

2021

ASPIRATION

OUR



GROWS

INTEGRATED
ANNUAL REPORT

If we aspire to **ACHIEVE GREAT THINGS** with clearly-established strategies, we will then be able to **INSPIRE OTHERS.**





MAY EACH HOUSEHOLD HAVE

BREAD ON THE TABLE

☀️ 'may nothing be wasted in our processes'

'CREATING RECIPES WITH LESS AND BETTER INGREDIENTS'

↳
'that is delicious, nutritional, and healthy'

TRANSFORMING THE FUTURE

OF THOSE AROUND US

'Spreading
our desire
to help'

'BECOMING A GREAT
PLACE TO WORK'

May all of us
have better
opportunities



BEING SUSTAINABLE.

RIGHT FROM DESIGN

'that our processes
do not harm
the environment'

'Recovering our
ecosystems'

'INCLUDE ALL OUR
SUPPLIERS IN
THESE ACTIONS'

our purpose is:

NOURISHING A BETTER WORLD

"Delicious and nutritious baked goods and snacks in the hands of all is our mission."

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 transcend and endure
- We act with integrity

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 206 bakeries and other plants and approximately 1,600 sales centers strategically located in 33 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include sliced bread, buns & rolls, pastries, cakes, cookies, toast bread, English muffins, bagels, tortillas & flatbreads, salty snacks and confectionery products, among others. Grupo Bimbo produces over 10,000 products and has one of the largest direct distribution networks in the world, with more than 3 million points of sale, more than 54,000 routes and over 137,000 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.

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



33 COUNTRIES

+100

brands

+10k

products

+54k

routes

+3m

points of sale

+1,600

sales centers

206

bakeries and other plants

+137k

associates



Net Sales

+5.4%

Adjusted EBITDA

+8.8%

Net Majority Income

+74.7%

Two additional plants that operate through strategic alliances.



Dear Shareholders:

I hope that you and your families are well and staying safe and healthy.

The lessons learned during the pandemic provided us with the tools and capabilities to deliver an exceptional year for Grupo Bimbo in 2021, generating record levels of Sales and Profits, while transforming the business in a complex operating environment.

I'd like to acknowledge the hard work and dedication of our associates, overcoming several COVID-related challenges, while satisfying the strong demand for our products. I want to offer my deepest and most sincere condolences to the loved ones of our 114 associates who were victims of COVID, particularly in the early part of 2021.

These strong results reflect our focus on growth over the long term which has enabled us to reach record volumes, driven in part by successful Revenue Growth Management initiatives across our four regions, most significantly in Mexico and North America. The excellence of our teams, the strong execution of our plans and strategies,

our ample diversification and the strength of our brands continue to be paramount in reaching our goals.

Consistent with our long-term strategy, we continued to consolidate our global leadership and strengthen our local presence with the successful completion of six strategic acquisitions: Popcornopolis and Emmy's Organics in the U.S., Modern Foods and Kitty Bread in India, Medina del Campo in Spain and Aryzta do Brasil in Brazil in the QSR category. Also, we added 11 bakeries to our manufacturing footprint primarily from the acquired assets and closed six in order to optimize our global presence. Unfortunately, we experienced a major fire in our plant in San Fernando, Argentina, compelling its permanent closure.

We made significant progress on our digital transformation journey with, among other things, a successful transition to Oracle's cloud-based ERP that has been implemented in 38% of our operations as of year-end. We reinforced the security of our information systems,

WE LAUNCH OUR NEW SUSTAINABILITY STRATEGY WITH A NEW LEVEL OF AMBITION AND IN LINE WITH CHALLENGES WE FACE AS A SOCIETY

with technology and advanced monitoring capabilities, and experienced no security breaches in our operations. We transitioned more than half of our global routes to our new Route to Market platforms. Through GB Connected, our Internet of Things platform, we connected 198 out of a total of 206 bakeries, providing real-time data to accelerate decision-making. We add value to our customers and consumers through our Connection Center platform in our main markets and with our digital platform T-Conecta, which is focused on the traditional channel and continued to expand in Mexico. Finally, we continue to envision the benefits of robotic process automation and AI-powered application startups.

In response to the increasingly dynamic marketplace, in 2016 Grupo Bimbo created Bimbo Ventures, a business unit designed to provide a window to the future, through the search for technological solutions. As a result of our presence in innovation ecosystems in the world and our continuous search for disruptive technology and product companies, in 2021 seven food product and technology companies were incorporated into Bimbo Ventures' investment portfolio. We work synergistically with them on projects for improvement of our products and processes.

Last year we launched our new sustainability strategy with a renewed level of ambition and in line with the challenges we face as a society. At Grupo Bimbo we seek to Nourish a Better World for the well-being of people and the planet through three action lines: better nutrition with simple and more natural recipes, fighting against the degradation of nature and empowering communities throughout our value chain.

Some of our most relevant achievements are:

- We are offering products with an improved nutritional quality:
- nearly 100% of our breads, tortillas and buns comply with international standards of saturated & trans fats, sodium and added sugar.
- We signed the commitment to net zero carbon emissions by 2050 following the framework of the Science Based Targets initiative; we achieved 85% renewable electricity across our operations and reduced by 1.2 million kilograms the plastic in our packaging.
- We are active participants in regenerative agriculture initiatives in Mexico and developed our framework for other locations.
- We reaffirmed our commitment to always offer the highest quality products and ensure that our innovations better meet

our consumers' needs every day, optimizing our product portfolio with healthier options including launches such as *Bimbo Cero Cero* and our geographic expansion of Sanissimo.

- We continue strengthening the communities where we have presence with the execution of more than 200 Good Neighbor projects, financial and in-kind support of more than \$143 million pesos, and the participation of our associates in numerous volunteer activities. Likewise, we supported the development of our small business partners in Mexico through training projects, and we also reaffirmed our commitment and support for the UN Global Compact Ten Principles and the Sustainable Development Goals.
- For the fifth consecutive year, we were named one of the most ethical companies in the world according to The Ethisphere Institute, a firm that recognizes companies that consider ethical commitment as one of the guiding principles in their day-to-day operations.
- And finally, we debuted in sustainable financing by renewing our committed revolving credit facility in the amount of \$1.75 billion dollars linked to our sustainability goals: energy and water, providing us with liquidity and flexibility to continue strengthening our financial profile.

Our CAPEX investments reached the highest level in our history. This is not only a reflection of the strong results and the opportunities we are seeing in the markets and categories in which we participate, but also of our commitment to better serve our customers and consumers across our markets and industries. We invested more than one billion dollars, of which 45% was earmarked for growth and expansion projects and the rest to business continuity and the improvement of profitability throughout the entire value chain.

Our performance also reflects substantial and sustainable productivity savings coming from these investments and the restructuring efforts we have made in the past, which have enabled distribution efficiencies, automation improvements and integrated system solutions.

We provided to our shareholders approximately \$6.5 million pesos, through a combination of both share buybacks and dividends.

In summary, our financial results for the full year were outstanding, especially considering the difficult comparison from the remarkable results of 2020, the FX conversion impact, overall inflation and the complicated operating environment in several countries.

We are cautiously optimistic about the future and our ability to navigate the multiple challenges ahead of us, including the Russia and Ukraine conflict, a high inflationary environment, labor shortages and supply chain disruptions in several countries, and consumers' reaction to the economic challenges they face. We are taking many actions to offset the rising inflation, including price increases, Revenue Growth Management strategies, category and product mix, productivity initiatives, and we continue to proactively look for restructuring opportunities across our geographies.

We remain fully dedicated to the markets in which we participate, and we will continue reinvesting in our business, consistent with our long-term perspective and our commitment to achieving our Mission of *delicious and nutritious baked goods and snacks in the hands of all*.

Thank you for your trust and continued support to Grupo Bimbo.

Sincerely,

Daniel



Our categories

TODAY WE ARE THE GLOBAL LEADER
IN THE BAKING INDUSTRY, AND AN
IMPORTANT PLAYER IN SNACKS



1 SLICED BREAD



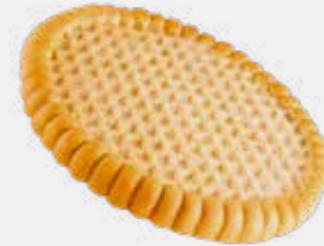
2 BUNS & ROLLS



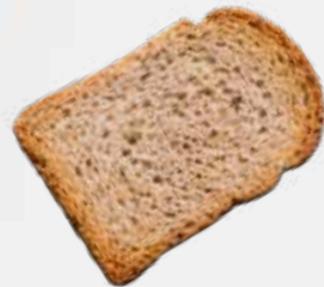
3 PASTRIES



4 CAKES



5 COOKIES



6 TOAST



7 ENGLISH MUFFINS



8 BAGELS



9 TORTILLAS & FLATBREADS



10 SALTY SNACKS



11 CONFECTIONERY



+100 leading brands

We expanded our international presence thanks to the strength of our most successful brands.

+US \$1Bn



+US \$500M



+US \$250M



+US \$100M

MRS BAIRD'S



Internal information based on estimated retail sales per brand for the last 12 months, at Dec. 31, 2021.

Figures in million US dollars.

We share our most successful brands throughout the world

Brands which, due to their success, have proven to be the preference of our consumers.



* Central America, except Belize and islands in the Caribbean..

Global market share

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

\$532 bn USD*
value of the
global baking industry

WITH FURTHER OPPORTUNITY
FOR GROWTH IN THE
COMING YEARS...

48.8%
other players

4.0%



9.7%
private
label

37.5%
artisanal



Bimbo Ventures is our window to the future by searching for technological solutions in innovative ecosystems worldwide. We work and invest in promising startups who have disruptive technological solutions for new products, ingredients, synthetic biology, packaging, digital marketing, eCommerce, new business models, data science, digitization, and operation optimization, among others.

In making innovation our best ally, we meet our sustainability goals to promote healthy diets with nutritional diversity, improve the lives of everyone we approach, and protect and regenerate our ecosystems.

This year, we added seven companies to the Bimbo Ventures portfolio, with whom we worked on synergistic and innovation projects, and to improve our products and internal processes.

BIMBO_Ventures



eatsane



VENTURES

**RULE
BREAKER**

Quality as part of the sustainable value chain

In meeting our commitment to the planet and our stakeholders, resources are optimized to enhance our performance. Additionally, to obtain better results, we join efforts with farmers and suppliers by establishing strategic alliances throughout our value chain -from field production and distribution to the final stage with our customers and consumers.

Therefore, with the purpose of applying best practices to continuously improve our processes, our actions are based on the highest of quality standards and our policies are strictly followed to comply with legislation in all regions where we operate.

Through our quality strategy we strive for certification in all operations, under a program recognized by the GFSI -Global Food Safety Initiative. Currently 177** of our plants are certified, thus meaning that 96% of our products are made in certified facilities.

Moreover, we seek to continuously innovate by adopting new technologies that enable us to operate responsibly.



OUR FOUNDATIONS

POST_CONSUMPTION
Alliances to encourage post-consumption recycling

MARKETING
+100 brands
+10k products



SEEKING INNOVATION BY INCLUDING NEW TECHNOLOGIES

OPERATIONS
206 bakeries and other plants in 33 countries
5 innovation centers

DISTRIBUTION AND SALES
+54,000 routes
+ 3,000,000 points of sale

* For greater information: <https://grupobimbo.com/es/nuestro-grupo/politicas>
** Operations for Morocco, Switzerland, and Kazakhstan are not included because Grupo Bimbo is a minority shareholder.



NOURISHING A
BETTER WORLD

At grupo Bimbo, we exist to nourish a better world. That means nourishing the wellbeing of people and nature, because we can only truly achieve better if we do both.

This is a bold ambition, and it won't be a simple journey, but we have a plan to get there.

It's a plan to bring better nutrition to millions by providing more diverse nutrients in simpler recipes.

To fight the degradation of nature by becoming a zero-carbon champion of regenerative agriculture.

To help our communities thrive by empowering those that help us sow, source and sell.

We're nourishing people and nature so that we can all be stronger together.



Sustainability Strategy

Renovating our sustainability ambition, we have redefined short, medium and long-term commitments that are aimed at better facing challenges posed by current times, and actively contributing to the “decade of action” as set forth under the UN Sustainable Development Goals, and also the Ten Principles of the UN Global Compact.

This strategy encompasses the input of Grupo Bimbo’s material subjects, prioritizing those where our activity has a greater positive impact.

The ambition stems from numerous participation rounds and collaboration with a multidisciplinary team of associates and external contributions and validation, with the purpose of guaranteeing an ambitious and reachable plan. Therefore, according to results from the recent engagement survey answered by our associates, where sustainability efforts scored quite well, we thereby reaffirmed our aspiration of nourishing a better world.



NOURISHING A BETTER WORLD

Best Nutritional Profiles for All**Transparent Sustainable Brands****Enabling Healthier Plant Based Diets****Enable Planetary Diets With Nutritional Diversity**

We are committed to providing a better nutritional experience through healthier and simpler recipes, to increasing the presences of whole grains and other plant-based ingredients, and to empowering our consumers to making better decisions. We have therefore established standards and global nutritional policies that reinforce our commitment and focus on three areas we consider crucial: enhanced nutritional profiles for everyone, promoting healthier plant-based diets, and sustainable and transparent brands.

As part of this commitment, we are focusing on reaching the following objectives for 2030:

- 100% of our baking & snacks offering will consist of simple and natural recipes for all with nutrition in every bite, ensuring affordable options at every point of sale.
- 100% of our baking 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.
- Ensure that 100% of Grupo Bimbo products offer nutritional and sustainable transparency on-pack and online and actively promote healthier diets through clear educational campaigns.

BAKED FOR YOU

NOURISHING A BETTER WORLD

**Strengthening
Communities****Caring For
Our People**

BAKED FOR LIFE

Improve The Lives Of Everyone We Reach

Grupo Bimbo aspires to be a Company where everyone has access to the opportunity for progress, where they feel included and can be their true selves. In addition to creating safe, healthy, diverse, equal, and inclusive workspaces that foster a culture of personal and professional development for all its associates.

Understanding the importance of community participation as agents for change, our initiatives pay special attention to strengthening them as a key driving force towards reaching our sustainability goals.

With this in mind, we have set the following objectives for 2030:

- We will implement at least one social impact project per work center.
- Promote a culture of volunteering among our associates that motivates us to be agents of change through social projects.
- Ensure that the majority of small farmers and clients in our value chain are supported by Grupo Bimbo through regular programs.

NOURISHING A BETTER WORLD

Towards
Zero WasteConvert into
Regenerative
AgricultureNet Zero
Carbon
EmissionsProtect And Regenerate
Our Natural Systems

We are firmly committed to fighting against the degradation of Nature so as to reach zero net carbon emissions, promoting regenerative farming practices, and reducing our waste.

We will reinforce our objective of being sustainable from the design.

With 2050 in mind, we have renewed our commitment by establishing the following objectives:

- Achieve Net Zero Carbon emissions.
- 100% of our key ingredients will be obtained through crop cultivation using regenerative agriculture practices by 2050.
- By 2030, ensure that 100% of our packaging supports a circular economy, waste reduction, sustainable packaging material, efficient operations, reduced water use, and less food waste.

BAKED FOR NATURE

OUR FOUNDATIONS

These are actions that have matured through time and which are essential for evolved sustainability. They assist in not losing sight of our performance in these basic sustainability matters and help drive us forward with firm steps regarding the levels of ambition we have established.



Environmental standards

MAINTAINING THE HIGHEST ENVIRONMENTAL STANDARDS IN ALL OUR OPERATIONS.

- Legal compliance and internal standards
- Biodiversity
- Chemicals and Refrigerants



Food Safety and Quality

GUARANTEEING THAT ALL GRUPO BIMBO PRODUCTS COMPLY WITH THE HIGHEST OF QUALITY STANDARDS.

- Food safety and quality
- Improvements in sustainability indexes



Human rights and labor standards

PROTECTING GRUPO BIMBO ASSOCIATES AND OUR SUPPLY CHAIN.

- Human rights
- Health and safety
- Fair wages and benefits
- Governance



Sustainable raw material sourcing

SOURCING PRIORITY RAW MATERIALS THROUGH SUSTAINABLE PRACTICES .

- Palm oil
- Paper and cardboard
- Animal Welfare
- Other key raw material

Our contribution

We contribute to the UN Sustainability Goals and the Ten Principles of the Global Compact, through whom we have renewed our commitment and support.



- 1** Working with local communities through our Social Investment programs.
- 2** Improving the nutritional profile of our products, providing nutrition education, increasing productivity with our farming practices.
- 3** Promoting healthy lifestyles throughout our value chain.
- 4** Working with NGO´s and supporting educational programs on nutritional quality and education.
- 5** Making efforts to build a diverse workplace for all associates, working to increase the representation of women and other minority groups at risk of being excluded.

- 6** Reducing the use of water in all operations, seeking efficient farming practices, and working to achieve discharges that can be reused.
- 7** Working towards achieving 100% of operations function with renewable energy.
- 8** Fostering a diverse, inclusive and accessible work environment for associates with disabilities. We are committed to the respect for human rights.
- 9** Building resilient and regenerative infrastructure to ensure long-term economic development.
- 10** Increasing the representation of women and other minority groups in danger of being excluded, in each territory where the Company operates.
- 11** Promoting the implementation of alternative fuels in logistics and transportation models. Working in our local communities to create resilient atmospheres.

- 12** Supporting a circular economy through sustainable containers and food-waste reduction programs. We support responsible diets by increasing our plant-based ingredients.
- 13** Reducing carbon emissions and striving for zero net carbon emissions.
- 14** Striving to have 100% of containers that support a circular economy and promoting the conservations of oceans, seas, and marine resources.
- 15** Striving to change supply to regenerative agricultural practices that protect soil health. Fighting against deforestation.
- 16** Ensuring a responsible business throughout the entire Grupo Bimbo value chain through full compliance with our business ethics and Code of Conduct.
- 17** Collaborating with other key supply chain partners, stakeholders, and other companies to achieve sustainable wellbeing for all.

Best Nutritional
Profiles For All



Transparent
Sustainable
Brands



Enabling
Healthier
Plant Based
Diets



BAKED FOR YOU





Best Nutritional Profiles For All

our commitment:

PROVIDING AN BETTER NUTRITIONAL EXPERIENCE

through healthier and simpler recipes, as well as positive nutrition with every choice.





Eating is more than simply obtaining the nutrients needed to live. The food we choose is a reflection of our habits, our lifestyles, and our traditions. Therefore, in breaking bread with others at the table, we also share our experiences and emotions.

As a humanity, today we face growing obstacles to feed a world with greater needs and less resources each day. Malnutrition affects approximately 1 out of every 10 persons worldwide and, by 2050, there will be approximately 10 billion people on a planet that has limited resources. This will require not only finding ways to improve the nutritional quality of our diets, but also building more efficient and environmentally-friendly food systems that enable us to eat better and to sustainably optimize all resources.

Improving the nutritional quality of our product offerings

Fully aware that our products reach millions of people around the world, we are motivated to have a positive impact on their nutrition, provide the *most diverse nutrients through delicious and sustainable products*, with simpler, healthier, and more affordable recipes.

In order to create better diets with a positive impact on reducing malnutrition and the associated non-communicable diseases, we follow the World Health Organization recommendations within the 2013-2020 Action Plan for the Prevention and Control of Non-communicable diseases, establishing different lines of action to improve the nutritional quality of our product portfolio.

Our approach to combating malnutrition



We have developed our internal Nutrition Guidelines leveraged on four pillars of action to reach our ambitions in the short, medium and long terms, offering better products and fostering the development of better diets.



Clean labeling

Our product offerings are created with simpler and natural recipes.

Positive nutrition

Our product offering has the intention of an optimum nutrition balance between nutrients to be reduced and those to be encouraged in the normal diet.

Fortification

Our product offering has fortified, available and affordable options for vulnerable populations.

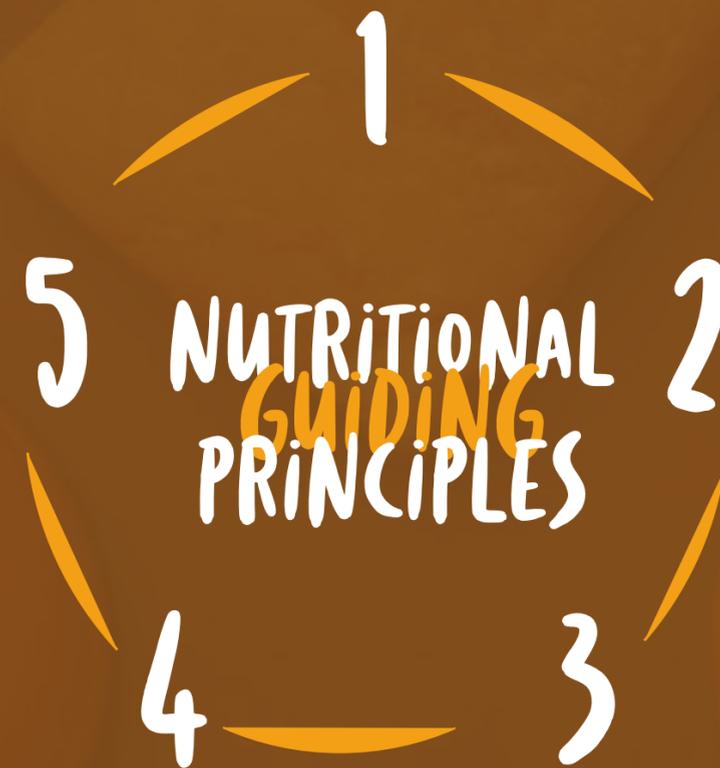
Smart portions

Our product offering has options with portion control to enjoy guilt-free special moments.

THE ELABORATION OF OUR NUTRITIONAL GUIDES IS BASED ON 5 PRINCIPLES:

Considering recommendations made within dietary guidelines and suggestions established worldwide, the purpose is to understand the role our products have in creating better diets.

We have developed more natural and planet-friendly products through simpler recipes that have ingredients our consumers can understand and find in their pantries.

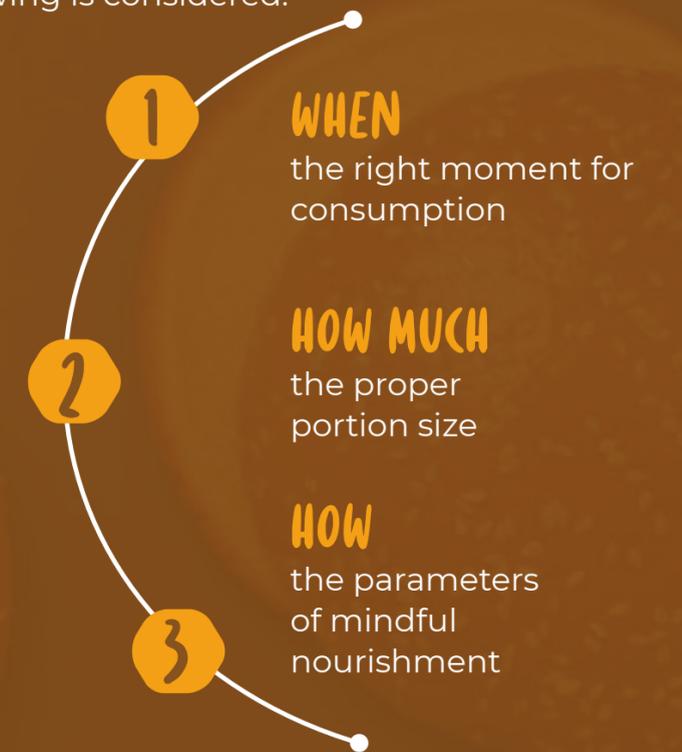


Our product portfolio is divided into products for daily consumption, including those having a greater impact on the diet when eaten more frequently during principal meals throughout the day; and products consumed occasionally that focus mainly on minor eating moments (snacks) and moments for celebration, or indulgence.

We strive to always create a balance in the nutritional quality of our product portfolio through thresholds both for nutrients to be limited in the diet, and those whose consumption we seek to motivate.

When considering the nutritional requirements between children and adults, we defined stricter requirements for those products aimed at child consumers.

The purpose of simplifying our consumers' task of incorporating better and more varied diets that satisfy their preferences, habits and lifestyles is because eating is not just about nourishment, but also about enjoying. Our nutrition guidelines take into account that all food groups have a place in one's diet when the following is considered:



PRODUCT CATEGORIES

Daily consumption - greater impact on our diet: bread buns and rolls, bagels, and English muffins.

Occasional consumption - special moments: sweet baked goods, dry baked goods, snacks, tostadas and tortilla chips, and confectionary products.

Clean labeling



BETTER PRODUCTS

 DAILY CONSUMPTION PRODUCTS



In addition to seeking the best nutrition quality for our product portfolio, we know our consumers are increasingly concerned with incorporating food products in their diet that are as close to natural as possible, with ingredients they understand and can easily find in their pantries. Therefore, our strategy leads us to offering simpler products with user-friendly recipes for our consumers and for the good of the planet.

By 2025, all our products for daily consumption worldwide will have simple recipes with ingredients that are easily identifiable by our consumers.

Success story

Sliced bread Bimbo Mexico

All our sliced bread made and marketed throughout Mexico are free of high-fructose corn syrup, fats and partially hydrogenated oils, and artificial colors and flavoring. In addition, some 50% of the same are free of artificial preservatives, and by late 2022, all of our sliced bread offerings shall be of these.



Positive nutrition

BETTER PRODUCTS

OUR AMBITION IS TO REACH POSITIVE NUTRITION STANDARDS IN PRODUCTS FOR DAILY CONSUMPTION BY 2025, AND IN OUR PRODUCTS FOR OCCASIONAL CONSUMPTION BY 2030

The best nutritional experience is sought through balance, by reducing those nutrients to be limited in our diet such as sodium, added sugars, saturated fats, and trans fats, and also by increasing those nutrients to be promoted such as proteins, fiber, and vitamins and minerals, among others. We understand it is not possible to add positive nutrients while not reducing the content of nutrients that are a source for public concern.

Compliance with the portfolio of products for daily consumption by nutrient¹:

99.6%
saturated fats

100%
trans fats

97%
sodium

99%
added sugars

By late 2021:

96% of our products for daily consumption fully complied with the maximum levels established for nutrients to be limited in the daily diet such as saturated fats, trans fats, sodium, and added sugars, an additional four percentage points as of late 2021.

88% Of our total product portfolio for “specialty grains”² breads, buns and rolls have positive nutrition³. This in turn represents 63% accomplishment for the positive goals set for our products for daily consumption.

¹ Exceptions: Products for whom Grupo Bimbo is not the owner of the formulation, Bimbo Morocco, and Bimbo India.
² Specialty grains” breads, buns, and rolls. Products containing at least 15% of whole wheat grain flour or sources of whole grains.
³ In compliance with levels established for saturated fats, trans fats, sodium, and added sugars, and which additionally provide a good source of any of the following: fiber, whole grains, proteins, vitamins or minerals, or omega3.

Success stories

Global portfolio for products consumed daily

Our internal nutrition guidelines seek to establish external framework references to validate that our products comply with certain recognized methodologies that determine measurement parameters for the degree of healthiness of food products. Access to Nutrition Index (ATNI) is an initiative that evaluates the extent of commitment by global food companies to consumer health and nutrition, using the Healthy Star Rating System methodology developed and supported by the governments of Australia and New Zealand to measure the extent of healthiness of product portfolios. This methodology establishes a score of 3.5 stars and greater to classify products as “healthy”.

In the case of our products for daily consumption, we obtained an average of 3.5 stars when the whole category was evaluated, thus reflecting the high commitment and progress achieved in actions aimed at improving our product portfolio having a greater impact on the diet of our consumers.



Successful products that meet the criteria of positive nutrition

Multi-grain Zero Zero Bread

The new member of the Zero Zero family in Mexico has great benefits for the nutrition of our consumers. In addition to being delicious, it has protein and fiber but no added fats or sugars. Its launch reflects our actions that focus on positive nutrition for all consumers.

HIFI Wholewheat Bread Bimbo China (Delicious wholewheat HIFI Bread)

A tasty flavor and fine and soft texture, our Wholewheat HIFI Bread that was launched in China provides a good source of fiber and whole grains for the diet of our consumers, in addition to having the proper level of nutrients for limited consumption.



DAILY
CONSUMPTION
PRODUCTS

BETTER PRODUCTS



Fortification

Fortifying affordable Products for vulnerable populations

At Grupo Bimbo, we understand that one of the most effective ways of approaching nutrition gaps in vulnerable populations is by developing fortification strategies for food products widely consumed by various cultures, as is the case of bread. Therefore, we developed fortification strategies aimed at covering deficiencies, especially that of Iron, Zinc, and Vitamin A.



DAILY CONSUMPTION PRODUCTS

PROGRAMS BY REGION WILL BE LAUNCHED BY 2025 FOCUSING ON COVERING SPECIFIC NUTRIENT DEFICIENCIES IN VULNERABLE POPULATIONS

Success story

Rendidor Product Portfolio in Peru Fortified with Iron

Anemia is one of the primary malnutrition issues in Peruvian children and is one of the most urgent problems needing a solution in the country, prevalent in 49% of children living in rural areas and 37% in urban areas¹. One of the primary causes of anemia in the population is iron deficiency in their diet.

As an approach to overcome iron deficiency, an affordable product portfolio was developed for Peru (White Rendidor bread, Wholewheat Rendidor bread, Rendidor hamburger buns, and Rendidor hotdog buns) which, in addition to meeting maximum thresholds established for limited-consumption nutrients, these products are fortified with iron.

Source: Results from the Population and Family Health Survey (ENDES).

BETTER PRODUCTS



Smart Portions



THE FEATURES OF OUR OFFERINGS WITH CONTROLLED PORTIONS:

Portion sizes in our diet have taken on increased interest in recent years as a way to seek alternatives for combating overweight and obesity, and which permit one to enjoy certain product categories.

With this in mind, Grupo Bimbo has developed appealing product offerings with controlled portions that allow our consumers to enjoy their favorite products with less calories and less guilt.



SPECIAL OCCASIONS

to celebrate, share, or enjoy, driving moderate consumption.

MINDFUL:

enjoy with your five senses, individually-packaged portions to control what you eat.

ALIGNED TO HEALTHY LIFESTYLES:

with guilt-free moments of indulgence through calorie-control alternatives.

READY TO EAT:

consume anywhere, with individual packages that permit enjoying the moment, limiting calorie intake.

TASTY:

flavorful alternatives that gives us the preference of our consumers.

OUR GOAL FOR 2030 IS THAT AT LEAST 15% OF OUR SALE OF PRODUCTS OF OCCASIONAL CONSUMPTION SHALL BE THROUGH PRODUCTS WITH PORTION CONTROL (SMART PORTIONS).



Success story

Little Bites BBU and Bimbo Canada

Five varieties with less than 200 calories per package (chocolate chips, party cakes, blueberry, banana, and strawberry yogurt).

Little Bites is a product offering aimed at children, with fun, delicious, and appealing options for this target audience. In line with this, there are options marketed with less than 200 calories per package that enable calorie control per consumption occasion, but without sacrificing flavor.

By late 202z, some 81% of high-selling products aimed at children³ must comply with some of the following options: portion control (less than 200 calories per package in baking industry products and 170 calories per package in confectionary products), line extensions with improved nutrition profiles or in compliance with the maximum levels of nutrients that should be limited in the diet.



³ High-selling products: 10 products that sell the most at a regional level. Excluded are those products where Grupo Bimbo is not the owner of the formulation and those from Bimbo Morocco and Bimbo India.



Transparent Sustainable Brands

our commitment:

EMPOWERING OUR CONSUMERS TO MAKE

better decisions through clear and transparent information on our product recipes.

Transparent, sustainable, and committed brands

Consumers nowadays seek food alternatives that are in line with their values:

- 1 Products offering transparent and honest information so they may make better decisions regarding consumption.
- 2 Appealing and delicious products that are in keeping with their lifestyle
- 3 Simpler recipes and with healthier ingredients.
- 4 Environment-friendly products that also have a social purpose.

We are aware that transparent and clear information (clean labels) motivates our consumers to improve their eating habits and therefore education is undoubtedly a tool that helps to easily understand how our products are made, thus encouraging them to adopt healthier lifestyles.

In addition to promoting environmental care, sustainable marketing also considers practices having a positive impact on social and economic matters involved in the supply chain, from new product development to post-consumption, and therefore our product marketing must consider three aspects:

Transparency

providing clear and simple information on nutrition so our consumers may understand our product ingredients and how to properly include them in their daily diets.

Sustainability

which last and are economically viable; that meet the environmental, social, and nutritional needs of our customers and also comply with our nutrition guidelines.

Commitment

so the corresponding efforts are aimed at supporting a cause in line with the values of our consumers and are a benchmark vis-à-vis its competitor brands.



Success stories

Global Energy Race

Just as we did in 2020, in response to the contingency arising from the global pandemic, we called for a virtual race, which brought together more than 290,000 participants.

A donation was made to local food banks of more than 5.8 million slices of bread.

Futbolito Bimbo Smart training

The 2021 edition consisted of challenges of physical activities to be done from home in teams or individually, organized in two categories.

We have the participation of more than 3,500 boys and girls between 9 and 16 years old. The winners were awarded with a console of video games, a ball, a backpack of Futbolito Bimbo and an experiential encounter with Guillermo Ochoa.



Information on packages

We are committed to fostering information on nutrition among our consumers and associates so they may make decisions having a positive impact on their quality of life.

Because of our commitment to provide transparent information on the nutritional quality of our products, we have and Global Nutrition Labeling Policy that includes:

- 100% compliance with local regulations on nutrition labeling (nutrition information, ingredient list, information on allergens, among others)
- Energy portion statement (calories) and the 9 most important nutrients as per Codex Alimentarius Guidelines (CAC/CL2-1985)
- Compliance with local regulations on front labeling not including additional systems in said countries. In the cases where no regulations exist on the subject, we use a GDA scheme (Guidelines Daily Amounts).
- Having sound scientific bases for health claims.
- Providing guidelines for our consumers on our consumption portion sizes and their use in creating better diets

NUTRITION INFORMATION

Statement per portion size: Calories, total fats, trans fats, carbohydrates, dietary fiber, sugars, proteins, and sodium.

PORTIONS

Reinforce the concept of recommended portion size to orient consumers on the makeup of balanced diets.

FRONT LABELING

Including GDA scheme (Guidelines Daily Amounts) in case of no existing regulations.



PRODUCTS FOR OCCASIONAL CONSUMPTION



POST-CONSUMPTION

Recommendations on packaging disposal, depending on whether it is recyclable, bio-degradable, or compostable.



Smart labels

Using a QSR you can find out the health benefits of the product ingredients, such:

- proteins
- heart-healthy, or
- good for digestive health



Nutritional education

We are committed to fostering information on nutrition among our consumers and associates so they may make decisions having a positive impact on their quality of life.

We therefore develop content on our different digital platforms, disseminating information on nutrition with three objectives:



Facilitate the understanding of our recipes

Providing clear information on nutritional benefits, portion sizes, and suggested consumption.



Avoid food waste

Providing recommendations on the best ways to preserve the products so as to extend the useful life and use.



Promote a circular economy

Providing package handling and disposal tips for post-consumption, regarding recycling or reuse.

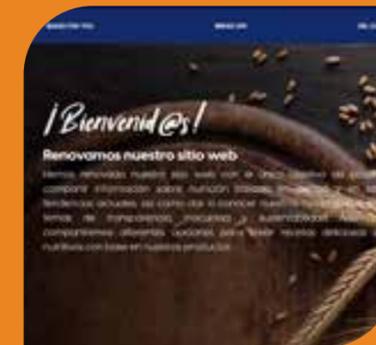
Facebook
+380K
Instagram
+370K
Twitter
+103
YouTube
+10



We grew our social media community
Our annual goal for interactions was exceeded

Social Media

Our social media and Grupo Bimbo Nutrition website seek to strengthen our positioning as a credible benchmark in nutrition, transparency, and food safety both for nutritional health specialists and opinion leaders in wellness, as well as our consumers.



We renewed our website

Our first dossier was created on scientific and technical Nutrition Criteria for Grupo Bimbo Nutrition.

We coordinated the development of 50 recipes.

New social media dynamics were implemented, including:

- Launching the first series of video content for Grupo Bimbo Nutrition: NUTRILINKS.
- Executing outstanding collaborations with brands and products from the Bimbo portfolio.
- Maximizing alliances with experts, external organizations, and influencers.

Healthy lifestyles

In seeking to foster the adoption of healthier lifestyles, Grupo Bimbo has different tools and digital platforms available for our consumers, such as nutriciongrupobimbo.com website and social media such as Facebook and Instagram. Through these channels, consumers and health professionals alike have access to data on correct diets, dietary patterns, and overall information on health and wellness. Likewise, we have participated in the Healthier Lifestyles initiative, in collaboration with the Consumer Goods Forum.

SOME OF THE INITIATIVES FOR PROMOTING HEALTHIER LIFESTYLES IN OUR ORGANIZATIONS INCLUDE:



Iberia

Our *Actívate* Plan:
An annual communication initiative with renowned sponsors, promoting physical and emotional wellness.

BBU

- Sara Lee Delightfuls launched 2 new SKUs focused on diet
- The launching of Keto Bread ABO
- Affiliation for 1% by Planet and Community Plots to grow fresh products
- ABO scheduling of Just Do This
- Media plans follow the strategies of each market, mini actions of kindness per kindness (mental health)

Brazil

A campaign was conducted last year with a digital influencer, fostering the consumption of healthy bread.



Enable Healthier Plant-Based Diets

our commitment:

INCREASING THE PRESENCE OF WHOLE GRAINS

and other plant ingredients to enable
healthier plant-based diets.



Inspired by the basic eating habits of many cultures around the world, in addition to actions performed to improve the nutritional profile of our recipes, we promote healthier, diverse, and sustainable diets.

This is in line with what makes us unique, that is, delivering delicious products made with superior, plant-based ingredients, sustainably grown, and affordable for all, thereby benefiting our consumers and the planet, both today and tomorrow.

To achieve this, we have built competitive product portfolios with superior ingredients that are plant-based and with whole grains, always striving to be the first option for our consumers.

Our route to plant-based diets

In our aim to sustainably improve the diet of our consumers, we:

1. Promote planetary diets with nutritional diversity to:

- Communicate with transparency so as to facilitate responsible and informed decision-making.
- Guarantee that our product portfolios contain healthy alternatives.

2. Develop global platforms to:

- Serve emerging trends in health and wellness through new acquisitions, synergies, and the development of new technologies.
- Make use of existing opportunities that focus on our consumers' needs.

We are convinced this is the right path to follow to sustainably improve the quality of diet for our consumers.



PLANT-BASED

Grains are our primary ingredients, making us a great environmentally-friendly nutrition alternative.



CEREAL DIVERSITY

We offer products that include a wide range of cereals such as sorghum, barley, rye, oats, millet, and quinoa.



NUTRITIONAL

BALANCE

This provides a healthy balance because of its nutritional quality and superior plant-based products.



TASTEFUL AND SUPERIOR QUALITY

Our recipes contain fruits, vegetables, pulses, dried fruits, and seeds.

OUR PRODUCT OFFERING IS BASED ON 4 ASPECTS TO PROMOTE A PLANT-BASED DIET



1 Plant-based

In keeping with our strategy of enhancing the diet quality of our consumers through superior-quality ingredients that are plant-based, in Mexico we launched a communication campaign promoting the daily consumption of whole grains, as part of an effort to raise awareness on their benefits. The information was conveyed through our Bimbo Wholewheat Bread as a proud protagonist that employs all the nutrients in whole grains: fiber, protein, minerals, and vitamins, from the husk to its core.

As an additional effort, we launched Multigrain Zero Zero Bread: a product made with wholewheat flour as its primary ingredient, with 7 grains and seeds representing 36% of whole grains, free of sugar, added fats, artificial preservatives and sweeteners, and enriched with the plant-based protein of chickpeas.

In Mexico:

+60%
in sales
vs. 2020



36%
whole grains


DAILY CONSUMPTION PRODUCTS

Nutritional balance

In line with the purpose of increasing the amount of plant-based ingredients, recommended as part of healthy planetary diet, Supan Raíces, in Ecuador, is the first bread made with ancestral grains from the Ecuadorian hillside -chia and quinoa- in collaboration with the startup Kuna-chia Corporation, which works closely with Ecuadorian farmers under environmentally-friendly standards.

With this launch we achieved incremental sales of 76,000 USD.

In Ecuador:

76k
USD
in sales




DAILY CONSUMPTION PRODUCTS

14g
of plant-based protein per serving size

In Canada:



Bon Matin bread from Canada contains protein and is sugar and fat-free.

A soft product that provides 14 grams of plant-based protein per serving size (2 slices), for those consumers who value protein content in an easy-to-digest product. This bread is made with sunflower, pumpkin and sesame seeds, linseed, wheat protein, and yellow beans, thus producing excellent results with sales volumes exceeding our expectations by 21.4%.



Cereal Diversity



WITH SANISSIMO, WE SEEK TO BUILD A BRAND HAVING AN IMPORTANT PURPOSE IN EACH OF ITS MARKETS

The world has traditionally focused on primarily consuming only two types of grains: wheat and rice. We must promote greater diversity in the consumption of other cereals and plant-based ingredients to maintain a resilient food system.

For this reason, Sanissimo is our main brand that focuses on providing products with products with cereal diversity.




PRODUCTS FOR OCCASIONAL CONSUMPTION

To reinforce the global presence of our Sanissimo brand, we extended our product portfolio with the launching of Salmitas, in LAS; Ancestral Salmas, in LAC; Salmas and Tostadas, in the US; and Blue Tortilla Tostadas, in Mexico.

With Sanissimo, our aim is to build a brand with an important purpose in each of its markets. Therefore, through regenerative farming practices, we will create a positive social, environmental, and economic impact for all our local farmers. As of 2022, Mexico, Canada, and the US shall be supplied with maize grown under regenerative farming practices, making its traceability possible, and having a positive impact that will be visible to the planet.

77.4 M
USD
in sales

+19%
in sales
vs. 2020



4 Tasteful and superior quality



Innovation in the confectionery category was the launch in Mexico of Pulpillos, a sweet snack product made with the pulp of apples grown in the state of Chihuahua. They are naturally flavored with pineapple and mango, adding our authentic spicy touch. Worthy of mention is that the production process is completely waste-free because 100% of the fruit is used.

Lastly, with the launch of Verygüel in Mexico, we achieved a milestone in the healthy snacks offering. Verygüel is made with a few, all-natural, and identifiable ingredients; it is sugar and fat-free and has no artificial colors or preservatives.

Verygüel is a brand created in response to the urgent need to reduce any type of fruit waste and to have an increasingly sustainable supply. With Verygüel we invite our consumers to eat snacks that are both fun and sustainable.

INITIATIVES SUCH AS PULPILLOS AND VERYGÜEL ENABLE US TO PROVIDE MORE ALTERNATIVES THAT LEAD TO OFFERING BALANCED AND HEALTHIER PLANT-BASED DIETS



Our product innovations

Although our journey towards improving the quality of our product portfolio did not begin today, our new strategy allows us to quickly make progress in meeting our objective of nourishing a better world.

The innovation and development of modern technologies, processes, and ingredients is an important factor in meeting our ambitions of improving our product offerings. We continuously strive to drive technological solutions through joint efforts, thus allowing us to establish a close and synergistic relationship with various experts and universities to access know-how and scientific discoveries that may be applied to new state-of-the-art technologies. We are then able to anticipate the needs of our consumers and prepare our response with short, medium, and long-term solutions in the field of nutrition.

5 CENTERS OF R+D IN THE WORLD

Where products, processes, and innovations are developed, focusing on enhancing the nutritional quality of our products.

- ✓ The United States
- ✓ Canada
- ✓ Mexico
- ✓ Latin America
- ✓ Europe





Strengthening
Communities



Caring For
Our People



BAKED FOR LIFE



Strengthening Communities

our commitment:

HAVING A POSITIVE IMPACT IN THE COMMUNITIES

where we are present and supporting our commercial partners.



At Grupo Bimbo, we recognize the value of all people with whom we interact; from the farmer who works the fields, the suppliers who support us with their materials, our associates, the communities where we operate, and of course, our customers and consumers who are our reason for existing.

Building a sustainable, highly productive, and deeply humane company means, among other things, supporting the development and wellbeing of people, closing social, economic, and environmental gaps, as well as joining the task of combating poverty and reducing, where possible, inequalities throughout the world.

COMMUNITY



SUPPLIERS



CLIENTS



ASSOCIATES



Our aspirations grow and therefore we contribute to the development of communities where we operate, identifying their needs and implementing concrete actions that help improve their quality of life. This has been possible thanks to the contribution of our associates and work coordinated with the society.

By 2030, each work center will execute at least one social investment project per year with another work center or individually, and whose aim will be to solve a community need as per established in the program guidelines.

In our commitment to the UN Sustainability Development Goals, we support our communities through resources, training activities, and different projects in 23 of the 33 countries where we are present.



OUR PROGRAMS



Social Investment – Donations

We drive the initiatives of external associations that are aligned with our social impact causes



Good Neighbor

We carry out community projects in accordance with social, economic and legal reality, in synergy with our stakeholders



Volunteering

We transform the behavior of our associates so as to develop social leaders



Natural Disasters

Our Bimbo family and our communities receive immediate assistance when affected by natural disasters, including health and humanitarian aid

LINES OF ACTION

Education

Facilitating tools, know-how, values, beliefs, and essential habits to drive personal development

Safety

To ensure a healthy and risk-free environment, which inspires confidence throughout the community and to perform our daily activities

Wellnes

To promote a physical and mental balance

Environment

Raising awareness on the importance of caring for all natural resources and the environment

Physical Activity

Promoting active and healthy lifestyles



SOCIAL INVESTMENT

MILLIONS OF MEXICAN PESOS GRANTED

1.6%
of Majority Net Earnings for 2021

70%
23 of 33 countries
Good Neighbor Program

36%
12 of 33 countries
Volunteering Program

Program scope:

70%
23 of 33 countries
Social Investment – Donations Program

In managing our community support activities, Grupo Bimbo's Social Investment Committee allocates financial and in-kind resources to Social Investment – Donations and Good Neighbor programs; in turn the Institutional Relations department establishes guidelines and coordinates progress made by the project as per global guidelines, reporting forms, and delivery schedules.

Our social programs are governed by the regulatory framework of Grupo Bimbo and by specific policies designed for these programs. Initiative follow-up and impact involves different areas with ties to benefitted stakeholders.



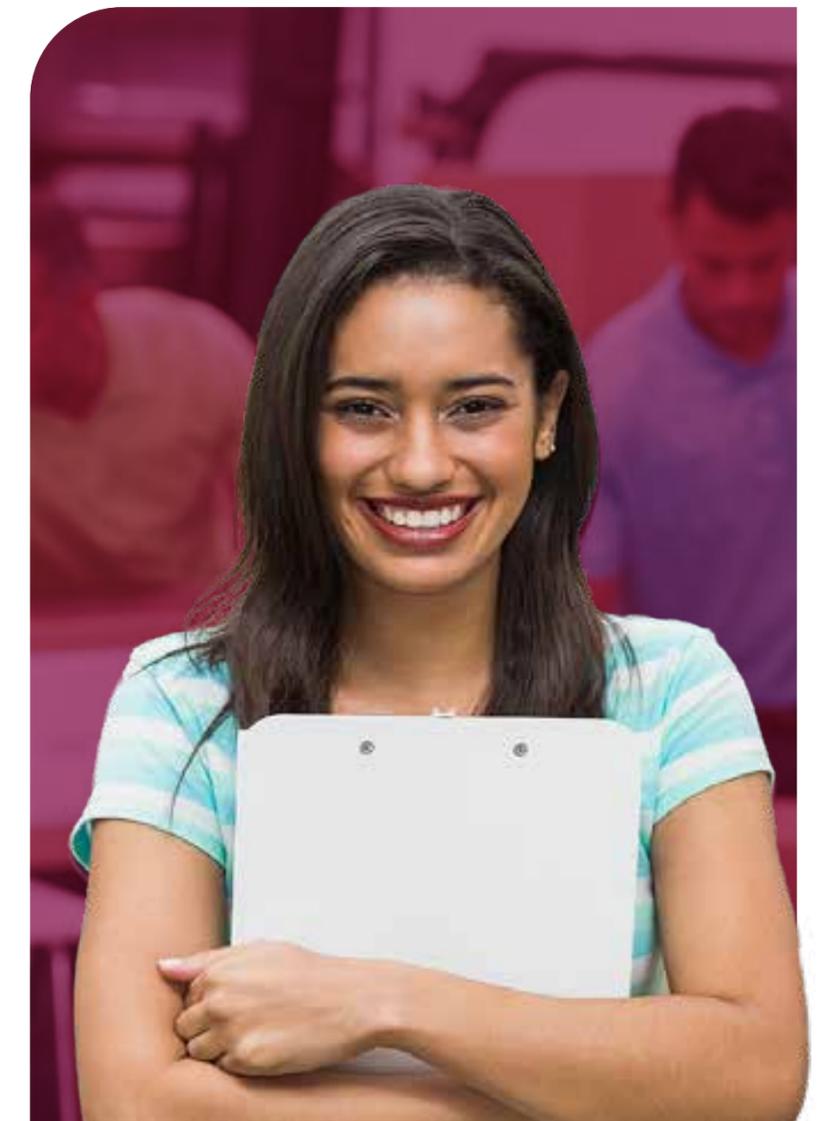
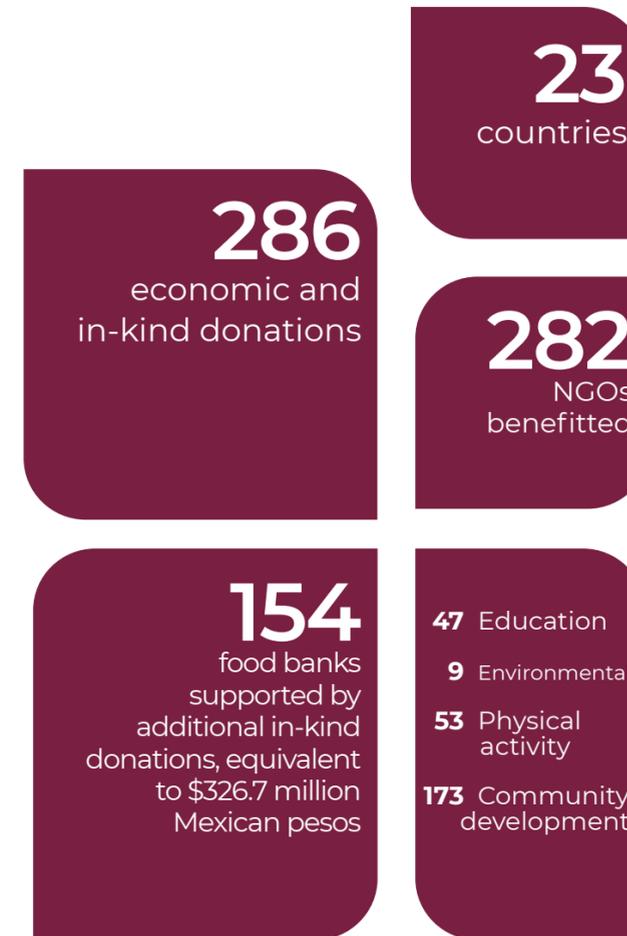
Social Investment – Donations

Grupo Bimbo rises to the commitment and responsibility of promoting sustainable development in our communities and of creating a positive social impact through our Social Investment Program and with our alliances with NGOs. The program is of vital importance because it supports development and wellbeing in the communities where we are present, in addition to contributing to Sustainable Development Goals.

Through the social investment program, we drive the production projects of the NGOs with which we work; we identify and understand the needs faced by our communities and commit to creating a tangible change in the people of the communities supported.

The social investment program enables us to build a sustainable path by actively participating in closing gaps, improving economic, social, and cultural diversity needs, creating a healthy environment for vulnerable groups, and consolidating sustainable communities.

Grupo Bimbo recognizes close ties with our communities and therefore each social action we undertake motivates more focused work in favor of wellbeing and benefitting present and future generations.





Good Neighbor

We strive to reinforce community ties through dialogue, teamwork, collaboration, and active participation in projects that together are defined by and for the wellbeing of all, and which seeks to remain sustainably active.

This program represents a very positive transformation process for all parties involved.

Features of the Good Neighbor program:



Value Proposition

Establishing close and constant communication with the community.



Subsidiarity

Identifying needs and implementing programs that generate positive short, medium and long-term impacts.



Common Wellbeing

Creating favorable conditions so said programs may be self-sustainable and remain active within the benefitted communities.



Continuous Improvement

Establishing permanent mechanisms to measure the impact.



Replicable Actions

Striving to have programs replicated in other geographies.



1,258
projects conducted
since 2012

23
countries

157
projects

205
work
centers

+700K
beneficiaries

Note: Table of historical achievements in annexes section.

Impact of Our Good Neighbor Program

PROJECTS PER HEADING					
Heading	EAA**	Latin America	Mexico	North America	Total
Education	13	7	23	3	46
Wellbeing	2	9	4	22	37
Physical Activity	4	2	22	3	31
Safety	0	1	21	0	22
Environment	3	2	9	7	21
Overall total	22	21	79	35	157

* Except Nicaragua

PROJECT PER STAKEHOLDER GROUP					
Focus	Associates	Educational Institutions	NGOs Society		Scope Grupo Bimbo Regions
Diversity and Inclusion	8.9%	4.5%	14.0%	27.4%	EAA Latin America* Mexico North America
<i>Escuelas de Lluvia</i>		4.5%		4.5%	Mexico
Combating hunger			8.3%	8.3%	Latin America* Mexico North America
Traditional Good Neighbor		14.6%	45.2%	59.8%	EAA Latin America* Mexico North America
	8.9%	23.6%	67.5%	100%	

*Except Nicaragua
**Except Bimbo QSR

BENEFICIARIES	
EAA	+122,000
Latin America	+94,000
Mexico	+456,000
North America	+40,000
Overall total	+700,000

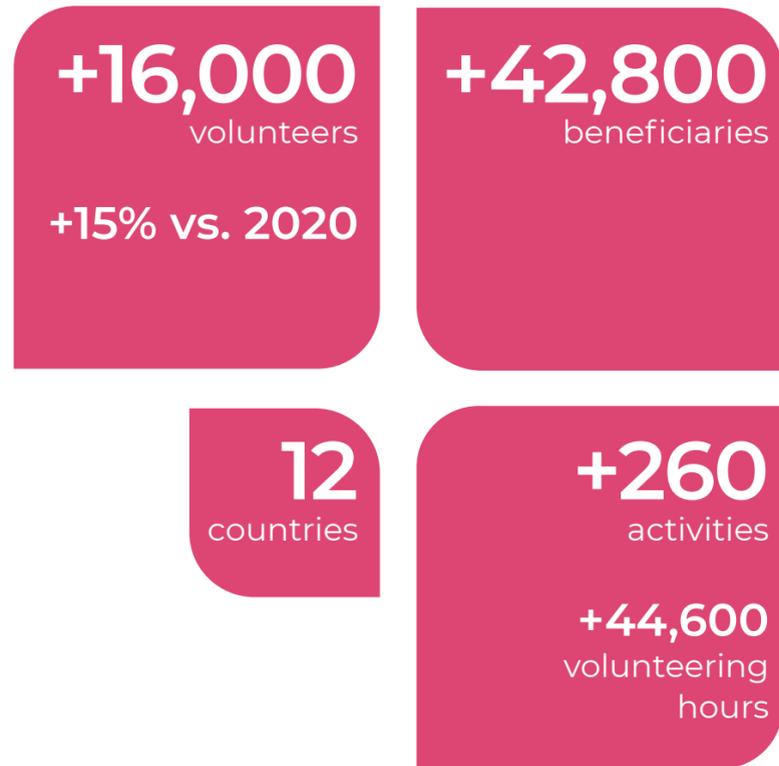
Our impact on the social agenda 2030

- 31% of our programs aligned their actions to foster education.
- 30% promoted wellbeing and the adoption of a healthy life.
- 24% supplied access to green zones and safe, inclusive and accessible public spaces.
- 15% diversified their actions to promote sustainable ecosystem management and in favor of dignified employment and social inclusion.



Volunteering

In response to the challenge of continuing to support our communities despite lockdown and aiming to guarantee a safe atmosphere for everyone, the value generated by our associates was visible in the distance, with initiatives benefiting our associates, customers, educational institutions, NGOs, and the society in general in favor of safety, wellness, physical activity, the environment, and education.



The program offers different alternatives for participating in what we call “seeds” with different forms of involvement:



THE SEEDS OF GENEROSITY

Driving campaigns for financial and in-kind donations

- 40 projects based on campaigns and donations
- 42% volunteers



THE SEEDS OF GOOD ACTIONS

Conducting communities and holding community service events

- 203 projects based on events
- 55% volunteers



THE SEEDS OF WISDOM

Sharing knowledge, developing deliverables, facilitating content, and accompanying communities, civic organizations and society in professional matters

- 7 projects based on skills
- 3% volunteers



THE SEEDS OF ENTREPRENEURSHIP

Leading positive changes, coordinating the realization of social projects that combine the actions of the other seeds to strengthen the social impact

- 13 projects based on leadership
- 1% volunteers

We Are Generous

One way that Bimbo Canada used to show empathy for the most vulnerable countries during the pandemic was by donating 4,200 vaccines to the UNICEF fund #GiveAVax: one for each of its associates. In parallel, the Canadian government matched dollar per dollar donated by Canadian citizens to the UNICEF fund #GiveAVax (up to a maximum of 10 million dollars). In order to add to the efforts of this initiative, Bimbo Canada associates made donations and inspired others to do so, sharing the link in their social media or yammer with the hashtags #GiveAVax Fund, #BimboCanada, #InspireABetterWorld.

For further information:
<https://secure.unicef.ca/page/88163/donate/1>

Performing Good Actions

In keeping with our commitment to common wellbeing, our volunteers joined efforts in different activities in favor of neighboring communities. These include such things as putting together assistance packages, distributing donations, in-person and remote planting of trees, and different tasks for facility improvements.

Likewise, they became promoters of social causes through their participation in fund-raising campaigns and in driving the adoption of sustainable lifestyles.

In addition, Bimbo Latin Centro conducted the #OsitoBox campaign, in which a group of volunteers distributed boxes with educational material and some of our products to children at different NGOs.



**WE INSPIRE A BETTER WORLD
THROUGH THE HELPING HANDS
OF OUR VOLUNTEERS**

Sharing what we know

Through digital media and the use of webinars, talks, and socio-emotional tools, some of our associate volunteers from Bimbo Brazil in conjunction with the *Organización Gerando Falcoes*, trained young people with limited resources on how to access the labor market.

“After the first mentoring session, I saw how useful it is to discuss our professional life history and inspire young people to understand their times and achieve their goals. For us at Bimbo Brazil, being able to participate in a mentorship project becomes, in addition to a good volunteer action, a professional development tool that makes us better people, more empathetic, and better leaders.”

Testimonial:
 Ana Celia Dos Santos Barros
 TAX COORDINATOR



Entrepreneurship

We offer our associates the opportunity to lead the Good Neighbor projects and enrich them with their own ideas. Our project leader from Bimbo Iberia worked closely with Bages Biodiversitat to foster conservation efforts in favor of species at risk of extinction (common owl, Iberian Grey Shrike, the natterjack toad, and the ocellated lizard).

By retrofitting a municipal farm, a suitable habitat was created for spawning species in the area, setting up a pond, nesting structures, planting trees, an irrigation system, and also signs were put up for the neighbors of Manresa along the road in the green areas of the farm, informing on the project and the species benefitted.

Success stories

Escuelas de Lluvia and Manos al Agua

In seeking to mitigate the impact of water shortages in remote communities, we assisted two supplementary programs: *Escuelas de Lluvia* and *Manos al Agua* to set up rainwater catchment systems and hand-washing stations in grade schools throughout Greater Mexico City.

With the support of the NGOs *Agua Capital* and *Isla Urbana* and with the Rainwater Committees comprised by teachers, students and parents who, having received training on caring for water and maintenance of hydro-sanitary systems, a comprehensive plan for the safe return to classroom teaching was implemented.

We also added a reading program with IBBY Mexico to promote information on water conservation and environmental care, thanks to the volunteer work of teachers, associates and parents.



Por el Futuro de Nuestros Bosques

Aware of the importance of conserving our forests due to the great biodiversity they contain, Grupo Bimbo -together with *Fundación Azteca*- conducted the movement *Por el Futuro de Nuestros Bosques*, benefitting the NGO *Reforestamos Mexico* with the purpose of raising awareness and earmarking resources to ensure protect the future of forests in Mexico, and increasing the capabilities and talent of the communities residing within them.

Different channels of the tv broadcasting company *TV Azteca* conducted an aggressive campaign for two weeks, creating strategic alliances with different entities from the private sector such as Grupo Bimbo Volunteering, *Grupo Alen*, *Fundación Lala*, *One Tree Planted*, *Ecosia*, *Fundación Azteca*, among others.

Through the volunteering program, we conducted the first ever Virtual Reforestation which encompassed adopting trees, and achieving \$975,520 in donations, among our 2,752 associates.

1.5 million
liters of water
7 schools
+3,800
students
6 cities

\$975,520
Mexican pesos
donated by
2,752
associates

Good Neighbor Projects

ECOVAL, An opportunity for social and sustainable employment

Bimbo Iberia / EAA

Together with *Fundación Intras*, we supported the labor inclusion of people with mental health issues and the competitiveness of social economy enterprises, through new employment models based on sustainability and a circular economy. The first stage of this project entailed adapting an ecological apple orchard which, to grow Bio crops, transform harvested apples into biological beer. The second stage was the remodeling an ecological products store that *Fundación Intras* has in Valladolid and whose purpose is to sell the items grown in their orchard and to use the funds obtained in favor of the community.



Lenguaje de señas (LESCO) for education centers

Bimbo Costa Rica / Latin America

To drive a fully inclusive education in favor of Costa Rican with hearing impairments, we joined efforts with the *Fundación Yo Puedo, ¿Y Vos?*, and the Children's Museum to offer LESCO teaching (Costa Rican Sign Language) to students, parents and teachers, assisted by a freely-accessed virtual platform with two levels, 20 videos, and teaching material for each class.

Interactive Pollination Garden

Bimbo Mexico

As support for the ecology in Zapopan, Mexico, we helped with the setting up of an irrigation system and interactive signage in the pollination gardens of the Forest found within the protected are of *Nixtocuil-San Sebastián-El Diente* Forest, in synergy with the local government. As a result, visitors may have access to information on pollination, via their mobile devices.

Social Investment Projects

Escuela Bancaria and Comercial Foundation Bimbo Mexico

For over a decade, Grupo Bimbo has collaborated with the EBC Foundation because we are both convinced that education is and should continue being the driving force for economic and social development. Throughout these years, we have assisted with scholarships for talented youth to continue with their professional degrees.

Convinced that we need leaders who shall lead the changes we want to see in society, we strive to support initiatives and projects that encourage young people to lead and become agents for change.



Refloreciendo el Encino Bimbo Mexico

In conjunction with the *Asociación Patrimonio Indígena* and *Fundación Pro Mixteca*, which fosters ongoing support for indigenous communities in our country through sustainable development projects that enhance their quality of life and ensure the cultural wealth of the native communities of Mexico, the project *Refloreciendo el Encino*: food, water and herbal medicine for children and youth was developed. This consisted of providing training in humanities education, agro-technology, hygiene, and nutrition, setting up macro greenhouses for fruits and vegetables, rainwater catchment systems, and a living pharmacy.



VIRTUAL TOURS

Our plant tours are now done virtually via our website.

It is a new way of sharing with the student community and other stakeholders, information about our processes, quality standards, nutrition, healthy lifestyles, balanced diets and actions for environmental care and in favor of our communities.

+7,500
visits at
Feb. 2022



To make a virtual visit:
<https://www.grupobimbo.com/es/nosotros/visita-nuestras-panaderias>

Disasters Bimbo Mexico

In response to a large fire on March 16, 2021, in the states of Coahuila and Nuevo León, we assisted neighboring communities with product donations and conducted the campaign *Va x Nuestros Bosques*, in which more than 380 associates supported the cause with monetary donation which, together with Grupo Bimbo contributions, totaled more than \$400,000 pesos.

These donations were channeled to *Reforestamos* to rehabilitate the affected areas.



EACH ONE OF OUR PROGRAMS REPRESENTS GROWTH AND BENEFITS FOR ALL WHO PARTICIPATE IN THEM

PARTNERS AND SHAREHOLDERS

Positive positioning of the Company's social efforts, aligning with the Strategic Objectives with actions defined by the Social Investment Committee.

ASSOCIATES

They find an opportunity for personal growth to develop skills and become agents for change for their community and the environment.

ASSOCIATE REPRESENTATIVES

This drives the harmonious coexistence of human values and teamwork, impacting skills development and competencies among our associates, and raising awareness of other realities and vulnerable contexts that require the support of all.

EXTERNAL STAKEHOLDERS

Directly, tangibly, and realistically confirming Company actions, it strengthens our ties of trust and cooperation.

COMMUNITY

The quality of their lives are improved through the use of development opportunities and tangible benefits that mitigate collective needs.



Caring For Our People

our commitment:

(CREATING SAFE, AND HEALTHY WORKPLACES

that are also diverse, fair, and inclusive and which encourage a culture of personal and professional development for all Grupo Bimbo associates.





Beyond just being a way to cover a person's daily needs, we believe that work should be a way each individual may feel fulfilled and fully develop his/her professional and personal potential.

Since our founding, Grupo Bimbo has strived to be a Company that contributes to social development, offering sources of employment where each individual is at the heart of everything we do; a place for growth where diversity is the source of wealth of our identity.

We foster a culture that values diversity, talent, the experience, and the opinions of each person or group with which we work in keeping with the values of our Golden Rule: Respect, Fairness, Trust, and Care.

Our Associates

137,543

ASSOCIATES on the payroll



43,562

NEW HIRES

 men
108,543

 women
29,000

 full time
136,559

 part time
984



		Mexico	North America	Latin America	EAA
men		61,877	20,671	16,252	9,743
women		15,532	5,370	4,856	3,242
full time		77,409	25,627	21,099	12,424
part time		0	414	9	561

137,543 ASSOCIATES on the payroll + **16,921** contracted and autonomous associates = **154,464** PEOPLE WORKING FOR GRUPO BIMBO

Work shift data refers to the total for the organization, whereas as gender refers only to internal personnel.

*Further information is found under Attachment 102-8

Percentage of associates per labor category – Se Attachment 401-1 and 405-1

Safety and wellness at work

The safety and wellness of our associates is a priority for Grupo Bimbo. Our Global Safety Policy sets forth that the physical safety of our associates comes before operating efficiency and Company results, understanding safety efforts as an investment and not an expense.

Health and Wellness Management

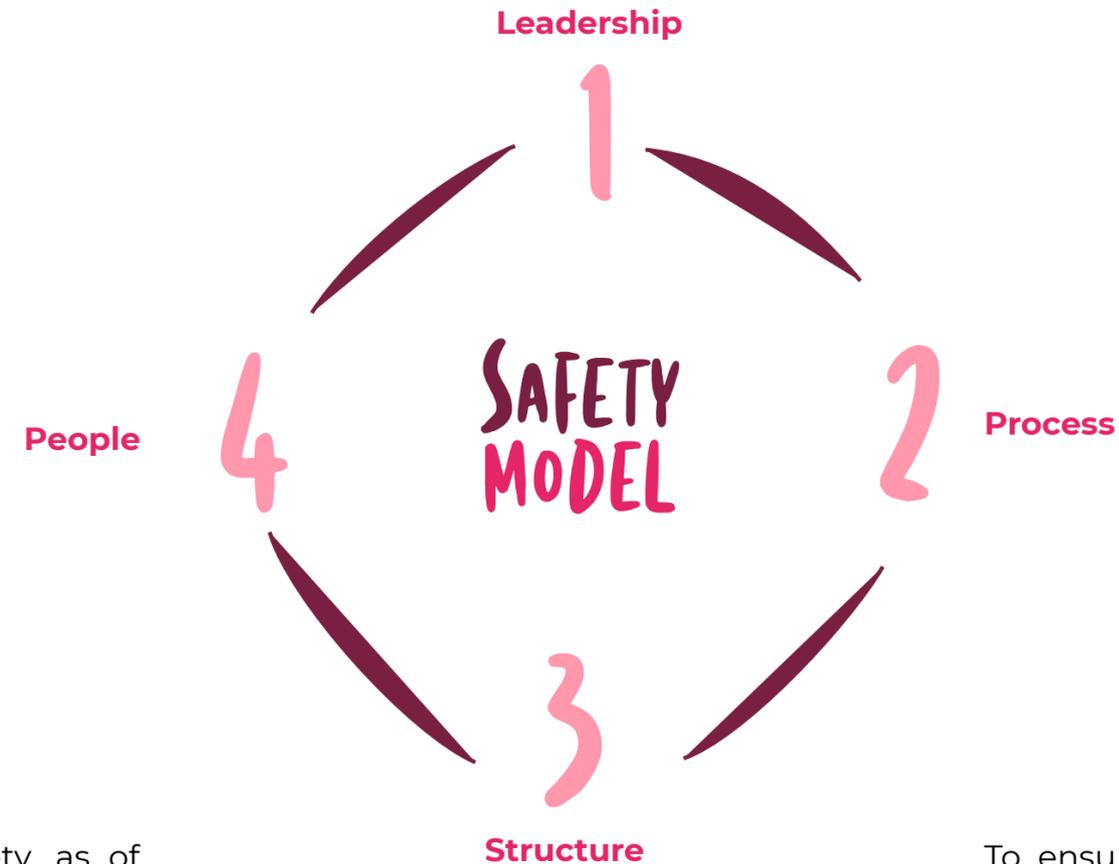
Our commitment to the health and wellness of our associates is based on five pillars through which we strive to create a culture of self-care that enables us to prevent injuries and illness, seeking to have a positive impact on our associates, their families, and the community in general.

Safety Pillars

1. All injuries may be avoided
2. We have the obligation to work safely
3. Everyone is responsible for the safety and wellness of everyone else
4. To be a world class Company, we must have exemplary performance in safety and ongoing improvement in our wellness
5. We are capable of having a work-life balance

To measure our performance in safety, as of 2021 Grupo Bimbo takes the Total Recordable Incident Rate (TRIR), which allows us to broaden our preventive vision by taking into account in the recording and investigation process, any type of injuries, whether disabling or not.

We have a model with four pillars that enable us to manage and align safety actions in all work centers.



**OUR GOAL:
ZERO INJURIES
THROUGHOUT ALL GRUPO BIMBO**



To ensure the proper execution of the safety model, we maintain a structure with committees, sub committees, and safety commissions that operation in all work centers. The primary functions of these teams include:

- Analyzing risks for time detection and prevention
- Monitoring behaviors and correcting unsafe behaviors
- Determining the cause and measures -both corrective and preventive- to apply, in the case incidents, injuries, or incipient fires.

Some of our safety actions include:

Ongoing training

We guarantee that our operations are conducted safely through procedures and ongoing training.

Training activities include:

- Safety Onboarding
- Safety and Wellness Model Management
- Safety Leadership
- Professional Driving

Safety observations

To identify the unsafe behaviors that our associates may commit, all our leaders, especially those who coordinate operations teams, must periodically observe safety actions (safety based on behavior). This also enables them to detect unsafe conditions in the area observed.

The Safety Observations Subcommittee follows up on the results stemming from the observations performed in the work center, and in conjunction with other subcommittees (such

as Incident Investigations, Ongoing Training, or Communication and Recognition) are part of the structure aligned to safety.

Risk Management

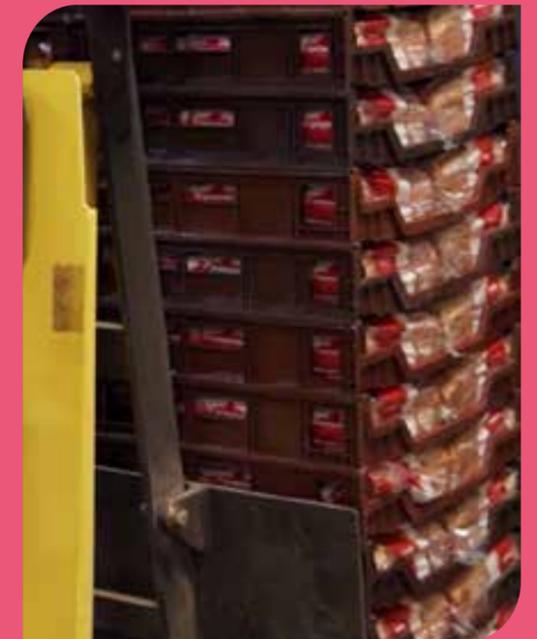
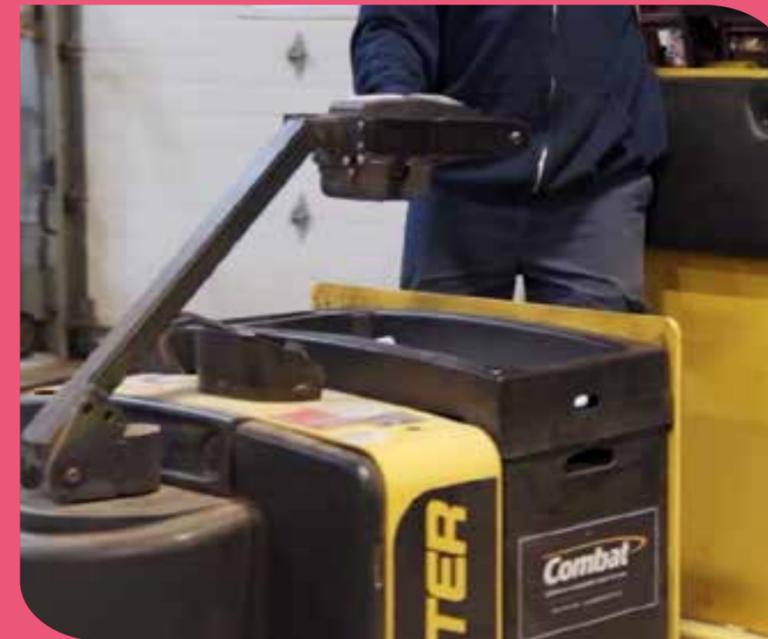
Using administrative methodologies and tools, potential risks with machinery and equipment are identified, evaluated, and eliminated.

This process evaluates subjects such as Training, Area Boundaries, Risk Signage, Safety Devices, and Personal Protective Equipment.

Investigation of incidents and injuries

The purpose is to identify the root cause of incidents or injuries and then implement corrective and preventive measures.

The procedure is applicable to all Grupo Bimbo associates, contractors, and visitors, reporting and investigating all incidents and injuries occurring at the work site.





Sales safety strategy

This strategy is based on the implementation of initiatives regarding ergonomics, wellness, road safety, and personal safety with the purpose of reinforcing safe behaviors among our salespeople, and guaranteeing optimum conditions in our facilities.

Oursafetyleaders,committees,andcommissions are charged with executing this strategy in each sales center, together with the local safety and wellness teams.

Fire prevention

- In all production centers there are specialized teams with people from maintenance, food safety, industrial safety, and operations whose goal is to implement actions aimed at fire prevention.

Health services

Grupo Bimbo has internal medical services available at the majority of our work centers, with open access for our associates in all of them. Likewise, we have work centers having the support of external medical services for personnel care.

Thanks to this structure of healthcare professionals, Grupo Bimbo provides all associates the following services:

- Medical advice from internal physicians and from the People Department
- Talks offered by health institutions
- Periodic medical exams in risk areas or by age
- Preventive or emerging medical advice, among others

Wellness and work-life balance

Grupo Bimbo is committed to fostering initiatives that drive a culture of health, self-care, and work-life balance among all our associates.

This commitment is governed by our Functional Global Wellness Policy and is put into action through Grupo Bimbo's wellness model management.

Any wellness initiative that is implemented must meet the following four criteria:

- Conviction
- Confidentiality
- Flexibility
- Collaboration



Our wellness initiatives include:

- **Proper diets:** Healty Canteens that prioritize nutritional quality, workshops and orientation talks on nutrition, and nutrition tips and advice
- **Physical Activity:** Sports tournaments are organized, athletic facilities existing in our bakeries and other plants, breaks for physical activity, agreements signed with gyms and sports centers
- **Occupational Health:** Physicians on the premises of the majority of our bakeries and other plants, health campaigns and fairs, tele-medicine programs that allow our associates and their families obtain online medical services
- **Work-Life Balance:** Emotional support for associates and members of the immediate family, training in control and prevention of psychosocial risks, campaigns focusing on adopting healthy habits

Progress made in these initiatives is measured by the Wellness Observatory, through which we monitor indicators and statistics that enable decision making and align wellness strategies for our associates.

Diversity, Equity and Belonging (DE&B)

At Grupo Bimbo, our people are first and therefore we follow a culture of respect, in keeping with what we believe, think, say, and do. Aware that diversity in gender, culture, ethnicity, education, religion, sexual preference, and personal interests all provide uniqueness and a sense of belonging to the individual, we appreciate the variety in talent, attitudes, and ideas.

Since 2014 we began a cultural transformation towards diversity and inclusion, with everyone participating in said transformation. By redefining our strategy, we incorporated the concepts of equality and belonging, striving to provide equal access to opportunities so our associates may be who they really are at work, and be valued for the same.

Our concepts:

- 1 DIVERSITY**
Features that make us different, unique, and irreplicable.
- 2 EQUITY**
Leveling the playing field for all, taking into account everyone's needs.
- 3 INCLUSION**
A mindset we have regarding the diversity that surrounds us.
- 4 A SENSE OF BELONGING**
Allowing us to be who we are at work.

Diversity, Equity and Belonging

We acknowledge the dimensions of diversity on which our actions focus to achieve a company of equality.

<p>Gender Fighting against stereotypes which socially and culturally have been associated with men and women</p>	<p>People with disabilities An atmosphere of opportunities and involvement for people with any physical, mental, intellectual, or sensory disabilities</p>	<p>Generational Exchanging knowledge, ideas, and experiences among the generations allows for our development and transcends time</p>
<p>Sexual diversity Having an inclusive workplace for all, despite their sexual orientation or gender identity</p>	<p>Interculturality Personal, social, and professional enrichment driven by the interaction among people with differing cultures, religious beliefs, and customs</p>	<p>Race / Ethnicity Geographic, ethnic, and racial representation allows us to value diversity</p>

Diversity, Equity & Belonging Strategy

We created the global office for Organizational Culture, Diversity, Equity and Belonging with the purpose of accelerating its impact and implementing the strategy, based on three pillars with their own initiatives and programs:

Talent Management

Initiatives and programs focusing on the journey of a career, allowing us to create, establish, and implement practices that ensure representation, equality, and inclusion for all our associates:

- Talent attraction
- Online course: inclusive interviewing
- Diversity and inclusion seminar
- Guidelines for diverse candidates
- Leadership circles
- Course on unconscious biases

External Presence or Market

Investing in relations that create significant connections and allow for positive contributions to the market and to the communities we serve.

- Certifications
- External forums
- External communication
- Marketing campaigns
- School visits
- Good Neighbor program
- Work with UN WOMEN

Associate Experience

With actions we reiterate our commitment to building the best place to work and make a positive difference in our surroundings by being agents for change and by creating a better company. We aspire to having 100% of our work centers become visible promoters of respectful relations, developing diverse talent, equality on the job, and a culture of belonging.

- Policy on the prevention of harassment and discrimination
- Local policies for maternity and paternity
- Global Policy on Diversity and Inclusion
- Commemoration's
- Global Month for diversity, equity and belonging
- Central Committee on diversity, equity and belonging, and local subcommittees
- Local policies on flextime



How do we manage?

Action plans are implemented according to local needs and therefore we assign a specialist to each locality and we have a Committee on diversity, equity and belonging in charge of following up on these actions to continue creating a culture of inclusion and belonging, who in turn report to the Central Committee on diversity, equity and belonging.

We have global and local guidelines and policies to sustain and promote our culture of inclusion. We strive to adapt in an agile and timely manner to the needs around us, by updating our regulatory framework.

POLICIES AND REGULATIONS THAT SUPPORT OUR CULTURE OF INCLUSION:



CODE OF ETHICS



GLOBAL POLICY ON DIVERSITY AND INCLUSION



GLOBAL POLICY ON THE PREVENTION OF HARASSMENT AND DISCRIMINATION



GLOBAL POLICY ON SPEAK UP



A BOT LOOKING FOR TALENT



Using your cell phone and finding job opportunities to join our global community at Grupo Bimbo has never been easier. APLI is the beginning of our fully digital candidate-selection process.

- Watch our institutional video
- Filter by location and vacant position
- Apply for the position of your interest
- Answer an online interview
- Wait to be contacted

Global and local programs



Talent Management

Inclusive Interviewing

Our goal is to increase the diversity of our workforce through conscious inclusion of position candidates that pertain to groups least represented. To follow up on this process, we produce bimonthly reports using the following tools:

- Guidelines on candidate diversity
- Publishing vacant positions in diverse recruiting sources
- Course on diverse interviewing



Diversity and Inclusion

Seminar on Diversity and Inclusion

The program aim is to raise awareness among our leaders on the importance of having diverse work teams, and helping them to overcome their biases. It consists of four modules that cover subjects such as the dimensions of diversity, stereotypes, biases, and tolerance scales, through a reflexive methodology that includes practical exercises.

We currently have 150 facilitators throughout the world. The Global DEI office oversees this seminar and provides in-person certification of the program-facilitator team.

Global Diversity and Inclusion Month

November is the month we celebrate diversity and inclusion in all organizations by holding different activities on respect for individuality and human rights, inviting everyone to value the uniqueness of each person.



Associate Experience

Leadership Circles: Developing female talent in leadership positions

A mentoring and accompaniment program for women, based on Sheryl Sandberg's Lean In methodology for developing skills and training through interdisciplinary groups that drive women to achieve their professional goals.



External Presence

In keeping with the principles of UN WOMEN for the empowerment of women in companies, we contribute to making visible those actions that transform economies and realize structural changes in benefit of women and gender equality.

Success stories

Mexico

We opened our first learning and care center for the sons and daughters of our associates.

Brazil

Inclusive incorporation for people with disabilities and awareness training has taken place.

Affinity groups were created with associates from all levels and dimensions of diversity (people with disabilities, LGBT+, gender). This opportunity allows for people with common interests to build a more favorable and open atmosphere and to receive and include diversity autonomously.

Awards and recognitions

Thanks to different actions in varied fields, we reiterate our commitment to build a better place to work and, by extension, a better planet. By being agents for change, we strive to make a positive difference in our surroundings and therefore have received different recognitions under different headings:

- Best practices in inclusion of people with disabilities
- Great Place to Work
- Corporate Social Responsibility
- Ethical and Honest Company
- Inclusion-friendly Company
- Company committed to young talent

Mexico

We received the Orange Award for Equality in Companies, for the inclusion of women in work centers.

USA

The recognition of Corporate Service of 100 Black Men of the Bay Area: Support provided to fund rent during the pandemic and also for university scholarships for young people.

Canada

We received the award Impact 2021: Diversity, Equity and Inclusion Canadian Grocer recognizes food retail companies and CPG, which has a positive impact and for actions to make the world a better place.

Chile

We obtained the recognition for Committed Company with Young Talent Certification by anonymous cv.

Uruguay

We obtained the Uruguay Valora Seal, a people management initiative awarded each year to public and private institutions who perform concrete and visible actions.

Paraguay

The seal for Inclusion-Friendly Company was awarded for assuming the commitment and initiating a transformation process towards inclusion.

Training and Development

Our ongoing training programs focus on institutional themes and specialized content in keeping with our different associate profiles. To accomplish this, we are assisted by GB University, our internal instruction platform promoted by development managers and leaders in each organization.

With this in mind and with the purpose of reconfirming our commitment to drive associate development, we disseminate and follow up on online courses, in-person and virtual training, and the annual training plan through Development leaders and our Tactical-Operational Committee.

To manage and evaluate the efficiency of these efforts, we have established based on objectives priorities. Progress is measured and an overall status of the accomplishment of the Organizations is received, thus allowing us to intervene on time with the necessary reinforcement of training subjects and ensure goals are accomplished.



	TOTAL HOURS		ASSOCIATES	
	♂	♀	♂	♀
MANAGERS AND EXECUTIVES	71,813	142,359	1,302	3,094
SUPERVISORS	184,018	493,196	2,999	10,028
ADMINISTRATION AND OPERATIONS	485,951	1,324,973	24,310	90,501

Associates from India are not considered because by 2021 there were no records of them in GB Talent.

Bimbo QSR operative level associates are not considered because they are not registered in GB Talent.

All our efforts are reflected in our investments in the number of associate training hours, which is the result of work done by the global and local development teams.

This indicator exemplifies the effectiveness of the area, and it is data that positions us on the market as a Company that is concerned with the personal and professional development of its people.



FIRST VIRTUAL GLOBAL HACKATHON

Using digital collaboration tools, this year we launched a global challenge to innovate and solve specific issues with one of our primary types of production lines. Creativity and teamwork produced important proposals that will be perfected and used in the different geographies where we are present.

3
weeks

7
countries

+70
creative associates

+200
hours of work

Associate development programs

Grupo Bimbo Leadership Seminar

The objective of this program is to teach our Manger level associates the type of leadership needed by the Company, our Philosophy, and our Culture so they may in turn convey to their teams during day-to-day activities.

This year we trained 2,940 associates, 26.4% more than in 2020.

Conscientious Leadership

An online global program for Directors and Executives, which focuses on human development and economic growth through good leadership practices.

By the end of 2021, there were 58 Directors and Executives directly trained, globally, (46% were women) and 641 associates received indirect training, by cascading down the information.

Leadership Circles

By late 2021, 104 mentees received training through Executive mentors (40% women).

Other programs

 Automation system for People administrative processes	 Diagnosis project for Grupo Bimbo culture	 Grupo Bimbo Leadership Seminar	 Conscientious leadership
 Onboarding	 Position Onboarding	 Manual for Professional Driver	 Risky work
 Risk management	 Safety Basics	 Safety Leaders in Sales	 Wellness School
 Efforts to attract and retain talent	 Genesis - Full Potential	 Fire Prevention	 Executive Leadership Development Program

Talent Assessment

Talent management is fundamental to a competitive and globalized market. Grupo Bimbo strives to make this a differentiating element and a competitive advantage that characterizes the Company.

To identify and develop Talent, each year we conduct an assessment process, the goal of which is to measure associate performance, their strengths and areas of opportunity to fairly compensate them for professional growth.

98,133
associates
evaluated



72%



74%

Compensation

In our aim to always keep rewards in effect and competitive, our Total Rewards model is based on four pillars:



To determine the proper compensation for each associate, different criteria are taken into account: the position, responsibilities, experience, education level, and skills required for the position. Likewise, associate performance is evaluated considering established goals, and financial results for the Company, both local and global.

Total annual rewards for women vs men*

COUNTRY	ORGANIZATION	ADMINISTRATIVE PERSONNEL		DIRECTORS AND EXECUTIVES
		PERSONNEL	SUPERVISORS	
Chile	Latin Sur	0.9	1.0	1.0
Brazil	Bimbo Brazil	1.0	1.2	1.0
Canada	Bimbo Canada	0.9	0.9	0.9
USA	BBU	0.8	1.0	1.0
Mexico	Bimbo Mexico	0.8	1.0	0.7
Colombia	Latin Centro	1.1	1.0	0.9

Grupo Bimbo’s endeavours to equalize the salaries and compensation received by our associates, regardless of their gender.

Promotion criteria stems from professional growth and accomplishing goals, convinced that equal opportunities must be offered to all.

Increases in annual total compensation throughout an entire year

COUNTRY	ORGANIZATION	RATIO OF PERCENTAGE INCREASE IN TOTAL ANNUAL COMPENSATION*
Chile	Latin Sur	1.0
Brazil	Bimbo Brazil	1.0
Canada	Bimbo Canada	1.6
USA	BBU	1.6
Mexico	Bimbo Mexico	1.2
Colombia	Latin Centro	1.0

*Ratio of increase percentage in total annual compensation for associates with the highest income in each operating country with significant operations vs. the mean percentage increase in total annual compensation for the remainder of the associates (not including the associate with the highest income).

The number of times that the associate with the highest income had an increase in percentage of total annual compensation vs. the mean percentage of total annual compensation for the remainder of the associates. Criteria used: The effective date for base salary is December 2021.

Information presented is regarding the 7 countries with the most significant operation in terms of sales amount for 2020 and the number of non-operations associates.

Considered in the calculation: Full-time non-operations associates, excluding part time, specific project and international assignee associates; associates filling regional positions in the countries considered; and those associates excluded from annual increases due to having been promoted, or because they are newly hired.

Benefits

According to our Policy on Compensation, we have designed a plan for our associates that is currently kept in force and competitive. In addition, supervision ensures that employment, hiring and benefit conditions offered by our suppliers contain benefits similar to those of our Company.

BENEFITSS FOR FULLTIME ASSOCIATES NOT GIVEN TO EITHER PART TIME OR TEMPORARY ASSOCIATES

	FULL TIME	PART TIME	TEMPORARY
Actions (Stock Options), levels: 1st executive and directors Brazil, Canada, China, Iberia, LAC, LAS, Mexico, UK, USA.			
Stock Options, Levels: Executive 1 and VPs China, Colombia, Guatemala, Honduras, Iberia (Spain and Portugal), LAS, Mexico, Nicaragua, Ecuador, Panama, UK, USA, Brazil, El Salvador, Costa Rica, Morocco, Italy, Bimbo QSR Asia			
Maternity or Paternity Leave Mexico, Canada, Iberia, (Portugal and Spain), LAS, LAC, UK, USA, Brazil, China, Morocco, Bimbo QSR EMEA, Bimbo QSR Asia. Offered to part time associates only in: Iberia (Portugal and Spain), UK, USA, Canada, Russia, France, Italy, Ukraine, Turkey, Kazakhstan, Morocco			
Annual Performance Bonus Brazil, Canada, China (except staff level), Iberia, LAC (except staff level in Ecuador), Mexico, UK, USA. LAS (except Paraguay), Morocco, Bimbo QSR EMEA; Bimbo QSR Asia. Offered to Part Time associates only in: France, Italy, Ukraine Offered to Temporary associates only in: Ukraine			
Medical Check-Ups, at least to Sr. Management Levels Mexico, UK, LAC, Brazil, Bimbo QSR EMEA, Bimbo QSR China, China, Spain LAS (only Argentina, Chile, Paraguay, Uruguay) Offered to Temporary and Part Time associates only in: Ukraine			
Disability or invalidity Coverage Brazil, Canada, Iberia (Portugal and Spain), Mexico, UK, USA, LAS, LAC, Morocco, France South Africa, Turkey, Bimbo QSR Asia Offered to Part Time associates after having completed 1 year of seniority in the Company in: USA Offered to Temporary associates only in: Iberia (Portugal and Spain), France, Morocco			
Life Insurance Argentina, Brazil, Canada, Chile, Iberia (Portugal and Spain), LAC, Mexico, Peru, UK, USA, Morocco, France, South Africa, Turkey, QSR Asia, Italy Offered to Part Time associates only in: Turkey, France, USA, (after 1 year of seniority), Morocco, UK Offered to Temporary associates only in: El Salvador, Honduras, Brazil, Canada, Turkey, Morocco			
Major Medical Insurance Offered to all levels: Argentina (except operator level), Brazil, Chile, Ecuador, Morocco, Bimbo QSR EMEA (except South Africa and Russia) Offered to middle management and above: Canada, China, Colombia, Costa Rica, Honduras, El Salvador, Guatemala, Iberia (Portugal and Spain), Mexico, Nicaragua, Peru, Uruguay, UK, USA Offered to supervisory level and above: Panama, UK, Russia Offered to operator and supervisory levels: Guatemala (contributive) Offered to Part Time associates only in: UK, France, Italy, Turkey, Ukraine, Morocco, and US (after 1 year of seniority) Offered to Temporary associates only in: UK, Turkey, Ukraine, Morocco			

Shown are only those benefits offered in more than 40% of the countries where Grupo Bimbo operates, and to at least one hierarchical level (the benefit "retirement provisions" is not offered in over 40% of countries where Grupo Bimbo operates).
 LAC: includes Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Venezuela
 LAS: includes Argentina, Chile, Peru, Uruguay, Paraguay
 Iberia: includes Portugal and Spain
 Bimbo QSR EMEA: Russia, France, Italy, Ukraine, South Africa, Turkey, Kazakhstan
 QSR Asia: China and South Korea



GRUPO BIMBO IS AGAINST ANY FORCED LABOR AND WE ENSURE THAT NONE OF OUR ASSOCIATES ARE MINORS



Child Labor

Grupo Bimbo has defined policies that forbid the hiring of child labor in any of its operations, as pursuant to the Policy on Personnel Relations, in addition to that set forth in our Code of Ethics.

Top guarantee compliance with this precept, the corresponding official documentation is requested during the recruitment process, ensuring proof of age for the candidates. In some countries, said information is in fact validated by government agencies or public health institutions. In the case of youth having the legal age for employment, we comply with all criteria set forth by the legislation in force in each country.

Another review mechanism includes periodic inspections in which a corporate functional body or a regional office conducts sporadic visits to verify that processes are followed as per local legislation and internal policies of the Company.

To date, no cases of non-compliance, or which constitute a considerable risk have been reported.

Forced or Mandatory Labor

Pursuant to that expressed in our Code of Ethics, at Grupo Bimbo we categorically reject any manner of forced labor. In order to put this provision into effect, we have the Speak-Up hotline to report any corresponding case or anomaly. At the time of preparing this report, less than 1.5% of complaints related to uncompensated overtime were detected, however, they were investigated and resolved for the entire period claimed. This does not represent material risk regarding forced labor.

To prevent them, the use of voluntarily signing individual work agreements is reported. On the other hand, the USA and Canada reported having criteria within their Collective Bargaining Agreements regarding overtime.

In some business units, the practice of overtime is common; however, it is acceptable on a voluntary basis and in joint agreement between the Company and the associate, with pay pursuant to local legislation in force. For our QSR operations, our primary customers conduct independent audits to verify there is no forced or child labor taking place anywhere in our production chain, among other issues.

Success stories

Hybrid working model

New generations in a new world. This is how Grupo Bimbo has read the new environment for several years now, where new generations make more efficient use of technology and use it as a tool for increased access to information and flexibility.

It is the reason why companies have been working for several years on implementing more robust and functional technological infrastructures that allow for collaboration among teams in 33 countries where we are currently present. Efforts undertaken since early 2020 were compelled to increasing robustness and proving efficiency with the outbreak of the COVID 19 pandemic. Thanks to these technology update efforts, staff associates seamlessly continued their activities from their homes, ensuring physical isolation but with virtual collaboration. Meanwhile, our operation associates received the equipment and safety and health conditions needed to protect their wellbeing and shield them from contagion.}

When needing to face a complicated and high-risk situation, the world as we knew it changed, in addition to how we coexisted and interacted. It was time to double our efforts, become creative,

and demonstrate interpersonal commitment to adapting to this new reality. Grupo Bimbo's associates rose to the challenges.

Production line and sales associates worked together to ensure the timely supply of our products and make them available to our consumers, despite any challenges posed in acquiring the needed raw materials. Work was challenging, but the team proved untiring and determined, recovering regular supply of products in little time. This ensured that all families in the countries where we operate could remain at ease, having the delicious and nutritious products for all their consumption occasions.

SOME OF THE PRINCIPLES DETECTED DURING THE HEALTH CONTINGENCY:

- 1 Our focus is on achieving results everywhere: in the field, in the office, or at home.
- 2 Aligning with the team the best work method for everyone. We provide each one the conditions and resources needed to achieve their results.
- 3 Spaces were found and created to be able to connect with our people and form teams. We respected work-life balance for everyone.
- 4 We are where our consumers are to identify and understand their needs. We are close to our operations because we know that our leadership adds value to our processes.
- 5 We are open to continue evolving how we work at Grupo Bimbo.

Success stories

Comprehensive support plan for the hybrid working model

Grupo Bimbo culture centers on the health and wellness of our associates. Although it became necessary to eliminate moments of close coexistence, recreation and healthcare activities had to continue. Therefore, we came up with a comprehensive support plan, allowing our associates to remain in the best physical and emotional conditions.

On days of celebration we shared family-oriented activities that contribute to unity, entertainment, and healthy coexistence.

Although spaces were restricted, continuing with physical activity was paramount to good health. Therefore, physical activity challenges were posed for families to practice.

With the new way of working, we have proven that we are productive from either the office or home. Regardless of where we are, we are highly committed and we therefore produce results. Consequently, the hybrid model for working was approved.

Our facilities were retrofitted and equipped to ensure COVID-19 symptoms and contagion could be detected.

Our associated were provided services that enabled them to get vaccinated.

We also ensured that access to healthcare were possible with discount or subsidized programs and with useful information.





Towards
Zero
Waste



Convert into
Regenerative
Agriculture



Net Zero
Carbon
Emissions



BAKED FOR NATURE



Towards Zero Waste

our commitment:

PROMOTING A CIRCULAR ECONOMY AND REDUCING WASTE

throughout our value chain with sustainable packaging, efficient operations, and food and water waste reduction.





Waste reduction can be a means for organizations to achieve environmental, social and economic objectives, suggesting a change in production and consumption models to embrace this challenge throughout the world. We are committed to a circular economy and to reducing waste throughout the entire value chain, by means of 3 material subjects that are priorities for Grupo Bimbo: Packaging, Food Waste, and Water.

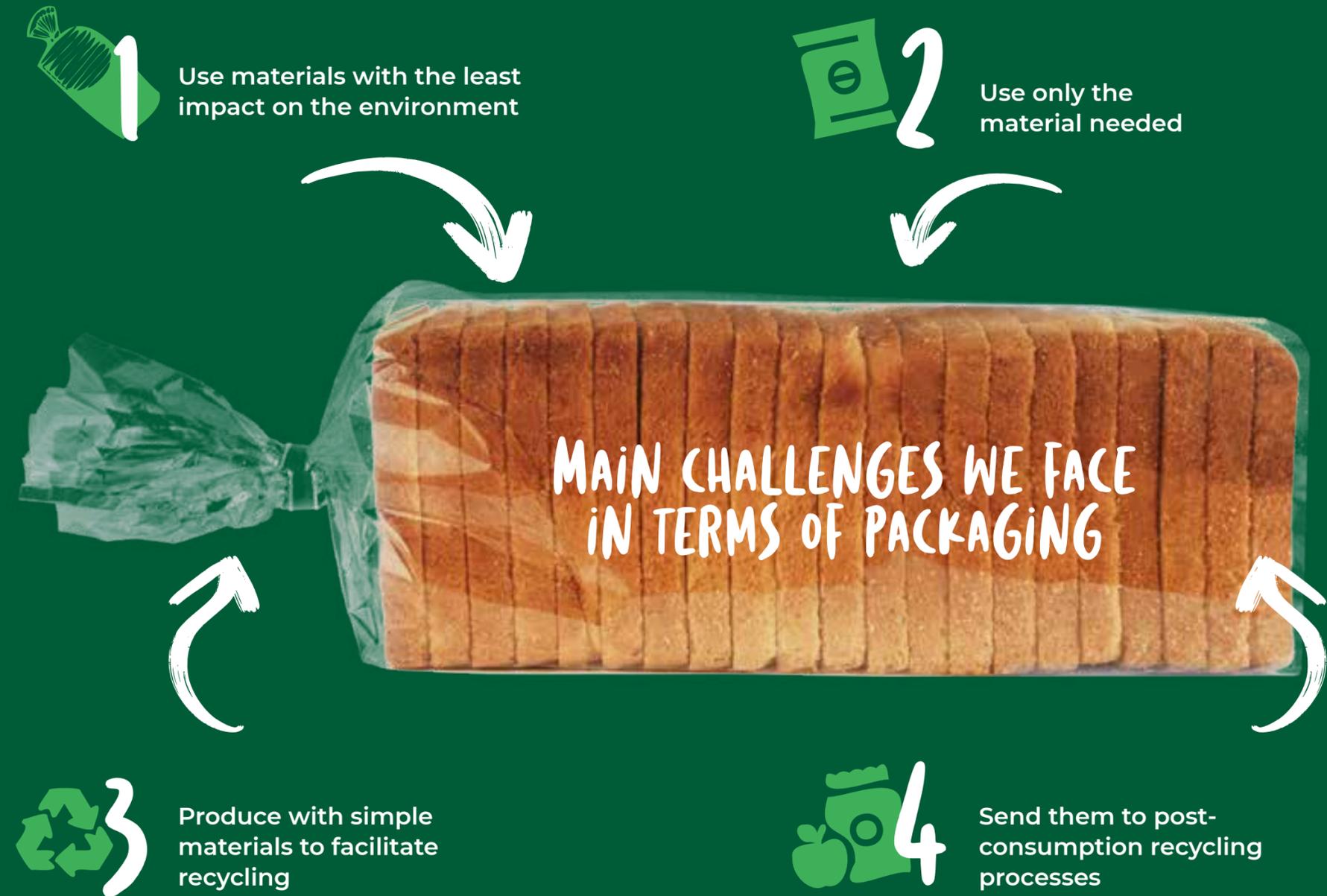
Sustainable packaging

Our packaging is essential to maintain our products with food quality and safety in the best possible conditions as required for our consumers, and to avoid food waste throughout the value chain.

With this in mind, we have projects aimed at improving packaging quality while also using the materials needed to ensure the properties required for product protection, also ensure that these materials can be easily recycled and the existence of necessary mechanisms and alliances in the countries where we operate, with the purpose of being able to achieve post-consumption recycling at the end of the useful life.

Therefore, our goal for 2030 is to have 100% of our packaging supporting a circular economy.

As a result of this commitment, we work with the Consumer Goods Forum in the plastics coalition, where, with other manufacturing and commercial companies, topics on the impact of the use of plastics are defined regarding the impact of the use of plastics, such as its design and the circular economy-related principles.



Our path towards zero waste

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

90%
of our packaging
are recyclable in
2021



Material optimization

Those that do not perform a function to protect the product, preserve the shelf life and/or quality.

Non-recyclable materials



Biodegradable

Use additives in polyethylene and polypropylene packaging in countries with less infrastructure for waste management and with greater risk of leaks to the atmosphere. These materials comply with ASTM 6954 standards and local regulations.

Compostable

Limiting the use of fossil-based plastic resin. The compostable materials we use comply with ASTM 6400 or EN 13432 standards and legal requirements established by local areas.

Renewable

Use of renewable-sourced packaging materials such as paper or non-food bioplastic.



Materials with recycled content

Recycled paper and plastic to limit the production of new material in the market, and to promote a circular economy.

Reusable packages

Implementation of packaging forms that can be reused.

A PACKAGING REDUCTION

Our progress

- Throughout this year Brazil reduced its Bisnaginhas packaging weight by 17%.
- Mexico eliminated the use of internal wrapping for its Oroweat bread; plastic straws were eliminated from Nito and Gansit milk drinks, Ricolino reduced multi-packaging weigh by 33% in their products.
- The USA reduced bag weights for private label bread by 7%.
- Spain reduced bag weights by 14% for its white bread.
- In the UK, bagel bag weights were reduced by 10%

-4.8
million kilos of plastic eliminated since 2010

-1.2
million kilos less used in 2021



B PACKAGING TECHNOLOGY

We did a first exercise in Brazil changing the material for the bag ties to recyclables ones.

We worked with our community of experts, where, packaging subject-matter leaders, share best practices and project progress.

Through quantitative and qualitative KPIs every quarter is evaluated the progress and it is accountable to the Global Sustainability Committe and the Steering committee.

Materials by weight and volume (metric tons)

149,263
renewable

81,436
non-renewable

230,699
total

72,322
recyclable

30,290
bio-degradable

12
compostable



**CIRCULAR
ECONOMY AND
POST_CONSUMPTION**

By 2030 our goal is to guarantee that 100% of our packaging supports a circular economy and so we are fostering recycling projects. Spain launched the first bag for Oroweat Bread and Artesano Bread with 30% post-consumption recycled material.

We continue working in collaborative alliances to drive and promote post-consumption recycling in those countries where we are present.

Spain and Portugal

We worked with Ecoembes and Ponto Verde, conducting recycling process with civic participation; in recent years we have accomplished positive results of 32% and 8%, respectively.

Brazil

We collaborated on the program DE A MÃO PARA O FUTURO (Together for the Future), which was able to recover 22% of all packaging placed on the market from participating companies, equaling over 655 tons recovered and sent to recycling from 2013 to 2020.



**BIMBO VENTURES
ACCELERATOR**

Solutions for driving a circular economy, the development of novel materials, or models for reuse were evaluated. We worked with over 40 startups from 10 countries.

Thanks to the IDB (Interamerican Development Bank) and to Masschallenge for their support in performing this evaluation and driving talent.

**6 companies pre-selected
3 pilot programs**

Latin Centro

In collaboration with the ANDI industrial chamber, 174 tons were recovered jointly with the member companies, the first year in which a plan of this type for multi-material handling was accomplished.

Latin Sur

Our Uruguay associates created eco bricks with the plastic collected in their homes, as well as from operation waste. This was possible thanks to the EcoLadrillos organization.

Mexico

In unison with ECOCE and other companies, we continue promoting a material handling plan that was able to collect 12,313 tons in addition to the 4,400 tons already collected in 2020.

After several years of testing, also in alliance with ECOCE and with our supplier, Fredher, we achieved the first exercise in circular economy principles, creating plastic pallets made of recycled material: 20% post-consumption plastic wrappers, and the remaining 80% from other recovered hard plastic.



+47,000
pallets made with post-consumption recycled materials purchased in Mexico in 2021



In Uruguay, the eco bricks are donated to a center that receive 120 children, to build a playhouse

Canada

We joined Canada Plastics Pact to recycle over 170 tons of plastic from our packaging.

100% of paper and cardboard comes from certified Sustainable sources.

Likewise, we worked on jointly recovering post-consumption packaging with Stewardship, in Ontario, Quebec, Manitoba, Saskatchewan, and British Colombia.

United States

With our ally, Terracycle, we were able to recover 3.55 tons of post-consumption plastic from our Little Bites products, as well as 1.85 tons of bread bags.

December 2021 marked our greatest month in collection drives since the beginning of the program, recovering 41,134 packages.

Waste



Grupo Bimbo guidelines establish that all organizations must ensure proper waste management, which encompasses processes for collection, transportation, disposed, and treating waste to be given alternative reuse, or to be eliminated.

The waste we produce come primarily from raw materials, processing, packaging (primary and secondary), maintenance (machinery and vehicles), cleanup, restrooms, and cafeterias.

Our commitment is to divert 100% of our waste from landfill, prioritizing reuse and recycling.

57
bakeries and other plants with zero waste sent to sanitary landfills

90%
recycling in 2021

INTEGRATED WASTE MANAGEMENT (TONS)

	2017	2018	2019	2020	2021
Recyclables	271,861	326,906	291,534	332,586	385,736
Non-recyclables	21,414	43,896	18,209	16,552	30,595
Special handling	9,289	10,618	9,506	7,596	13,081*
Hazardous waste	486	549	356	1,051	1,093**
Total waste	303,050	381,969	319,605	357,785	430,506

*The increase in the category of Special Handling is mainly due to the improvement in the measurement process and increased generation; Regarding the category of Sludge from Treatment Plant and Grease Traps, the increase is due to the technological improvement in treatment plants to increase reuse, aligned with the 2025 objective of 100% of the volume of treated water, as per the 2025 objective of 100% of treated water volume.

**Accounting of hazardous waste production in Mexico corresponds only to hazardous waste directly produced by manufacturing processes.

Our Accomplishments

Mexico y Latin Sur

Identifying and changing of packages due to bulk handling of some of our raw materials. Up to 2021, we have refrained from producing 290 tons of waste, reducing the use of plastic.

Latin Center

An area was set aside in the raw materials warehouse to conduct reverse logistics with our suppliers, reducing monthly waste by 3 tons.

Visual guides implemented for collection center containers to facilitate waste separation and increase recycling.

Italy

Substituting industrial and broken pallets with rebuilt ones, thereby saving on 713 pallets, which is equivalent to 13,119 kilos of plastic saved.

Barcel y Ricolino

Repairing wooden pallets with planks from deteriorated pallets, thus avoiding the waste of 8,452 tons of wood in 2021.

Mexico

A pilot project implementation to reuse cardboard boxes in the Barcel Lerma plant, and therefore in 2021 we were able to recover 720.07 tons of cardboard and give it a second use.

Food Waste

Being a food company, our commitment is to avoid waste as much as possible and ensure sustainable destinations.

Global production of food is enough to nourish all of the earth's inhabitants. Unfortunately, access to food is not equal, either due to food waste or climate effects.

This problem is taken into consideration in our projects, aiming to reduce food waste by 50%.

Aware as we are of this, we have undertaken actions geared to preventing this problem and we focus on two lines of action.

Our path to zero waste



Reducing food waste from the origin: all those ingredients or products not destined to consumption.



Ensuring a sustainable destination for waste if recovery is not possible after consuming: disposal for animal feed or for composting.



**REDUCING
FOOD WASTE
PRODUCED**

We will continue driving our WoW (War on Waste) initiative, which has 5 pillars.

86%
Progress in
WOW initiative



Waste Committee / returns

This is the basis for identifying areas of opportunity through root-cause analysis.

Back to basics

Encouraging staff area to facilitate the work of its associates.

A culture of How Can I Be of Assistance?

Encourages staff area to facilitate work for operations associates so they may concentrate on achieving quality requirements and objectives.

Sales and Operations Planning

Aligning value chain with market demand.

The path to reliability

Ensuring proper operability of machinery and equipment to maintain optimum levels of reliability and profitability.

An increase of 6.7% at Grupo Bimbo level vs baseline for 2020, regarding absolute waste produced, including Company growth.

In addition to WoW, in all operations we continue working on identifying enhancements that impact global KPI.

Worthy of mention are the business units that achieved reductions.

Latin Centro – Enhancements to decoration and flour application processes

Mexico – Collectors for crumbs produced during handling and slicing.

Learning Communities

Food waste is one of the topics discussed in the Green Logistics community, sharing learnings and best practices.

Furthermore, each month, Global Sales shares Revista Verde with important information on the progress of sustainability projects and food waste in returns.

-20.4%
Brazil
-5.9%
LAS
-1%
BBU



Sustainable Destinations

Aware of the responsibility we have to reduce food waste, at Bimbo we have the practice of making donations to food banks in the US and Latin America.

In turn, we send 94% of the food waste generated for animal consumption, compost or destinations approved by the different international protocols; Therefore, during 2021, Grupo Bimbo sent only a total of 9,518 tons of waste to the landfill.

Alliances

Grupo Bimbo has entered into collaborative alliances with different organizations, such as:

Pacto por la Comida

Mexico

The first voluntary pact among companies in Latin America driven by the BAMX (Mexican Food Bank) and WRAP (Waste Resources Action Program) that contributes to the sustainable development initiative -Zero Hunger- and to Responsible Production and Consumption.

#SinDesperdicio

Latin America and the Caribbean

A platform headed by the IDB that seeks innovation initiatives, public policies, and enhanced communication and training on food loss and waste.

Food Waste Action Coalition

An initiative launched by the CGF (Consumer Goods Forum) aimed at accelerating sustainable change and reducing food loss in supply chains throughout the world.

Too good to go

Europe

One of the Waste Warrior brands that joins forces with others to implement actions combating food loss and waste.

Water

Life on earth exists thanks to the presence of water, which helps regulate climates, is a source of oxygen, a means for transporting nutrients all over the planet to be used by all organisms, and, obviously, is essential to agriculture.

We approach the subject of water in two major blocks: what we use in operations and comes from different sources such as wells, municipalities, rain water pipes; and what we use for agriculture, which can be observed in regenerative farming practices.

The primary use of water in our operations takes places during cleaning processes and, therefore, optimization is vital to achieving our water saving goals.

We look for alternative water-use technologies and to improve treatment and reuse in discharges.

In 2020, new reduction goals were established, taking into account a methodology known as context-based goals (WRI Aqueduct) in which water stress is analyzed in the geography where our sites are located.

Our goal is to achieve 20% reduction, by 2030.

+5.5%
increase in
water reuse
vs the 2020
baseline

74
sites worldwide
with rainwater
harvesting
systems

87%
Reuse of
water vs the
2020 baseline

114
vehicle washing
arches

271
water recyclers in
sales centers

-4%
less water used
per ton
produced in
plants

Optimized cleaning processes

(Annual savings)

Use of dry steam cleaning machines for cleaning

- Mexico - 594m³
- Latin Centro - 120 m³

Use of new generation rinse-free chemicals

- Mexico - 3,201 m³

Dry cleaning in vehicles

- Latin Sur - 1.2 million liters
- Brazil 2.1 - million liters

Reverse osmosis system installed

- QSR - 1.9 million liters

Rainwater system

Currently, we have 74 sites around the world with rainwater systems. This practice originated in our sales centers, seeking to have alternative water sources for vehicle washing and general services. Last year, we began by replicating in operations having a treatment system for water use.



Treatment and Reuse

Percentage of treated water reutilization	2019	2020*	2021
Total water treated (m ³)**	675,798	683,740	745,886
Total water reuse (m ³)**	516,785	559,989	597,684
Reuse percentage (%) vs 2020 baseline	75.60%	81.90%	87.40%
Increased % of reuse vs 2020 baseline	-	-	5.50%

* Verified baseline
 ** Data verified by third party (Carbon Trust)

Collective participation

We joined the alliance Charco Bendito to recharge aquifers and improve water availability in communities. Activities included the planting of 10,000 trees, 20 days of irrigation, and 15 has. of cleanup, in addition to our already existing participation in the water fund -Agua Capital.



Net Zero Carbon Emissions

our commitment.

ACHIEVE NET ZERO CARBON EMISSIONS BY 2050

maximizing the use of renewable energy and optimizing the use of our resources to minimize CO₂ emissions





A carbon footprint represents the impact on our environment caused by human activity. In other words, the environmental mark left on the planet by a person, product, or organization as a result of day-to-day actions.

We know that to stop the effects of climate change and prevent irreversible catastrophic impacts, it is essential to reduce the carbon footprint by taking actions to limit global warming to 1.5°C above pre-industrial levels.

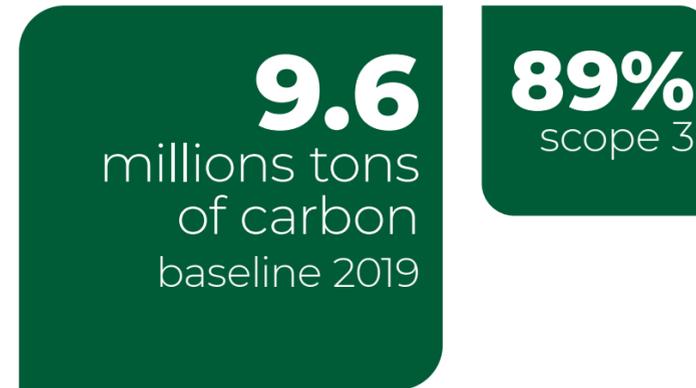
Our commitment to net zero carbon emissions by 2050 is based on the SBT (Science-Based Targets) initiative.



RENEWABLE ENERGY

99 photovoltaic rooftops (83,000 panels)
as part of our commitment
to net zero carbon emissions

Our total emissions Baseline 2019



In total, only 11% of our GHG (greenhouse gas) emissions fall into the fields of Scopes 1 and 2.

Furthermore, Scope 3 emissions are those indirectly produced to conduct our operations, representing 89% of all our GHG emissions.

Scope 1

Direct emissions from fuel used in bakeries and other plants, vehicles, and refrigerants.

Scope 2

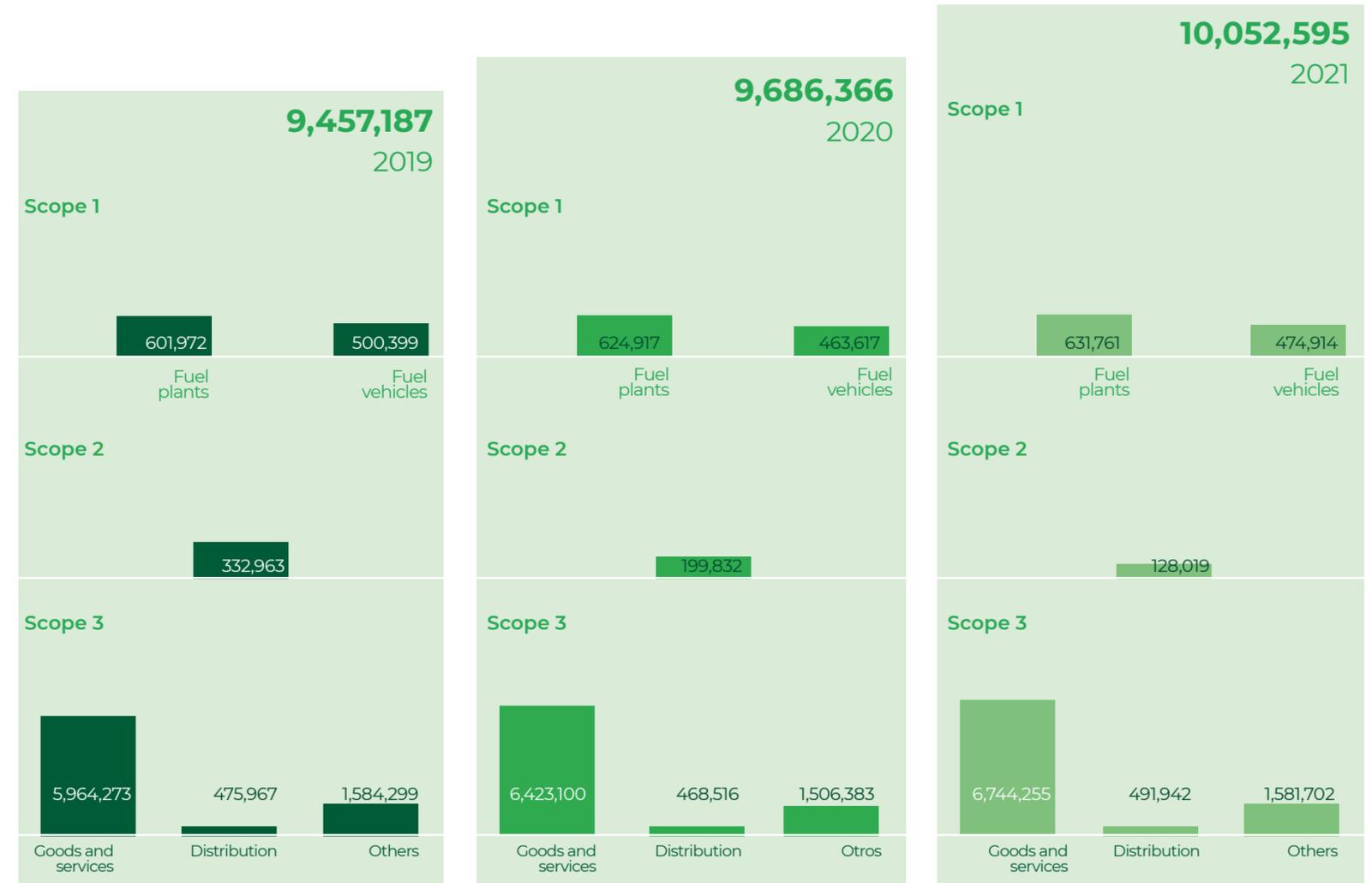
Emitted directly from the electricity we use in our bakeries and other plants, vehicles, and refrigerants.

Scope 3

Indirect emissions within our value chain produced by a third party, for raw materials, services, investments, and outsourced distribution.

We have reduced our scope 2 emissions by 60% as compared to our baseline when considering that our Company has grown 10% in tons of production.

Aware that there are many challenges ahead, detailed planning is required for short, medium and long-term objectives leading to net zero carbon emissions.



Carbon Trust Assurance Limited (CTA) was commissioned by Grupo Bimbo to provide an independent assurance level in its statement on Greenhouse Gas Emissions 2021. Report criterion chosen by Grupo Bimbo was the GHG Protocol, concluding that based on work done by Carbon Trust and evidence provided by Grupo Bimbo, it has received nothing that would indicate that the selected information had not been prepared correctly, in all material aspects, according to Information Criteria.

Our path towards Net Zero Carbon Emissions

Strategy design and planning

For several years we have been working on plans designed to reduce our carbon footprint:

In 2014, we developed our first electric vehicle and today we have 1,400 units.

After initiating our journey in 2012 with the Piedra Larga windfarm in Mexico, in 2018, we joined the RE100 initiative, committing to the use of 100% renewable energy by 2025.

By 2021, we are the first Mexican food company to sign the commitment to net zero carbon emissions by 2050, with objectives validated by Science-Based Targets, and part of the UN Race to Zero campaign through the Business Ambition initiative for 1.5°.

Decarbonizing our energy sources

By 2025 we will have reached Scope 2 zero net carbon emissions, which are caused by all the electricity sources used within our processes.

Our approach for 2030 includes:

- Energy efficiency
- Elimination of fossil fuels
- New technologies in vehicles for zero carbon mobility
- Plan for change in refrigerants
- Sustainable buildings
- Low-carbon supply

Decarbonizing direct operations and supply chain

By 2040 we should be nearing scope 1 zero net carbon emissions; that is, direct emissions generated in our internal operating processes, such as the fuels used in our ovens or delivery fleets.

We will by then be working with the regenerative agriculture initiative as one of the most important ones for Grupo Bimbo, and developing our forest improvement strategy.

Decarbonizing indirect operations

Lastly, we will conclude the decarbonization of our scope 3 emissions (indirect emissions) which are produced by third parties within our value chain to make our products available to all.

- Zero carbon mobility / supply
- Key raw materials with regenerative agriculture
- Alliances with customers
- Low-carbon investments



Verified baseline 2019
9.5 MtCO₂e

Energy Efficiency

Efficient use of fuels and energy to reduce fossil fuel use. We reduced the use of thermal energy by 4% in our bakeries and other plants, as compared to 2019 per ton of production.

During 2021, Bimbo Mexico initiated a new practice: electric motor driven pumps for work with dough, producing a 12% saving in the use of electricity for air compressors and which was replicated in 14 production centers, thus saving over 300,000 kWh in four months.

Our achievements

Follow-up on our mandatory practices:

- The use of ultrasonic chambers to detect leaks, with annual savings of: Barcel, 69,925kWh; China, 180,000 RMD
- Eliminated use of compressed air, with annual savings of: Europe, 31.5% in electricity using vacuums.
- Implementation of automatic stops in production lines for Latin Centro and Mexico, saving 5,000 kWh per month.
- Heat-recovering humidifiers in production lines: implemented in all new steam chambers in Mexico.
- LED lighting, with annual savings of: US, 10.5 MWh in 20 production centers for 12 sales centers.
- Replacements with high-efficiency motors: LatinCentro, 20% less energy used as compared to conventional motors.
- Heat recovery from ovens and compressors to heat water, with savings of: Italy, 4% in total use of natural gas; Monterrey, Mexico: 20% in energy use for ovens.
- Conventional boilers replaced with high-efficiency boilers: reducing CO2 emissions by 200 MT per year in the US.



THE INTERNET OF THINGS

Bimbo and Barcel: Our replication system of GB Connected determines potential savings in gas, electricity, and water usage in the different production lines.

This plan connects and manages savings and efficiency actions in all our production sites, sales centers, and distribution centers.



Renewable Energy

- In April 2021, Chile became 100% renewable through the signing of an agreement for the supply of solar and wind energy. Together with our solar roof in Ideal (the largest in South America) and the Nutrabien solar roof, we have been able to make our products with clean energy. Furthermore, our new Chillán plant will be created with renewable energy covered under the same agreement.
- Panama becomes 100% renewable through a PPA agreement for hydroelectric and wind energy that supplies our plant. In this manner, Panama becomes the first country in Grupo Bimbo to operate with clean energy from water, the sun, and from the wind.
- Some 533 new electric vehicles with lithium battery technology are added to our delivery fleet for Bimbo Mexico and Barcel, powered by wind and solar energy that allows us to emit 5,300 tons less of CO2 a year. All these vehicles are manufactured by our Moldex affiliate.
- There are 15 sales centers equipped as Sustainable Sales Centers, fed by solar energy, operating with electric vehicles and energy efficiency models that enable us to manage vehicle charging and optimize our use of resources.
- Barcel Monterrey has its first storage system, representing an advanced technological solution, storing 500 kW of solar energy for later use. This makes it the first plant having a zero carbon emissions solution as its primary energy backup system, eliminating the use of diesel generators.
- In August 2021, the storage system for the Metropolitan Distribution Center began operating, which is fed by solar energy from the largest roof of its kind in Mexico, with 2.2 MW installed. Said system allows for self-sustainability at the site.
- BBU uses almost 418 million kWh of green energy per year, sufficient to meet 100% of energy needed for the organization. BBU ranks 41 on the EPA national listing of the top 100 users of green energy of the Green Energy Association.



-60%
less scope 2
emissions vs
2019 baseline



Refrigerants

In accordance with our Refrigerant Policy, we closed 2021 with over 57% of natural refrigerants, maintaining our annual plans per organization regarding the change and adjustment in each operation.

Electromobility

The company's road to electromobility began in 1994 in downtown of Mexico City with recreational vehicles adapted for goods distribution, and in 2012, Moldex a subsidiary of Grupo Bimbo, offered the first vehicle Bimbo offers the first vehicle developed for the for the group with 100% Mexican engineering and Today, the number of electric vehicles globally has grown to 1,400 units in circulation, with the 3rd generation of electric light vehicles vans with improvements in sustainability, safety and functionality, with 90km of autonomy, reverse range, reversing alarms, charge indicators, regenerative braking indicators, regenerative brakes and high-efficiency batteries reducing up to 3300 kg CO₂e per year per unit.

In other countries we have made progress in terms of actions aimed at reducing the amount of emissions released into the atmosphere, such as:

Certification "Sello verde de verdad" Bimbo Colombia

Colombia follows our commitment to sustainable practices such as: washing stations, GNV vehicles, ecological image, dry washing, tractor-trailers with EURO IV, 100% electric vehicles, ECO transportation, and 100% gas trucking rigs.

Transporte Limpio Program LAS Giro Limpio

The Energy Sustainability Agency of Chile recognized Ideal SA with Clean Line of Business certification for its transportation fleet, voluntary national program that certifies and recognizes efforts by transportation companies in the field of sustainability and energy efficiency, as well as load generators who prefer carrier companies.

Intermodal (Vehicles and Logistics)

We optimize our distribution processes with Intermodal, a project using marine and rail transportation, which has allowed for improvements in delivery times and reductions in our carbon footprint. To date, the organizations that follow this practice are: Mexico, Canada, and Latin Centro. Through these efforts we have been able to reduce emissions of 25,283 MT of CO₂, which is 254% less emissions than the figure posted for 2020, which is the year we began this practice.

FLEETS WITH ALTERNATIVE ENERGY SOURCES



3,681
Delivery fleet
Grupo Bimbo

1,550
Other
EURO
technologies

19%
Uses
particulate-filter
technology

1,410
Electric
114
Hybrids



Convert into Regenerative Agriculture

our commitment:

ENRICH SOILS, CAPTURE CARBON, ENHANCE SOIL HEALTH,

reduce greenhouse gas emissions, build resilient ecosystems, making efficient use of resources needed in production.





Aware of the need for practices that enable us to contribute to enhanced production systems and to the sustainable supply of raw materials, we promote the empowerment of farmers and suppliers, thereby protecting nature at the same time.

Promoting a resilient food system by guaranteeing that 200,000 hectares of wheat are grown with regenerative farming practices by 2030, to ensure that by 2050, 100% of our key ingredients are produced through this type of practice.

Our path to regenerative agriculture

At Grupo Bimbo we are committed to promote regenerative agricultural systems, biodiversity, and ecosystem health through specific regional practices aimed at minimizing soil disturbance, improve water cycles, reduce our carbon footprint, promote farmer development, and source sustainable raw materials.

We have two pilot programs in Bimbo Mexico since 2018; in unison with CIMMyT (the International Center for Maize and Wheat Improvement) we have encompassed sustainable wheat farming practices in Sonora and Sinaloa; and for maize in Jalisco.

Furthermore, through QSR in France and in coordination with our primary customers, we have a project in place in this region.

This year we have consolidated the work done thus far with a global approach, establishing the bases and operations guidelines, whereas the pilot program in Mexico shall continue moving forwards towards meeting local goals, as well as disseminating and implementing practices that help farmers be more efficient in the use of resources, and to reduce carbon and water footprints.

SOME ACTIONS DURING 2021

A

Preparation of a manual with practices that can guide stakeholders including suppliers, regarding the development and implementation of regenerative agricultural processes.

B

Visits to key wheat and maize suppliers in Mexico and the United States to understand the regional context.

C

Reinforcing with business units the advantages of these regenerative agricultural practices.

Some of the regenerative agricultural practices with the greatest impact on reducing carbon and water footprints are: incorporating crop rotation; implementing beneficial microorganisms to increase plant and soil health; and agricultural technology that generates greater water and fertilizer efficiencies.

With the purpose of strengthening communities throughout Mexico, we began a program with Educampo that encompasses the concepts of associativity, agricultural economics, and technical training for cacao farmers, as part of our Social Investment programs.

20,000
hectares of
regenerative
wheat farmed



We continued working with CIMMYT in evaluating farmers as per the regenerative practices implemented, and we detected specific training needs.

During the 2021 spring/summer maize cycle in Jalisco, over 7,000 tons were harvested, in a surface area of 900 hectares, with the participation of 41 farmers.

For the 2021-2022 fall/winter maize cycle in Sinaloa, there are 2,100 hectares that are expected to produce at least 20,000 tons under regenerative farming practices.

For wheat crop rotation, in 2021 we began a sesame project in Sinaloa, planted with the same practices and guaranteeing purchase for food purposes by the Company in Mexico.

1,856
hectares of
regenerative sesame
farmed with
109
farmers



Innovative and enhanced plots

In 2021, the setting up of school plots began as a complement with the purpose of implementing regenerative practices to test different technologies and software to reduce carbon footprints and demonstrate the benefits they can provide farmers in increased crop profitability.

Therefore, one of the objectives is for farmers to witness the benefits and adopt them more and faster.



90%
of potato supply
comes from
certified farmers



Potato

Regenerative practices were put into place for 430 hectares of potato, which include crop rotation and cover crops.

Furthermore, our suppliers perform good farming practices with international standards, improving resource management in the production process. Consequently, 90% of current production is GlobalGap-certified, the private-sector food-certification standard most accepted in the world.

In line with developing new regions, potato was planted in Jalisco and the State of Mexico, and we continue searching for new varieties that provide added benefits to farmers, both in yield and in quality.

Our achievements

Aware that regenerative agriculture goals are ambitious, we nevertheless know that with hard work, creativity, and close ties with our farmers, growers, suppliers, scientists, governments, and colleagues this aspiration will become a reality, transforming into a more resilient food system.

- Building alliances with strategic partners to continue implementing regenerative agriculture for key crops for Grupo Bimbo.
- Using electronic crop-monitoring platforms in real time for decision making.
- Creating workshops for strategic suppliers and industry benchmarks, in alliance with universities and other research agencies.



- Promoting the use of new seed varieties in crops of primary interest for Grupo Bimbo, which help to reduce the use of agrochemicals and irrigation cycles, thus optimizing harvest periods.
- Scaling our regenerative agriculture projects in the North American, especially in Kansas where the pilot program for regenerative wheat will be deployed.
- As a second phase, we identified strategic suppliers for pilot-program deployment, also in North America, putting in place the Grupo Bimbo's Global Regenerative Agriculture. This focuses on responsible cropping practices, to serve long-term soil health and to serve our farmers as well.

Sustainable supply



Sourcing

Grupo Bimbo takes the relationships it builds with suppliers very seriously, to establish strategic and long-term relationships that are mutually beneficial. We prioritize collaboration and joint efforts, thus being able to create a comprehensive and successful value chain throughout the years.

We rely on our suppliers as strategic allies who join efforts towards meeting common objectives. Furthermore, we continue working with tools that inform us on the current situation of our suppliers of key raw materials, thereby identifies strengths and areas of opportunity, and helping to develop capacities and achieve ongoing improvement in sustainability performance levels.

Since we support local consumption, in places like Mexico 97% of sourcing of strategic categories like raw materials and packaging is with local communities.

We have SME development programs under our Deseo (Desire) program, we have supported 442 small and medium-sized enterprises through ongoing education in quality-related subjects like food safety, the environment, ethical process standards to facilitate the managing of their businesses.



214
strategic suppliers evaluated globally



Palm Oil

Palm oil is an essential raw material for Grupo Bimbo, so we continue mapping and supporting the supply chain of our primary suppliers in terms of extraction and planting, with suppliers who have well-defined supply bases for their FFBs (fresh fruit bunches).

In keeping with our Global Policy on Palm Oil, we continue updating traceability data for the supply chain. This year, the focus was on 17 suppliers who represent 95% of total palm oil volumes. The data supplies information on refineries, sellers, and plants, helping to make decisions on primary challenges and establishing areas of opportunity in supplier performance.

RAW MATERIAL	GRUPO BIMBO VOLUME	MILL TRACEABILITY	PLANTATION TRACEABILITY
Palm Oil	99.5 %	94 %	64 %
Palm Kernel Oil	0.5 %	100 %	16 %

In line with Consumer Goods Forum commitments and work done with Forest Positive, we drive collective actions so industry may put a halt to deforestation, forestry degradation, and conversion stemming from the impact of supply chains for key raw materials.

We have achieved considerable success regarding mill traceability. In 2016 we reported 86% for palm oil, as opposed to 94% nowadays, and 76% for palm kernel oil, versus 100% today. Furthermore, Grupo Bimbo increased the traceability scope, going from 90 to 95% of supplied volume.

Evaluated items:

- Supply policy existence and content of its suppliers
- Traceability at extraction and plantation levels
- Implementation plan for the company group and supplier commitment
- Transformation in action: refining, additive, and landscaping levels; labor and social relations, and soil handling and conservation
- Claims management mechanisms and processes
- Verification and monitoring



We have observed considerable progress in the maturity of our suppliers. Among the achievements made is the significant advancement made in deforestation monitoring. In addition, 100% of suppliers evaluated have responsible sourcing policies, noting significant robustness of these policies, which is in line with Grupo Bimbo's policy, as well as with industry expectations.



282,046
small farmers

46%
participate in landscaping programs

197,335
hectares of forest included in conservation, recovery, and/or reforestation programs

Transformation Projects

We continue participating in the project to support GREPALMA (Guatemala Farmers Guild).

In 2021, the project focused on developing capacities in social issues identified as priorities for the industry, and in creating the opportunity for dialog between civil society and palm oil companies.

Therefore, with the purpose of creating this dialog to identify the primary challenges and possible solutions for the industry, we held a workshop on Social Operating Permits and two training courses:

- Prior Free and Informed Consent and Consultation Processes
- Protection for Human Rights Defenders



Conservation Projects

Investments were made in two landscaping projects in the state of Chiapas, Mexico. The region is a priority because it represents 60% of palm oil volumes for Grupo Bimbo and it is considered an area of the highest risk for deforestation in Latin America.

The pilot programs follow ARC (Atlas reservas de carbono) methodology, which consists of pinpointing forest areas that should be conserved, as opposed to other areas, as part of non-deforestation commitments. Work is currently being done on mapping High Carbon Reserves which will be shared next year with extractors and ejidos (Mexican communal farm areas).

The project in La Encrucijada Biosphere Reserve, where agricultural expansion impacts critical mangrove and swamp habitats, focuses on protecting native ecosystems and improving how farmers make a living, by complying with the Program for Managing Protected Natural Areas and which has been divided into three lines of action:

A. Small Farmer Resilience

Socioeconomic and environmental diagnostic research was conducted during the first half of the year with the pilot groups, with the purpose of creating an action plan for 2025. Some 22 Comprehensive Plot Plans were updated with the farmers who, based on recommendations, have changed their views on how to manage their land.

As part of the plan, experiences were exchanged among cacao farmers and palm growers having livestock activities were identified. A workshop was held specifically with them, teaching them responsible ethno-veterinarian livestock practices.

Today we now have a study that identified possible financing mechanisms to help small farmers.

B. Conservation and Recovery

Maintenance of 15 hectares of mangroves reforested in the core area during the previous year continued during the second half of this year, and 5 hectares of mangroves lost to the fire were replanted. This was done in collaboration with social and private mills in the region, in addition to support received from two refineries. A total of 3,557 buttonwood and red mangroves were planted. The participating community group also participates in earthworm composting.

C. Soil Use

In coordination with the Reserve administration, work continued with the social extractors to prepare an Action Plan in compliance with the Management Program for La Encrucijada. Informational and awareness-raising workshops have been offered to the leadership, technicians, and delegates on how to improve the perception on compliance with this instrument. Likewise, assistance has continued (technical information and certain raw materials) for those farmers who decided to eliminate palm from the core area of La Encrucijada.

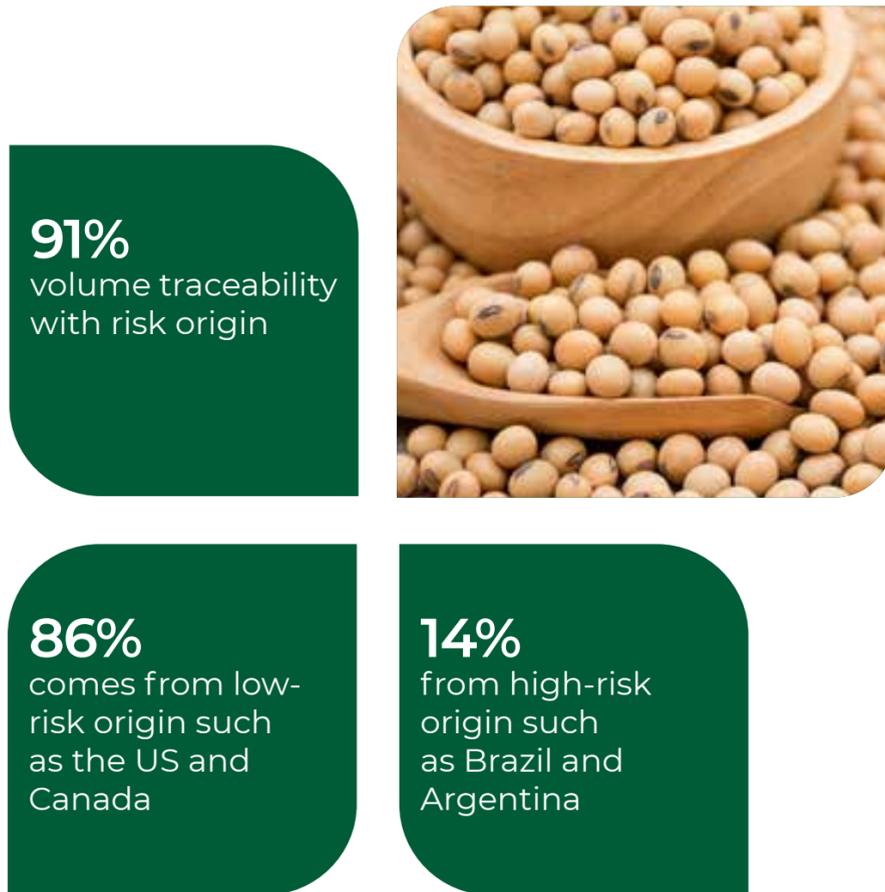


Monitoring of Deforestation

Throughout 2021, Grupo Bimbo monitored the deforestation of its supply chain through the use of Starling, satellite-based technology created by Airbus and the Earthworm Foundation. In addition to using this tool, suppliers covered by this monitoring have been approached to continue forward in verifying the alerts of detected deforestation. Deforestation monitoring is possible thanks to, among other things, industry efforts that have produced sufficient information to detect and act regarding deforestation linked to the palm oil supply chain. During the second half of the year, Grupo Bimbo has covered 51% of its volume, closing the year with 34% of its volume free of deforestation. In keeping with commitments assumed in the Consumer Goods Forum, Grupo Bimbo monitors and verifies non-deforestation within its palm oil supply chain.

Soybean

We continue mapping the soybean supply chain and its byproducts, in compliance with our policy and the commitments assumed as member of the Consumer Goods Forum, achieving the following results:



Grupo Bimbo has continued rapport with its suppliers who, representing 91% of the risk volume, are key to the South America region in evaluating their achievements in the following matters:

- 1 **EQUIVALENT POLICY**
- 2 **TRANSFORMATION INTO ACTION**
- 3 **TRACEABILITY**
- 4 **CLAIMS MECHANISMS**

The transformation project responds to risk management of the supply chain in Mato Goso, Sorriso, Brazil where Grupo Bimbo will support a capacity-building plan through an alliance between the Earthworm Foundation and Clube Amigos da Terra de Sorriso.

The purpose is to create capabilities in workers to mitigate the impact of the use of chemicals on the health and safety of both the environment and the workers themselves. The project is tied to the Regional Pact PCI Sorriso, consisting of 13 publicsector signees (state and municipal levels), the private sector, civil society, and farmers.

Furthermore, Grupo Bimbo, in collaboration with Blue Number and with one of the most important soybean suppliers in the US, will provide follow-up and will feed a digital platform that enables the mapping of the soybean supply chain in said country.

As part of the dialog held with suppliers, the following subjects were evaluated:

- Responsible Sourcing Policy
- Implementation plan
- Status report
- Claims mechanism
- Free monitoring of deforestation and conversion

Sugar

We have defined a supplier baseline and begun traceability with 73% scope on sugar cane supply (sugar from other sources such as beets has not yet been evaluated).

In 2021 we dialogued with suppliers to discuss improvement opportunities in the sections established and which remained reflected in an action plan that will be evaluated each year.

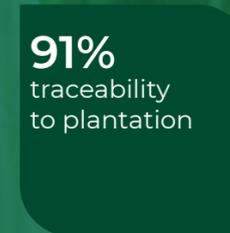
Risk analysis of the countries of origin will continue based on traceability results, and with visits to key sugar operations. With the lessons learned we will be ready to the critical path for responsible sugar supplies.

In the aim to better understand the supply chain, industry realities, and their challenges, in alliance with the Earthworm Foundation, one of the key sugarcane suppliers in Mexico was visited. We were able to identify improvement opportunities for alignment with Grupo Bimbo's Global Policy on Agriculture, which includes labor and human rights subjects.

Among potential lines of action for 2022, we identified the following:

- The need to develop a Social Permit for Operation.
- Disseminating and communicating commitments in human rights throughout the entire supply chain.
- Ensuring respect for human rights in the most vulnerable links of the chain.
- Reinforcing an internal operations claims mechanism and for external said operations.

With this first pilot program, we feel there is an opportunity to transform the sector, and we will define a line of work with the supplier that approaches the identified challenges.



Key aspects of supplier evaluation

- | | |
|--|--|
| 1 Governance or Internal Politics | 5 Complaint mechanisms and non-compliant supplier |
| 2 Human rights | 6 Transparency |
| 3 Traceability | 7 Verification |
| 4 Change approach | 8 Certification |

Cage-free eggs

Animal wellbeing is part of the principles established and recognized by Grupo Bimbo within its Global Policy on Agriculture and its Sustainability Strategy, so that all operations and sourcing may gradually head towards a production system where the five animal liberties are respected: no hunger, thirst and malnutrition; freedom from fear and suffering; freedom from physical or temperature discomforts; free of pain, injuries, and disease; the freedom to express normal patterns of behavior.

Grupo Bimbo has deployed a strategy of migrating to cage-free chicken eggs, considering the following aspects:

Cage-Free Egg Steering Committee

Although we have not progressed as quickly as desired concerning this important subject, we continue moving forward in certain markets, with favorable results. Consequently, we have created this committee, a multi-disciplinary team that strives to drive the transition to a supply chain of cage-free chicken eggs.

Supplier Development

In collaboration with the HSI (Humane Society International), we have been working on technical and awareness training, both with our internal teams and our suppliers as well.

Supplier Certification Guidelines

Together with HSI work is being done to create an informative guide for our suppliers on the certification systems having the proper standards of animal wellbeing.

Commitment Status

By the close of 2021, we achieved an egg supply chain that is 100% cage free in the UK, with a considerable accomplishment of 26.3% and 31.1% in Canada and Latin Centro, respectively.



100%
cage-free
chicken eggs
in the United
Kingdom

Cocoa

As part of the Supplier Relationship Management program, sustainability has been included as an additional pillar for supplier evaluation. During evaluation, initiatives they have in place are checked, regarding environmental and social subjects, in compliance with the Global Policy on Agriculture. As part of the process, we later share with them the results of said evaluations.

To continue with our support of Mexican farming, we offer a technical training and follow-up program on sustainable practices for small cocoa farmers. In addition to perfecting their production processes, it guarantees the sale of their production to Grupo Bimbo. The program will be performed with ECOM Agroindustrial Corp Limited, one of our major commercial partners. The purpose is to support 17 farmers from three municipalities in Chiapas: Hiuxtla, Villa Comaltitlán, and Huehuetán. The desired result of this program is to create a cocoa value chain in the state and increase consumption.



Paper and Cardboard

It is a pleasure to report that we have over 70% accomplishment worldwide in our goal for 2025 of sourcing certified or recycled paper and cardboard.

In some countries like Mexico, Canada, UK, Morocco, and China, the progress in transitioning to sustainable paper and/or cardboard packaging has achieved 100% accomplishment.

As part of the transition program, we continue reinforcing capacity-building with our suppliers, and for the third consecutive year we welcomed them into Carbon Disclosure Project Supply Chain program. With this program they will have the possibility of sharing their sustainability-related strategy and vision, and provide detailed information on Climate Change and Forests.

One of the primary achievements of this program is the mapping of our suppliers' maturity level, with whom we have the possibility of preparing training, as their needs dictate.



75% OF OUR PAPER AND CARDBOARD PACKAGING COMES FROM CERTIFIED, SUSTAINABLE, OR RECYCLED SOURCES.

Environmental Standards



Biodiversity

Biodiversity conservation is a commitment to protect our ecosystems. In response to this objective, Grupo Bimbo decided to update our risk identification study in biodiversity, which will help to establish specific plans and activities to be implemented in the coming years.

In 2021 we conducted our first pilot project: Adopting Forestry Communities.

This project, in alliance with Reforestamos and Bioforestal Soluciones Sustentables, was implemented in six communities throughout the State of Mexico, in the Izta-Popo volcano region.

The surface area for the project is 8,013 hectares of temperate forest, where approximately 31,380 tCO₂e (tons of carbon dioxide equivalent) will be removed from the atmosphere annually.

In turn, it is estimated that the potential infiltration of ground water in the incidence area for the project will amount to 28,920,302 m³ per year.

The project created 55 temporary jobs for 53 men and 2 women, with an average age of 39.

Sustainable Buildings

Among our mandatory practices are those related to sustainable property where we conduct our activities.

In order to obtain information on the degree of maturity regarding sustainability standards in our work centers, we used a digital platform to analyze our progress and areas of opportunity per establishment, allowing us to establish timely action plans.

578

sales center
evaluated around
the world in 2021

Standardized Practices



Energy

Replacing conventional lighting fixtures with high-efficiency LED, and the use of translucent ceilings to obtain natural lighting, and the incorporation of renewable energy.



Water

Implementing dry-washing techniques with eco-friendly products made from biodegradable materials that have no negative impact on the environment.



Fleets

The use of emission-reducing technologies in the renewal of fleets

A preventive maintenance program for our fleets



Soil

Visually inspecting vehicles to prevent hydrocarbon spills on floors.



Waste

Material separation, standardized shrink wrap, certain materials returned to guarantee their correct disposal for recycling.



Fuels

Monthly control and record keeping on fuel use by our fleets.



Management and legal compliance

Awareness campaigns for environmental improvements in sales centers, in addition to keeping a list of applicable legal documents.



Refrigerants

Compliance with standards established under regulations in force in the country, by sales centers using refrigerants gases in equipment such as autovend, air conditioning, or cold rooms.



AN
ETHICAL CULTURE

Compliance Policies and Codes

All of the global policies of Grupo Bimbo are available on the company's internal website, and each year associates are asked to sign a statement that they understand and commit to those policies.



Global Integrity Policy

Establishes general guidelines and parameters to ensure that the Company, its associates and representatives, not only understand and comply with local and international anticorruption laws in their roles, activities and in every relationship they may form as they do business, but also that they are guided by the correct way of acting with their social and commercial environment.

Global Antitrust Policy

Global Antitrust Policy provides guidelines on the commercial practices and relations of Grupo Bimbo associates, to guarantee that they abide strictly by laws regarding free competition in the markets in which we participate. The policy applies to all Grupo Bimbo's associates, business units, affiliates and subsidiaries, wherever in the world they are or whatever their function.



Global Policy on Human Rights

We make sure that everyone who works at Grupo Bimbo is trained according to an ethical, responsible vision, generating a positive reality that encompasses both their professional and personal lives.

Our Global Policy on Human Rights establishes general guidelines on respect for the rights of our associates, stakeholders, members of our value chain and communities where we operate, in keeping with the culture of Grupo Bimbo and with the laws and regulations of each country, international law and global human rights instruments, and the commitments this Group acquired when it joined the United Nations Global Compact.



Code of Ethics

In order to build a sustainable, highly productive and fully human company and to earn the preference of our customers, clients and associates, we must establish and maintain the highest ethical standards in the daily actions of each of our associates and in our interactions with stakeholders. This document provides a regulatory framework to guide those standards of conduct, outlining our stance on various related issues and the criteria to follow in situations of non-compliance.

Every year, members of the Board of Directors are sent copies of the Code of Ethics, the Global Policy on Integrity, and complementary information, training and educational material through various media like e-mail and a website created specifically for this purpose.

Global Conflicts of Interest Policy

Establishes general guidelines on handling and reporting conflicts of interest, fostering a climate of trust and integrity within Grupo Bimbo, its subsidiaries and affiliates.

Global Policy for the Protection of Personal Information

Regulates the lawful treatment of personal data at Grupo Bimbo in order to guarantee privacy and prevent any breach of security.



ASSOCIATES

received integrity training through GB University

92% of total associates from administrative to senior management level

Mexico
12,979
 90%

North America
4,625
 96%

Latin America
3,969
 90%

EAA
2,179
 92%

Compliance program

Grupo Bimbo considers integrity an essential part of the way it does business. The Company is committed to doing business ethically and honestly.

Legal and Compliance Department promotes, regulates and standardizes various aspects of integrity and transparency within Grupo Bimbo through a compliance program aimed at ensuring that all activities and processes are sustained by ethics, honesty and best practices, following internal and external rules and regulations. This strengthens our integrity model by preventing, identifying and remediating any risks that might jeopardize the Company.

The Ethics and Compliance Committee is the collegiate body in charge of overseeing enforcement of our Global Integrity Policy, while the Chief Compliance Officer is in charge of implementing, monitoring and enforcing Grupo Bimbo Integrity Compliance Program. This program is built on 3 fundamental pillars:





4.6/5



Anti-corruption

Every year, the Integrity Compliance Program is subject to external assessment by an independent third party who is expert in the field. Our last evaluation was in February 2021, when we earned a score of 4.6 out of 5, indicating an effective and competent program. The average score in the market is 2.8.

The Company is continually improving preventive processes in the matter of integrity to ensure full compliance with all applicable laws. We are developing technological tools by which we can identify any deviation from the policy based on internal and external digital data.

Grupo Bimbo underscores its commitment to best global practices, having been recognized by the Ethisphere Institute's annual listing in 2021—and for five years in a row—as one of the World's Most Ethical Companies. This listing recognizes companies that consider ethical commitment to be one of the guiding principles in their day-to-day operations.

In 2021, we conducted assessments to measure our integrity, money-laundering and personal data protection risks in Mexico, Venezuela, Ecuador, Brazil, India, China and Kazakhstan. In Mexico, the analysis encompassed Bimbo México, Barcel México, Productos Ricolino, Moldes y Exhibidores, El Globo and Bimbo Net, incorporating factors such as the business climate and type of business, maturity of operations in recent

acquisitions, exposure to integrity risk, and sales volume. The results revealed these organizations' strengths as well as activities and processes that need to be fortified in order to maintain a high level of compliance in these areas within the organizations. In 2022 we will be working together with the leaders and executives of each of the organizations analyzed to mitigate the risks we identified. Also in 2022, we will continue these analyses to identify and measure the chief risks in each location or organization.

At Grupo Bimbo, training and awareness-building in the matter of integrity is highly important for both associates and at-risk counterparties. With this in mind, every year we reinforce communication with associates through integrity shorts, which can be used at the start of work meetings or gatherings. Also, in 2021 we began providing integrity training to high risk third parties.

Communication on Policies and Procedures

Our zero-tolerance policy on breaches of integrity has had outstanding results; to date we have received no reports of any confirmed case of public corruption.

Among the guidelines provided by the Global Integrity Policy is a stipulation that requires all business partners to sign the Supplier Code of Conduct, which is available to the public on our web page.

Every year in January, the Secretary of the Board of Directors of Grupo Bimbo sends out a questionnaire to board members to keep their information up to date, accompanied by the following documents:

1 CODE OF PROFESSIONAL ETHICS OF THE MEXICAN SECURITIES COMMUNITY

2 CODE OF BEST CORPORATE PRACTICES

3 INTERNAL REGULATION OF THE MEXICAN STOCK EXCHANGE

4 GRUPO BIMBO CODE OF ETHICS

5 GRUPO BIMBO GLOBAL INTEGRITY POLICY

Regarding critical concerns

The Global Department of Corporate Affairs is responsible for monitoring and analyzing the economic, political and social environment and the implications it may have on the company's businesses and reputation. We have a process for escalating critical concerns directly to the Steering Committee so that a decision can be made on actions to minimize the impact of those risks.

Critical concerns are those resulting from regulatory matters, legislative bills, or the political, social and economic situation.

In 2021, 60 critical concerns were communicated to the Steering Committee, and were addressed according to the established mechanism.

As part of our management of critical concerns, the Global Department of Corporate Affairs remains in active communication with the Board of Directors about regulatory matters, legislative bills and the political, social and economic climate, using various tools:

- The Global Risk Management Dashboard: a report in which organizations comment on their monitoring of regulatory issues in the countries where we operate, assigning them a degree of risk according to criteria established by the Global Department of Internal Control.
- Mechanisms for monitoring, analyzing and coordinating actions to address such issues.



BIMBO ASSOCIATES

**received communication
on the integrity
policies and procedures**

This includes the Grupo Bimbo Steering Committee and the administrative, middle management, executive and senior management levels. For our operating staff, messages on integrity are conveyed through the People and Communication teams of each organization, as well as by the leaders of the Functional Divisions.

Speak Up

With the aim to contribute to compliance of the values of these Policies and resolve the conflicts generated by actions or opposing behaviors, Speak Up, our listening channel timely and reliable offers a communication to attend, solve and follow up on reports of actions that incur violations to our Policies.

speakup@grupobimbo.com

Speak Up is a secure mechanism that guarantees absolute confidentiality, free of reprisals, for anyone who wants to express a concern, while maintaining the job security that every associate, partner, shareholder and supplier deserves.

Furthermore, the Global Department of Legal and Regulatory Compliance has a mailbox for associates to report or seek advice on any breach of integrity at Grupo Bimbo.

compliance@grupobimbo.com

In 2021, there were 651 reports with identity through these channels, compared to 522 in 2020, an increase of a little over 22%; we believe this is because an increasing number of associates trust in this channel.

Through collaborative teams formed by representatives from the Global Departments of Compliance and Audit and KPMG, our independent auditor, in 2021 staff members from Speak Up, researchers and the call center were trained in investigating and responding to reports regarding labor issues, regulatory framework, and the program for fraud risk management.



1,132
reports at
Grupo Bimbo
in 2021

Identity
481
anonymous
651
name supplied

Reporting channels

E-mail
Phone

Other channels for associates:

GB-On website /
GB-On to go
Teams

725
unfounded
346
founded
61
in progress

32 Conflicts of interest
52 Diversity and inclusion
85 Policy on integrity
769 Labor relations
97 Safety and health
32 Sexual harassment
65 Violations of the Code of Ethics

Gender

307
women

590
men

235
not specified

Corporate Governance

Board of Directors

Daniel Javier Servitje Montull
Board Member / Chairman

Board Members

José Ignacio Mariscal Torroella
 Mauricio Jorba Servitje
 María Luisa Jorda Castro*
 Ricardo Guajardo Touché*
 Arturo Manuel Fernández Pérez*
 Luis Jorba Servitje
 María Isabel Mata Torrallardona
 Nicolás Mariscal Servitje
 Javier de Pedro Espínola
 José Ignacio Pérez Lizaur*
 Edmundo Miguel Vallejo Venegas*
 Jorge Pedro Jaime Sendra Mata
 Jaime Chico Pardo
 Jaime A. El Koury*
 Rogelio M. Rebolledo Rojas*
 Andrés Obregón Servitje
 Marina De Tavira Servitje

Luis Miguel Briola Clément
Regular Board Secretary

Norma Isaura Castañeda Méndez
Regular Board Secretary

*Independent



Audit and Corporate Practices Committee

Edmundo Miguel Vallejo Venegas
Chairman

Jaime Antonio El Koury
 Arturo Manuel Fernández Pérez
 María Luisa Jorda Castro
 José Ignacio Pérez Lizaur

Evaluation and Results Committee

Luis Jorba Servitje
Chairman

Nicolás Mariscal Servitje
 José Ignacio Pérez Lizaur
 Daniel Javier Servitje Montull
 Edmundo Miguel Vallejo Venegas

Board of Directors

Daniel Javier Servitje Montull

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.

José Ignacio Mariscal Torroella

Currently serves as a member of the Board of Directors of Grupo Marhnos, Grupo Bimbo, Grupo Calidra, Afianzadora Aserta, Servicios de Energía Mexoil, Aura Solar, and Siete Colores Ideas Interactivas. He is Vice President of FinComún Financial Community Services.

Also serves as a Member of the Board of Directors of Uniapac International and the Uniapac Foundation, after serving as World President of Uniapac from 2006 to 2009, as the first Latin American appointed to this position. He is President of the Single Economy Committee of the Business Coordinating Council (CCE), Director of the CCE, an Executive Committee member of the Mexican Confederation of Employers (COPARMEX), where he is also a board member and Vice President of International Affairs and Labor. He serves as a member of the Executive Commission of the USEM, Mexico's Social Entrepreneurship Union, and was President of the Mexican Institute of Christian Social Doctrine (IMDOSOC), where he currently sits on the Oversight Committee and is President of the León XIII Foundation.

Mr. Marisco Torroella is the brother-in-law of Daniel Javier Servitje Montull and uncle to Nicolás Mariscal Servitje.

Mauricio Jorba Servitje

Member of the Board of Directors of VIDAX and of the Steering Committee and Board of Directors of Promociones Monser, S.A. de C.V.

Mauricio Jorba Servitje is the brother of Luis Jorba Servitje and cousin to Daniel Javier Servitje Montull.

Maria Luisa Jorda Castro

Ms. Jorda Castro sits on the Board of Directors of Merlin Properties, is Chairwoman of the Appointments and Compensation Committee and a member of the Audit Committee. She is also a member of the Board of Directors of the Grupo BANKINTER Financial Institution, where she also chairs the Audit and Regulatory Compliance Committee and is a member of the Risk Committee. She is a member of the Advisory Council of the Institute of Internal Auditors of Spain, and Professor in the Advisory Program of the ESADE School of Business. She has sat on the Board and served as a member of the Audit and Control Committee of Tubos Reunidos, S.A., served on the Board of the European Finance Bank (Grupo Unicaja), and chaired their Audit Committee. She has sat on the Board of Directors of Jazztel, and chaired its Audit Committee. She also served on the Governing Board and sat on the Audit Committee of Instituto de Consejeros y Administradores (ICA).

Ms. Jorda Castro has held several executive positions during her more than 30-year career and served as a member of different management, investment, and audit committees, including Chief Economic and Financial Officer for Grupo Deoleo, Chief Internal Audit and Corporate Governance Officer at Metrovacesa, Chief Finance and Investment Officer at Corporación Empresarial ONCE, and other positions in the real-estate and food industries.

Ricardo Guajardo Touché

Member of the Boards of Directors of Grupo Financiero BBVA Bancomer, S.A. de C.V.; Grupo Fomento Económico Mexicano, S.A.B. de C.V.; Coca-Cola FEMSA, S.A.B. de C.V.; Grupo Aeroportuario del Sureste, S.A.B. de C.V.; and Vitro, S.A.B. de C.V., and Vice President of the Fund for Peace.

Arturo Manuel Fernández Pérez

Dean of Instituto Tecnológico Autónomo de México (ITAM), and 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 México, S.A. de C.V.; Grupo Profuturo, S.A.B. de C.V.; and Fresnillo, plc.

Luis Jorba Servitje

Chief Executive Officer for Frialsa Frigoríficos, Latin America's largest cold-chain logistical services company, present in Mexico and Peru.

Mr. Jorba Servitje is the brother of Mauricio Jorba Servitje and cousin to Daniel Javier Servitje Montull.

María Isabel Mata Torrallardona

Managing Director of Fundación José T. Mata, A.C.; she has professional experience in the Museo Rufino Tamayo and in the Luis Lopez Morton Auction House.

She is the wife of Javier de Pedro Espínola.

Nicolás Mariscal Servitje

Mr. Mariscal Servitje is CEO of Marhnos.

He is the nephew of Daniel Javier Servitje Montull and José Ignacio Mariscal Torroella. He is cousin to Andrés Obregón Servitje.

Javier de Pedro Espínola

For the past 30 years he has been board member and shareholder of various private companies in industries such as manufacturing and sale of school supplies, mattresses, cushioning materials and real estate. He also sits on the boards of various charitable institutions including the Fundación José T. Mata, A.C.

Mr. De Pedro Espínola is the husband of María Isabel Mata Torrallardona.

José Ignacio Pérez Lizaur

Independent member of the Board of Directors of Grupo Bimbo (member of the Audit Committee and Evaluation and Results Committee).

Until 2016 he sat on the Board of Directors of Newell Brands in the USA (member of the Audit and Compensation Committees) and the Central American Bottling Corporation (CBC) in Central America and the Caribbean, where he chaired the Audit Committee. He was also a member of the Board of Walmex.

He is presently engaged in various forms of participation in nonprofit organizations.

Edmundo Miguel Vallejo Venegas

Mr. Vallejo Venegas a business professor, board member, speaker, author, social developer and former chairman and CEO of GE Latin America.

Jorge Pedro Jaime Sendra Mata

Manager of JJ Textiles, S.A. and JRPVJ, Inc., and former member of the Board of Directors of DB Homes S.A. and CEO of Advance Design Center, Inc.

Jaime Chico Pardo

Member of the Board of Directors of Grupo Bimbo and the Advisory Board of BDT Capital Partners. Mr. Chico Pardo served on the Boards of directors of Honeywell Intl., AT&T and American Mutual Funds. He has been a Member of the Board of Directors of the University of Chicago Booth since 2012.

He was previously Chairman of the Board of Telmex and Ideal.

Jaime A. El Koury

Chief Legal Counsel of the Financial Oversight and Management Board for Puerto Rico (FOMBPR), an official body created by the U.S. Congress.

Regular Board member of Fomento Económico Mexicano, S.A.B. de C.V. and Alternate Member of the Board of Directors of Coca-Cola FEMSA, S.A.B. de C.V.. Formerly a partner in Cleary Gottlieb Steen & Hamilton LLP.

Rogelio M. Rebolledo Rojas

Degree in Chemical Engineering from the UNAM and an MBA from the University of Iowa. He has been a member of the Grupo Bimbo Board of Directors since July 2018. Before that he sat on the Boards of Directors of Kellogg, Clorox, Best Buy, and Applebee's in the United States, and Alfa and José Cuervo Internacional in Mexico. For the past 27 years he had held several key positions, such as CEO of Sabritas and Gamesa for PepsiCo, then as President of Frito Lay Latin America and Asia Pacific, and finally, in the year 2000, he was appointed President of Frito Lay International, adding the Europe, Middle East, and South Africa operations to his responsibilities. Upon his retirement from Frito Lay International, after 27 years with the Group, from late 2004 through mid-2007, he served as President and CEO of PBG Mexico and a member of its Board of Directors in the United States.

Andrés Obregón Servitje

Managing Partner of a wealth and investment advisory services firm. Over the past 15 years, he has been actively involved in private equity investments in various sectors such as education, food, financial services, logistics, and manufacturing. Currently member of the Board of Directors of Grupo Bimbo.

Marina De Tavira Servitje

Ms. De Tavira is a Mexican actress of stage, screen and television. She earned an undergraduate degree in acting from La Casa del Teatro, A.C. and an acting diploma from Núcleo de Estudios Teatrales, A.C. Together with Enrique Singer she founded Incidente Teatro, where she produced "Tragaluz," "El Río," "Traición," "Crímenes del corazón," "La mujer justa," "La anarquista" y "Obsesión."

Marina was nominated for an Oscar for best supporting actress in 2019 for her role as Sofia in the multi-award winning film "Roma." The same role earned her an Ariel, one of the most important distinctions in Mexican film, in the category of best female co-star 2019.

Luis Miguel Briola Clément

Mr. Briola Clément joined Grupo Bimbo in 2004 and has been as its General Counsel and Secretary of the Board since April 2005. He has a law degree from the Escuela Libre de Derecho and a Master's degree from Columbia University.

Norma I. Castañeda Méndez

Ms. Castañeda Méndez joined Grupo Bimbo in 2007 and is its Manager of Legal Affairs. She holds an undergraduate law degree from Universidad Panamericana, a Specialization Degree in Administrative Law Institutions from the same university, and a Master's in Law from the Duke University School of Law.



Finance and Planning Committee

José Ignacio Mariscal Torroella
Chairman

Jaime Chico Pardo
Javier De Pedro Espínola
Ricardo Guajardo Touché
Luis Jorba Servitje
Daniel Javier Servitje Montull
Nicolás Mariscal Servitje
Rogelio M. Rebolledo Rojas

Steering Committee

Daniel Javier Servitje Montull
Chairman of the Board and Chief Executive Officer, Grupo Bimbo

Javier Augusto González Franco
Executive Vice President, Grupo Bimbo

Rafael Pamias Romero
Executive Vice President, Grupo Bimbo

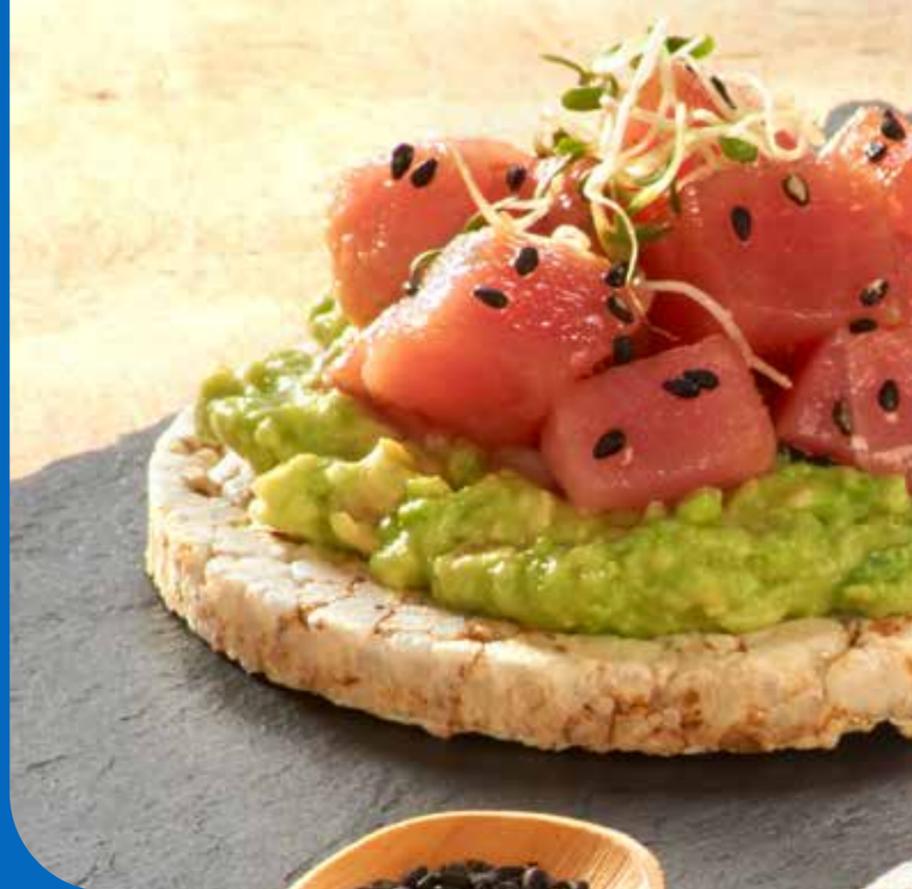
Diego Gaxiola Cuevas
Global VP, Administration and Finance

Juan Muldoon Barrena
Global VP, People

Raúl Ignacio Obregón Servitje
Global VP, Information and Transformation

Alfred Penny
President, Bimbo Bakeries USA

Miguel Ángel Espinoza Ramírez
President, Bimbo México



16.6%
of our board members are women

Please visit www.grupobimbo.com for more detailed information Board Members and the responsibilities of each Board Committee.

<https://www.grupobimbo.com/en/investors/governance/board-directors>
<https://www.grupobimbo.com/en/investors/governance/committees>

Steering Committee

Daniel Javier Servitje Montull Chairman of the Board and Chief Executive Officer, Grupo Bimbo

Mr. Servitje Montull has been Chief Executive Officer of Grupo Bimbo since 1997 and Chairman of the Board of Directors since 2013. He holds an undergraduate degree in Business Administration from the Universidad Iberoamericana and earned his Master's in Business Administration from Stanford University in 1987. He joined Grupo Bimbo in 1982, where he has held various positions, like CEO of Organización Marinela and Vice President of Grupo Bimbo, among others.

Javier Augusto González Franco Executive Vice President, Grupo Bimbo

Mr. González Franco has served as Executive VP of Grupo Bimbo since February 2014. He holds a degree in Chemical Engineering from Universidad Nacional Autónoma de México (UNAM), an MBA from Universidad Diego Portales, in Chile, an Advanced Management degree from Harvard University and a degree from the IMD in Switzerland. Mr. González Franco joined Grupo Bimbo in 1977 and has served as Deputy Chief Operating Officer of Latin America, Deputy Chief Executive Officer of Organización Bimbo, Manager Director of Barcel and Managing Director of Bimbo.

Rafael Pamias Romero Executive Vice President, Grupo Bimbo

Mr. Pamias Romero serves as Grupo Bimbo's Executive VP for the Latin American region and is a member of the Steering Committee. He also serves as CSO, Global Research & Development and Marketing Leader.

Mr. Pamias Romero holds a bachelor's and a master's degree in Business Administration and Management from ESADE in Barcelona. He also has a master's degree in International Management from the Thunderbird School of Global Management in Arizona.

He has more than 35 years of experience in Marketing and Business Strategy in multinational companies such as Henkel, Danone and, currently, in Grupo Bimbo.

At Danone, from 2002 to 2007, Mr. Pamias Romero was General Manager for the Bottled Waters category in Mexico and Spain. From 2007 to 2017 he covered the Vice Presidency for the Europe, Africa and Middle East region for Bottled Waters (2007 to 2009), the Vice Presidency of Latin America for Bottled Waters (2009 to 2011) and Dairy Products (2011 to 2017).

Diego Gaxiola Cuevas Global VP, Administration and Finance

Mr. Gaxiola Cuevas has served as Global VP for Administration and Finance at Grupo Bimbo since August 2017. He has more than 20 years of experience in similar positions, including, most recently, having served as Chief Financial Officer of Alsea, a leading operator of quick service restaurants, coffee shops, and casual dining establishments in Latin America and Spain. Before Alsea, Mr. Gaxiola Cuevas worked for Grupo Desc. S.A.B. de C.V. in corporate finance and in Grupo Televisa, S.A.B. de C.V. he had various positions in finance. Mr. Gaxiola Cuevas holds a master's degree in finance from Universidad Anahuac and a bachelor's degree in business administration from Newport University and Universidad Iberoamericana.

Juan Muldoon Barrera
Global VP, People

Juan Muldoon has been Global Vice President for People since 2019. He holds an undergraduate degree in Business Administration from Universidad Iberoamericana and completed a Certification in Finance at Southern Methodist University and a Certification in Senior Management at the University Adolfo Ibáñez in Santiago, Chile. His professional experience includes various positions at Grupo Bimbo, in the areas of marketing, exports and general management in Chile, Central America and the United States. He was Bimbo Bakeries USA's Talent Manager from 2011 until 2015 when he was named as Global Talent Director at Grupo Bimbo Corporate.

Raúl Ignacio Obregón Servitje
Global VP, Information and Transformation

Mr. Obregón Servitje has served as Global VP for Information and Transformation since April 2017. He joined the Company in 2002 and has since served as Executive Chief Officer of Bimbo South America, Chief Corporate Officer of Sales, Chief Officer of Big Customers at Bimbo Mexico, General Manager of Bimbo Peru and also worked in Bimbo Bakeries USA. Prior to joining the Company, he worked at Citibank Mexico. Mr. Obregón Servitje holds a degree in Industrial Engineering from Universidad Iberoamericana, an MBA from Boston University and specialization courses from Harvard Business School.

Alfred Penny
President, Bimbo Bakeries USA

Fred Penny has served as President of Bimbo Bakeries USA since April 2013. He began his career in the Finance section at General Foods and advanced through several positions of increasing responsibility over the next decade. In 1990, Mr. Penny was named Director of Strategic Planning and Productivity for Kraft Baking, and in 1993 he became General Manager of Intermountain's Denver market area. He became Vice President and General Manager of Entenmann's business in 1997, and was named Executive Vice President of George Weston Bakeries, Inc.

Miguel Ángel Espinoza Ramírez
President, Bimbo México

Mr. Espinoza Ramírez has served as President of Bimbo Mexico since February 2014. He holds a degree in Industrial Engineering from Instituto Tecnológico de Chihuahua and has completed various programs at the IPADE and the Advanced Management Program in Harvard University. Mr. Espinoza Ramírez joined Grupo Bimbo in 1981 and among his previous positions, he has served as General Manager of Dulces y Chocolates Ricolino, Vice President of Barcel del Norte, Administrative Manager of Organización Barcel, President of Barcel, Commercial Manager of Bimbo, and later, President of South America Operations.

Sustainability Governance

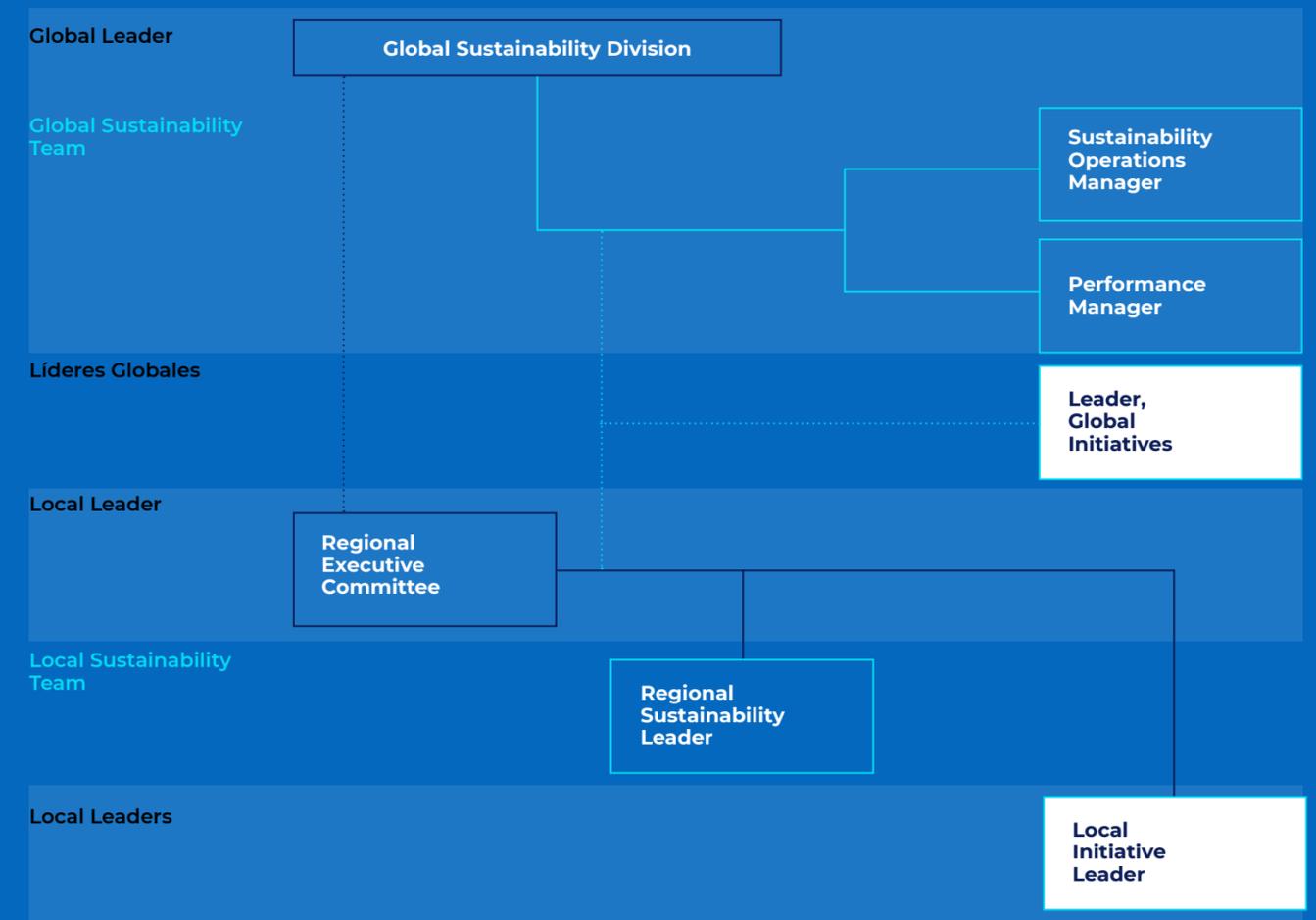
To guarantee maximum positive impact, we created a Sustainability Strategy, underpinned by a solid corporate governance structure that establishes mechanisms for acting transparently, accountability and tracking progress toward our commitments and goals.

Grupo Bimbo's corporate governance structure has the following objectives:

- ✓ Manage and guide progress in the area of sustainability.
- ✓ Measure and monitor sustainability performance results.
- ✓ Ensure that strategic and tactical decisions are aligned with our sustainability goals.
- ✓ Provide clarity and transparency in matters of sustainability.

To manage our sustainability processes at all levels of the company, we created a structure headed by a Global Sustainability Leader and Global VP for Sustainability who coordinate leaders of the various functional areas that are responsible for each of the initiatives.

Sustainability Governance Structure



For more information on our sustainability strategy, visit: <https://www.grupobimbo.com/en/sustainability>

To articulate these efforts for the best possible results, we have divided our governance structure into two levels:

GLOBAL

We have series of mechanisms in place including meetings, groups, and quarterly meetings for reporting to Grupo Bimbo senior management.

- Global Sustainability Committee (CSO and Sustainability Leaders)
- Specialized work teams by initiative (For You, For Nature, For Life)
- One-on-one (organizational leaders and global VP / one-on-one with leaders)
- Advisory Board

GLOBAL AND REGIONAL

Each region is headed by a regional sustainability manager who heads a regionalexecutivecommitteeandmanages a team of leaders for each initiative. These, together with the managers, implement and manage sustainability in that region under a management mechanism that mirrors the global structure.

Sustainability is one of the criteria considered in annual performance evaluations of all leadership levels, depending on the area of impact regarding the sustainability strategy. Global VPs and sustainability leaders are also evaluated for their results against local or global strategy goals.

Over the course of the year we compiled compendiums of the eight major initiatives and fundamentals, documenting the way our strategy is managed as well as the minimum standards and action lines for achieving the targets of each initiative. These guides, like the Policy on Sustainability, are the basis for each business unit, through its local committee, to identify opportunity, devise action plans and track their KPIs and activities.

The Global Sustainability Division and global leaders work to ensure compliance with practices and projects. Every year the business units are sent a guide to the projects they must include in their operations' Capex, depending on their risks, strategies and opportunities.

Materiality

As part of our commitment to our stakeholders and sustainability, Grupo Bimbo conducts a regular materiality study to decide on the next steps to take, considering the company's strategy and its diagnosis of environmental, social and economic issues, along with the principles established by the Global Reporting Initiative (GRI).

The study enables us to rank issues by priority based on our inquiries with partners, associates, suppliers and other stakeholders, through surveys and interviews.

This consultation is carried out by an international specialist in order to ensure the information is as reliable as possible and without cultural biases. The results and key findings are presented to the Central Sustainability Committee, and an executive summary is presented to members of the Steering Committee. In parallel, the three functional departments report on a quarterly basis on the progress made and meet each year with the Chief Executive Officer to go over the consolidation of this progress and decide on actions to be implemented in the following year.

In order to shed more light on issues defined as material, we have decided to conduct the study every three years. We will next update the study in 2022.

Notwithstanding the above, to define new goals for our sustainability strategy we used the existing materiality results and exercises for each of our business units, according to their environment and risks.

Our most recent materiality study found that the issues of highest importance, which are incorporated into our sustainability strategy, are:

- 1 Responsible management practices in the supply chain.
- 2 Innovating healthier products.
- 3 Sustainable packaging and circular economy.
- 4 Ethics and integrity.
- 5 Human rights in the value chain.
- 6 Water stewardship.
- 7 Energy efficiency and renewable energy.
- 8 Waste management.
- 9 Climate change adaptation and mitigation.
- 10 Product quality and safety.

Stakeholders

These are audiences who affect or are affected by the Company's actions, as defined in our Global Policy on Sustainability.

INTERNAL

Their decisions and those of the Company drive the development of this business. This group consists of shareholders, partners, associates and worker representatives.

EXTERNAL

These are related to the Company and share some goals; a healthy interaction with these stakeholders builds win-win relations. These include clients, suppliers, distributors, contractors, competitors, consumers, society, government, business organizations and international organizations of which Bimbo is a member; the media, social organizations, higher educational and research institutions and embassies.

At present, fluid dialogue with each of these groups enables us to identify their needs, concerns and contributions. Any change in any of these groups should be identified by the functional area responsible for relations with them.

In recent years, in addition to rating agencies specializing in sustainability, a new group of more specialized investors has emerged, with exclusive funds for investing in companies and organizations that pay special care to environmental, social and governance (ESG) issues. We have identified these groups through our active involvement in committees and business groups and our ongoing dialogue with sustainability experts. This enables us to keep up a continuous dialogue with the communities where we operate and with the stakeholders we have already identified.



Risks, Impacts and Opportunities

The greatest impacts caused by Grupo Bimbo are:



1. Our carbon footprint:

Resulting from our operations and the distribution of our products.



2. Our water footprint

One of the issues found to be meta-material for stakeholders.



3. Human Rights

We work to set general guidelines on respect for human rights, in keeping with the culture of Grupo Bimbo and with national and international laws and global instruments.



4. Regenerative farming

Through our work with farmers we have a positive impact on our carbon footprint and opportunities for development in the community.



5. Waste

Food waste and other types of waste are key issues for coming years, and will determine our ability to better manage our resources.



6. Improved nutritional profiles

We continue this important effort to improve nutritional profiles and bring products that meet the world's lifestyle and nutritional requirements.



7. Plant-based diets

The food crisis and climate change have together made it necessary to find dietary alternatives that are less aggressive with the planet, such as plant-based diets. We need to include the diversity of grains that exist on our planet to offer a specialized portfolio to those who decide to adopt this type of diet.



8. Transparent, healthy brands

There is a pressing need to offer brands committed to a cause, and a commitment to contribute to well-defined causes that inspire and motivate consumers to join in supporting them.



9. Community engagement and support

We are committed to improving quality of life in the communities where we operate, and we want to contribute to their prosperity, build resilient communities and better lives for all.

Memberships in associations and partnerships

International: United Nations Global Compact, **Consumer Goods Forum (CGF)**, International Food and Beverage Alliance (IFBA), **Roundtable on Sustainable Palm Oil (RSPO)**, World Federation of Advertisers (WFA), **Access to Nutrition Index**, World Economic Council, **Earthworm Foundation**, Carbon Disclosure Project, **Task Force on Climate-Related Financial Disclosures TCFD**, Global Reporting Initiative and the Mexican Center for Philanthropy (CEMEFI). **Mexico:** Mexican Private Transport Association (ANTP), **Mexican Solar Energy Association (ASOLMEX)**, National Chamber of the Transformation Industry (CANACINTRA), **Employers' Confederation of Mexico (COPARMEX)**, Business Coordinating Council (CCE), **Mexican Business Council (CMN)**, Nuevo León Chamber of the Transformation Industry (CAINTRA), **Mexican Consumer Products Industry Council (ConMéxico)**, Mexican Confederation of Industrial Chambers (CONCAMIN), **Mexican Agricultural Council (CNA)**, Commission on Private-Sector Sustainable Development Studies (CESPEDES), **The Self-Regulation and Advertising Ethics Council (CONAR)**, Council on Communication, **Ecology and Business Commitment (ECOCE)**, Mexican Social Entrepreneurship Union (USEM), **Mexican Health Foundation (FUNSALUD)** and the **International Center for the Improvement of Corn and Wheat (CIMMYT)**. **Bimbo Bakeries USA:** American Bakers Association y Consumer Brands Association. **Bimbo Canada:** Baking Association of Canada y Food and Beverage Canada Bimbo, **Brazil:** Brazilian Food & Industry Association (ABIA). **Bimbo Iberia:** Spanish Federation of Food and Beverage Industries and Spanish Confectionery Association. **Bimbo Latin Centro:** ANDI. **Bimbo Latin Sur:** AB Chile

Recognitions

CERTIFICATION	
Bimbo Canada	
Clean50 Honouree - Teresa Schoonings	Delta management
Clean50 Project - Bimbo Canada & Enviro Stewards	Delta management
Energy Star Certification	Natural Resources Canada
BBU	
EPA Green Power Partner	EPA Green Power
EPA Energy Star Challenge	EPA Energy Star
EPA Energy Star Certification (18 sites)	EPA Energy Star
EPA Energy Star Partner of the Year	EPA Energy Star
Colorado Sustainability	Colorado
Bimbo Mexico	
Certificado de Industria Limpia organización Bimbo (25 sites)	Mexican Federal Environmental Protection Agency (PROFEPA)
Certificado de Industria Limpia organización Barcel (5 sites)	Mexican Federal Environmental Protection Agency (PROFEPA)
Certificado de Industria Limpia organización Productos Ricolino(1 site)	Mexican Federal Environmental Protection Agency (PROFEPA)
LAC	
Certificado de Energía Eléctrica Verde I-REC (6 sites)	IREC
Bandera Azul	National Commission of the Ecological Blue Banner Program
Sello verde de verdad	CO2CERO
Sello de reconocimiento por ser líderes en la acción climática	Climate Action

CERTIFICATION	
LAS	
Giro Limpio	Chilean Energy Efficiency Agency (Agencia SE)
Mejores prácticas empresarias: “Sistema de gestión de recursos energéticos y agua”	DERES
Practica inspiradora: “Sistema de gestión de residuos”	DERES
Ceremonia de Certificación Giro Limpio (esto es adicional al certificado oficial).	Chilean Energy Efficiency Agency (Agencia SE)
EAA	
Certificación ISO 14001	SGS
Certificación ISCC	CGN
Certificación inglesa BREEAM. CeVe sustentable	Ecopenta
BQ	
Energy Star 2021 (2 sites)	Energy Star
Bimbo QSR Turkey has been certified “Zero Waste” company	Turkish Ministry of the Environment, Urbanization and Climate Change
Zero Waste	ISO local accredited company
Bimbo QSR Turkey has been certified “ISO14000”	ISO local accredited company

FINANCIAL RESULTS



“2021 was an exceptional year for Grupo Bimbo, we delivered record levels of Sales, Volume and Profit while transforming the business in a complex operating environment. Our CAPEX investments also reached a record level given the opportunities we are seeing across our markets and categories. These results reflect the hard work of our teams, the strong execution of our plans and strategies, our ample diversification and the strength of our brands.”

Daniel Servitje
Chairman and CEO



NET SALES
CAGR 2011 - 2021
10.1%

RECORD NET SALES
AND ADJUSTED EBITDA

\$133,506

\$348,887

DATA
HIGHLIGHTS

POINTS OF SALE	+2M	+3M
COUNTRIES	19	33
BAKERIES AND PLANTS	155	206
ASSOCIATES	+127K	+137K

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Financial Performance

Net Sales

Net Sales reached a record level at Ps. 348,887 million, an increase of 5.4%, attributable to strong volumes and price/mix across every region, which was partially offset by FX rate effect. Excluding this effect, Net Sales increased 9.3%.

North America¹

Despite difficult comparisons as the Company lapped COVID-19 driven performance in 2020, Net Sales in U.S. dollars increased 6.3%, driven by strong market share performance, successful implementation of the pricing strategy and excellent in store execution. Mainstream, premium, buns and rolls, sweet baked goods and snacks categories outperformed, as did the modern channel.

Mexico²

Net Sales in Mexico grew 13.5%, attributable to strong volume growth, product/mix and price increases. Every channel posted growth, as did the snacks, confectionery, snack cakes, cookies, sweet baked goods, sliced bread and buns categories.

Latin America³

Net Sales increased 7.9% in peso terms; excluding the FX effect, Net Sales increased 18.5%, primarily driven by strong results across every organization, highlighting Brazil, Chile, Paraguay, Colombia and the rest of the Latin Centro division. Sales growth was also benefited by the inorganic contribution from the acquisition of Aryzta do Brazil.

EAA⁴

Sales in EAA rose 13.9% in peso terms; excluding FX effect, Net Sales increased 15.5% reflecting strong performance mainly in Iberia, pricing actions and inorganic contribution from the acquisitions completed in Iberia and India, as well as a recovery of the QSR channel throughout the region.

1 The North American Region includes operations in the United States and Canada.
 2 Results in Mexico exclude transactions between the regions.
 3 The Latin American region includes the result of operations in Central and South America.
 4 The EAA region includes Europe, Asia and Africa operations.

“2021 results were outstanding, especially when we consider the difficult comparison from the 2020 remarkable results we are cycling, the FX conversion impact, overall inflation and the complicated operating environment in several countries. We surpassed our Sales and our Effective Tax Rate guidance, achieved our Adjusted EBITDA guidance and remain confident that 2022 will be a strong year, as we strengthen our investments to be more efficient and to enhance our global presence.”

Diego Gaxiola
CFO



Net Sales
+5.4%

Gross Profit

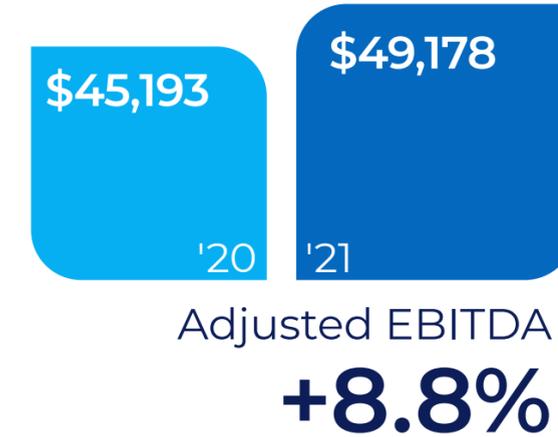
Gross Profit increased 3.9%, while the margin contracted 80 basis points to 53.1%, due to higher raw material costs

Operating Income

Operating Income grew 34.3% and the margin expanded 210 basis points, primarily as a reflection of productivity savings across the value chain coming from past restructuring investments, distribution efficiencies and cost-cutting projects, as well as a non-cash benefit of US \$108 million from the adjustment of the MEPPs liability to reflect current interest rates levels. This was partially offset by the abovementioned higher cost of sales.

Adjusted EBITDA⁵

Adjusted EBITDA reached a record level at Ps. 49,178 million, an increase of 8.8%, and the margin expanded 40 basis points primarily attributable to the strong sales and operating performance across the Company.



North America

North America region margin contraction of 20 basis points was mainly due to a higher inflationary environment, including commodities, labor costs and shortages across the supply chain, this was partially offset by favorable branded mix, productivity benefits from past restructuring investments and cost saving initiatives.

Mexico

The margin in Mexico expanded 80 basis points, attributable to the strong sales performance, favorable product and category mix and productivity savings across the supply chain. This was partially offset by higher raw material costs.

Latin America

Despite challenging conditions in several countries, Latin America Adjusted EBITDA margin expanded 210 basis points mainly due to the strong sales performance across every organization, increased market penetration, productivity benefits and solid results in Brazil.

EAA

EAA posted a 30 basis points expansion in the margin mostly because of the strong sales performance across the business, highlighting Iberia, which was partially offset by higher cost of sales.



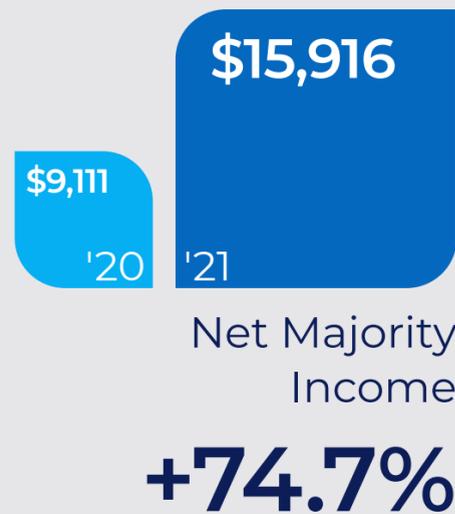
⁵ Earnings before interest, taxes, depreciation, amortization and MEPP

Comprehensive Financial Result

Comprehensive Financial Result totaled Ps. 8,069 million, 9% lower when compared with the previous year, this was mainly due to lower interest expenses and a lower exchange rate loss.

Net Majority Income

Net Majority Income increased 74.7% and the margin expanded 180 basis points, due to the strong sales and operating performance as well as lower financing costs and a lower effective tax rate, which totaled 34%.



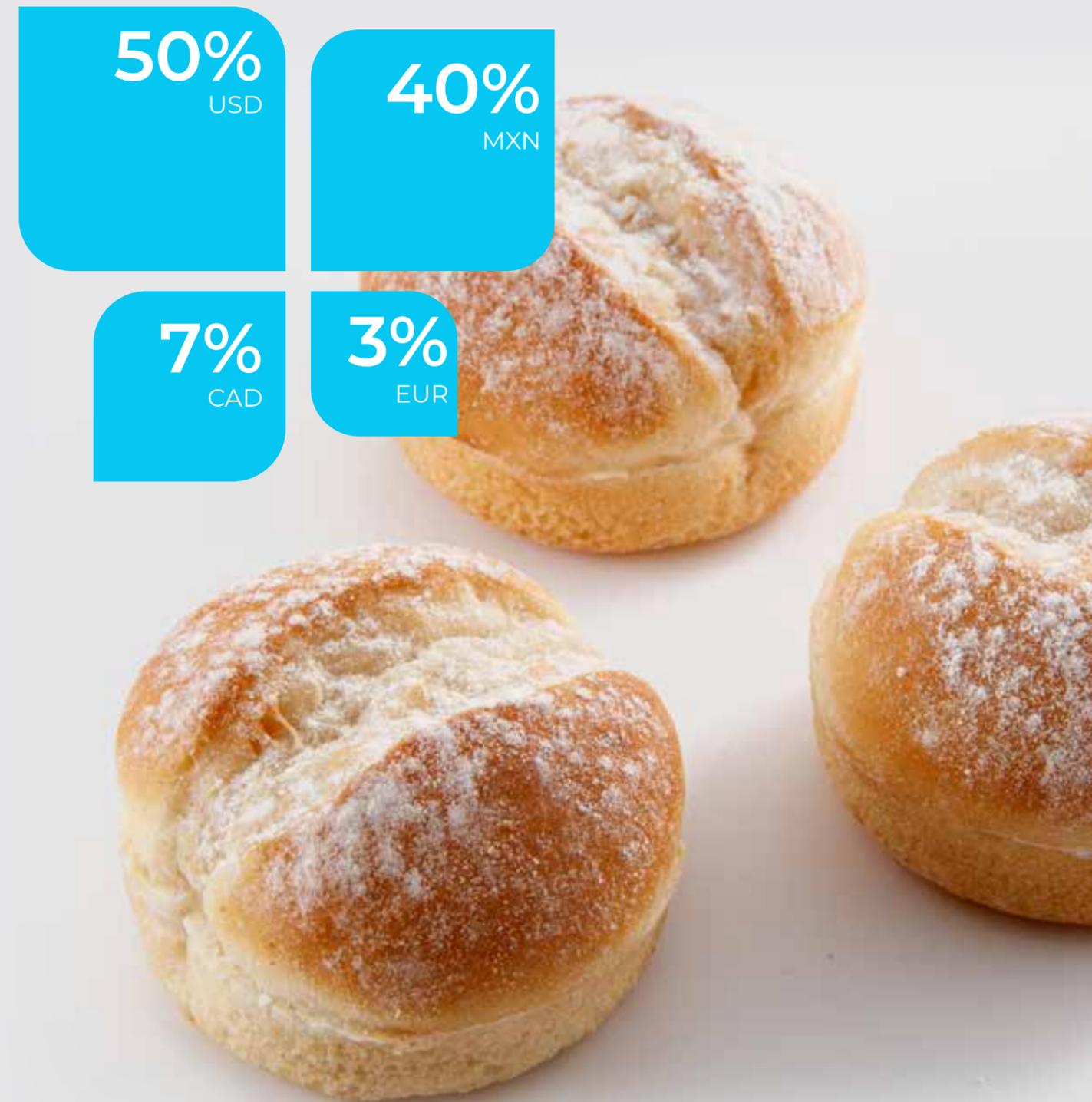
Financial Structure

Total Debt on December 31, 2021, was Ps. 93 billion, compared to Ps. 85 billion on December 31, 2020, the increase was explained by capital investments, the funding of the acquisitions and by the shareholders' return.

Average debt maturity was 16.4 years with an average cost of 6.0%. Long-term Debt comprised 89% of the total; 50% of the debt was denominated in US dollars, 40% in Mexican pesos, 7% in Canadian dollars and 3% in Euros.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 1.9 times, with no change when compared to 1.9 times on December 31, 2020.

Currency Mix



Amortization Profile⁶

(MILLIONS OF US DOLLARS)

CONSERVATIVE DEBT PROFILE
AND STRONG LIQUIDITY



⁶ Does not include US\$364 million debt at subsidiary level.

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, 2021, 2020 and 2019, 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, 2021, 2020 and 2019, 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.

Integrante de Ernst & Young Global Limited

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, 2021. 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 \$131,530 million as of December 31, 2021. 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, in 2021 the Company carried out business combinations for a total of \$10,809 million, and the definitive and preliminary allocation of the purchase price among the net assets acquired was \$2,732 million and \$8,078 million, respectively.

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 2021 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.

Other information included in the 2021 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
March 23, 2022

Audit Committee Letters and corporate practices

Mexico City, April 04, 2022

**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, 2021.

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, 2021 and for the year ended on that date.

Sincerely,



Edmundo Vallejo Venegas

Chairman of the Audit and Corporate Practices Committee
of Grupo Bimbo, S.A.B. de C.
Grupo Bimbo, S. A. B. de C. V.

Mexico City, April 4th, 2022

**To the Board of Directors of
Grupo bimbo, S.A.B. de C.V.**

Dear members of the Board of Directors,

In conformity with the provisions of the Stock Market Act, the Company’s bylaws 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 hereby submit to you the report of the activities carried out by the Audit and Corporate Practices Committee (“the Committee”) for the year ending December 31, 2021. During the course of our workings we were mindful of the recommendations set forth in the Code of Best Corporate Practices.

Based on the previously approved work program, the Committee met seven times during the year, and we discussed the topics we are legally required to address, and carried out the activities described below:

INTERNAL CONTROL

With the assistance of both Internal and External Auditors, we verified that management had established general guidelines for internal control, as well as the necessary procedures for their application and enforcement. In addition, we followed up on the observations made by both auditing bodies in the performance of their duties.

The members of Management responsible for such matters presented the action plans corresponding to the observations resulting from the internal audit, so our 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, specifically the Control Self-Assessment (CSA) within the organizations, and in most of the operational processes, the results of such self-assessments, reliability levels, as well as the follow-up of action plans.

The project for monitoring regulatory compliance at plants and work centers and the implementation of the Microfocus system for identity and access management were presented, and it was recommended that the internal control structures of the organizations be strengthened.

CODE OF ETHICS

With the support of the Internal Audit Department and other areas of the Company, we verified compliance by the associates of the Company with the Group's current Code of Ethics.

We learned of the results and central issues identified in maintaining a hotline for The Group associates, and management informed us of the actions taken in those cases.

EXTERNAL AUDIT

We were in constant contact with the representative of the EY firm to follow up on the relevant issues and know the activities carried out during the year, along with the Company's management. The audit of the consolidated financial statements as of December 31, 2021 has been completed and the result was satisfactory.

We approved the contract and fees for these auditing services for the years 2021 and 2022, including additional fees for the growth of the Group and other permitted services. We ensured that these payments did not compromise the independence of that firm.

The external auditors presented their approach, work program and areas of interaction with Grupo Bimbo's Internal Audit department; the Committee approved this presentation.

An inquiry was made by the external auditors, to this Committee, about the knowledge of relevant fraud, complaints to financial information, concerns about related party transactions and/or knowledge of possible violations of laws or regulations, to which, the Committee responded to the external auditors that they had no knowledge of the above stated.

We maintained direct and close communication with the external auditors, and they informed us on a quarterly basis of the progress of their work and any observations they had; we took note of their comments on the quarterly and annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements.

We reviewed the content in a timely manner of the Prior Notice to the issuance of the External Audit Report (or Independent Auditor's Report) made in accordance with the International Auditing Standards on the consolidated financial statements of the Company as of December 31, 2021 and for the year ended on that date, which have been prepared in accordance with International Financial Reporting Standards (hereinafter IFRS), issued by the Independent External Auditor of the Company 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 Supervised Entities and Issuers by the National Banking and Stock Commission that Contract External Audit Services of Basic Financial Statements (hereinafter Provisions, Sole Circular of External Auditors or CUAE).

In addition, we conducted an evaluation of the services of the external auditing firm for the year 2021 and were promptly informed of the preliminary financial statements.

INTERNAL AUDIT

The audit plan for the year 2022 was approved, consisting of a total of 444 audits in 29 different countries. The auditable universe was reviewed in detail, including legal entities, factories, sales centers, systems, and projects, among others, and the analysis of business risks that will be covered by the audits. In addition, the annual budget of the internal audit department was approved, as well as the agenda and schedule of meetings of this Committee for 2022.

At each of the meetings of this Committee, we received and approved the periodical reports on the progress of the approved work program. We followed up on the observations and suggestions made by Internal Audit and ensured that management resolved the internal control deviations indicated; therefore, we consider that the status of this system is reasonably correct.

We authorized an annual training plan for personnel of the area and verified its effectiveness. A number of specialized professional firms participated actively in that plan to maintain the members with updated information on the appropriate topics.

The Committee authorized the Internal Audit Department to renew the services of the firm Baker Tilly for internal audit work in finance and information technology for the operations of Bimbo QSR and the firm PwC for co-sourcing in India. The use of external audit firms was also authorized for general information technology controls assurance projects.

In compliance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, The Committee approved the update of Grupo Bimbo's Internal Audit Charter, the Internal Audit VP confirmed to the Committee the independence of the internal audit activity, the risks assumed by the operation, the conflicts that currently occur with the auditors and the mitigation plan for these conflicts were presented.

SECURITY

The Global VP of Security and Assets reported on the main security events during the year. Special attention was given to the increase in criminal events, as well as assaults on delivery vehicles. There has been an increase in the number of working groups with the authorities in the area of transportation theft, training for associates, and the penalization of omissions and investigations with the prosecutor's offices.

INFORMATION TECHNOLOGY

The Global CIO presented the progress of the company's cybersecurity strategy, as well as the identification of relevant risks, in addition to access and identity management and personal data security, third party risks, data structure, and especially the privacy and data protection awareness campaign for all Grupo Bimbo associates and followed up on the implementation of Oracle in the cloud in the different organizations of the group.

FINANCIAL INFORMATION AND ACCOUNTING POLICIES

In collaboration with the parties responsible for the preparation of the company's quarterly and annual financial statements, we reviewed them, recommended their approval to the Board of Directors, and granted the authorization to publish them. 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 Controller's Office, the company's accounting policies for the year 2021, which are unchanged with respect to 2020.

With the support of the internal and external auditors and in order to express an opinion on the financial statements, we ensured that the criteria, accounting policies and information used by Management to prepare the financial information were appropriate and sufficient and had been applied consistently with the previous year, considering the changes applicable both in the year

and for the previous year, related to IFRS. Consequently, the information presented by Management fairly reflects the Company's financial position, results of operations, changes in stockholders' equity and cash flows.

COMPLIANCE WITH REGULATORY STANDARDS AND APPLICABLE LAW CONTINGENCIES

We ensured 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 of the above with the support of the internal and external auditors.

At the end of each quarter, we reviewed the different tax, legal and labor contingencies existing in the company and we made sure that the procedure established to identify them was integral and consistently followed, so that Management had the elements for their timely and adequate follow-up. We reviewed the status and progress of the activities related to the cases that continue to be faced in Canada, Brazil and Portugal based on the information generated, the opinion of the law firms handling the cases in those countries and the progress of the investigations carried out by the local authorities.

The PwC firm presented the annual evaluation of its transfer pricing work. They 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 acknowledged and was satisfied with the evaluation and progress in the relationship.

The Global Insurance Department presented the progress of the relevant topics such as Natural Risks Insurance, Fire Risk, Personal Insurance, COVID Protection Insurance, an overview of recent claims in Argentina and follow-up to the 2019 Vachon incident, as well as a current outlook of the global insurance market. Additionally, the finalization of the Grupo Bimbo Insurance Captive project was discussed. Finally, the review of limits to cybersecurity, Crime, D&O, and property insurance was mentioned.

The Corporate Management Department presented the progress of acquired businesses in the process of integration, as well as the identified risks associated with these acquisitions. The Committee acknowledged the work that has been done in recent years to strengthen and professionalize these processes.

The Global Department of Institutional Relations informed the Committee about the new transformation strategy from Línea Comenta to 'COMENTA', which includes a change of image, digital iconography, new communication channels and new messages. The Committee was informed about the number and types of cases reported, the levels of attention and the inclusion of potential fraud cases in the category of breaches of integrity to align it with the fraud risk management model.

The Global Procurement Department presented its report on the performance of the main raw materials for the year 2021. The inflationary trend is present in almost all geographies, along with an increase in demand which has stressed the global supply chain. An acceleration of the post-COVID economy is forecasted for the coming months. The strategy has focused on adequate hedging of purchase positions, particularly for wheat positions, due to potential future price volatility.

The Global Food Safety and Quality Department commented on the integration process of the new global strategy, the overview of this new function, as well as the strategy designed for an independent Food Safety and Quality operating model. The new dynamic audit model from the new function complemented with increased plant coverage by the Global Internal Audit Department was presented. The new Global VP of Food Safety and Quality will report directly to general management and will work with the VPs of each organization.

COMPLIANCE OF OTHER OBLIGATIONS

We held the meetings with the directors and officers of the Administration that we considered necessary to keep us informed of the progress of the Society and the relevant and unusual activities and events.

We were informed of the significant matters that could imply possible non-compliance with the operating policies, internal control system and accounting record policies, and we were informed of the corrective measures taken in each of them and found them satisfactory.

We did not deem it necessary to request the support and opinion of independent experts, since the matters discussed in each session were duly supported by the related information and therefore the conclusions, we reached were satisfactory for the Board members of the Committee.

RELATED PARTY TRANSACTIONS

We reviewed and recommended to the Board for its approval, each and every one of the operations with related parties that require approval by the Board of Directors for the 2021 fiscal year, as well as the recurring operations that are projected to be carried out during the 2022 fiscal year and that require approval by the Board of Directors.

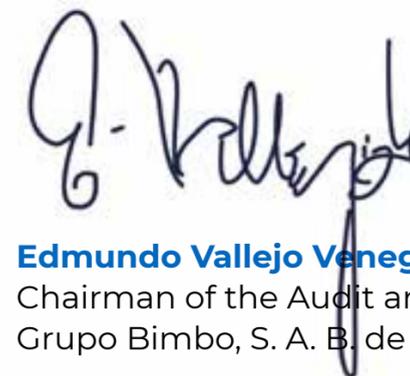
MANAGEMENT EVALUATION

We reviewed and recommended to the Board for its approval, the evaluation of the management and compensation of the Chief Executive Officer, as well as the members of the Executive Committee for the 2021 fiscal year, previously reviewed and recommended by the Evaluation and Performance Committee.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported to the Board of Directors the activities that we developed collegially within the Committee.

The work that we conducted was duly documented in minutes prepared for each meeting, which were reviewed and approved in a timely manner by the Committee members.

Sincerely,



Edmundo Vallejo Venegas

Chairman of the Audit and Corporate Practices Committee
Grupo Bimbo, S. A. B. de C. V

ABOUT THIS REPORT

The purpose of this report is to share with our stakeholders the way we have pursued our corporate purpose through achievements and progress that is guided by our Business and Sustainability Strategy.

This integrated annual report contains the global economic, social, environmental, and financial results of Grupo Bimbo for the period beginning January 1 and ending December 31, 2021. This report was 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 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 of the United Nations Organization.

The last report was prepared for the same period corresponding to 2020.

The process carried out to obtain the information has been provided through interviews with Senior Management and expanded by the corresponding corporate divisions.

As part of our environmental care strategy, we have produced the document in a digital format. This is the tenth time we have reported the results of the activities carried out 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 process to validate both the qualitative and quantitative information. The financial information was submitted to an external verification process.

During this last period, there were no significant changes with respect to the previous periods reported in terms of materiality and coverage.

FOR MORE INFORMATION

Contact for questions about the report or its content:

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Delegación Álvaro Obregón,
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Institutional Relations

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Sustainability

sustentabilidad@grupobimbo.com

Sustainability Strategy:

<https://grupobimbo.com/es/sustentabilidad>

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

FOR LIFE

The information of Modern Foods, Bimbo QSR Brasil and Popcornopolis is not included, since in 2021 they were in the process of being integrated.

Committees and consultation processes with local communities, including vulnerable groups

In Mexico, the Systematic Supervision of People processes is carried out annually, where the Volunteering area supervises the execution and perception of the Volunteering Programs and the Good Neighbor Program in each of the regions, in the organizations: Bimbo, Barcel, Ricolino.

Exclusions

FOR NATURE

204-1 Proportion of expenses with local suppliers

This indicator considers the main categories purchased in Mexico, The definition for “local” is considered as purchases made at the national level (Mexico), The definition for “important locations of operation” are operations at the national level.

301-1, 301-2, 301-3 Materials

- Information period from 1 Nov 2020 to 31 Oct 2021.
- The spend and main suppliers of each organization are considered (~80%).
- Only packaging materials, paper and cardboard are considered, since they are inputs linked to our commitment in terms of packaging material.
- For the advancement of biodegradable, only recyclable polyethylene, polypropylene and multilaminates are considered.

- For Paper and Cardboard, the supplier information is considered, which represents 90% of the spend.
- Information is shared from organizations that participate in post-consumer programs and annual reports of said programs.
- China, India, Morocco, QSR and new acquisitions are not considered, work is being done to compile the information, so they are not considered in this report.





304-2 - Biodiversity

- Due to the changes that the company has undergone as well as this new approach with higher aspirations in our commitments related to the Environment, it was decided to update our study at the end of 2021 to identify risks in biodiversity, so that during 2022 we will analyze and work on the results also aligning the update of our Materiality in 2022.
- In parallel, work continues on projects for the care of biodiversity, which are an important part of our Agriculture, CO₂ and Water commitments.

307 - Environmental regulations

No significant fines or penalties were reported.



302, 303, 305, 306 - Water, Waste, Energy and Emissions

- United States information is taken from January to November, December is an estimate due to billing.
- Information from Morocco and Switzerland (BQ) is excluded, as they do not have operational control.
- Moldex consumption is included, but the tons produced are excluded as it is a totally different operation (accounting record of parts).
- The information includes the data of the collection centers.
- The information for BQ - North America is partially reported due to delays in the billing and integration process.
- Grupo Bimbo establishes in its standards the minimum water quality to be met within the management of water discharge, beyond local legal requirements.
- Waste not intended for disposal is considered to be all waste that is not going to incineration and landfill (recyclable waste, special handling waste and hazardous waste), we do not send waste to incineration, thermal recovery is used (waste to energy).

- **308, 414** - No significant negative environmental and social impacts – potential and actual – identified in the supply chain.
- **408, 409** - According to the different mechanisms used to identify any significant risk in our strategic inputs, none have been identified.

General Nature

- The information on the environmental indicators is captured month by month for each work site in an internal system called BEST (Bimbo Environmental Sustainability Tool) which allows analyzing and making decisions related to the performance of said indicators.
- In the case of the CeVes, the information is collected through a system called Grupo Bimbo Fleet or in some cases, manually by the organizations.

Baked For You

- Geographic scope of nutritional reports.
- Excluded from this report: Bimbo Morocco, Bimbo India, Bimbo QSR.

Annex

FOR LIFE

GOOD NEIGHBOR PROJECTS

Year	Number of projects
2012	31
2013	77
2014	94
2015	120
2016	132
2017	132
2018	176
2019	191
2020	148
2021	157
Total	1,258

102-7 SIZE OF THE ORGANIZATION

	TOTAL ASSOCIATES ON PAYROLL	TOTAL WORKERS HIRED AND AUTONOMOUS	TOTAL GRUPO BIMBO ASSOCIATES
Mexico	77,409	0	77,409
US/Canada	26,041	7,843	33,884
Latin America	21,108	3,297	24,405
Europe, Asia, Africa	12,985	5,781	18,766
Total within Grupo Bimbo payroll	137,543	16,921	154,464

TOTAL NUMBER OF ASSOCIATES IN GRUPO BIMBO 154,464

102-8 LABOR FORCE*

	TOTAL ASSOCIATES WITHIN THE PAYROLL					TOTAL INDEPENDENT DISTRIBUTORS		TOTAL AUTONOMOUS WORKERS	
	TOTAL	MEN	WOMAN	NOT SPECIFIED	% OF TOTAL	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL
Mexico	77,409	61,877	15,532	0	56%	0	0%	0	0%
North America	26,041	20,671	5,370	0	19%	209	4%	7,634	65%
Latin America	21,108	16,252	4,856	0	15%	1,520	30%	1,777	15%
Europe, Asia, Africa	12,985	9,743	3,242	0	9%	3,415	66%	2,366	20%
Total within Grupo Bimbo payroll	137,543	108,543	29,000	0	100%				
Sex percentage		79%	21%						
Total independent workers	5,144	NA	NA	NA		5,144	100%		
Autonomous workers	11,777	NA	NA	NA				11,777	100%
Total worldwide	154,464								
FTE	136,904								
Full time	136,559								
Part time	984								
Total associates within payroll plus independent distributors	142,687								
Total associates within payroll plus independent distributors and autonomous workers	154,464								

	FULL TIME		PART TIME		TOTAL	PERMANENT CONTRACT		TEMPORAL CONTRACT		NO DATA		TOTAL
	MEN	WOMAN	MEN	WOMAN		MEN	WOMAN	MEN	WOMAN	MEN	WOMAN	
Mexico	61,877	15,532	0	0	77,409	58,557	13,410	3,320	2,122			77,409
US/Canada	20,358	5,269	313	101	26,041	1,229	534	173	47	19,269	4,789	26,041
Latin America	16,249	4,850	3	6	21,108	15,664	4,515	588	341			21,108
Europe, Asia, Africa	9,294	3,130	449	112	12,985	8,656	2,844	1,085	397	2	1	12,985
Total within Grupo Bimbo payroll	107,778	28,781	765	219	137,543	84,106	21,303	5,166	2,907	19,271	4,790	137,543
	136,559		984			105,409		8,073		24,061		

*This report shows a difference of 517 associates from the Bimbo Brazil registry.

202-2 Proportion of senior executives hired from the local community

The inclusion of local managers makes it possible to strengthen human capital, increase benefits for the local community and improve the Organization’s ability to understand the environment and local needs.

We seek to deploy the right talent in the right place, for the benefit of our associates and the operations that need to recruit said talent through international assignments. For this we have two policies that manage the temporary or long-term assignment of associates.

The Global Talent and Development Department, together with the Global Departments involved, prepare management succession plans to identify talent with potential and actions for their development. Monitoring is done through the individual development plan.

The participation of local managers in 2021 was 90.4% local managers globally.

REGION	MANAGERS	% SENIOR MANAGERS WHO COME FROM THE LOCAL COMMUNITY	% ROUNDED
Europe, Asia, Africa	18	83.3%	83%
Latin America	24	58.3%	58%
Mexico	94	93.6%	94%
North America	72	98.6%	99%
Total Grupo Bimbo	208	90.4%	90%

Senior manager: from the 2nd Management level and above.

Local: Executives born or legally entitled to reside permanently (naturalized or holders of permanent visas) in the geographic market of the Organization. Places with significant operations: All organizations that have a management level in their structure.

205-1 Operations assessed for risks related to corruption

No significant risks disclosed.

205-2 Communication and training on anti-corruption policies and procedures

c - The number of business partners to whom the organization’s anti-corruption policies and procedures have been communicated is not available.

403-9 Work accident injuries

Work-related death rate =0.00370.

High consequence work-related injury rate (excluding fatalities = 0.00740

We had 12 severe injuries (amputations) in 2021:

North America:	2
Mexico:	3
Latin America:	3
Europe, Asia and Africa:	4

Hours worked:

North America:	50,626,298
Mexico:	186,308,515
Latin America:	53,920,355
Europe, Asia and Africa:	30,587,536

Injury rate:

$**12 / 321,442,705 *200,000 = 0.0074$

$12 / 321,442,705 *1,000,000 = 0.037$

Recordable Injury Rate = 2.38

**Calculation formula for TRIR.

We had 3,826 recordable injuries and they are classified as follows:

North America:	821
Mexico:	2,278
Latin America:	436
Europe, Asia and Africa:	291

Hours worked:

North America:	50,626,298
Mexico:	186,308,515
Latin America:	53,920,355
Europe, Asia and Africa:	30,587,536

Recordable Accident Injury Rate:
 $3,826 / 321,442,705 *200,000 = 2.38$
 $3,826 / 321,442,705 *1,000,000 = 11.90$

We had 6 fatalities in 2021*:

North America:	1
Mexico:	4
Latin America:	1

Hours worked:

North America:	50,626,298
Mexico:	186,308,515
Latin America:	53,920,355
Europe, Asia and Africa:	30,587,536

Death Rate:

$6 / 321,442,705 *200,000 = 0.0037$

$6 / 321,442,705 *1,000,000 = 0.018$

* All of them related to the transport fleet.

Accident frequency rate by gender:

Our Safety and Wellness management system allows us to know the number of injuries and their frequency, however, it does not have a classification of this information by gender. However, safety actions are aimed at all our associates since our priority is to have zero injuries throughout our operation.

404-1 Average training hours per year and per associate, assistance programs

Contributors from India are not considered as by 2021, they were not registered with GB Talent.

Bimbo QSR operational level associates are not considered because they do not have a GB Talent record.

401-1 TURNOVER

GRI REGION	AGE RANGE	PERSONNEL ACTIVE DURING 2021			TOTAL TURNOVER (TERMINATIONS IN 2021)			VOLUNTARY TURNOVER (TERMINATIONS IN 2021)			NEW HIRES DURING 2021		
		M	F	GRAND TOTAL	M	F	GRAND TOTAL	M	F	GRAND TOTAL	M	F	GRAND TOTAL
Mexico	1 Less than 30	16,021	6,812	22,833	3,299	1,568	4,867	3,263	1,544	4,807	6,411	3,432	9,843
	2 Between 30 and 50	48,683	12,190	60,873	4,840	1,792	6,632	4,556	1,726	6,282	4,739	3,215	7,954
	3 Older than 50	8,024	1,148	9,172	786	164	950	470	112	582	72	85	157
Total Mexico		72,728	20,150	92,878	8,925	3,524	12,449	8,289	3,382	11,671	11,222	6,732	17,954
North America	1 Less than 30	4,459	1,284	5,743	1,583	462	2,045	1,565	454	2,019	2,178	703	2,881
	2 Between 30 and 50	11,725	3,379	15,104	2,204	754	2,958	2,144	738	2,882	2,593	906	3,499
	3 Older than 50	9,489	2,335	11,824	1,059	287	1,346	710	218	928	733	234	967
Total North America		25,673	6,998	32,671	4,846	1,503	6,349	4,419	1,410	5,829	5,504	1,843	7,347
Latin America	1 Less than 30	5,715	2,441	8,156	1,591	613	2,204	1,159	479	1,638	2,221	1,151	3,372
	2 Between 30 and 50	14,732	4,029	18,761	2,916	831	3,747	1,711	480	2,191	1,991	763	2,754
	3 Older than 50	1,822	387	2,209	370	106	476	234	48	282	108	24	132
Total Latin America		22,269	6,857	29,126	4,877	1,550	6,427	3,104	1,007	4,111	4,320	1,938	6,258
Europe, Asia and Africa	1 Less than 30	7,217	1,320	8,537	4,077	882	4,959	2,415	119	2,534	4,738	1,032	5,770
	2 Between 30 and 50	8,629	4,098	12,727	2,600	1,495	4,095	1,112	395	1,507	3,445	1,898	5,343
	3 Older than 50	2,024	1,206	3,230	329	407	736	92	74	166	401	460	861
	4 Not specified	57	16	73	46	13	59	41	13	54	24	5	29
Total Europe, Asia and Africa		17,927	6,640	24,567	7,052	2,797	9,849	3,660	601	4,261	8,608	3,395	12,003
Grand total		138,597	40,645	179,242	25,700	9,374	35,074	19,472	6,400	25,872	29,654	13,908	43,562

M= Male Staff / F= Female Staff

1. The information on Modern Foods, Bimbo QSR Brasil and Popcornopolis is not included, since in 2021 they were in the process of being integrated.

2. In the Total Rotation and % of Total Non-Permanence, dismissals due to internal changes, fixed time, restructuring and those who did not sign a contract are not considered.

3. In Voluntary Rotation and % of Voluntary Non-Permanence, in addition to the aforementioned causes, Layoffs, Retirement, Illness and Death are not considered.

401-1 TURNOVER

GRI REGION	AGE RANGE	TOTAL OF NEW ASSOCIATES WHO LEAVE THE NEW JOB BEFORE COMPLETING THE 1ST. YEAR (TOTAL ROTATION)			TOTAL OF NEW ASSOCIATES WHO LEAVE THE NEW JOB BEFORE COMPLETING THE 1ST. YEAR (VOLUNTARY ROTATION)			TOTAL TURNOVER INDEX 2021			VOLUNTARY TURNOVER INDEX 2021			INDEX OF NEW ASSOCIATES 2021		
		M	F	GRAND TOTAL	M	F	GRAND TOTAL	M	F	GRAND TOTAL	M	F	GRAND TOTAL	M	F	GRAND TOTAL
Mexico	1 Less than 30	1,453	845	2,298	1,443	835	2,278	21%	23%	21%	20%	23%	21%	40%	50%	43%
	2 Between 30 and 50	956	779	1,735	948	772	1,720	10%	15%	11%	9%	14%	10%	10%	26%	13%
	3 Older than 50	15	29	44	15	29	44	10%	14%	10%	6%	10%	6%	1%	7%	2%
Total Mexico		2,424	1,653	4,077	2,406	1,636	4,042	12%	17%	13%	11%	17%	13%	15%	33%	19%
North America	1 Less than 30	907	285	1,192	904	280	1,184	36%	36%	36%	35%	35%	35%	49%	55%	50%
	2 Between 30 and 50	931	341	1,272	919	338	1,257	19%	22%	20%	18%	22%	19%	22%	27%	23%
	3 Older than 50	243	72	315	239	72	311	11%	12%	11%	7%	9%	8%	8%	10%	8%
Total North America		2,081	698	2,779	2,062	690	2,752	19%	21%	19%	17%	20%	18%	21%	26%	22%
Latin America	1 Less than 30	745	331	1,076	670	314	984	28%	25%	27%	20%	20%	20%	39%	47%	41%
	2 Between 30 and 50	579	209	788	434	168	602	20%	21%	20%	12%	12%	12%	14%	19%	15%
	3 Older than 50	24	6	30	9		9	20%	27%	22%	13%	12%	13%	6%	6%	6%
Total Latin America		1,348	546	1,894	1,113	482	1,595	22%	23%	22%	14%	15%	14%	19%	28%	21%
Europe, Asia and Africa	1 Less than 30	2,835	792	3,627	1,264	46	1,310	56%	67%	58%	33%	9%	30%	66%	78%	68%
	2 Between 30 and 50	1,739	1,147	2,886	469	129	598	30%	36%	32%	13%	10%	12%	40%	46%	42%
	3 Older than 50	147	301	448	13	20	33	16%	34%	23%	5%	6%	5%	20%	38%	27%
	4 Not specified	24	4	28	20	4	24	81%	81%	81%	72%	81%	74%	42%	31%	40%
Total Europe, Asia and Africa		4,745	2,244	6,989	1,766	199	1,965	39%	42%	40%	20%	9%	17%	48%	51%	49%
Grand total		10,598	5,141	15,739	7,347	3,007	10,354	19%	23%	20%	14%	16%	14%	21%	34%	24%

M= Male Staff / F= Female Staff

1. The information on Modern Foods, Bimbo QSR Brasil and Popcornopolis is not included, since in 2021 they were in the process of being integrated.

2. In the Total Rotation and % of Total Non-Permanence, dismissals due to internal changes, fixed time, restructuring and those who did not sign a contract are not considered.

3. In Voluntary Rotation and % of Voluntary Non-Permanence, in addition to the aforementioned causes, Layoffs, Retirement, Illness and Death are not considered.

404-3 PERCENTAGE OF ASSOCIATES WHO ARE EVALUATED REGULARLY AND WHO UNDERGO CAREER DEVELOPMENT REVIEWS

OF ASSOCIATES WHO RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	Female		Male	
Hourly and Staff	15,226	68%	66,602	71%
Supervisors	2,636	95%	9,569	95%
Managers, Directors, VPs and Presidents	1,174	96%	2,926	96%
Without data	0	0%	0	0%

Global total by employment level **19,036** **72%** **79,097** **74%**

* Active associates at the end of May 2021

403-2 Hazard identification, risk assessment and incident investigation

a - Regarding this point, it will not be disclosed to the public since we consider it to be a very operational issue and the nature of the annual report is to talk about those relevant to the care of associates.

403-4 Worker participation, consultation and communication on health and safety at work

b - With respect to this point, it will not be disclosed to the public since we consider it to be a matter of great operational detail.

403-8 Coverage of the occupational health and safety management system

Total internal associates in Grupo Bimbo = 137,543

Associates under the health and safety model: 135,840 = 98.76%.

Excludes: BIS, Kannan, CSC Costa Rica, BL USA and the new acquisitions of Bimbo QSR and external associates.

404-3 PERCENTAGE OF ASSOCIATES WHO ARE EVALUATED REGULARLY AND WHO UNDERGO CAREER DEVELOPMENT REVIEWS

OF ASSOCIATES WHO RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	Female		Male	
Hourly and Staff	15,226	68%	66,602	71%
Supervisors	2,636	95%	9,569	95%
Managers, Directors, VPs and Presidents	1,174	96%	2,926	96%
Without data	0	0%	0	0%
Global total by employment level	19,036	72%	79,097	74%

* Active associates at the end of May 2021

405-1 DIVERSITY AND INCLUSION

Total population

GRI LEVEL	TOTAL	UNDER 30 YEARS OLD	%	BETWEEN 30 -50 YEARS	%	OVER 50 YEARS OLD	%	IN REVIEW	%
Hourly and Staff	119972	26455	0.19	74710	0.54	18807	0.14	0	0.000
Supervisors	13131	1793	1.3%	9237	0.07	2101	0.02	0	0.000
Managers, Directors, VPs and Presidents	4440	144	0.00105	2888	0.02	1408	0.01	0	0.000
Without data	0	0	0.0	0	0.00	0	0.00	0	0.000
TOTAL	137543	28392	20.6%	86835	63.1%	22316	16%	0	0.000

Annex

FOR NATURE

Packaging optimization

Year	Reduction (kg)
2010	394,862
2011	99,804
2012	164,706
2013	963,965
2014	205,326
2015	133,250
2016	80,856
2017	333,399
2018	510,040
2019	446,346
2020	290,246
2021	1,218,487

Fuel

Energy Consumption GJ	2019	2020	2021
#2 Fuel Oil	48,060	44,927	36,119
Diesel Fuel (Non-road Grade)	131,682	135,742	79,733
Generator Diesel Fuel	19,933	37,831	32,515
Natural Gas	9,769,944	9,998,427	10,149,989
Propane	660,217	754,991	835,669
kWh Sub-total in Plants	10,629,836	10,971,918	11,134,025
Diesel	4,125,381	3,776,638	3,887,317
Gasoline	2,555,477	2,393,713	2,441,299
LPG	56,347	58,865	58,343
CNG	183,628	204,948	209,272
Ethanol	4,092	2,650	1,883
kWh Sub-total in Vehicles	6,924,925	6,436,814	6,598,114
Diesel in 3rd party vehicles	6,614,712	6,364,065	7,170,591
Gasoline in 3rd party vehicles	35	91	65
LPG in 3rd party vehicles	1,195	893	428
CNG in 3rd party vehicles	82,472	74,712	80,339
Ethanol in 3rd party vehicles	0	0	0
kWh Sub-total in 3P Vehicles	6,698,414	6,439,760	7,251,423
Total direct consumption of energy from non-renewable primary sources (purchased)	24,253,174	23,848,493	24,983,563

Electricity

Energy Consumption GJ	2019	2020	2021
Total indirect consumption of energy from suppliers.**	3,254,236	3,254,236	6,508,471
Renewable energy*	1,825,714	1,825,714	3,651,428
Total*	5,079,950	5,079,950	10,159,900
% Renewable energy	35.94%	35.94%	35.94%

* Consolidated Base Renewables and Match vs. BEST of each organization
 ** Consumption of Plants, from suppliers
 Example CFE for Mexico

1 kWh = 0.0036 GJ

302-1 Total energy

Grupo Bimbo in GJ	2019	2020	2021
Total Fuel Consumption from non-renewable sources	24,253,174	23,848,493	24,983,563
Total Fuel Consumption from renewable sources	0	0	0
Electricity Consumption	5,079,950	5,079,950	5,240,676
Total Energy Consumption	29,333,124	28,928,443	30,224,239

302-1 Total Energy Within The ORG (GJ)

Grupo Bimbo in GJ	2019	2020	2021
Total Fuel Consumption from non-renewable sources	17,554,760	17,408,732	17,732,140
Total Fuel Consumption from renewable sources	-	-	-
Electricity Consumption	5,079,950	5,107,869	5,240,676
Total Energy Consumption	22,634,710	22,516,602	22,972,816

302-2 Total Energy External The ORG (GJ) (outsourced)

Grupo Bimbo en GJ	2019	2020	2021
Total Fuel Consumption from non-renewable sources	6,698,414	6,439,760	7,251,423
Total Fuel Consumption from renewable sources	-	-	-
Electricity Consumption	-	-	-
Total Energy Consumption	6,698,414	6,439,760	7,251,423

302-3 Energy KPI

SCOPE 1	2019	2020	2021
ENERGY INTENSITY RATIO			
Total Fuel Consumption GJ*	17,554,760	17,408,732	17,732,140
Total Energy Consumption GJ	17,554,760	17,408,732	17,732,140
TPE (tons)	4,693,880	5,025,741	5,164,538
Ratio*	3.74	3.46	3.43

SCOPE 2 & 3

	2019	2020	2021
ENERGY INTENSITY RATIO			
Total Fuel Consumption 3P VehGJ	6,698,414	6,439,760	7,251,423
Total Electricity Consumption GJ	5,079,950	5,107,869	5,240,676
Total Energy Consumption GJ	11,778,364	11,547,629	12,492,099
TPE (tons)	4,693,880	5,025,741	5,164,538
Ratio*	2.51	2.30	2.42

* Vehicles included.

305-1, 305-2, 305-3 Emissions

CO₂e Emissions (Ton)			
Grupo Bimbo	2019	2020	2021
Fuel oil in plants	3,732	3,488	2,804
Diesel in plants	11,305	12,954	8,394
Natural Gas in plants	524,203	537,118	546,277
LPG in plants	42,363	48,527	53,698
CO₂e Sub-total in Plants*	581,602	602,087	611,173
Diesel in vehicles	309,248	282,811	290,430
Gasoline in vehicles	177,872	166,146	169,470
LPG in vehicles	3,378	3,525	3,486
CNG in vehicles	9,899	11,134	11,528
Ethanol in vehicles	2	1	1
CO₂e Sub-total in Vehicles	500,399	463,617	474,914
CO₂e total direct emissions (scope 1)	1,082,002	1,065,703	1,086,087
Electricity	332,963	199,832	135,187
CO₂e total indirect emissions (scope 2)	332,963	199,832	135,187
Diesel in 3rd party vehicles	471,741	454,109	532,008
Gasoline in 3rd party vehicles	2	6	5
LPG in 3rd party vehicles	76	57	27
CNG in 3rd party vehicles	4,148	3,757	4,592
Ethanol in 3rd party vehicles	0	0	0
CO₂e total third party vehicles emissions (scope 3)	475,967	457,930	536,631
TOTAL CO₂e EMISSIONS	1,890,932	1,723,466	1,757,906

305-4 CO₂e Emissions (Ton) KPI

SCOPE 1	2019	2020	2021
CO₂e INTENSITY RATIO			
Total CO ₂ e Emissions (tons)	1,082,002	1,065,703	1,086,087
TPE	4,693,880	5,025,741	5,164,538
Ratio*	0.23	0.21	0.21
SCOPE 2			
CO₂e INTENSITY RATIO			
Total CO ₂ e Emissions (tons)	332,963	199,832	135,187
TPE	4,693,880	5,025,741	5,164,538
Ratio*	0.07	0.04	0.03
SCOPE 2 & 3			
CO₂e INTENSITY RATIO			
Total CO ₂ e Emissions (tons)	808,930	657,762	671,819
TPE	4,693,880	5,025,741	5,164,538
Ratio*	0.17	0.13	0.13
SCOPE 3			
CO₂e INTENSITY RATIO			
Total CO ₂ e Emissions (tons)	475,967	457,930	536,631
TPE	4,693,880	5,025,741	5,164,538
Ratio*	0.10	0.09	0.104
SCOPE 1, 2 & 3			
CO₂e INTENSITY RATIO			
Total CO ₂ e Emissions (tons)	1,890,932	1,723,466	1,757,906
TPE	4,693,880	5,025,741	5,164,538
Ratio*	0.40	0.34	0.34

Indicadores**	2019	2020	2021
E. Eléctrica (kWh/TPE)	301	282	282
E. Térmica (Gcal/TPE)	0.54	0.52	0.52

* Vehicles included.

** Plants only

Verified by the Carbon Trust so there is a slight variation vs. what has been reported in previous years.

Fuel

Energy Consumption GJ	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
#2 Fuel Oil	0	36,119	0	36,119
Diesel Fuel (Non-road Grade)	0	29,348	50,385	79,733
Generator Diesel Fuel	0	32,404	110	32,515
Natural Gas	4,194,585	4,652,694	1,302,710	10,149,989
Propane	14,746	711,932	108,992	835,669
kWh Sub-total in Plants	4,209,331	5,462,498	1,462,197	11,134,025
Diesel	462,099	3,341,806	83,411	3,887,317
Gasoline	1,142,699	1,267,207	31,394	2,441,299
LPG	45,121	13,222	0	58,343
CNG	84,145	81,943	43,185	209,272
Ethanol	0	1,883	0	1,883
kWh Sub-total in Vehicles	1,734,063	4,706,061	157,990	6,598,114
Diesel in 3rd party vehicles	5,671,332	1,009,630	489,629	7,170,591
Gasoline in 3rd party vehicles	0	65	0	65
LPG in 3rd party vehicles	0	428	0	428
CNG in 3rd party vehicles	80,339	0	0	80,339
Ethanol in 3rd party vehicles	0	0	0	0
kWh Sub-total in 3P Vehicles	5,751,671	1,010,123	489,629	7,251,423
Total direct consumption of energy from non-renewable primary sources (purchased)	11,695,065	11,178,681	2,109,817	24,983,563

Electricity

Energy Consumption GJ	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total indirect consumption of energy from suppliers**	450,480	672,434	284,716	1,407,630
Renewable energy*	25,551	3,142,053	668,003	3,835,607
Total*	476,031	3,814,487	952,719	5,243,237
% Renewable energy	5.37%	82.37%	70.12%	73.15%

*Consolidated renewable base and match vs best of each organization

1 Kwh = 0.0036 Gj

0.004

** Consumption of plants, from suppliers example cfe for Mexico.



302-1 Total energy

Grupo Bimbo in GJ	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total Fuel Consumption from non-renewable sources	11,695,065	11,178,681	2,109,817	24,983,563
Total Fuel Consumption from renewable sources	0	0	0	0
Electricity Consumption	476,031	3,814,487	952,719	5,243,237
Total Energy Consumption	12,171,096	14,993,168	3,062,536	30,224,239

302-1 Total Energy Within The ORG (GJ)

Grupo Bimbo in GJ	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total Fuel Consumption from non-renewable sources	5,943,394	10,168,558	1,620,187	17,732,140
Total Fuel Consumption from renewable sources	-	-	-	-
Electricity Consumption	476,031	3,814,487	952,719	5,243,237
Total Energy Consumption	6,419,425	13,983,045	2,572,906	22,975,377

302-2 Total Energy External The ORG (GJ) (outsourced)

Grupo Bimbo en GJ	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total Fuel Consumption from non-renewable sources	5,751,671	1,010,123	489,629	7,251,423
Total Fuel Consumption from renewable sources	-	-	-	-
Electricity Consumption	-	-	-	-
Total Energy Consumption	5,751,671	1,010,123	489,629	7,251,423

302-3 Energy KPI

SCOPE 1

ENERGY INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total Fuel Consumption GJ*	5,943,394	10,168,558	1,620,187	17,732,140
Total Energy Consumption GJ	5,943,394	10,168,558	1,620,187	17,732,140
TPE (tons)	2,053,226	2,363,097	748,215	5,164,538
Ratio*	2.89	4.30	2.17	3.43

SCOPE 2 & 3

ENERGY INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total Fuel Consumption 3P VehGJ	5,751,671	1,010,123	489,629	7,251,423
Total Electricity Consumption GJ	476,031	3,814,487	952,719	5,243,237
Total Energy Consumption GJ	6,227,702	4,824,610	1,442,349	12,494,660
TPE (tons)	2,053,226	2,363,097	748,215	5,164,538
Ratio*	3.03	2.04	1.93	2.42

* Vehicles included.

305-1, 305-2, 305-3 Emissions

CO₂e Emissions (Ton)

Grupo Bimbo	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Fuel oil in plants	0	2,804	0	2,804
Diesel in plants	0	4,613	3,781	8,394
Natural Gas in plants	211,540	261,510	73,227	546,277
LPG in plants	900	45,825	6,973	53,698
CO₂e Sub-total in Plants*	212,440	314,752	83,980	611,173
Diesel in vehicles	32,413	251,754	6,262	290,430
Gasoline in vehicles	76,075	91,260	2,135	169,470
LPG in vehicles	2,640	846	0	3,486
CNG in vehicles	4,232	4,859	2,438	11,528
Ethanol in vehicles	0	1	0	1
CO₂e Sub-total in Vehicles	115,361	348,719	10,835	474,914
CO₂e total direct emissions (scope 1)	327,801	663,471	94,815	1,086,087
Electricity	16,468	67,801	50,918	135,187
CO₂e total indirect emissions (scope 2)	16,468	67,801	50,918	135,187
Diesel in 3rd party vehicles	420,912	74,814	36,282	532,008
Gasoline in 3rd party vehicles	0	5	0	5
LPG in 3rd party vehicles	0	27	0	27
CNG in 3rd party vehicles	4,592	0	0	4,592
Ethanol in 3rd party vehicles	0	0	0	0
CO₂e total third party vehicles emissions (scope 3)	425,505	74,845	36,282	536,631
TOTAL CO₂e EMISSIONS	769,774	806,118	182,015	1,757,906

305-7 Emissions

NOX, SOX, COVs, PM10, PM2.5	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
NOX (kg)	171,923	204,557	265,930	642,410
SOX (kg)	1,192	1,227	1,596	4,015
COVs (kg)	9,456	11,251	14,626	35,333
PM10 (kg)	13,066	15,546	20,211	48,823
PM2.5 (kg)	13,066	15,546	20,211	48,823

* Vehicles included.

** Plants only

Verified by the Carbon Trust so there is a slight variation vs. what has been reported in previous years.

305-4 CO₂e Emissions (Ton) KPI

SCOPE 1

CO ₂ e INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total CO ₂ e Emissions (tons)	1,082,002	1,065,703	1,086,087	1,086,087
TPE	4,693,880	5,025,741	5,164,538	5,164,538
Ratio*	0.23	0.21	0.21	0.21

SCOPE 2

CO ₂ e INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total CO ₂ e Emissions (tons)	16,468	67,801	50,918	135,187
TPE	2,053,226	2,363,097	748,215	5,164,538
Ratio*	0.01	0.03	0.07	0.03

SCOPE 2 & 3

CO ₂ e INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total CO ₂ e Emissions (tons)	441,973	142,646	87,199	671,819
TPE	2,053,226	2,363,097	748,215	5,164,538
Ratio*	0.22	0.06	0.12	0.13

SCOPE 3

CO ₂ e INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total CO ₂ e Emissions (tons)	425,505	74,845	36,282	536,631
TPE	2,053,226	2,363,097	748,215	5,164,538
Ratio*	0.21	0.03	0.05	0.104

SCOPE 1, 2 & 3

CO ₂ e INTENSITY RATIO	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Total CO ₂ e Emissions (tons)	769,774	806,118	182,015	1,757,906
TPE	2,053,226	2,363,097	748,215	5,164,538
Ratio*	0.37	0.34	0.24	0.34

Indicadores**

	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
E. Eléctrica (kWh/tpe)	64	448	354	282
E. Térmica (gcal/tpe)	0.49	0.55	0.47	0.52

303-3, 303-4, 303-5 Water and effluents (Megaliters)

GLOBAL	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Surface and Ground water	0.000	1,067.992	88.259	1,156.251
Rainwater collected (Ceves)	0.000	11.727	0.000	11.727
Municipal water supplies or water utilities*	2304.272	1342.524	1129.879	4,776.675
Total	2,304.272	2,422.243	1,218.137	5,944.653

*Includes Sales Centers

Total Water Consumption

Purified Water	0.000	1,067.992	88.259	1,156.251
Pluvial Water (Plants)	0.000	1.359	0.000	1.359
Reuse Water	0.000	586.242	22.959	609.201
Treated Water	0.000	728.622	68.459	797.081
Waste Water	0.000	142.380	45.500	187.880
Water (Plants)	2304.272	1,267.059	1129.879	4,701.210
Tanker	0.000	27.162	0.000	27.162
Water (Ceves)	0.000	48.303	0.000	48.303
Pluvial Water (Ceves)	0.000	10.368	0.000	10.368
Recycled in Vehicles Wash (Ceves)	5.814	158.493	0.000	164.308
Sub-total in Plants + Ceves	2,304.272	2,422.243	1,218.137	5,944.653

*Calculated by hydraulic balance

Water Consumption in Scarce Sites (Plants)

Purified Water	0.000	861.601	84.731	946.332
Pluvial Water	0.000	1.337	0.000	1.337
Reuse Water	0.000	439.093	19.331	458.424
Treated Water	0.000	499.402	31.201	530.603
Waste Water	0.000	60.309	11.870	72.179
Water	562.316	601.437	554.798	1,718.551
Tanker	0.000	27.162	0.000	27.162
Sub-total in Plants Scarcity	562.316	1,491.537	639.528	2,693.381

*Calculated by hydraulic balance

GLOBAL m³

Total volume of water treated and reused (Plants+ ceves)	5.814	2,803.676	91.418	1,570.590
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% of water treated and reused from the Total Consumed Volume*	0%	89%	8%	26%
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303- Water

Indicators*	North America	Latin America	Europe, Asia and Africa	Grupo Bimbo
Water (m3/TPE)	1.12	1.00	1.63	1.14

*Only from Factories



GRI Global Reporting Initiative

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STANDARD	DISCLOSURE	PAGE / DIRECT RESPONSE
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CONSOLIDATED STATEMENTS of financial position

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

ASSETS	NOTES	DECEMBER 31		
		2021	2020	2019
Current assets:				
Cash and cash equivalents		\$ 8,748	\$ 9,268	\$ 6,251
Trade receivables and other accounts receivable, net	5	27,170	27,487	26,198
Inventories	6	13,710	10,893	9,819
Prepaid expenses		2,296	1,944	1,188
Derivative financial instruments	17	1,293	871	143
Guarantee deposits for derivative financial instruments	17	-	-	325
Assets held for sale	8	194	140	273
Total current assets		53,411	50,603	44,197
Property, plant and equipment, net	8	103,891	91,248	84,341
Right-of-use assets, net	9	30,754	29,163	25,550
Investments in associates	10	4,452	3,143	2,871
Derivative financial instruments	17	1,962	267	1,533
Deferred income tax	16	7,861	8,733	4,590
Intangible assets, net	11	56,965	55,007	51,318
Goodwill	12	74,565	66,904	62,794
Other non-current assets, net		3,779	2,583	1,887
Total assets		\$ 337,640	\$ 307,651	\$ 279,081
Liabilities and equity				
Current liabilities:				
Current portion of non-current debt	13	\$ 10,625	\$ 600	\$ 5,408
Trade accounts payable		35,752	26,679	22,972
Other accounts payable and accrued liabilities	14	24,102	24,901	18,473
Current lease liabilities	9	5,793	5,153	4,599
Accounts payable to related parties	15	1,527	1,334	1,197
Current income tax	16	708	-	115

	NOTES	DECEMBER 31		
		2021	2020	2019
Statutory employee profit sharing		1,692	1,017	1,183
Derivative financial instruments	17	169	1,183	673
Other current liabilities	17	392	398	-
Total current liabilities		80,760	61,265	54,620
Non-current debt	13	82,230	84,629	81,264
Non-current lease liabilities	9	25,356	23,936	20,741
Non-current derivative financial instruments	17	67	214	437
Employee benefits	18	30,712	33,832	30,426
Deferred income tax	16	7,087	6,766	5,241
Other non-current liabilities	19	9,822	8,998	8,041
Total liabilities		236,034	219,640	200,770
Equity:				
Capital stock	20	4,021	4,061	4,156
Retained earnings		73,384	64,265	61,332
Other equity financial instrument	20	8,867	8,996	8,931
Cumulative foreign currency translation effect from foreign operations		10,297	9,046	1,247
Remeasurements on defined benefit plans liability		696	(443)	(226)
Valuation of equity financial instrument		(742)	(661)	(422)
Unrealized loss on cash flow hedges	17	577	(1,551)	(1,282)
Controlling interest		97,100	83,713	73,736
Non-controlling interest		4,506	4,298	4,575
Total equity		101,606	88,011	78,311
Total liabilities and equity		\$ 337,640	\$ 307,651	\$ 279,081

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS of profit or loss

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos, except for basic earnings per ordinary share in Mexican pesos)

	NOTES	FOR THE YEARS ENDED DECEMBER 31		
		2021	2020	2019
Net sales		\$ 348,887	\$ 331,051	\$ 291,926
Cost of sales	21	163,575	152,608	138,184
Gross profit		185,312	178,443	153,742
General expenses:				
Distribution and selling		126,923	123,511	110,234
Administrative		23,339	22,383	16,641
Integration costs		724	1,968	2,435
Other expenses, net	22	200	5,173	4,013
	21	151,186	153,035	133,323
Operating profit		34,126	25,408	20,419
Comprehensive financing cost:				
Interest expense	23	7,884	9,424	8,561
Interest income		(373)	(387)	(560)
Foreign exchange (gain)/loss, net		534	(108)	445
(Gain)/loss from monetary position		(25)	(70)	114
		8,020	8,859	8,560
Share of profit of associates	10	247	194	249
Profit before income tax		26,353	16,743	12,108

	NOTES	FOR THE YEARS ENDED DECEMBER 31		
		2021	2020	2019
Income tax	16	8,971	6,192	4,733
Consolidated net profit		\$ 17,382	\$ 10,551	\$ 7,375
Attributable to:				
Controlling interest		\$ 15,916	\$ 9,111	\$ 6,319
Non-controlling interest		\$ 1,466	\$ 1,440	\$ 1,056
Basic earnings per ordinary share		\$ 3.55	\$ 2.00	\$ 1.36
Weighted average number of outstanding shares (in thousands of shares)		4,487,268	4,552,712	4,651,529

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS

of other comprehensive income

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

	NOTES	2021	2020	2019
Consolidated net profit		\$ 17,382	\$ 10,551	\$ 7,375
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Valuation of equity financial instrument	3c	(112)	(239)	(36)
Remeasurements on defined benefit plans liability	18	1,543	(362)	(4,715)
Income tax	16	(432)	145	1,358
		999	(456)	(3,393)
Items that may be reclassified subsequently to profit or loss:				
Effect of net investment hedge		(723)	(2,828)	2,124
Foreign operations currency translation effect of the year		2,114	7,400	(5,321)
Net change in unrealized loss on cash flow hedges	17	2,988	(386)	(1,353)
Income tax	16	(937)	3,672	(304)
		3,442	7,858	(4,854)

	NOTES	2021	2020	2019
Other comprehensive income		4,441	7,402	(8,247)
		\$ 21,823	\$ 17,953	\$ (872)
Consolidated comprehensive income				
Comprehensive income attributable to controlling interest		\$ 20,353	\$ 16,185	\$ (1,479)
Comprehensive income attributable to non-controlling interest		\$ 1,470	\$ 1,768	\$ 607

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS of changes in equity

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(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, 2018	\$ 4,199	\$ 9,138	\$ 59,238	\$ income	\$ interest	\$ 4,885	\$ 84,575
Other equity instrument dividends	-	-	(595)	-	(595)	-	(595)
Other equity instrument income taxes	-	(207)	178	-	(29)	-	(29)
Consolidation effect of structured entities	-	-	-	-	-	(917)	(917)
Dividends declared	-	-	(2,103)	-	(2,103)	-	(2,103)
Repurchase of shares (Note 20)	(43)	-	(1,705)	-	(1,748)	-	(1,748)
Balance before comprehensive income	4,156	8,931	55,013	7,115	75,215	3,968	79,183
Consolidated net profit for the year	-	-	6,319	-	6,319	1,056	7,375
Other comprehensive income	-	-	-	(7,798)	(7,798)	(449)	(8,247)
Consolidated comprehensive income	-	-	6,319	(7,798)	(1,479)	607	(872)
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

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS of cash flows

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

	NOTES	FOR THE YEARS ENDED DECEMBER 31,			NOTES	FOR THE YEARS ENDED DECEMBER 31,		
		2021	2020	2019		2021	2020	2019
Operating activities								
Profit before income tax		\$ 26,353	\$ 16,743	\$ 12,108				
Adjustments for:								
Depreciation and amortization	8, 9, 11, 22	16,375	16,251	14,373				
(Gain)/loss on sale of property, plant and equipment		(157)	(127)	17				
Property, plant and equipment write-off due to casualty		379	-	-				
Share of profit of associates	10	(247)	(194)	(249)				
Impairment of non-current assets		694	1,075	1,318				
Multi-employer pension plan and other non-current liabilities	22	(2,247)	2,494	1,762				
Current year service cost	18	1,128	991	717				
Interest expense	23	7,884	9,424	8,561				
Interest income		(373)	(387)	(560)				
Short-term and low-value lease expenses	9	2,183	2,017	2,141				
Changes in assets and liabilities:								
Trade receivables and other accounts receivable		666	(914)	(1,348)				
Inventories		(2,320)	(769)	(876)				
Prepaid expenses		(365)	(684)	(135)				
Trade accounts payable		8,286	3,004	2,054				
Other accounts payable and accrued liabilities		(1,025)	4,718	(3,406)				
Accounts payable to related parties		209	270	289				
Income tax paid		(7,578)	(5,789)	(3,961)				
Guarantee deposits for derivative financial instruments		6	723	294				
Statutory employee profit sharing payable		675	(165)	(241)				
Employee benefits		(2,567)	(2,955)	(2,197)				
Assets held for sale		-	168	-				
Short-term and low-value lease expenses		(2,183)	(2,017)	(2,141)				
Net cash flows from operating activities		45,776	43,877	28,520				
Investing activities								
Purchase of property, plant and equipment	8	(20,671)	(13,218)	(13,117)				
Acquisitions of business and non-controlling interests, net of cash received	1	(10,637)	(3,453)	(94)				
Proceeds from sale of property, plant and equipment		882	763	470				
Proceeds from insurance claims		201	-	-				
Purchase of intangible assets, net of write offs	11	(622)	(528)	(264)				
Increase of distribution rights in structured entities	11	(77)	(351)	(132)				
Other assets		(951)	(218)	(89)				
Dividends received	10	59	93	73				
Interest received		373	387	560				
Investments in associates	10	(1,016)	(163)	(49)				
Net cash flows used in investing activities		(32,459)	(16,688)	(12,642)				
Financing activities								
Proceeds from loans, net of transaction costs	13	38,924	34,818	22,594				
Repayments of loans	13	(33,535)	(40,745)	(22,640)				
Interest paid		(6,781)	(6,410)	(5,681)				
Other equity instrument dividends paid		(621)	(648)	(595)				
Dividends paid		(4,636)	(2,433)	(2,103)				
Payment of lease liabilities	9	(5,372)	(5,544)	(4,784)				
Payment of derivative financial instruments		(1,690)	(2,431)	(2,481)				
Collection of derivative financial instruments		1,496	2,970	605				
Repurchase of shares	20	(1,901)	(3,740)	(1,748)				
Net cash flows used in financing activities		(14,116)	(24,163)	(16,833)				
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		279	(9)	(378)				
Net (decrease) increase in cash and cash equivalents		(520)	3,017	(1,333)				
Cash and cash equivalents at beginning of year		9,268	6,251	7,584				
Cash and cash equivalents at end of year		\$ 8,748	\$ 9,268	\$ 6,251				

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED financial statements

DECEMBER 31, 2021, 2020 AND 2019

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(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 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 2021, 2020 and 2019, the net sales of the subsidiaries that are classified in the Mexico segment represented approximately 31%, 29% and 33%, respectively, of the Company’s consolidated net sales. During 2021, 2020 and 2019, the net sales of the Company’s subsidiaries classified in the North America segment represented approximately 50%, 53% and 49%, respectively, of the Company’s consolidated net sales.

Relevant events

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 partially subject to amortization for tax purposes after meeting certain requirements, in accordance with local legislation in the United States of America and Brazil.

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 Aрызta Do Brasil

On October 13, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Aрызta 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, 2021, 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 Private 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 valuation and recognition of the acquisitions of Modern Foods, Emmy's Organics and Dulces del Campo, 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 resulting of these acquisitions at the spot rate at the date of each transaction:

	PRELIMINARY FAIR VALUE	ADJUSTMENTS TO PURCHASE PRICE	FINAL FAIR VALU
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	\$ 103	\$ -	\$ 103
Other current 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 non-current 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 allocation of fair values is preliminary in these consolidated financial statements; therefore, the information presented below is subject to change:

	POPCORNOPOLIS	ARYZTA BRASIL	KITTY INDUSTRIES
Initial amounts recognized for assets acquired and liabilities assumed:			
Cash and cash equivalents	\$ 34	\$ 6	\$ 30
Other current assets	390	436	42
Property, plant and equipment	132	1,158	110
Intangible assets	1,119	5	116
Goodwill	3,170	1,217	900
Other non-current assets	242	565	-
Total assets	\$ 5,087	\$ 3,387	\$ 1,198
Total liabilities assumed	\$ 609	\$ 939	\$ 46

The goodwill resulting from these acquisition were allocated to the North America, Latin America and EAA segments.

Since the acquisitions mentioned above were closed during the fourth quarter of 2021, the purchase price allocation is preliminary 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 property, plant and equipment and intangible assets, such as brands and customer relationships, mainly.

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 2020, 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
Amount paid in the transactions	\$ 2,789
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	82
Accounts receivable	149
Inventories	147
Property, plant and equipment	1,127
Right-of-use assets	32
Identified 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 interests	35
Net loss on business combinations 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.

ACQUISITIONS IN 2019

Acquisition of Mr. Bagels

On August 6, 2019, the Company acquired, through one of its subsidiaries, the bagels business from Mr. Bagel's Limited, for £4 million, equal to \$94. This acquisition mainly corresponds to manufacturing equipment and inventories. The valuation and recognition of this acquisition was completed in 2020 in accordance with IFRS 3 Business Combinations.

Health contingency caused by COVID-19:

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 2020 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 fast food 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.

The Company does not consider that its operating and financial conditions will materially change in the short and long-term as a result of the COVID-19 pandemic.

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 2021, 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, 2021:

Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform (Phase 2)

The amendments establish temporary exemptions that address the effects on financial reporting when in a transaction with an interbank interest rate (IBOR) is replaced with an alternative risk-free interest rate. The modifications include the following practical expedients:

- When there are contractual changes or changes in cash flows directly from the rate reform, they can be treated as a movement in market interest rates.
- Allow changes required by the IBOR reform to be made to designations and hedge documentation without interruption of the hedge.
- Simplify the requirements that entities must meet when they designate hedging instruments referenced to the risk-free interest rate.

During 2021, the Company monitored the transition to reference interest rates in the market; however, there were no contractual changes in derivative financial instruments nor in debt obligations with financial institutions.

These modifications had no impact on the Company's consolidated financial statements.

Amendments to IFRS 16 COVID-19 Related Rent Concessions after June 30, 2021

In May 2020, the IASB amended IFRS 16 Leases, to provide relief to lessees by permitting a simplified method to recognize COVID-19-related rent concessions without recognizing these changes as lease modifications. Accordingly, there are no changes to the value of right-of-use assets or lease liabilities, and the effects of these concessions are recognized in profit or loss.

In March 2021, the IASB issued amendments that extend the possibility of applying the simplified method to account for rent concessions for lease payments due in June 2022 or earlier.

These amendments are effective for annual periods beginning on or after April 1, 2021, earlier application is permitted; the Company has applied these amendments, recognizing the corresponding effects, which as of December 31 are not significant.

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 IFRS 3	Reference to the Conceptual Framework ⁽¹⁾
Annual improvements 2018-2021 Cycle	IFRS 1 and IFRS 9 ⁽¹⁾
Amendments to IAS 1	Classification of liabilities as current and non-current ⁽²⁾
Amendments to IAS 1 and practice statement 2	Disclosure of Accounting Policies ⁽²⁾
Amendments to IAS 8	Definition of accounting estimates ⁽²⁾
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction ⁽²⁾
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

(1) Effective for annual periods beginning on or after January 1st, 2022.

(2) Effective for annual periods beginning on or after January 1st, 2023.

(3) Effective for annual periods beginning on or after a certain date that has yet to be determined.

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 1, 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.

Annual Improvements 2018-2021 Cycle

In May 2020, 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 been 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.

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 1, 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 1, 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 1, 2023, with early application permitted.

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, 2021, 2020 and 2019 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.

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, 2021, 2020 and 2019.

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. (BBU)	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, 2019, Barcel S.A. de C.V. decided to spin off its confectionery business. As a result of the spin-off, Productos Ricolino, S.A.P.I. de C.V. was incorporated.

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, 2021, 2020 and 2019, the Company recognized an impairment loss of \$112, \$239 and \$36, 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, 2021, 2020 and 2019, 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 proportionate 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

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.

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:

	2021 – 2019		2020 – 2018		2019 – 2017	
	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY
Mexico	13.87%	Non-hyperinflationary	11.19%	Non-hyperinflationary	14.43%	Non-hyperinflationary
USA	10.97%	Non-hyperinflationary	5.40%	Non-hyperinflationary	6.24%	Non-hyperinflationary
Canada	8.10%	Non-hyperinflationary	5.05%	Non-hyperinflationary	6.11%	Non-hyperinflationary
Spain	7.05%	Non-hyperinflationary	1.51%	Non-hyperinflationary	3.11%	Non-hyperinflationary
Brazil	13.01%	Non-hyperinflationary	12.92%	Non-hyperinflationary	9.88%	Non-hyperinflationary
Argentina	215.85%	Hyperinflationary	162.53%	Hyperinflationary	126.27%	Hyperinflationary

Starting in July 2018, the economy of Argentina is considered to be hyperinflationary; consequently, the Company's subsidiaries in Argentina 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, 2021, 2020 and 2019 is as follows:

	AVERAGE EXCHANGE RATE			CLOSING EXCHANGE RATE		
	2021	2020	2019	2021	2020	2019
USA	20.5835	21.4955	19.2616	20.2818	19.9487	18.8452
Canada	16.1111	16.0529	14.5108	16.1782	15.5424	14.2680
Spain	23.3129	24.5343	21.5632	21.4648	24.4790	21.1707
Brazil	3.6885	4.1764	4.8823	3.7629	3.8387	4.6754
Argentina	0.2004	0.3045	0.3997	0.2133	0.2371	0.3147

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 (\$1,945 in 2021) 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:	
Infrastructure	15 – 30
Foundations	35 – 50
Roofs	10 – 30
Fixed facilities and accessories	10 – 20
Production equipment	3 – 25
Automotive equipment	8 – 16
Furniture and equipment	2 – 18
Computer 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 manufacturing 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 profit or loss under other expenses, net.

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 USD 5,000) 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 interest in an associate is reduced, but the equity method is continued to be applied, the Company reclassifies to profit or loss the proportion of the gain or loss previously recognized in other comprehensive income relative to that reduction in ownership interest if the gain or loss would have been reclassified to profit or loss in the case of 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 indication 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 indication 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, 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 subsequently reverses, 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.

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.

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.

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 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. 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 a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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, its 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 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 adop-

tion 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, 2021, 2020 and 2019, the net liabilities amounted to \$5,546, \$5,309 and \$4,650, respectively.

5. Trade accounts receivables and other accounts receivable

	2021	2020	2019
Trade receivables	\$ 20,081	\$ 17,946	\$ 17,128
Allowance for expected credit loss ⁽¹⁾	(897)	(838)	(711)
	19,184	17,108	16,417
Notes receivable	23	29	30
Income tax, value added tax and other recoverable taxes ^{(2) y (3)}	5,738	8,685	8,047
Sundry debtors ⁽⁴⁾	2,225	1,665	1,704
	\$ 27,170	\$ 27,487	\$ 26,198

(1) During 2021 and 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, 2021, this balance includes an amount of \$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

	2021	2020	2019
Raw materials, containers and packaging	\$ 5,966	\$ 4,490	\$ 4,317
Work in progress	111	108	99
Finished goods	4,864	4,036	3,517
Spare parts	1,400	1,143	958
	12,341	9,777	8,891
Raw materials in transit	1,369	1,116	928
	\$ 13,710	\$ 10,893	\$ 9,819

For the years ended December 31, 2021, 2020 and 2019, the Company recognized inventory usage of \$106,199, \$97,891 and \$89,112, respectively, in cost of sales.

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, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Right of use – vehicles	\$ 3,653	\$ 3,441	\$ 3,097
Distribution rights	8,138	7,631	6,770
Total assets	\$ 11,791	\$ 11,072	\$ 9,867
Current portion of non-current debt:			
Obligations under finance leases	\$ 807	\$ 715	\$ 637
Loans granted to independent business partners	45	46	42
Non-current debt:			
Obligations under finance leases	1,715	1,858	1,718
Loans granted to independent business partners	53	48	46
Debt with affiliates (net of accounts receivable)	6,581	5,966	5,271
Total liabilities	\$ 9,201	\$ 8,633	\$ 7,714
Non-controlling interest	\$ 2,590	\$ 2,439	\$ 2,153

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 2021, 2020 and 2019, total buybacks, net of sales, were approximately \$519, \$351 and \$513, 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 is 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 \$580, \$510 and \$330 for the sale of routes during 2021, 2020 and 2019, 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 2021, 2020 and 2019 is as follows:

	BALANCE AS OF JANUARY 1 ST , 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 1 ST , 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

	BALANCE AS OF JANUARY 1 ST , 2019	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, 2019
Investment:									
Buildings	\$ 28,256	\$ -	\$ (117)	\$ 2,326	\$ (1,376)	\$ (301)	\$ -	\$ 408	\$ 29,196
Manufacturing equipment	82,214	-	(291)	7,965	(3,353)	(2,101)	-	645	85,079
Vehicles	18,107	-	10	(2,332)	(144)	(1,127)	-	(3)	14,511
Office equipment	1,235	-	(11)	396	(39)	(21)	-	4	1,564
Computer equipment	5,741	-	(18)	812	(202)	(324)	-	16	6,025
Total investment	135,553	-	(427)	9,167	(5,114)	(3,874)	-	1,070	136,375
Depreciation and impairment:									
Buildings	(12,326)	(1,803)	213	(1,252)	648	246	(52)	(149)	(14,475)
Manufacturing equipment	(41,653)	(4,934)	397	1,409	1,668	1,908	(296)	(492)	(41,993)
Vehicles	(7,137)	(918)	3	822	90	921	-	27	(6,192)
Office equipment	(707)	(97)	12	21	20	15	(1)	(2)	(739)
Computer equipment	(4,503)	(667)	17	5	160	318	-	(14)	(4,684)
Total accumulated depreciation	(66,326)	(8,419)	642	1,005	2,586	3,408	(349)	(630)	(68,083)
	69,227	(8,419)	215	10,172	(2,528)	(466)	(349)	440	68,292
Land	8,261	-	2	26	(385)	(21)	-	93	7,976
Construction in process and machinery in transit	9,909	13,117	-	(14,374)	(365)	-	-	59	8,346
Less: Assets held for sale	(154)	-	-	(109)	9	(19)	-	-	(273)
Net investment	\$ 87,243	\$ 4,698	\$ 217	\$ (4,285)	\$ (3,269)	\$ (506)	\$ (349)	\$ 592	\$ 84,341

(1) This column includes the following business acquisitions: in 2021 Modern Foods, Emmy's Organics, Dulces del Campo, Popcornopolis, Aрызta Brasil and Kitty Industries; in 2020 Lender, Julitas, Bimbo QSR Kazakhstan, Siro Paterna, Blue Label and adjustments to the purchase price allocation of Siro Paterna;

in 2019 Mr. Bagel's and adjustments to the purchase price allocation of Mankattan and Alimentos Nutra Bien recognized.

(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 2021, 2020 and 2019, the Company performed a review of unused buildings and manufacturing equipment, resulting in recognition of an impairment loss recognized in profit or loss of \$307, \$191 and \$349, respectively.

As of December 31, 2020 and 2019, 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 \$89 and \$117, 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 2021, 2020 and 2019 is as follows:

	BALANCE AS OF JANUARY 1 ST 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
	<u>31,624</u>	<u>3,945</u>	<u>812</u>	<u>(654)</u>	<u>(1,079)</u>	<u>1,048</u>	<u>598</u>	<u>9</u>	<u>36,303</u>
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)
	<u>(6,818)</u>	<u>(4,423)</u>	<u>-</u>	<u>654</u>	<u>600</u>	<u>59</u>	<u>(69)</u>	<u>(7)</u>	<u>(10,004)</u>
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 1 ST 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

	BALANCE AS OF JANUARY 1 ST , 2019 ⁽¹⁾	ADDITIONS AND DEPRECIATION OF THE YEAR	DISPOSALS	EARLY TERMINATION	CHANGES	TRANSLATION EFFECT	INFLATION RESTATEMENT	BALANCE AS OF DECEMBER 31, 2019
Right-of-use assets:								
Buildings	\$ 15,893	\$ 4,643	\$ (101)	\$ (2,001)	\$ 651	\$ (169)	\$ 1	\$ 18,917
Vehicles	4,996	1,945	(74)	(471)	8	(127)	-	6,277
Other	134	43	(4)	(5)	1	(3)	-	166
	21,023	6,631	(179)	(2,477)	660	(299)	1	25,360
Assets under financial lease	5,076	170	(303)	-	-	(194)	-	4,749
Total right-of-use assets	26,099	6,801	(482)	(2,477)	660	(493)	1	30,109
Depreciation:								
Buildings	-	(2,864)	101	198	(10)	35	-	(2,540)
Vehicles	-	(1,218)	74	106	-	24	-	(1,014)
Other	-	(69)	4	3	-	1	-	(61)
	-	(4,151)	179	307	(10)	60	-	(3,615)
Assets under financial lease	(900)	(385)	303	-	-	38	-	(944)
Total accumulated depreciation	(900)	(4,536)	482	307	(10)	98	-	(4,559)
Right-of-use assets, net	\$ 25,199	\$ 2,265	\$ -	\$ (2,170)	\$ 650	\$ (395)	\$ 1	\$ 25,550

(1) As a result of the application of the modified retrospective approach, the cumulative effects of initial adoption of IFRS 16 Leases were recognized on January 1st, 2019.

An analysis of changes in lease liabilities in 2021, 2020 and 2019 is as follows:

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
Balance as of January 1 st , 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 1 st , 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

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
Balance as of January 1 st , 2019 ⁽¹⁾	\$ 21,023	\$ 3,197	\$ 24,220
Additions	6,631	170	6,801
Interest expense	1,013	28	1,041
Payments	(4,446)	(338)	(4,784)
Early termination	(2,208)	-	(2,208)
Modifications	655	-	655
Foreign exchange effects	(4)	-	(4)
Translation effect	(262)	(119)	(381)
Balance as of December 31, 2019	22,402	2,938	25,340
Less - current portion	(3,916)	(683)	(4,599)
	\$ 18,486	\$ 2,255	\$ 20,741

(1) Effects of initial adoption of IFRS 16 Leases.

An analysis of the maturities of non-current lease liabilities are as follows:

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
2023	\$ 3,652	\$ 786	\$ 4,438
2024	3,121	587	3,708
2025	2,542	367	2,909
2026	2,049	210	2,259
2027 and thereafter	11,792	250	12,042
	\$ 23,156	\$ 2,200	\$ 25,356

10. Investments in Associates

An analysis of investments in associates as of December 31, 2021, 2020 and 2019 is as follows:

ASSOCIATE	ACTIVITY	% EQUITY INTEREST	2021	2020	2019
Beta San Miguel, S.A. de C.V.	Sugar refinery	8	\$ 1,110	\$ 1,044	\$ 968
Mundo Dulce, S.A. de C.V.	Confectionery	50	373	359	347
Fábrica de Galletas La Moderna, S.A. de C.V.	Cookies	50	363	345	321
Grupo La Moderna, S.A. de C.V.	Holding company	4	312	305	278
Congelación y Almacenaje del Centro, S.A. de C.V.	Warehouse	15	222	224	236
Fin Común Servicios Financieros, S.A. de C.V. ⁽¹⁾	Financial services	43	258	184	180
Fruitex de México, S.A.P.I. de C.V.	Foods	16	295	-	-
Productos Rich, S.A. de C.V.	Baking	18	174	170	169
B37 Ventures II, LLP	Food technology	72	454	-	-
Other	Other	Various	891	512	372
			\$ 4,452	\$ 3,143	\$ 2,871

(1) The percentage of participation in 2020 and 2019 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 II, LLP 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:

	2021	2020	2019
Balance as of January 1 st	\$ 3,143	\$ 2,871	\$ 2,645
Acquisitions and capital contributions	1,016	163	49
Dividends received	(59)	(93)	(72)
Share of profit	247	194	249
Other	105	8	-
Balance as of December 31	\$ 4,452	\$ 3,143	\$ 2,871

11. Intangible Assets

An analysis of intangible assets by geographical segment as of December 31, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Mexico	\$ 2,540	\$ 2,592	\$ 2,733
North America	42,712	41,589	39,769
EAA	10,364	9,580	7,576
Latin America	1,349	1,246	1,240
	\$ 56,965	\$ 55,007	\$ 51,318

An analysis of intangible assets by item as of December 31, 2021, 2020 and 2019 is as follows:

	AVERAGE USEFUL LIFE	2021	2020	2019
Trademarks	Indefinite	\$ 37,268	\$ 35,548	\$ 34,410
Use and distribution rights	Indefinite	8,680	8,525	7,734
		45,948	44,073	42,144
Trademarks	4 to 40 years	1,445	1,393	311
Customer relationships	7 to 40 years	21,881	20,269	17,526
Licenses and software	2 to 8 years	3,944	2,973	2,441
Non-competition agreements	2 to 5 years	189	187	158
Other		1,314	1,508	1,464
		28,773	26,330	21,900
Accumulated amortization and impairment		(17,756)	(15,396)	(12,726)
		\$ 56,965	\$ 55,007	\$ 51,318

The accumulated impairment in the value of trademarks with indefinite useful lives as of December 31, 2021, 2020 and 2019 is \$4,346, \$4,170 and \$3,544, respectively.

The customer relationships that resulted from the Company's acquisitions are as follows:

		REMAINING USEFUL LIFE (YEARS)	NET CARRYING AMOUNT		
			2021	2020	2019
	YEAR OF ACQUISITION				
Bimbo QSR	2017	21 a 36	\$ 4,122	\$ 4,226	\$ 4,054
Canada Bread	2014	14	2,045	2,099	2,343
Weston Foods, Inc.	2009	5	1,771	2,062	2,261
Siro Paterna	2020	23	1,321	1,449	-
Sara Lee Bakery Group, Inc.	2011	8	841	921	965

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2021, 2020 and 2019 is as follows:

COST

	TRADEMARKS	USE AND DISTRIBUTION RIGHTS	CUSTOMER RELATIONSHIPS	LICENSES AND SOFTWARE	NON- COMPETITION AGREEMENTS	OTHER	TOTAL
Balance as of January 1, 2019	\$ 35,626	\$ 7,928	\$ 17,870	\$ 2,223	\$ 165	\$ 1,457	\$ 65,269
Structured entities	-	132	-	-	-	-	132
Additions	-	-	-	264	-	-	264
Business combinations and PPA adjustments	133	-	247	-	1	16	397
Transfers	(34)	-	-	-	-	-	(34)
Translation effect	(1,004)	(326)	(591)	(46)	(8)	(9)	(1,984)
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

(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 January 1, 2019	(2,923)	(485)	(5,322)	(1,685)	(120)	(258)	(10,793)
Impairment in structured entities	-	(99)	-	-	-	-	(99)
Amortization expense	(5)	-	(856)	(328)	(6)	(223)	(1,418)
Impairment	(847)	-	-	-	-	(6)	(853)
Translation effect	170	19	205	37	3	3	437
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)
Net balance as of December 31, 2019	\$ 31,116	\$ 7,169	\$ 11,553	\$ 465	\$ 35	\$ 980	\$ 51,318
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	\$ 34,293	\$ 7,675	\$ 13,447	\$ 1,197	\$ 39	\$ 314	\$ 56,965

Amortization of intangible assets is recognized under administrative expenses.

In 2021, 2020 and 2019, the Company recognized impairment in the value of trademarks of \$135, \$204 and \$847, respectively.

For the purpose of impairment tests, the fair value of trademarks was estimated using the relief- from-royalty method with royalty rates ranging from 2% to 5%, and with 3% being the rate used for most trademarks. Fair value is determined based on the market share of the trademarks in the countries in which they are sold. This method is primarily applied in the USA.

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:

	2021	2020	2019
Goodwill:			
Mexico	\$ 2,306	\$ 2,084	\$ 1,471
North America	69,339	63,665	59,950
EAA	12,772	11,720	10,444
Latin America	4,154	3,125	3,019
	\$ 88,571	\$ 80,594	\$ 74,884
Accumulated impairment:			
Mexico	\$ (1,204)	\$ (1,194)	\$ (577)
North America	(6,690)	(6,482)	(6,122)
EAA	(4,299)	(4,122)	(3,486)
Latin America	(1,813)	(1,892)	(1,905)
	(14,006)	(13,690)	(12,090)
	\$ 74,565	\$ 66,904	\$ 62,794

The movements in goodwill for the years ended December 31, 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Balance as of January 1st	\$ 66,904	\$ 62,794	\$ 65,513
Acquisitions in business combinations (Note 1) ⁽¹⁾	6,983	2,086	35
Impairment	(324)	(779)	(17)
Transfers	201	18	34
Reclassifications due to adjustments to the values of business combinations ⁽²⁾	(1,125)	(1,398)	(512)
Translation effect	1,926	4,183	(2,259)
Balance as of December 31	\$ 74,565	\$ 66,904	\$ 62,794

(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.

An analysis of movements in cumulative impairment losses as of December 31 is as follows:

	2021	2020	2019
Balance as of January 1 st	\$ 13,690	\$ 12,090	\$ 12,610
Impairment for the year	324	779	17
Translation effect	(8)	821	(537)
Balance as of December 31	\$ 14,006	\$ 13,690	\$ 12,090

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		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Mexico	8.45%	9.66%	8.90%	6.96%	7.17%	3.10%	2.41%	5.45%	2.20%
USA	6.95%	6.95%	6.50%	5.12%	3.92%	5.33%	2.69%	2.95%	2.86%
Canada	5.75%	6.50%	6.25%	1.99%	1.97%	2.20%	3.19%	3.74%	3.00%
Spain	6.00%	6.50%	6.50%	3.38%	2.10%	2.10%	5.97%	3.70%	3.70%
Brazil	9.75%	10.25%	10.25%	8.28%	7.04%	5.20%	5.72%	7.51%	5.90%

(1) Discount rate after income tax

The projections developed by the Company in the impairment models consider assumptions based on the current macro-economic conditions of each CGU, including any future impacts generated by the COVID-19 pandemic.

As of December 31, 2021, 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 100 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:

	2021	2020	2019
USA	\$ 47,549	\$ 42,724	\$ 40,396
Canada	15,003	14,362	13,335
Spain	1,520	1,522	1,175
Other CGUs	10,493	8,296	7,888
	\$ 74,565	\$ 66,904	\$ 62,794

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, 2021, 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 \$315 in 2021, which was recognized as 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.

13. Debt

	FAIR VALUE	BOOK VALUE 2021	BOOK VALUE 2020	BOOK VALUE 2019		FAIR VALUE	BOOK VALUE 2021	BOOK VALUE 2020	BOOK VALUE 2019
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 USD 600 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.	\$ 13,481	\$ 12,350	\$ -	\$ -	On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 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).	17,393	16,467	15,959	15,076
On September 6, 2019 the Company issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD 600 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).	13,323	12,245	11,898	11,307	On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 500 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).	\$ 12,319	\$ 10,292	\$ 9,974	\$ 9,423
On November 10, 2017 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 650 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.	16,052	13,379	12,967	12,249	On January 25, 2012 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 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.	4,084	4,072	15,915	15,076
					On June 30, 2010 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 million, maturing on June 30, 2020. 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. On October 8, 2019, the Company made a partial payment of principal of USD 600 million; and on June 30, 2020, the Company paid the remaining outstanding balance of USD 200 million. See Note 17.2.3 (d).	-	-	-	3,769

	FAIR VALUE	BOOK VALUE 2021	BOOK VALUE 2020	BOOK VALUE 2019
Structured notes:				
As of December 31, 2021, the Company has issued the following structured notes, payable upon maturity:				
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.	\$ 9,232	\$ 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.	7,381	7,706	7,706	7,706
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 USD 1,750 million, with USD 875 million maturing on September 14, 2023 and USD 875 million on September 14, 2026. The drawdowns against this line of credit bear interest at the London Interbank Offered Rate (LIBOR) plus 0.95% for drawdowns made in USD, at the Canadian Dollar Offered Rate (CDOR) plus 0.95% for drawdowns made in Canadian dollars, at the Interbank Equilibrium Interest Rate (TIIE) plus 0.725% for drawdowns made in Mexican pesos, and at the Euro Interbank Offered Rate (EURIBOR) plus 0.95% for drawdowns made in euros.				
In 2021, 2020 and 2019, the Company has made drawdowns against and payments to this line of credit. During 2021, the drawdowns and payments totaled \$15,291.	-	-	-	95

	FAIR VALUE	BOOK VALUE 2021	BOOK VALUE 2020	BOOK VALUE 2019
Unsecured working capital loans -				
The Company occasionally enters into short-term unsecured loans to meet its working capital needs. During 2021, the drawdowns and payments totaled \$430.	-	-	-	770
Other: Certain subsidiaries have entered into other direct loan contracts to meet their working capital needs. The maturity dates for such loans range from 2021 to 2028. During 2021, the drawdowns and payments totaled \$11,413 and \$5,905, respectively.	\$ 7,483	\$ 7,483	\$ 1,708	\$ 2,154
Debt issuance expenses	(772)	(772)	(531)	(586)
	99,976	92,855	85,229	86,672
Less:				
Current portion of non-current debt	(10,625)	(10,625)	(600)	(5,408)
Non-current debt	\$ 89,351	\$ 82,230	\$ 84,629	\$ 81,264

An analysis of maturities of non-current debt as of December 31, 2021 is as follows:

YEAR	AMOUNT
2023	\$ 149
2024	17,126
2025	88
2026	7,659
2027 and thereafter	57,208
	\$ 82,230

A reconciliation of the Company's debt at the beginning and at the end of the year is as follows:

DEBT	2021	2020	2019
Beginning balance	\$ 85,229	\$ 86,672	\$ 89,846
Proceeds from loans, net of debt issuance expenses	38,924	34,818	22,815
Repayments of loans	(33,535)	(40,745)	(22,640)
Debt issuance expenses amortization	60	55	(221)
Effects of remeasurements	2,177	4,429	(3,128)
Ending balance	\$ 92,855	\$ 85,229	\$ 86,672

All international bonds and revolving committed credit lines are guaranteed by the primary subsidiaries of Grupo Bimbo. As of December 31, 2020 and 2019, 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, 2021, 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

	2021	2020	2019
Other accounts payable:			
Other taxes payable	\$ 3,378	\$ 4,357	\$ 2,685
Other creditors	2,133	1,806	1,860
	5,511	6,163	4,545
Accrued liabilities:			
Employee compensation and bonuses	\$ 10,152	\$ 11,473	\$ 8,517
Advertising and promotion	2,026	1,682	909
Fees and consultations	1,734	1,193	1,133
Insurance and guaranty bonds	1,566	594	562
Taxes and contributions	842	559	563
Interest payable and bank fees	817	999	954
Supplies and fuel	777	1,263	713
Other	677	975	577
	18,591	18,738	13,928
	\$ 24,102	\$ 24,901	\$ 18,473

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:

	2021	2020	2019
Purchase of raw materials			
Associates:			
Beta San Miguel, S.A. de C.V.	\$ 2,584	\$ 2,390	\$ 1,685
Other associates	7	9	8
Related parties:			
Frexport, S.A. de C.V.	871	749	669
Other related parties	61	59	38
Finished product purchases			
Associates:			
Fábrica de Galletas La Moderna, S.A. de C.V.	\$ 1,083	\$ 1,149	\$ 877
Mundo Dulce, S.A. de C.V.	914	803	833
Pan-Glo de México, S. de R.L. de C.V.	200	239	67
Other associates	2	3	2
Stationary, uniforms and other			
Associates:			
Efform, S.A. de C.V.	\$ 365	\$ 344	\$ 276
Uniformes y Equipo Industrial, S.A. de C.V.	202	186	120
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.	234	112	334
Other associates	29	42	92
Related parties:			
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.	33	50	82
Autotab, S.A. de C.V.	3	3	221
Other related parties	257	204	137
Financial services:			
Associates:			
Fin Común Servicios Financieros, S.A. de C.V.	\$ 1,094	\$ 893	\$ 810

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:

	2021	2020	2019
Associates:			
Beta San Miguel, S.A. de C.V.	\$ 801	\$ 747	\$ 616
Fábrica de Galletas La Moderna, S.A. de C.V.	144	132	129
Mundo Dulce, S.A. de C.V.	107	81	65
Efform, S.A. de C.V.	83	77	11
Uniformes y Equipo Industrial, S.A. de C.V.	80	48	30
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.	58	40	87
Pan-Glo de México, S. de R. L. de C.V.	34	17	16
Related parties:			
Frexport, S.A. de C.V.	119	112	148
Proarce, S.A. de C.V.	33	37	30
Makymat, S.A. de C.V.	26	20	18
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.	8	10	8
Other associates and related parties	34	13	39
	\$ 1,527	\$ 1,334	\$ 1,197

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, 2021, 2020 and 2019 totaled \$845, \$973 and \$1,194, 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 2021, 2020 and 2019 was 30% and it is expected that it will remain the same in subsequent years.

TAX REFORMS

MEXICO

Tax reform 2021

On October 26, 2021, a series of tax modifications were approved in Mexico that are effective as of January 1, 2022, mainly aimed at strengthening the control mechanisms by tax authorities (new requirements, formalities and presentation of notices in case of certain transactions).

It is expected that these tax reforms will not generate a financial impact for the group, but a series of formal obligations and tax compliance that the Company will comply when applicable.

Tax reform 2019

On October 30, 2019, a series of tax reforms effective as of January 1st, 2020 were approved in Mexico. The main changes are as follows:

1. The deduction of net interest is limited to 30% of the adjusted tax profit.
2. Non-deductibility of payments made to entities located in low tax jurisdictions (REFIPRES).
3. A new obligation is established for taxpayers consisting of disclosing to the tax authorities' certain transactions that are considered "Tax Schemes Subject to Reporting".
4. Modifications to certain definitions of Title VI of the Income Tax Law (REFIPRES income).

To date, the Company has complied with its obligation to disclose tax schemes subject to reporting corresponding to fiscal years 2021 and 2020.

Reform in labor subcontracting in Mexico

On April 23, 2021, a decree was published in the Official Gazette of the Federation that adds and repeals various articles of the Federal Labor Law, Social Security Law, Law of the National Housing Fund Institute for Workers, Fiscal Code of the Federation, Income Tax Law and the Value Added Tax Law, to regulate the figure of labor subcontracting in Mexico in accordance with the following:

- a) The prohibition of personnel subcontracting for activities that are part of the corporate purpose of the company or its predominant economic activity;
- b) The regulation and limitation of the tax deduction of specialized subcontracting services other than the corporate purpose and the predominant economic activity of the contracting company;
- c) Registration in the Ministry of Labor and Social Welfare and registration in the public registry of subcontracting companies for specialized services and works, joint and several liability in the event of non-compliance, and the granting of a period of three months to subcontracted workers be part of the payroll of the real employer;
- d) The establishment of a limit of 3 months of Statutory employee profit sharing.

As of December 31, 2021, the effects of this reform on the Company were as follows:

General actions:

- Adequacy of service contracts in cases identified as specialized.
- 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.
- Identification of specialized service providers complying with the criteria of the Ministry of Labor and Social Welfare (STPS).
- Change management: internal and external communication and training.

Services provided among Group companies and services provided to third parties:

- Review of the corporate purpose of Grupo Bimbo companies and services provided.
- Obtaining the Registry of Providers of Specialized Services or Specialized Works of the corresponding companies.
- Functional analysis to hire personnel in accordance with the company's corporate purpose.
- Assignment of a CEO and personnel to Grupo Bimbo.

SPAIN

As of January 1, 2021, the Law 11/2020 on General State Budgets for the year 2021 ("LPGE"), issued on December 30, 2020, published amendments to the Corporation Tax Law that include:

Limitations to the mechanisms to correct/eliminate double taxation:

- The exemption to avoid double taxation is limited to 95% of dividends and the sale of shares, as these amounts are reduced by 5% for management expenses. In the case of tax consolidation, the amount included in the tax base will not be subject to elimination.
- In the same way, the deduction limit is also reduced to avoid international double taxation on dividends and on sale of shares to 95% of the full quota that would correspond to pay in Spain on this income if it had been obtained in Spanish territory.

Limitations of financial expenses:

Through the 2021 LPGE, the methodology for calculating deductible net financial expenses for corporate income tax purposes has been modified, among others; limiting the deductibility of net financial expenses for the year to 30%, by excluding from the determination of operating profit, those dividends from shares whose acquisition value is greater than 20 million euros and do not reach a percentage of participation of 5%.

To date, no significant impacts have been determined as a result of this tax reform in the Spanish subsidiaries.

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	
	2021		2020	2019	
Argentina	35	(a)	25	30	5 (b)
Brazil	34		34	34	(c)
Canada	15	(d)	15	15 (d)	20 (h)
Spain	25		25	25	(e)
USA	21	(f)	21	21	(g)
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) Tax loss carryforwards have no expiration date; however, their application is limited to 25% of the net taxable profit for the year.
- (f) 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%.
- (g) 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.
- (h) The Company's tax losses may be carried back against the three prior years.

At the date of issue of these consolidated financial statements, no changes have been disclosed for the corporate tax rates in subsequent years, except in:

- France, where the tax rate was changed from 28% in 2020 to 26.5% in 2021, and as of 2022 it will be 25%.
- Russia, where the tax rate was changed from 15.5% in 2020 to 16.5% in 2021.
- Turkey, where the tax rate was changed from 22% in 2020 to 25% in 2021.
- Colombia, where the tax rate was changed from 31% in 2021 to 35% in 2022.

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:

	2021	2020	2019
Income tax:			
Current income tax	\$ 8,096	\$ 5,215	\$ 3,926
Deferred income tax	588	781	723
	8,684	5,996	4,649
Income tax – uncertain tax positions	287	196	84
	\$ 8,971	\$ 6,192	\$ 4,733

- 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, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Profit before income tax	\$ 26,353	\$ 16,744	\$ 12,108
Statutory income tax rate	30%	30%	30%
Income tax at statutory tax rate	7,906	5,023	3,632
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	1,015	552	605
Non-deductible expenses and other	890	793	655
Non-taxable profit and tax incentives	(322)	(420)	(699)
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(505)	(220)	(53)
Effects on tax values of property, plant and equipment	(589)	(314)	(253)
Share of loss of associates	(74)	(58)	(75)
Unrecognized available tax loss carryforwards	650	836	921
Income tax recognized in profit or loss	\$ 8,971	\$ 6,192	\$ 4,733
Effective income tax rate	34.0%	37.0%	39.1%

To determine their deferred income tax as of December 31, 2021, 2020 and 2019, 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 1 ST , 2021	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIV E INCOME	TRANSLATION EFFECT	BUSINESS COMBINATIONS	BALANCE AS OF DECEMBER 31, 2021		BALANCE AS OF JANUARY 1 ST , 2020	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIV E INCOME	TRANSLATION EFFECT	BUSINESS COMBINATIONS	BALANCE AS OF DECEMBER 31, 2020
Allowance for expected credit loss	\$ (283)	\$ (18)	\$ -	\$ -	\$ -	\$ (301)	Allowance for expected credit loss	\$ (288)	\$ 5	\$ -	\$ -	\$ -	\$ (283)
Inventories and advances	(59)	75	-	-	-	16	Inventories and advances	(31)	(28)	-	-	-	(59)
Property, plant and equipment	5,026	(525)	-	-	-	4,501	Property, plant and equipment	3,606	1,420	-	-	-	5,026
Intangible assets and other assets	8,068	565	-	(641)	(123)	7,869	Intangible assets and other assets ⁽¹⁾	10,709	(3,059)	-	(21)	439	8,068
Other reserves and provisions	(13,922)	989	432	-	-	(12,501)	Other reserves and provisions	(11,430)	(2,347)	(145)	-	-	(13,922)
Current employee profit sharing	(299)	(201)	-	-	-	(500)	Current employee profit sharing	(352)	53	-	-	-	(299)
Available tax loss carryforwards	(568)	265	-	-	-	(303)	Available tax loss carryforwards	(1,381)	3,722	(2,909)	-	-	(568)
Net economic hedge	-	(77)	77	-	-	-	Net economic hedge	-	645	(645)	-	-	-
Lease assets and liabilities, net	(329)	(140)	-	-	-	(469)	Lease assets and liabilities, net	(173)	(156)	-	-	-	(329)
Derivative financial instruments	399	(345)	860	-	-	914	Derivative financial instruments	(9)	526	(118)	-	-	399
Total deferred income tax (asset), net	\$ (1,967)	\$ 588	\$ 1,369	\$ (641)	\$ (123)	\$ (774)	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.

	BALANCE AS OF JANUARY 1 ST , 2019	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIV E INCOME	RECLASSIFICATIONS	TRANSLATION EFFECT	BALANCE AS OF DECEMBER 31, 2019
Allowance for expected credit loss	\$ (245)	\$ (43)	\$ -	\$ -	\$ -	\$ (288)
Inventories and advances	(44)	13	-	-	-	(31)
Property, plant and equipment	4,654	(1,048)	-	-	-	3,606
Intangible assets and other assets	10,367	442	-	-	(100)	10,709
Other reserves and provisions	(9,649)	(423)	(1,358)	-	-	(11,430)
Current employee profit sharing	(421)	69	-	-	-	(352)
Available tax loss carryforwards	(2,152)	1,523	-	(752)	-	(1,381)
Net economic hedge	-	(744)	744	-	-	-
Lease assets and liabilities, net	-	(173)	-	-	-	(173)
Derivative financial instruments	-	431	(440)	-	-	(9)
Other items	(676)	676	-	-	-	-
Total liability, net	\$ 1,834	\$ 723	\$ (1,054)	\$ (752)	\$ (100)	\$ 651

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:

	2021	2020	2019
Deferred income tax asset	\$ (7,861)	\$ (8,733)	\$ (4,590)
Deferred income tax liability	7,087	6,766	5,241
Total deferred income tax (asset)/liability, net	\$ (774)	\$ (1,967)	\$ 651

The Company has determined that the undistributed earnings of its foreign subsidiaries will not be distributed in the foreseeable future. As of December 31, 2021, 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, 2021, the Company's unused tax losses have the following expiration dates:

YEAR	AMOUNT
2022	\$ 663
2023	961
2024	1,068
2025	944
2026	1,936
2027	162
2028	11
2029	2
2030 and thereafter	25,525
	31,272
Unrecognized available tax loss carryforwards	(30,031)
Total	\$ 1,241

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 \$8,644 in 2021, \$7,637 in 2020 and \$12,515 in 2019.

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, 2021, 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:

	2021	2020	2019	CATEGORY / HIERARCHY
Assets				
Financial assets:				
Cash and cash equivalents	\$ 8,748	\$ 9,268	\$ 6,251	Fair value – Level 1
Trade accounts receivables and other accounts receivable, net	21,432	18,802	18,152	Amortized cost
Derivative financial instruments	1,293	871	143	Fair value - Level 1 and
Guarantee deposits for derivative financial instruments	-	-	325	Fair value - Level 1
Total current assets	31,473	28,941	24,871	
Other non-current assets	273	85	63	Amortized cost
Other non-current assets – plan asset surpluses and other assets	1,657	913	652	Fair value - Level 1, 2 and 3
Derivative financial instruments	1,962	267	1,533	Fair value - Level 1 and 2
Total assets	\$ 35,365	\$ 30,206	\$ 27,119	

	2021	2020	2019	CATEGORY / HIERARCHY
Liabilities				
Financial liabilities:				
Current portion of non-current debt	\$ 10,625	\$ 600	\$ 5,408	Amortized cost
Trade accounts payable	35,752	26,679	22,972	Amortized cost
Other accounts payable	1,998	1,790	1,852	Amortized cost
Accounts payable to related parties	1,527	1,334	1,197	Amortized cost
Guarantee withdrawals for derivative financial instruments	392	398	-	Fair value - Level 1
Derivative financial instruments	169	1,183	673	Fair value - Level 1 and 2
Total current liabilities	50,463	31,984	32,102	
Non-current debt	82,230	84,629	81,264	Amortized cost
Derivative financial instruments	67	214	437	Fair value - Level 1 and 2
Total liabilities	\$ 132,760	\$ 116,827	\$ 113,803	

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. If the Company decides to enter into a hedging strategy whereby options are combined, the net premiums paid/collected must represent a cash outflow.

An analysis of the Company's derivative financial instruments is as follows:

	2021		2020		2019			2021		2020		2019	
	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI		BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI
Assets													
Current assets:													
Forwards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30							
Forwards on raw materials	92	92	-	-	-	-							
Foreign exchange options	-	-	-	-	-	(26)							
Futures:													
Fair value of raw materials	953	152	684	595	-	-							
Swaps:													
Fair value of raw materials and energetics	248	174	187	132	143	129							
Total current derivative financial instruments	\$ 1,293	\$ 418	\$ 871	\$ 727	\$ 143	\$ 133							
Non-current assets:													
Cross currency swap	\$ 1,951	\$ 428	\$ 267	\$ 27	\$ 1,533	\$ (545)							
Swaps:													
Fair value of raw materials and energetics	9	9	-	-	-	-							
Forwards on raw materials	2	2	-	-	-	-							
Forwards	-	-	-	-	-	(7)							
Total non-current derivative financial instruments	\$ 1,962	\$ 439	\$ 267	\$ 27	\$ 1,533	\$ (552)							
Liabilities													
Current liabilities:													
Foreign currency forwards	169	\$ 175	399	(170)	233	(198)							
Forwards on raw materials	-	784	784	(456)	325	(256)							
Cross currency swap	-	-	-	(26)	8	26							
Swaps:													
Fair value of raw materials and energetics	-	-	-	107	107	680							
Total current derivative financial instruments	\$ 169	\$ 959	\$ 1,183	\$ (545)	\$ 673	\$ 252							
Total non-current derivative financial instruments	\$ 67	\$ 1,203	\$ 214	\$ (636)	\$ 437	\$ (1,168)							
Equity:													
Total valuation of cash flow hedges, net of accrued interest	\$ 767	\$ 3,018	\$ (2,251)	\$ (427)	\$ (1,825)	\$ (1,335)							
Closed contracts for unused futures	(6)	(30)	24	41	(16)	(18)							
	761	2,988	(2,227)	(386)	(1,841)	(1,353)							
Deferred income tax, net	(184)	(860)	676	116	559	440							
Other comprehensive (loss)/income	\$ 577	\$ 2,128	\$ (1,551)	\$ (270)	\$ (1,282)	\$ (913)							

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 2021 and 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, 2021 and 2020, the Company had no non-current debt bearing interest at variable rates. As of December 31, 2019, the Company had non-current debt bearing interest at variable rates tied to the LIBOR and TIE 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 2021, there was no volatility in financial markets nor did it lead to fluctuations in exchange rates. However, the Company did not modify its foreign currency risk management strategy. In 2020, 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, 2021, 2020 and 2019, the loans in USD (described in Note 13) that have been designated as hedges on the net investment in foreign subsidiaries amount to USD 1,295 million, USD 1,521 million and USD 2,550 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 USD 797 million.

As of December 31, 2021, 2020 and 2019, the loans that have been designated as hedges on the net investment in foreign subsidiaries amount to CAD 354 million, CAD 354 million and CAD 290 million, respectively (see Note 17, 2.3 (a)).

As of December 31, 2021, the loans that have been designated as hedges on the net investment in foreign subsidiaries in Spain amount to EUR 126 million.

As of December 31, 2021, 2020 and 2019, the amount designated as a hedge for non-current intercompany asset positions is CAD 630 million, CAD 630 million and CAD 630 million, respectively.

As of December 31, 2021, the amount designated as a hedge for non-current intercompany asset positions is USD 748 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 \$60 in profit or loss for the year ended December 31, 2021.

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 \$1 in profit or loss for the year ended December 31, 2021.

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 \$1 in profit or loss for the year ended December 31, 2021.

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, 2020, 2019 and 2018 is as follows:

- a) Swaps that translate the 144A bond of USD 800 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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
270	USD	290	CAD	27-jun-2024	3.875%	4.1125%	\$ -	\$ -	\$ 976
270	USD	354	CAD	27-jun-2024	3.875%	3.9700%	(171)	(176)	-
							\$ (171)	\$ (176)	\$ 976

- b) Swaps that translate the 144A bond of USD 800 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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
100	USD	1,827	MXN	27-jun-2024	3.875%	8.410%	\$ 339	\$ 189	\$ 90
150	USD	2,744	MXN	27-jun-2024	3.875%	8.420%	-	-	132
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%	257	143	69
204	USD	3,855	MXN	27-jun-2024	3.875%	8.320%	-	-	41
204	USD	4,376	MXN	27-jun-2024	3.875%	7.330%	123	(201)	-
							\$ 822	\$ 1	\$ 332

c) Swaps that translate the 144A bond of USD 500 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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
100	USD	1,829	MXN	27-jun-2028	4.875%	9.8385%	\$ 423	\$ 247	\$ 95
100	USD	1,829	MXN	27-jun-2044	-	1.1900%	245	298	130
							\$ 668	\$ 545	\$ 225

d) Swaps that translate a portion of 144A bond of USD 600 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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
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	MXN	06-sep-2049	-	2.98%	185	-	-
							\$ 380	\$ (163)	\$ -

e) Swaps that translate a portion of 144A bond of USD 595 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 COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
150	USD	126	EUR	6-mar-2031	4.00%	2.11%	\$ 252	\$ -	\$ -

f) Interest rate swap that hedges the variable rate in USD (LIBOR):

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
					2021	2020	2019
160	USD	30-jun-2031	3-month LIBOR	3.29%	\$ -	\$ 60	\$ -

g) Long-term swaps to cover the price risk associated with raw materials and others:

UNIT	QUANTITY	AVERAGE PRICE	QUANTITY	AVERAGE PRICE	MARKET VALUE		
					2021	2020	2019
Barrels	14,300	50.66	14,950	1.25%	\$ 9	\$ -	\$ -

h) Long-term forwards to cover the exchange risk associated with raw materials and others:

COUNTRY	CURRENCY	DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
		NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Canada	USD/CAD	10	1.25	-	-	-	-	\$ 3	\$ -	\$ -
Mexico	USD/MXN	3	22.52	-	-	-	-	(1)	-	-
								\$ 2	\$ -	\$ -
Total non-current financial assets								\$ 1,962	\$ 267	\$ 1,533

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.

i) Non-current forwards to hedge foreign currency risk related to raw materials and other:

COUNTRY	CURRENCY	DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
		NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Mexico	USD/MXP	2	20.78	12	20.15	-	-	\$ -	\$ 1	\$ 2
Canada	USD/CAD	14	1.31	8	1.32	-	-	-	5	2
								\$ -	\$ 6	\$ 4

j) Non-current forwards to hedge forecast transactions:

COUNTRY	CURRENCY	DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
		NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Mexico	USD/MXN	-	-	58	20.85	15	22.38	\$ -	\$ 185	\$ 37

k) Interest rate swap that hedges the variable rate in USD (LIBOR):

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
					2021	2020	2019
160	USD	30-jun-2020	3-month LIBOR	3.2865%	\$ -	\$ -	\$ 377

l) Interest rate swap that hedges the variable rate in USD:

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
					2021	2020	2019
200	USD	24-may-2034	0.00%	1.69%	\$ 54	\$ -	\$ -

In September 2019, the Company paid \$1,070 for the early settlement of the interest rate swap for a notional of USD 320 million associated with the issuance of the international bond maturing in September 2049.

On June 24, 2020, the Company extended the maturity date of its interest rate swap for a notional of USD 160 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.

m) Interest rate swap hedging forecasted flows related to financial leases in Italy:

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
					2021	2020	2019
8	EUR	03-feb-2031	3-month Euribor	1.28%	\$ 7	\$ 13	\$ 10
7	EUR	03-mar-2031	3-month Euribor	1.25%	6	10	9
					\$ 13	\$ 23	\$ 19
Total non-current financial liabilities					\$ 67	\$ 214	\$ 437

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, 2021, 2020 and 2019, the Company had the following forwards to hedge forecast transactions:

COUNTRY	CURRENCY	DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
		NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Mexico	MXN/CLP	894	40.24	1,022	35.19	1,075	39.67	\$ 20	\$ 6	\$ (12)
Mexico	USD/MXN	252	21.39	273	21.72	225	20.35	(189)	(404)	(221)
Mexico	MXN/USD	51	20.48	799	19.97	-	-	-	2	-
Spain	EUR/RUB	-	-	10	92.20	-	-	-	(3)	-
								\$ (169)	\$ (399)	\$ (233)

An analysis of the maturities of these forwards as of December 31, 2021 is as follows:

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	TOTAL
Mexico				
Notional amount in Mexican pesos	-	-	894	894
Average exchange rate	-	-	40.24	40.24
Mexico				
Notional amount in USD	223	20	9	252
Average exchange rate	21.42	21.16	21.12	21.39
Mexico				
Notional amount in USD	51	-	-	51
Average exchange rate	20.48	-	-	20.48

As of December 31, 2019, the Company had the following cross-currency swap that translates a portion of the 144A Bond of USD 800 million to Mexican pesos. The swap matures on June 30, 2020 and changes the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE		
							2021	2020	2019
100	USD	1,918	MXN	30-jun-2021	4.875%	9.438%	\$ -	\$ -	\$ (8)

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 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
		NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Argentina	USD/ARS	-	-	5	94.68	3	73.34	\$ -	\$ (5)	\$ (7)
Canada	USD/CAD	125	1.26	98	1.33	103	1.32	17	(74)	(27)
Canada	CAD/USD	28	1.28	19	1.29	-	-	7	2	-
Chile	USD/CLP	37	795.93	31	779.59	32	712.84	65	(68)	31
Colombia	USD/COP	16	3,894.38	14	3,747.20	5	3,471.73	19	(23)	(4)
Mexico	USD/MXN	320	21.12	344	21.91	301	20.40	(43)	(586)	(306)
Mexico	MXN/USD	545	21.43	414	20.17	-	-	20	6	-
Perú	USD/PEN	25	4.03	14	3.57	8	3.39	-	4	(3)
Uruguay	USD/UYU	9	46.09	10	44.47	5	38.12	(2)	(5)	(1)
France	USD/EUR	6	1.16	6	1.17	7	1.15	2	(6)	2
Russia	EUR/RUB	1	73.76	-	-	7	74.35	1	-	(2)
Russia	USD/RUB	1	85.18	1	74.03	2	66.67	-	-	(8)
Brazil	USD/BRL	15	5.62	37	5.44	-	-	3	(29)	-
Brazil	BRL/USD	53	5.79	8	5.58	-	-	4	2	-
Mexico	EUR/MXN	1	25.29	3	25.34	-	-	(1)	(2)	-
								\$ 92	\$ (784)	\$ (325)

The maturities of these forwards as of December 31, 2021 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	10	24	36	31	24	125
Average exchange rate	1.28	1.27	1.25	1.24	1.25	1.26
Canada						
Notional amount in Canadian dollars	8	20	-	-	-	28
Average exchange rate	1.28	1.28	-	-	-	1.28
Chile						
Notional amount in USD	4	8	10	9	6	37
Average exchange rate	746.18	765.21	767.38	826.58	875.73	795.93

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Colombia						
Notional amount in USD	2	3	5	3	3	16
Average exchange rate	3,747.66	3,808.29	3,860.54	3,961.76	4,048.86	3,894.38
Mexico						
Notional amount in USD	38	74	95	73	40	320
Average exchange rate	20.75	20.90	20.93	21.24	22.04	21.12
Mexico						
Notional amount in Mexican pesos	193	352	-	-	-	545
Average exchange rate	21.33	21.49	-	-	-	21.43
Peru						
Notional amount in USD	3	6	7	5	4	25
Average exchange rate	3.89	3.96	4.02	4.12	4.13	4.03
Uruguay						
Notional amount in USD	1	2	3	2	1	9
Average exchange rate	46.16	45.78	45.82	46.43	47.11	46.09
France						
Notional amount in USD	1	2	1	1	1	6
Average exchange rate	1.16	1.16	1.16	1.16	1.17	1.16
Russia						
Notional amount in USD	-	-	1	-	-	1
Average exchange rate	73.50	73.18	74.23	-	-	73.76
Russia						
Notional amount in euros	-	-	1	-	-	1
Average exchange rate	84.45	85.15	85.95	-	-	85.18
Brazil						
Notional amount in USD	4	6	4	1	-	15
Average exchange rate	5.46	5.55	5.78	6.06	-	5.62
Brazil						
Notional amount in BRL	13	21	16	3	-	53
Average exchange rate	5.71	5.77	5.87	5.99	-	5.79
Mexico						
Notional amount in euros	-	1	-	-	-	1
Average exchange rate	25.08	25.23	25.48	-	-	25.29

As of December 31, 2021, 2020 and 2019, the Company reclassified \$572, \$(302) and \$281, 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, 2021, 2020 and 2019, 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:

	2021			2020			2019		
	CONTRACTS		FAIR VALUE	CONTRACTS		FAIR VALUE	CONTRACTS		FAIR VALUE
	NUMBER	MATURITY		NUMBER	MATURITY		NUMBER	MATURITY	
Diesel	1,841	Jan-22 a Dec-22	\$ 245	3,471	Jan-21 to Jul-22	\$ 7	2,210	Jan-20 to Mar-21	\$ 23
Gasoline	764	Jan -22 a Dec-22	130	1,714	Jan-21 to Jul-22	54	1,168	Jan-20 to Mar-21	33
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	14,320	Feb-20 to Mar-21	58
Soybean oil	818	Jan -22 a Dec-22	14	678	Jan-21 to Dec-21	82	403	Jan-20 to Dec-20	29
Oil	23,400	Jan -22 a Dec-22	12	13,650	Jan-21 to Dec-21	1	-	-	-
Total current assets			\$ 1,201			\$ 871			\$ 143
Polyethylene			\$ -			\$ -	31,303	Jan-20 to Dec-20	\$ 63
Natural gas			-			-	1,000	Jan-20 to Jun-21	44
Total current liabilities			\$ -			\$ -			\$ 107

As of December 31, 2021, 2020 and 2019, the Company reclassified \$(924), \$525 and \$597, 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, 2021, 2020 and 2019, the Company has not identified any embedded derivatives that require bifurcation.

Valuation techniques and assumptions applied to measure fair value

The fair value of the Company's financial assets and liabilities is calculated as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active, liquid markets are determined based on their quoted market prices. Derivative financial instruments fall under this category; therefore, these instruments are classified within Level 1 of the fair value hierarchy described below.

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, 2021, 2020 and 2019, 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	\$ 14,926	\$ 25,319	\$ 14,807	\$ 116,220	\$ 171,272
Lease liabilities	5,793	9,762	6,168	16,206	37,929
Derivative financial instruments	-	136	486	276	898
Trade payables and accounts payable to related parties	37,279	-	-	-	37,279
Total	\$ 57,998	\$ 35,217	\$ 21,461	\$ 132,702	\$ 247,378

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:

	2021	2020	2019
Debt ⁽ⁱ⁾	\$ 92,855	\$ 85,229	\$ 86,672
Cash and cash equivalents	(8,748)	(9,268)	(6,251)
Net debt	84,107	75,961	80,421
Equity	101,606	88,011	78,311
Net debt to equity	0.83 veces	0.86 veces	1.03 veces

(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:

	2021	2020	2019
Retirement and post-retirement benefits			
Mexico	\$ 3,618	\$ 5,204	\$ 6,180
USA	786	1,233	1,530
Canada	18	995	733
EAA and Latin America	545	479	330
Total liabilities from retirement and post-retirement benefits	4,967	7,911	8,773
Multi-employer pension plans – USA	19,227	20,343	17,319
Social welfare USA	4,012	3,754	3,184
Net plan assets presented in other assets	1,245	821	604
Long-term bonuses payable to associates	1,261	1,003	546
Total net liability	\$ 30,712	\$ 33,832	\$ 30,426

a) Mexico

The Company has a defined benefit pension and seniority premium plan. The Company's funding policy is to make discretionary contributions. During 2021, 2020 and 2019, the Company contributed \$1,150, \$1,150 and \$1,000, respectively, to the plan assets.

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, 2021, 2020 and 2019 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, 2021, 2020 and 2019, the contributions made to the plan total \$203, \$161 and \$193, 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, 2021, 2020 and 2019 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 2021, 2020 and 2019 total \$711, \$172 and \$152, respectively.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2021, 2020 and 2019 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, 2021, 2020 and 2019, the contributions made to the plans total \$74, \$57 and \$68, respectively.

The principal assumptions used in the actuarial valuations are as follows:

	2021	2020	2019
Mexico:			
Discount rate	8.30%	7.68%	7.57%
Salary increase rate	4.50%	4.50%	4.50%
Inflation rate	3.50%	4.00%	3.50%
Expected average weighted return	7.68%	7.57%	10.14%
USA:			
Discount rate	2.73%	2.30%	3.15%
Salary increase rate	3.25%	3.25%	3.25%
Inflation rate	2.25%	2.25%	2.50%
Expected average weighted return	2.30%	3.15%	4.20%
Canada:			
Discount rate	2.90%	2.50%	3.10%
Salary increase rate	3.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%
Expected average weighted return	2.50%	3.10%	3.90%

The assumptions related to the mortality rates used in the actuarial valuations are as follows:

	2021	2020	2019
Mexico:			
Mortality table	EMSSA 2009	EMSSA 2009	EMSSA 2009
USA:			
Mortality table	MP-2021	MP-2020	MP-2019
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	
2022	\$	420	\$	1,145	\$	303
2023		454		1,177		305
2024		516		1,203		306
2025		574		1,231		306
2026		621		1,241		306
2027 to 2031		2,669		5,792		1,525
	\$	5,254	\$	11,789	\$	3,051

An analysis of the amounts recognized in profit or loss and other comprehensive income with respect to defined benefit plans is as follows:

	2021	2020	2019
Amounts recognized in profit or loss:			
Current year service cost	\$ 1,128	\$ 991	\$ 717
Gain on plan settlements	-	(631)	-
Interest cost	1,745	1,851	1,618
Return on plan assets	(1,324)	(1,316)	(1,282)
	1,549	895	1,053

	2021	2020	2019
Actuarial (loss)/gain on defined benefits recognized in other comprehensive income:			
Mexico, USA and Canada:			
Experience adjustments to plan obligations	911	1,252	164
Effect of changes in demographic assumptions	87	(442)	(114)
Effect of changes in financial assumptions	(3,534) ⁽¹⁾	2,705 ⁽²⁾	7,659
Actuarial (gain)/loss on estimate of plan assets ⁽³⁾	810	(2,926)	(2,987)
EAA and Latin America	183	(227)	(7)
	(1,543)	362	4,715
	\$ 6	\$ 1,257	\$ 5,768

(1) Effects of a decrease in the discount rate in Mexico, the United States of America and Canada in 2021.

(2) The decrease against the previous year is due to the fact that the discount rate did not have significant changes, unlike the behavior of said rate in 2019, which presented a decrease of 2.57% compared to the 2018 discount rate.

(3) Effects of the decrease in the real rate of return, mainly in Mexico and the United States of America, in 2021

Of the current year service cost, \$957, \$808 and \$567 were included in 2021, 2020 and 2019, 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:

	2021	2020	2019
Present value of defined benefit obligation	\$ 41,401	\$ 42,386	\$ 37,840
Less - fair value of plan assets	36,823	34,790	29,254
	4,578	7,596	8,586
Plus - Retirement benefits for Latin America and EAA	545	479	330
Less - Current portion of retirement benefits recognized in accrued liabilities	(156)	(164)	(143)
Present value of unfunded defined benefits	\$ 4,967	\$ 7,911	\$ 8,773

An analysis of changes in the present value of the defined benefit obligation is as follows:

	2021	2020	2019
Present value of defined benefit obligation as of January 1 st	\$ 42,386	\$ 37,839	\$ 30,378
Current year service cost	1,128	991	717
Interest cost	1,745	1,851	1,618
Gains on plan settlements	-	(631)	-
Experience adjustments to plan obligations	911	1,252	164
Effect of changes in demographic assumptions	87	(442)	(114)
Effect of changes in financial assumptions ⁽¹⁾	(3,534)	2,705	7,659
Liabilities assumed in business combinations	-	1	-
Translation effect	963	1,372	(756)
Benefits paid	(2,285)	(2,552)	(1,827)
Present value of defined benefit obligation as of December 31	\$ 41,401	\$ 42,386	\$ 37,839

An analysis of changes in the fair value of plan assets is as follows:

	2021	2020	2019
Fair value of plan assets as of January 1 st	\$ 34,790	\$ 29,253	\$ 25,394
Return on plan assets	1,324	1,316	1,282
Actuarial (gain)/loss on estimate of plan assets ⁽¹⁾	(810)	2,926	2,987
Employer contributions	2,064	1,483	1,345
Translation effect	882	1,194	(681)
Benefits paid	(1,427)	(1,382)	(1,074)
Fair value of plan assets as of December 31	\$ 36,823	\$ 34,790	\$ 29,253

Categories of plan assets:

	FAIR VALUE OF PLAN ASSETS		
	2021	2020	2019
Equity instruments	\$ 7,247	\$ 8,976	\$ 6,875
Debt instruments	25,471	23,136	20,225
Other	4,105	2,678	2,153
	\$ 36,823	\$ 34,790	\$ 29,253

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, 2021 is as follows:

	MEXICO	USA	CANADA
Discount rate increase	\$ (1,275)	\$ (1,221)	\$ (332)
Discount rate decrease	1,455	1,347	393
Salary rate increase	(639)	(440)	(33)
Salary rate decrease	686	380	40

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		
	2021	2020	2019
Mexico:			
Average duration	20.20	20.20	21.20
Active members	26.50	26.34	27.29
Retired members	8.30	9.42	9.56
USA:			
Average duration	12.16	12.83	12.27
Active members	13.83	14.48	13.89
Retired members	9.46	9.92	9.39
Deferred members	12.94	13.69	12.44
Canada:			
Average duration	12.80	13.40	13.10
Active members	16.80	17.30	16.80
Retired members	9.30	9.60	9.20
Deferred members	18.40	19.00	17.50

An analysis of the experience adjustments and other items is as follows:

	2021		2020		2019
Present value of defined benefit obligation	\$ 41,401	\$	42,386	\$	37,839
Less - Fair value of plan assets	36,823		34,790		29,253
Unfunded defined benefit obligation	\$ 4,578	\$	7,596	\$	8,586
Experience adjustments to plan obligations and actuarial loss	\$ 911	\$	1,252	\$	164
Experience adjustments to plan assets	\$ (810)	\$	2,926	\$	2,987

The Company expects to make a contribution of \$1,441 to the retirement and post-retirement benefit plans in 2022.

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, 2021, 2020 and 2019, the contributions made to the MEPPs total \$2,556, \$2,592 and \$2,705, respectively. The Company expects to contribute of \$2,464 to the plan in 2022.

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:

	2021		2020		2019
Balance as of January 1 st	\$ 20,343	\$	17,319	\$	16,217
Remeasurement - (Note 22)	(2,005)		1,639		1,408
Financial cost - (Not3 23)	230		390		424
Effect of foreign exchange differences	659		995		(730)
Balance as of December 31	\$ 19,227	\$	20,343	\$	17,319

In March 2021, the American Rescue Plan Act of 2021 (“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 2021, it is expected that the underfunded MEPPs will be eligible to apply for financial assistance in 2022 and 2023. The approval timeline is uncertain, if approved, such funding could reduce BBU’s contributions to underfunded MEPPs in the future, including withdrawal liabilities recognized by the Company on a provisional basis. The Company’s management will continue to monitor and evaluate the potential impact of such application and potential approvals in the consolidated financial statements.

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:

	2021	2020	2019
Social welfare:			
Short-term (a)	\$ 1,511	\$ 448	\$ 413
Long-term	4,012	3,754	3,184
	\$ 5,523	\$ 4,202	\$ 3,597

(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:

	2021	2020	2019
Provisions	\$ 5,793	\$ 4,919	\$ 4,386
Liabilities for exits from multi-employer plans	2,370	2,575	2,384
Deferred compensation	1,206	629	836
Virtual power purchase agreement	-	213	-
Other	453	662	435
	\$ 9,822	\$ 8,998	\$ 8,041

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	2021	2020	2019
Tax	\$ 1,191	\$ 1,040	\$ 1,000
Labor	711	873	789
Civil	110	111	254
Other	1	1	2
Uncertain tax positions	3,780	2,894	2,341
Total	\$ 5,793	\$ 4,919	\$ 4,386

The movements in the Company's provisions and liabilities related to uncertain tax positions as of December 31, are as follows:

	2021		2020		2019
Balance as of January 1 st	\$ 4,919	\$	4,386	\$	3,639
Net increases	1,107		1,086		1,464
Payments	(177)		(337)		(554)
Effect of foreign exchange differences	(56)		(216)		(163)
Balance as of December 31	\$ 5,793	\$	4,919	\$	4,386

As of December 31, 2021, 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 \$408. 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, 2021, 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 December 31, 2021, \$15 is presented in other accounts payable, as well as \$284 in other long-term liabilities.

In addition, the Company has secured its labor and civil lawsuits with security deposits totaling \$226, 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, 2021, the Company has not recognized a provision related to this matter.

20. Equity

An analysis of the Company's equity as of December 31, 2021, 2020 and 2019 is as follows:

	2021		2020		2019	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Fixed share capital:						
Series A	4,516,329,661	\$ 4,059	4,533,758,587	\$ 4,074	4,703,200,000	\$ 4,227
Treasury shares	(41,260,670)	(38)	(13,419,417)	(13)	(77,195,600)	(71)
Total	4,475,068,991	\$ 4,021	4,520,339,170	\$ 4,061	4,626,004,400	\$ 4,156

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 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 7, 2021.
- ii) 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.
- iii) 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.
- iv) 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.
- v) At a regular shareholders' meeting held on April 29, 2019, the shareholders declared dividends of \$2,103 (\$0.45 per share), which were paid out of the CUFIN account in cash on May 13, 2019.
- vi) 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.
- vii) 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, 2021, 2020 and 2019, the legal reserve is \$500 (nominal amount).

- viii) At regular shareholders' meetings held on April 29, 2020 and April 29, 2019, the shareholders agreed to increase the provision for repurchase of shares by \$10,000 and \$4,000, respectively (nominal amounts). The Company's provision for repurchase of shares is included in its retained earnings. The approved (nominal) amount of the provision is \$15,200 and \$5,200 as of December 31, 2020 and 2019, respectively. An analysis of movements in the provision is as follows:

	2021	2020	2019
Balance as of January 1 st	\$ 8,838	\$ 2,483	\$ 188
Increases	-	10,000	4,000
Repurchase of shares	(1,861)	(3,645)	(1,705)
Balance as of December 31,	\$ 6,977	\$ 8,838	\$ 2,483

- ix) 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.

- x) As of December 31, the Company has the following tax balances:

	2021	2020	2019
Restated contributed capital account (CUCA)	\$ 31,760	\$ 30,834	\$ 29,892
Net taxed profits account (CUFIN)	87,424	81,722	76,438

Other equity financial instrument

On April 17, 2018, Grupo Bimbo, S.A.B. de C.V. issued a perpetual subordinated bond of USD 500 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:

	2021	2020	2019
Perpetual subordinated bond - principal	\$ 9,044	\$ 9,044	\$ 9,044
Issuance expenses	(58)	(58)	(58)
	8,986	8,986	8,986
Current income tax	(124)	1	(67)
Deferred income tax	5	9	12
Perpetual subordinated bond - principal	\$ 8,867	\$ 8,996	\$ 8,931

As of December 31, 2021, 2020 and 2019, the Company made semi-annual coupon payments of \$621, \$648 and \$595, respectively, and recognized an income tax effect of \$(187), \$(194) and \$(178), respectively. Therefore, retained earnings decreased by \$435, \$454 and \$417, respectively.

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:

	2021	2020	2019
Cost of sales:			
Raw materials	\$ 106,199	\$ 97,891	\$ 89,112
Salaries and benefits	32,020	31,053	27,758
Freight, fuel and maintenance	12,583	12,583	11,447
Depreciation	7,109	6,586	6,088
Professional and consulting services and c	1,738	1,492	1,433
Short-term and low value lease expense	1,030	1,014	1,182
Indirect taxes	944	956	806
Travel expenses	91	64	165
Other production expenses	1,861	969	193
	\$ 163,575	\$ 152,608	\$ 138,184
	2021	2020	2019
Distribution, selling, administrative and other expenses:			
Salaries and benefits	\$ 70,123	\$ 66,521	\$ 57,755
Freight, fuel and maintenance	35,593	37,036	32,411
Advertising and promotional expenses	13,579	12,559	11,004
Professional and consulting services	13,803	9,845	7,844
Depreciation and amortization	9,266	9,665	8,285
Logistics expenses	3,993	3,596	3,125
Remeasurement of multi-employer pension plans (MEPP)	(2,247)	2,494	1,762
Integration expenses	724	1,968	2,435
Indirect taxes	1,562	1,494	1,161
Restructuring expenses	2,059	1,143	724
Short-term and low value lease expense	1,153	1,003	959
Travel expenses	1,179	801	1,420
Other	399	4,910	4,438
	\$ 151,186	\$ 153,035	\$ 133,323

22. Other expenses, net

An analysis of other expenses is as follows:

	2021	2020	2019
(Gain) on sale of property, plant and equipment	\$ (187)	\$ (117)	\$ (28)
Impairment of goodwill	324	779	17
Impairment of trademarks and distribution rights	63	105	951
Restructuring expenses	2,059	1,143	724
Labor obligations	19	52	-
Usufruct amortization	201	220	220
Other non-current assets amortization	106	-	-
Remeasurement of multi-employer pension plans (MEPP) (Note 18)	(2,005)	1,639	1,408
Provision for updating other non-current liabilities	(242)	855	354
Other	(138)	497	367
	\$ 200	\$ 5,173	\$ 4,013

23. Interest expense

	2021	2020	2019
Interest on debt	\$ 5,550	\$ 7,017	\$ 6,181
Interest on lease liabilities	1,255	1,072	1,041
Net interest on pension plans	421	535	336
Interest for updating MEPPs	230	390	424
Other finance costs	428	410	579
	\$ 7,884	\$ 9,424	\$ 8,561

24. Commitments

GUARANTEES AND/OR GUARANTORS

- 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, 2021, 2020 and 2019, the value of such letters of credit is USD244, USD248 and USD286 million, respectively.
- 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, 2021, 2020 and 2019, the balance of \$2,237, \$1,521 and \$764, respectively, under this program is presented as part of trade payables.
- 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, 2021, 2020 and 2019, the liability payable to Nafinsa under this program totals \$1,734, \$1,152 and \$908, respectively.
- 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 2021
Mexico	12/02/2008	11/01/2012	18 years	326 MXN
Peru	08/05/2019	09/01/2019	3 years	0.15 USD
Argentina	09/05/2019	01/01/2020	15 years	1.8 USD
Chile	02/22/2020	04/01/2021	8 years	0.7 USD
Panama	12/22/2020	07/01/2021	5 years	0.32 USD
Colombia	12/22/2021	01/01/2022	8 years	1.2 USD
Brazil	12/03/2021	01/01/2022	3 years	2.1 USD

5. 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, 2021, 2020 and 2019, the net financial asset/(liability) of \$336, \$(213) and \$47, respectively, is recognized as part of other non-current assets/(liabilities). In 2021, 2020 and 2019, the Company recognized \$68 \$71 and \$27, respectively, under comprehensive financing cost corresponding to the amortization of the liability, and \$(512), \$345 and \$(49), respectively, for changes in the fair value of assets/(liabilities).

6. 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.

25. 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) similar 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:

	2021					
	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION	TOTAL
Net sales	\$ 118,661	\$ 176,275	\$ 31,376	\$ 34,195	\$ (11,620)	\$ 348,887
Sales between segments	\$ (11,156)	\$ (336)	\$ (25)	\$ (103)	\$ 11,620	\$ -
Consolidated net sales	\$ 107,505	\$ 175,939	\$ 31,351	\$ 34,092	\$ -	\$ 348,887
Operating profit (*)	\$ 18,373	\$ 16,076	\$ 345	\$ 292	\$ (960)	\$ 34,126
Depreciation and amortization	\$ 4,156	\$ 8,472	\$ 1,687	\$ 2,060	\$ -	\$ 16,375
Impairment of non-current assets	\$ 144	\$ 57	\$ 142	\$ 351	\$ -	\$ 694
Other items not affecting cash flows	\$ -	\$ (2,247)	\$ 19	\$ 1	\$ 210	\$ (2,017)
Adjusted EBITDA (*) (**)	\$ 22,673	\$ 22,358	\$ 2,193	\$ 2,704	\$ (750)	\$ 49,178
Net profit - Equity holders of the parent	\$ 16,546	\$ 8,864	\$ (1,227)	\$ (729)	\$ (7,538)	\$ 15,916
Income tax	\$ 5,641	\$ 2,804	\$ 377	\$ 149	\$ -	\$ 8,971
Interest income	\$ 836	\$ 99	\$ 56	\$ 29	\$ (647)	\$ 373
Interest expense (***)	\$ 6,313	\$ 1,685	\$ 436	\$ 97	\$ (647)	\$ 7,884
Total assets	\$ 78,386	\$ 202,347	\$ 30,121	\$ 45,860	\$ (19,074)	\$ 337,640
Total liabilities	\$ 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						TOTAL
	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION		
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 (*)	\$ 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 (*) (**)	\$ 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 (***)	\$ 6,838	\$ 2,268	\$ 715	\$ 86	\$ (483)	\$ 9,424	
Total assets	\$ 72,528	\$ 186,298	\$ 24,586	\$ 42,089	\$ (17,850)	\$ 307,651	
Total liabilities	\$ 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	

	2019						TOTAL
	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION		
Net sales	\$ 102,688	\$ 144,005	\$ 27,144	\$ 26,655	\$ (8,566)	\$ 291,926	
Sales between segments	\$ (7,746)	\$ (651)	\$ (19)	\$ (150)	\$ 8,566	\$ -	
Consolidated net sales	\$ 94,942	\$ 143,354	\$ 27,125	\$ 26,505	\$ -	\$ 291,926	
Operating profit (*)	\$ 15,966	\$ 6,094	\$ (1,337)	\$ 136	\$ (440)	\$ 20,419	
Depreciation and amortization	\$ 3,622	\$ 7,679	\$ 1,569	\$ 1,503	\$ -	\$ 14,373	
Impairment of non-current assets	\$ 248	\$ 683	\$ 359	\$ 28	\$ -	\$ 1,318	
Other items not affecting cash flows	\$ 3	\$ 1,760	\$ 1	\$ 1	\$ (1)	\$ 1,764	
Adjusted EBITDA (*) (**)	\$ 19,839	\$ 16,216	\$ 592	\$ 1,668	\$ (441)	\$ 37,874	
Net profit - Equity holders of the parent	\$ 6,780	\$ 501	\$ (3,048)	\$ (914)	\$ 3,000	\$ 6,319	
Income tax	\$ 4,172	\$ 29	\$ 208	\$ 324	\$ -	\$ 4,733	
Interest income	\$ 685	\$ 125	\$ 179	\$ 47	\$ (476)	\$ 560	
Interest expense (***)	\$ 6,503	\$ 1,884	\$ 567	\$ 83	\$ (476)	\$ 8,561	
Total assets	\$ 68,556	\$ 153,634	\$ 23,494	\$ 35,072	\$ (1,675)	\$ 279,081	
Total liabilities	\$ 115,749	\$ 64,830	\$ 10,993	\$ 10,107	\$ (909)	\$ 200,770	
Purchase of property, plant and equipment	\$ 5,006	\$ 4,641	\$ 1,163	\$ 2,307	\$ -	\$ 13,117	

(*) Does not include intercompany royalties.

(**) The 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.

(***) Includes monetary position gains and losses.

For the years ended December 31, 2021, 2020 and 2019, sales to the Company's largest customer represent 14.50%, 14.32% and 13.50%, 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.

26. Subsequent Events

International bond payment

On January 25, 2022, the Company paid USD198 million of the 144A international bond due on the same date. The payment was financed through the multi-currency revolving line.

Conflict between Russia and Ukraine

On February 21, 2022, Russia and Ukraine ceased its diplomatic relationship and a military conflict between the two countries began. In response to the conflict, some Western countries began to implement sanctions against Russia, including sanctions against financial institutions, people involved in the invasion of Ukraine, airspace restrictions, and other government sanctions such as the prohibition of sale, supply, transfer or export of certain goods and technology. In addition, the measures and reactions that Russia could have in the face of the sanctions that were imposed on it are uncertain.

At this time, it is not possible to predict the magnitude of the economic, political and social consequences that will result from the conflict, considering that the Company has a presence in Ukraine and Russia. Due to the current international situation, and in line with the Company's values, on February 23, 2022 the Company reported the temporary suspension of operations at the Ukraine plant and on March 14, 2022 the suspension of sales under the Bimbo brand, as well as of new capital and marketing investments in Russia.

Although the Company considers that both actions will not have a material impact on its business, it will continue to monitor and evaluate the situation as circumstances evolve, since external factors over which the Company has no control, such as political, economic or social developments arising from the conflict, could have an adverse negative effect on the global market or on the business, financial condition, results of operations and perspectives of the Company.

27. Authorization of the Consolidated Financial Statements

On March 23, 2022, 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 GROUPS OF INTEREST

(GRI 102-1, 102-3, 102-4, 102-5, 102-53)

Stock Exchange

Mexican stock exchange (MSE)

Ticker

BIMBO

Level I ADR Ticker

BMBOY

Corporate headquarters

Prolongación Paseo de la Reforma N° 1000
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