts establish the settlement and other relevant terms in accordance with the uses and practices of the Mexican market and the markets in which the Company operates.

Some derivative financial instrument contracts, appendices and annexes, through which bilateral derivative financial transactions are carried out, consider the establishment of a cash deposit or other securities to guarantee payment of obligations arising from such contracts. The credit limits established by the Company with its counterparties are large enough to support its current operations; however, the Company maintains cash deposits as collateral for payment of certain derivative financial instruments.

For commodities future contracts executed in well-known international markets, the Company is subject to the regulations of such markets. These regulations include, among others, establishing an initial margin call for futures contracts and subsequent margin calls required of the Company.

2.7 Management of equity structure

The Company maintains a balance between debt and equity in order to maximize the shareholders' return.

As of December 31, the equity structure and leverage ratio are as follows:

	2022	2021	2020
Debt [(i)]	$ 84,054	$ 92,855	$ 85,229
Cash and cash equivalents	(12,313)	(8,748)	(9,268)
Net debt	71,741	84,107	75,961
Equity	127,602	101,606	88,011
Net debt to equity	0.56 times	0.83 times	0.86 times

(i) Debt is comprised of bank loans and current and non-current structured notes, net of amortizable transaction costs.

18. Employee benefits and welfare plans

An analysis of the net liability generated by employee benefits and long-term social welfare by geographical segment as of December 31, is as follows:

	2022	2021 Reformulated	2020 Reformulated
Retirement and post-retirement benefits			
Mexico	$ 2,283	$ 3,618	$ 5,204
USA	724	786	1,233
Canada	-	18	995
EAA and Latin America	479	545	479
Total liabilities from retirement and post-retirement benefits	3,486	4,967	7,911
Multi-employer pension plans – USA	31	19,227	20,343
Social welfare USA	3,873	4,012	3,754
Net plan assets presented in other assets	708	1,245	821
Long-term bonuses payable to associates	1,284	1,261	1,003
Total net liability	$ 9,382	$ 30,712	$ 33,832

a) Mexico

The Company has a defined benefit pension and seniority premium plan. The Company's funding policy is to make discretionary contributions. During 2022, 2021 and 2020, the Company contributed $781, $1,150 and $1,150, respectively, to the plan assets.

As of December 31, 2022, due to the labor reform in Mexico regarding vacations, which increases the number of vacation days for workers, the Company estimated the amount of the increase in the net liability for post-employment benefits, the which turned out to be not significant.

Seniority premiums consist of a one-time payment equal to 12-days' salary for each year worked based on the employee's final monthly salary (capped at twice the legal minimum daily wage) as stipulated in the employment contracts. Such benefits are granted to associates with 15 or more years of service.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2022, 2021 and 2020 based on independent actuarial calculations.

b) USA

The Company has a defined benefit pension plan that covers eligible associates. Some of the benefits of the plan for non-unionized workers were frozen. The Company's funding policy is to make discretionary contributions. As of December 31, 2022, 2021 and 2020, the contributions made to the plan total $101, $203 and $161, respectively.

The Company has also established post-retirement social welfare plans, which cover the medical expenses of certain eligible associates. The Company has insurance and pays these expenses as incurred.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2022, 2021 and 2020 based on independent actuarial calculations.

c) Canada

The Company has a defined benefit pension plan that covers all eligible associates. Some of the benefits of the plan for non-unionized workers were frozen. The Company's funding policy is to make discretionary contributions. The contributions made to the plan in 2022, 2021 and 2020 total $118, $711 and $172, respectively.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2022, 2021 and 2020 based on independent actuarial calculations.

The Company has also established a defined contribution plan through which contributions are paid as incurred. For the years ended December 31, 2022, 2021 and 2020, the contributions made to the plans total $67, $74 and $57, respectively.

The principal assumptions used in the actuarial valuations are as follows:

	2022	2021	2020
Mexico:			
Discount rate	9.59%	8.30%	7.68%
Salary increase rate	4.75%	4.50%	4.50%
Inflation rate	3.75%	3.50%	4.00%
Expected average weighted return	8.30%	7.68%	7.57%
USA:			
Discount rate	5.22%	2.73%	2.30%
Salary increase rate	3.50%	3.25%	3.25%
Inflation rate	2.50%	2.25%	2.25%
Expected average weighted return	2.73%	2.30%	3.15%
Canada:			
Discount rate	5.10%	2.90%	2.50%
Salary increase rate	4.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%
Expected average weighted return	2.90%	2.50%	3.10%

The assumptions related to the mortality rates used in the actuarial valuations are as follows:

	2022	2021	2020
Mexico:			
Mortality table	EMSSA 2009	EMSSA 2009	EMSSA 2009
USA:			
Mortality table	MP-2022	MP-2022	MP-2022
Canada:			
Mortality table	CPM2014Priv	CPM2014Priv	CPM2014Priv

Based on the aforementioned assumptions, the retirement and post-retirement benefits to be paid in the following years are as follows:

	Mexico	USA	Canada
2023	$ 432	$ 656	$ 195
2024	465	686	196
2025	543	735	196
2026	607	770	198
2027	651	758	203
2028 to 2032	3,061	3,626	1,045
	$ 5,759	$ 7,231	$ 2,033

An analysis of the amounts recognized in profit or loss and other comprehensive income with respect to defined benefit plans is as follows:

	2022	2021 Reformulated	2020 Reformulated
Amounts recognized in profit or loss:			
Current year service cost	$ 1,013	$ 1,128	$ 991
Gain on plan settlements	-	-	(631)
Interest cost	1,867	1,745	1,851
Return on plan assets	(1,567)	(1,324)	(1,316)
	1,313	1,549	895
Actuarial (loss)/gain on defined benefits recognized in other comprehensive income:			
Mexico, USA and Canada:			
Experience adjustments to plan obligations	(671)[3]	911	1,252
Effect of changes in demographic assumptions	-	87	(442)
Effect of changes in financial assumptions	(7,711)[1]	(3,534) [1]	2,705
Actuarial (gain)/loss on estimate of plan assets [3]	7,793	810	(2,926)
EAA and Latin America	(211)	183	(227)
	(800)	(1,543)	362
	$ 513	$ 6	$ 1,257

[1] Effects of an increase in the discount rate in Mexico, the United States of America and Canada in 2022 and 2021.

[2] Effects of the decrease in the real rate of return, mainly in Mexico and the United States of America, in 2022 and 2021.

[3] Effect due to the increase in employee turnover rate, mainly in Mexico.

Of the current year service cost, $931, $957 and $808 were included in 2022, 2021 and 2020, respectively, in the consolidated statement of profit or loss as part of cost of sales and the remainder as part of general expenses. Interest costs and the expected return on plan assets are recognized as part of comprehensive finance cost.

An analysis of the amount recognized in the consolidated statement of financial position in respect of the Company's obligation regarding its defined benefits plans as of December 31, is as follows:

	2022	2021	2020
Present value of defined benefit obligation	$ 27,465	$ 41,401	$ 42,386
Less - fair value of plan assets	24,413	36,823	34,790
	3,052	4,578	7,596
Plus - Retirement benefits for Latin America and EAA	479	545	479
Plus – Pensions net assets	79	-	-
Less - Current portion of retirement benefits recognized in accrued liabilities	(124)	(156)	(164)
Present value of unfunded defined benefits	$ 3,486	$ 4,967	$ 7,911

An analysis of changes in the present value of the defined benefit obligation is as follows:

	2022	2021	2020
Present value of defined benefit obligation as of January 1st	$ 41,401	$ 42,386	$ 37,839
Current year service cost	1,013	1,128	991
Interest cost	1,867	1,745	1,851
Gains on plan settlements	-	-	(631)
Experience adjustments to plan obligations	(671)	911	1,252
Effect of changes in demographic assumptions	-	87	(442)
Effect of changes in financial assumptions	(7,711)	(3,534)	2,705
Liabilities assumed in business combinations	-	-	1
Translation effect	(1,500)	963	1,372
Discontinued operation	(309)		
Benefits paid	(6,625)	(2,285)	(2,552)
Present value of defined benefit obligation as of December 31	$ 27,465	$ 41,401	$ 42,386

An analysis of changes in the fair value of plan assets is as follows:

	2022	2021	2020
Fair value of plan assets as of January 1st	$ 36,823	$ 34,790	$ 29,253
Return on plan assets	1,567	1,324	1,316
Actuarial (gain)/loss on estimate of plan assets	(7,793)	(810)	2,926
Employer contributions	1,000	2,064	1,483
Translation effect	(1,452)	882	1,194
Benefits paid	(5,732)	(1,427)	(1,382)
Fair value of plan assets as of December 31	$ 24,413	$ 36,823	$ 34,790

Categories of plan assets:

	Fair value of plan assets		
	2022	2021	2020
Equity instruments	$ 6,260	$ 7,247	$ 8,976
Debt instruments	16,288	25,471	23,136
Other	1,865	4,105	2,678
	$ 24,413	$ 36,823	$ 34,790

The fair value of the equity and debt instruments shown above is measured based on market prices quoted in active markets.

The Company's technical committee, as well as the trust committees, are responsible for defining and monitoring the Company's investment strategy and policies on a quarterly basis in order to optimize the risk/return in the long-term.

Sensitivity analysis:

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and the expected salary increase rate. The sensitivity analyses described below consider reasonable potential changes in the respective assumptions at the end of the reporting period, with all other assumptions remaining constant.

A sensitivity analysis considering a variance of 50 basis points in the assumptions as of December 31, 2022 is as follows:

	Mexico	USA	Canada
Discount rate increase	$ (1,113)	$ (551)	$ (175)
Discount rate decrease	1,179	551	200
Salary rate increase	(575)	(3)	(10)
Salary rate decrease	534	3	12

In the sensitivity analysis described above, the present value of the defined benefit obligation is calculated using the projected unit credit method at the end of the reporting period, which is the same method applied to calculate the liability for the defined benefit obligation recognized in the consolidated statement of financial position.

There were no changes in the methods or assumptions considered in the sensitivity analyses of prior years.

Duration of the defined benefit obligation

An analysis is as follows:

	Duration in years		
	2022	2021	2020
Mexico:			
Average duration	16.95	20.20	20.20
Active members	25.49	26.50	26.34
Retired members	8.41	8.30	9.42
USA:			
Average duration	10.41	12.16	12.83
Active members	11.12	13.83	14.48
Retired members	7.53	9.46	9.92
Deferred members	10.16	12.94	13.69
Canada:			
Average duration	10.20	12.80	13.40
Active members	13.20	16.80	17.30
Retired members	8.50	9.30	9.60
Deferred members	16.10	18.40	19.00

An analysis of the experience adjustments and other items is as follows:

	2022	2021	2020
Present value of defined benefit obligation	$ 27,465	$ 41,401	$ 42,386
Less - Fair value of plan assets	24,413	36,823	34,790
Unfunded defined benefit obligation	3,052	4,578	7,596
Experience adjustments to plan obligations and actuarial loss	(671)	911	1,252
Experience adjustments to plan assets	$ (7,793)	$ (810)	$ 2,926

The Company expects to make a contribution of $952 to the retirement and post-retirement benefit plans in 2023.

Multi-Employer Pension Plans (MEPP)

The Company participates in defined benefit MEPPs through its subsidiary BBU, that are administered and controlled by an independent board of trustees that generally consists of an equal number of union and employer representatives. BBU's responsibility to contribute to these plans is established pursuant to its collective agreements that cover its union-represented associates. These plans generally provide for retirement benefits for eligible associates with the applicable bargaining units, based on specific eligibility and participation requirements, vesting periods and benefit formulas.

Assets contributed to a MEPP by one employer may be used to provide benefits to associates of other participating employers. In the event other employers withdraw from a MEPP in which BBU participates, without satisfying their entire withdrawal liability, the amount of the unsatisfied withdrawal liability would be allocated to the remaining active employers.

Generally, allocation of withdrawal liability is related to BBU's contributions to the plan in relation to other employers' contributions to the plan and is subject to the collective bargaining process as well as approval from the Pension Benefit Guarantee Corporation.

If any of the MEPPs in which BBU participates enters critical status and its contributions are not sufficient to satisfy any rehabilitation plan funding schedule, the BBU could be required to make additional surcharge contributions to the MEPP based on a percentage of existing contributions required under the Company's labor agreement.

Unless the Company determines that it is probable that it will exit the MEPP, this type of plan is measured as a defined contribution plan, since the Company does not have sufficient information to perform the related calculations due to the collective nature of the plans and the Company's limited participation in the management of the plans. For the years ended December 31, 2022, 2021 and 2020, the contributions made to the MEPPs total $2,655, $2,556 and $2,592, respectively. The Company expects to contribute of $2,365 to the plan in 2023.

Liabilities recognized related to MEPPs are updated annually due to changes in wages, seniority and the combination of associates within the plan and are recorded in profit or loss for the year, in addition to amounts that are contributed regularly to different MEPPs. If other employers exit the MEPP without satisfying the related obligations, the unpaid amount is distributed to the other active employers. Generally, the distribution of the liability resulting from the exit of the plan is based on the proportion of the Company's contributions to the plan compared to the contributions made by the other employers in the plan.

When it is probable that the Company will exit a MEPP, a provision is recognized for the present value of the estimated future cash outflows, discounted at the current rate (Note 19).

The movements of the MEPPs liability during the years ended December 31 were as follows:

	2022	2021	2020
Balance as of January 1st	$ 19,227	$ 20,343	$ 17,319
Remeasurement – (Note 22)	(18,697)	(2,005)	1,639
Financial cost – (Not3 23)	303	230	390
Effect of foreign exchange differences	(802)	659	995
Balance as of December 31	$ 31	$ 19,227	$ 20,343

In March 2021, the American Rescue Plan Act of 2022 ("ARPA)" was approved and signed into law by the United States federal government including a provision for special financial assistance for certain underfunded MEPPs. Based upon regulations issued in July 2022, it is expected that the underfunded MEPPs will be eligible to apply for financial assistance in 2022 and 2023.

In December 2022, the largest critical and declining pension fund in the United States, Central States Teamsters, received approval for Special Financial Assistance (SFA). The Company believes that this approval significantly reduces the level of uncertainty with respect to other qualified pension funds and provides assurance that the SFA application process is progressing as planned. Accordingly, the Company believes that the previously expected contributions that were recognized on a provisional basis will no longer be required, so this provision has been reversed. The amount of this reversal is $19,010, which was recognized in other expenses in the statement of profit or loss.

Social welfare benefit plan in USA

The Company has a social welfare post-retirement benefit plan that qualifies as a defined contribution plan. The amounts corresponding to this obligation are recognized in profit or loss as incurred. These obligations are classified as current or long-term welfare benefit plans and the amounts are recognized in the consolidated statement of financial position. These liabilities are classified as short-term and long-term and their amounts included in the statement of financial position are:

	2022	2021	2020
Social welfare:			
Short-term [a]	$ 1,462	$ 1,511	$ 448
Long-term	3,873	4,012	3,754
	$ 5,335	$ 5,523	$ 4,202

[a] Included in other accounts payable and accrued liabilities.

19. Other non-current liabilities

The other non-current liabilities as of December 31, are as follows:

	2022	2021	2020
Provisions	$ 8,663	$ 5,793	$ 4,919
Liabilities for exits from multi-employer plans	2,075	2,370	2,575
Deferred compensation	1,022	1,206	629
Virtual power purchase agreement	-	-	213
Other	247	453	662
	$ 12,007	$ 9,822	$ 8,998

In the other non-current liabilities caption, the Company has recognized provisions for lawsuits of different nature that arise in the normal course of its operations. The liabilities related to tax uncertainties were also recognized under the same caption. Based on this assessment, the Company has recognized the following amounts:

Type	2022	2021	2020
Tax	$ 1,146	$ 1,191	$ 1,040
Labor	649	711	873
Civil	120	110	111
Other	79	1	1
Uncertain tax positions	6,669	3,780	2,894
Total	$ 8,663	$ 5,793	$ 4,919

The movements in the Company's provisions and liabilities related to uncertain tax positions as of December 31, are as follows:

	2022	2021	2020
Balance as of January 1st	$ 5,793	$ 4,919	$ 4,386
Net increases	3,033	1,107	1,086
Payments	(113)	(177)	(337)
Effect of foreign exchange differences	(50)	(56)	(216)
Balance as of December 31	$ 8,663	$ 5,793	$ 4,919

As of December 31, 2022, the cumulative amount corresponding to tax, civil and labor lawsuits deemed as less than probable, but more than remote by the Company's internal attorneys is $405. However, the Company considers that such lawsuits will not have a material effect on its consolidated financial position or operating results.

Brazil:

As a result of the purchase of property, plant and equipment and intangible assets in Brazil in connection with the Firenze brand in 2008, the Company was subject to tax liens as the presumed successor to companies that participate in these actions. On January 7, 2022, the Company signed an agreement with the corresponding authorities related to the above process, which implies payments during 7 years following the signing of said agreement with the option to settle in advance at any time. As a consequence of the above, as of April 29, 2022, in advance the Company paid the total debit $310.

In addition, the Company has secured its labor and civil lawsuits with security deposits totaling $256, which are presented as part of other non-current assets.

Canada:

The Competition Bureau of Canada in 2017 started an investigation into alleged collusion between various participants of the baked goods industry, including Canada Bread, although to date no formal accusations have been charged against the Company. The Company is cooperating with the Canadian authorities in this process.

In addition, Grupo Bimbo and Canada Bread have been required in twelve class actions in connection with such investigation. Given the status of this legal process as of December 31, 2022, the Company has not recognized a provision related to this matter.

20. Equity

An analysis of the Company's equity as of December 31, 2022, 2021 and 2020 is as follows:

	2022		2021		2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Fixed share capital:						
Series A	4,475,068,991	$ 4,021	4,516,329,661	$ 4,059	4,533,758,587	$ 4,074
Treasury shares	(41,401,350)	(37)	(41,260,670)	(38)	(13,419,417)	(13)
Total	4,433,667,641	$ 3,984	4,475,068,991	$ 4,021	4,520,339,170	$ 4,061

The Company's share capital has been fully subscribed and paid in. The Company's fixed share capital is represented by series "A" shares. The variable portion of the Company's share capital cannot exceed ten times the amount of minimum fixed share capital without right of withdrawal and must be represented by common registered series "B" shares with no par value and/or shares with limited voting rights and no par value of the series to be named when they are issued. Shares with limited voting rights cannot represent more than 25% of the Company's share capital.

i) At a regular shareholders' meeting held on November 17, 2022, the shareholders declared dividends of $2,882 ($0.65 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on November 28, 2022.

ii) At a regular shareholders' meeting held on April 27, 2022, the shareholders declared dividends of $2,909 ($0.65 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 19, 2022.

iii) At a regular shareholders' meeting held on April 27, 2022, the shareholders approved the cancellation of 41,260,670 Series "A" shares held in Treasury, resulting in a share capital and treasury shares reduction of $38.

iv) At a regular shareholders' meeting held on April 30, 2021, the shareholders declared dividends of $4,502 ($1 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 07, 2021.

v) At a regular shareholders' meeting held on April 30, 2021, the shareholders approved the cancellation of 17,428,926 Series "A" shares held in Treasury, resulting in a share capital and treasury shares reduction of $15.

vi) At an extraordinary shareholders' meeting held on October 19, 2020, the shareholders approved the cancellation of 169,441,413 Series "A" shares held in Treasury, resulting in a share capital and treasury shares reduction of $153.

vii) At a regular shareholders' meeting held on April 29, 2020, the shareholders declared dividends of $2,286 ($0.50 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 12, 2020.

viii) Dividends paid to foreign individuals and corporations are subject to an additional 10% withholding tax. These tax withholdings are considered final income tax payments. Treaties to avoid double taxation may apply. The additional withholding tax is applicable to earnings generated since 2014.

ix) The Company's legal reserve is included in its retained earnings. In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net profit of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. The legal reserve may be capitalized but may not be distributed to the shareholders unless the Company is dissolved. Also, the legal reserve must be replenished if it is reduced for any reason. As of December 31, 2022, 2021 and 2020, the legal reserve is $500 (nominal amount).

x) At regular shareholders' meetings held on April 29, 2020, the shareholders agreed to increase the provision for repurchase of shares by $10,000(nominal amount). The Company's provision for repurchase of shares is included in its retained earnings. The approved (nominal) amount of the provision is $15,200 as of December 31, 2022 and 2021 and $5,200 as of December 31, 2020, respectively. An analysis of movements in the provision is as follows:

	2022	2021	2020
Balance as of January 1st	$ 6,977	$ 8,838	$ 2,483
Increases	-	-	10,000
Repurchase of shares	(2,531)	(1,861)	(3,645)
Balance as of December 31,	$ 4,446	$ 6,977	$ 8,838

xi) Except for earnings distributed from the Restated contributed capital account (CUCA, by its acronym in Spanish) and the CUFIN account, dividends will be subject to the payment of corporate income tax at the statutory rate at that time. Income tax paid on dividends may be credited against income tax payable (annual or in prepayments) in the year of payment or either of the two immediately subsequent years.

xii) As of December 31, the Company has the following tax balances:

	2022	2021	2020
Restated contributed capital account (CUCA)	$ 33,924	$ 31,760	$ 30,834
Net taxed profits account (CUFIN)	110, 344	87,424	81,722

Other equity financial instrument

On April 17, 2018, Grupo Bimbo, S.A.B. de C.V. issued a perpetual subordinated bond of USD500 million with no maturity date. The issuer has the option to redeem the bond in full, but not partially, five years after the date of issuance. The bond bears annual interest of 5.95%, which is payable semi-annually in arrears on January 17 and July 17. Such coupons are deferrable at the Company's discretion.

This bond is subordinated to the existing and future liabilities of the Company and its subsidiaries and the coupons for the periods accrued by this instrument must be paid prior to any distribution of dividends.

The amount of this equity instrument is recognized in equity.

The value of the equity instrument as of December 31, is as follows:

	2022	2021	2020
Perpetual subordinated bond - principal	$ 8,699	$ 9,044	$ 9,044
Issuance expenses	(58)	(58)	(58)
	8,641	8,986	8,986
Current income tax	(544)	(124)	1
Deferred income tax	1	5	9
Perpetual subordinated bond – principal	$ 8,098	$ 8,867	$ 8,996

As of December 31, 2022, 2021 and 2020, the Company made semi-annual coupon payments of $649, $621 and $648, respectively, and recognized an income tax effect of $(195), $(187) and $(194), respectively. Therefore, retained earnings decreased by $844, $434 and $454, respectively.

During 2022, the Company repurchased perpetual bond securities in the secondary market for a nominal value of $344, recognizing a decrease of $32 for exchange rate fluctuations in retained earnings.

21. Costs and expenses based on their nature

An analysis of cost of sales and distribution, administrative, selling and other general expenses recognized in the consolidated statement of profit or loss for the years ended December 31 is as follows:

	2022	2021 Reformulated	2020 Reformulated
Cost of sales:			
Raw materials	$ 129,454	$ 101,568	$ 94,336
Salaries and benefits	33,342	31,438	30,587
Freight, fuel and maintenance	17,008	12,212	10,775
Depreciation	7,750	6,975	6,892
Professional and consulting services and c	1,665	1,711	1,682
Short-term and low value lease expense	1,125	1,002	985
Indirect taxes	988	933	946
Travel expenses	171	86	62
Other production expenses	1,822	1,778	1,739
	$ 193,325	$ 157,703	$ 148,004

	2022	2021	2020
Distribution, selling, administrative and other expenses:			
Salaries and benefits	$ 74,128	$ 68,820	$ 68,825
Freight, fuel and maintenance	43,729	35,251	34,187
Advertising and promotional expenses	14,218	12,907	11,806
Professional and consulting services	14,048	13,609	13,355
Depreciation and amortization	10,288	9,151	9,147
Logistics expenses	4,649	3,994	4,119
Remeasurement of multi-employer pension plans (MEPP)	(19,010)	(2,247)	2,494
Integration expenses	367	724	1,968
Indirect taxes	1,882	1,553	1,513
Restructuring expenses	1,657	2,059	1,170
Short-term and low value lease expense	1,394	1,151	986
Travel expenses	1,537	1,159	956
Other	2,798	378	348
	$ 151,685	$ 148,509	$ 150,874

22. Other expenses, net

An analysis of other expenses is as follows:

	2022	2021 Reformulated	2020 Reformulated
(Gain) on sale of property, plant and equipment	$ 33	$ (187)	$ (118)
Impairment of goodwill	1,597	315	770
Impairment of trademarks and distribution rights	131	63	105
Impairment trademarks reversal	(861)	-	-
Restructuring expenses	1,657	2,059	1,170
Labor obligations	22	19	52
Usufruct amortization	-	201	220
Other non-current assets amortization	196	106	-
Remeasurement of multi-employer pension plans (MEPP) (Note 18)	(18,697)	(2,005)	1,639
Provision for updating other non-current liabilities	(313)	(242)	855
Other	926	(138)	497
	$ (15,309)	$ 216	$ 5,196

23. Interest expense

	2022	2021 Reformulated	2020 Reformulated
Interest on debt	$ 5,006	$ 5,550	$ 6,995
Interest on lease liabilities	1,328	1,238	1,053
Net interest on pension plans	627	394	514
Interest for updating MEPPs	303	230	390
Other finance costs	785	411	405
	$ 8,049	$ 7,823	$ 9,357

24. Discontinued Operation

As of November 1st, 2022 and December 31, 2021 and 2020, the breakdown of the result from discontinued operations, which belonged to the geographic segment of Mexico, is as follows:

	2022	2021	2020
Net sales	$ 10,115	$ 10,075	$ 8,085
Costs, general expenses and interest [1]	8,637	8,576	6,748
Profit before income tax	1,478	1,499	1,337
Profit on disposal of discontinued operation	22,038	-	-
Profit before income taxes for discontinued operation	23,516	1,499	1,337
Income tax for discontinued operation	346	245	249
Income tax for profit on disposal for discontinued operation	6,182	-	-
	6,528	245	249
Net profit later income tax for discontinued operation.	$ 16,988	$ 1,254	$ 1,088

[1] Includes $164 of depreciation of property, plant and equipment and $80 of depreciation of rights of use.

As of November 1st, 2022, the assets and liabilities attributable to the confectionery business are as follows:

	2022
Cash and equivalents	$ 442
Other current assets	3,137
Property, plant and equipment, net (Note 8)	2,356
Right-of-use assets, net (Note 9)	334
Intangible assets, net (Note 11)	1,130
Goodwill (Note 12)	549
Other non-current assets, net	126
Total assets	$ 8,074
Trade accounts payable	$ 1,447
Other accounts payable and accrued liabilities	1,610
Current lease liabilities (Note 9)	372
Employee benefits [1]	315
Other non-current liabilities	571
Total liabilities	$ 4,315
Assets disposal, net	$ 3,759
Price charged in cash (Note 1)	$ 25,797
Profit on disposal of discontinued operation	$ 22,038

[1] Includes $309 of pension plans and $6 of long-term bonds.

	2022	2021	2020
Operating activities flows	$ 1,601	$ 652	$ 84
Investing activities flows	$ (328)	$ (495)	$ (203)
Financing activities flows	$ (846)	$ (152)	$ (124)

25. Commitments

Guarantees and/or guarantors

1. Grupo Bimbo, S.A.B. de C.V. and some of its subsidiaries have issued letters of credit to guarantee certain ordinary obligations and contingent risks related to the labor obligations of some of its subsidiaries. As of December 31, 2022, 2021 and 2020, the value of such letters of credit is $4,515, $5,020 and $4,947, respectively.

2. As of September 2019, the Company acts as guarantor in voluntary payment program in North America between the suppliers and Bank of America, under which the suppliers discount their invoices. As of December 31, 2022, 2021 and 2020, the balance of $2,813, $2,237 and $1,521, respectively, under this program is presented as part of trade payables.

3. The Company has created a trust that allows suppliers of its subsidiaries in Mexico to obtain financing through a factoring program operated by Nacional Financiera, S.N.C. (Nafinsa). As of December 31, 2022, 2021 and 2020, the liability payable to Nafinsa under this program totals $3,233, $1,734 and $1,152, respectively.

4. Additionally, it has a factoring contract with Banco Santander México, S.A., for the discount of invoices of the suppliers of its subsidiaries in Mexico, whose liability in favor of said financial institution amounts to $552 as of December 31, 2022.

5. The Company entered into an energy self-supply contract which requires it to acquire certain amounts of renewable energy at a fixed price that will be updated based the National Consumer Price Index (NCPI). Although the contracts have the characteristics of a derivative financial instrument, they fall within the exception of "own-use"; therefore, they are recognized in the consolidated financial statements as the consumption of energy occurs. An analysis of the main characteristics of these contracts is as follows:

Country	Contracting date	Start date	Term	Energy commitments 2023	
Mexico	02/12/2008	01/11/2012	18 años	MXP	293.35
Peru	05/08/2019	01/09/2019	3 años	USD	0.20
Argentina	05/09/2019	01/01/2020	15 años	USD	1.33
Chile	22/02/2020	01/04/2021	8 años	USD	1.12
Panama	22/12/2020	01/07/2021	5 años	USD	0.32
Colombia	22/12/2021	01/01/2022	8 años	USD	1.11
Brazil	03/12/2021	01/01/2022	3 años	USD	2.32
Ecuador	13/04/2022	01/06/2022	10 años	USD	0.70

6. On March 30, 2018, the Company, through BBU, entered into a virtual wind energy supply agreement in the United States for a term of 12 years, which is recognized as a financial asset measured at fair value through profit or loss, net of the related deferred gain, which will accrue over the term of the agreement.

   As of December 31, 2022, 2021 and 2020, the net financial asset/(liability) of $789, $336 and $(213), respectively, is recognized as part of other non-current assets/(liabilities). In 2022, 2021 and 2020, the Company recognized $67, $68 and $71, respectively, under comprehensive financing cost corresponding to the amortization of the liability, and $(587), $(512) and $345, respectively, for changes in the fair value of assets/(liabilities).

7. On February 1st, 2021, the Company, through Canada Bread, entered into a virtual wind and solar energy supply agreement in Canada for a term of 15 years, which will be recognized as financial asset measured at fair value through profit and loss net of the effects of the associated deferred income and that will be accrued during the term of the contract. The start date of operation of this contract will be on January 1st, 2023.

26. Segment information

The information used by Company management for purposes of resource allocation and assessment of segment performance is focused on four geographical areas: Mexico, North America, Latin America and EAA.

The Company considers that the qualitative and quantitative aspects considered for grouping of operating segments described above have a similar nature for all of the periods presented and show a similar performance in the long-term. The key factors evaluated for the appropriate aggregation of the operating segments include but are not limited to: (i) similar customer base, (ii) Isimilar product nature, (iii) production and distribution process characteristics, (iv) similar governments, (v) inflation trends and (vi) monetary trends.

An analysis of the primary data by geographical area in which the Company operates for the years ended December 31 is as follows:

	2022					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Net sales	$ 130,401	$ 205,674	$ 38,411	$ 37,536	$ (13,316)	$ 398,706
Sales between segments	(12,873)	(391)	(12)	(40)	13,316	-
Consolidated net sales	$ 117,528	$ 205,283	$ 38,399	$ 37,496	$ -	$ 398,706
Operating profit (1)	$ 18,824	$ 33,263	$ 1,087	$ (486)	$ 1,008	$ 53,696
Depreciation and amortization (5)	$ 4,424	$ 9,248	$ 2,278	$ 2,088	$ -	$ 18,038
Impairment of non-current assets	$ 72	$ (890)	$ 46	$ 1,818	$	$ 1,046

	2022 (continuous)					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Other items not affecting cash flows	$ -	$ (19,010)	$ 22	$ -794	$ 448	$ (19,334)
Adjusted EBITDA (1) (2)	$ 23,320	$ 22,611	$ 3,433	$ 2,626	$ 1,456	$ 53,446
Net profit - Equity holders of the parent	$ 46,221	$ 21,579	$ (349)	$ (658)	$ (19,883)	$ 46,910
Income tax	$ 7,001	$ 6,834	$ 253	$ 99	$ 194	$ 14,381
Interest income	$ 2,750	$ 570	$ 33	$ 38	$ (2,651)	$ 740
Interest expense (3)	$ 7,107	$ 2,905	$ 685	$ 3	$ (2,652)	$ 8,048
Total assets	$ 89,070	$ 191,504	$ 31,557	$ 49,033	$ (13,400)	$ 347,764
Total liabilities	$ 117,136	$ 78,602	$ 13,729	$ 13,909	$ (3,214)	$ 220,162
Purchase of property, plant and equipment	$ 13,853	$ 8,291	$ 4,553	$ 1,972	$ -	$ 28,669

	2021 Reformulated					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Net sales	$ 109,089	$ 175,369	$ 31,109	$ 34,195	$ (10,970)	$ 338,792
Sales between segments	(10,507)	(335)	(25)	(103)	10,970	-
Consolidated net sales	$ 98,582	$ 175,034	$ 31,084	$ 34,092	$ -	$ 338,792
Operating profit (1)	$ 16,731	$ 15,171	$ 78	$ 292	$ 308	$ 32,580
Depreciation and amortization	$ 3,907	$ 8,470	$ 1,687	$ 2,062	$ -	$ 16,126
Impairment of non-current assets	$ 133	$ 57	$ 142	$ 350	$ -	$ 682
Other items not affecting cash flows	$ -	$ (2,246)	$ 19	$ -	$ 211	$ (2,016)
Adjusted EBITDA (1) (2)	$ 20,771	$ 21,452	$ 1,926	$ 2,704	$ 519	$ 47,372
Net profit - Equity holders of the parent	$ 16,544	$ 8,864	$ (1,227)	$ (729)	$ (7,536)	$ 15,916
Income tax	$ 5,320	$ 2,699	$ 343	$ 149	$ 215	$ 8,726
Interest income	$ 826	$ 99	$ 56	$ 29	$ (647)	$ 363
Interest expense (3)	$ 6,252	$ 1,685	$ 436	$ 97	$ (647)	$ 7,823
Total assets (4)	$ 78,386	$ 202,347	$ 30,121	$ 45,860	$ (19,074)	$ 337,640
Total liabilities (4)	$ 111,439	$ 100,225	$ 13,191	$ 12,499	$ (1,320)	$ 236,034
Purchase of property, plant and equipment	$ 6,913	$ 8,550	$ 3,065	$ 2,143	$ -	$ 20,671

	2020 Reformulated					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Net sales	$ 104,593	$ 176,395	$ 29,081	$ 30,029	$ (9,047)	$ 331,051
Sales between segments	$ (8,711)	$ (247)	$ (24)	$ (65)	$ 9,047	$ -
Consolidated net sales	$ 95,882	$ 176,148	$ 29,057	$ 29,964	$ -	$ 331,051
Operating profit [1]	$ 14,976	$ 11,195	$ (402)	$ 168	$ (529)	$ 25,408
Depreciation and amortization	$ 3,819	$ 9,006	$ 1,554	$ 1,872	$ -	$ 16,251
Impairment of non-current assets	$ 598	$ (1)	$ 223	$ 255	$ -	$ 1,075
Other items not affecting cash flows	$ (228)	$ 2,494	$ 53	$ -	$ 140	$ 2,459
Adjusted EBITDA [1] [2]	$ 19,165	$ 22,694	$ 1,428	$ 2,295	$ (389)	$ 45,193
Net profit - Equity holders of the parent	$ 9,211	$ 4,039	$ (2,132)	$ (498)	$ (1,509)	$ 9,111
Income tax	$ 4,874	$ 974	$ 237	$ 107	$ -	$ 6,192
Interest income	$ 652	$ 83	$ 59	$ 76	$ (483)	$ 387
Interest expense [3]	$ 6,838	$ 2,268	$ 715	$ 86	$ (483)	$ 9,424
Total assets [4]	$ 72,528	$ 186,298	$ 24,586	$ 42,089	$ (17,850)	$ 307,651
Total liabilities [4]	$ 115,668	$ 81,790	$ 11,764	$ 11,447	$ (1,029)	$ 219,640
Purchase of property, plant and equipment	$ 3,738	$ 5,416	$ 1,448	$ 2,616	$ -	$ 13,218

[1] Does not include intercompany royalties.

[2] LThe Company determines the Adjusted EBITDA as operating profit plus depreciation, amortization, impairment and other non-cash items, mainly the adjustments for valuation of MEPPs. Adjusted EBITDA differs from Conformed EBITDA mentioned in Note 13.

[3] Includes monetary position gains and losses.

[4] Until October 31, 2022, the Mexico segment included the assets and liabilities attributable to the assets and liabilities of the confectionery business.

[5] Depreciation and amortization in the consolidated statement of cash flows includes $244 corresponding to the discontinued operation.

For the years ended December 31, 2022, 2021 and 2020, sales to the Company's largest customer represent 15.20%, 15.30% and 15.08%, respectively, of the consolidated net sales of the Company, which correspond mainly to the Mexico, USA and Canada regions. There are no other customers whose sales exceed 10% of the Company's total consolidated sales.

27. Subsequent Events

Acquisition Vel Pitar

On January 9, 2023, through two of its subsidiaries, the Company acquired a 100%-stake in Val Pitar, S.A., a company operating in Romania, with a diversified portfolio with more than 12 trademarks in the categories of bread and sweet bread.

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For this acquistion, the purchase price allocation will be perfomed in the following months and the valuation of the assets acquired and liabilities assumed (including income taxes), intangible assets and goodwill. At the date of issuance of these consolidated financial statements, the Company is in the process of determining the final purchase price allocation and will recognize the fair value adjustments during the measurement period of twelve months following the closing date of each acquisition. It is expected that a portion of the goodwill presented in the netx table will be reallocated to property, plant and equipment and intangible assets, such as brands and customer relationships, mainly.

The segment that will group this business will be EAA.

	Initial balancel
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	$ 211
Other current assets	288
Property, plant and equipment	725
Identified intangible assets	2
Goodwill	2,708
Total identifiable assets	$ 3,934
Total liabilities assumed	$ 389

Revolving committed line of credit renewal

On March 15, 2023, the Company renewed the revolving committed credit line extending the committed amount to USD1,931 million, maturing USD875 million in 2026 and USD1,056 million in 2028.

Adjustment to the sale price of the confectionery business

On March 21, 2023, the Company signed the final price agreement for the sale of the confectionery business executed on November 1st, 2022, with a price adjustment of $20.

Redemption of perpetual subordinated bond

On March 24, 2023, the Company announced the redemption of the perpetual subordinated bond in its first repurchase call, which is scheduled for April 17, 2023, for which it will disposal the revolving committed credit line.

28. Authorization of the Consolidated Financial Statements

On April 05, 2023, the accompanying consolidated financial statements were authorized by the Company's Chief Executive Officer, Daniel Servitje Montull, and the Board of Directors. Consequently, these consolidated financial statements do not reflect the facts and circumstances that occurred after that date and are subject to the approval of the shareholders, who have the authority to modify these consolidated financial statements in accordance with the Mexican Corporations Act.

information for our groups of interest

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