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## I. OBJECTIVE AND SCOPE

This document sets out the guidelines, applicable to the Grupo UNACEM, including UNACEM CORP. S.A.A. (hereinafter the "Company") and its subsidiaries (hereinafter the "Business Unit"), and its directors, managers, and other workers, who shall be followed for the Comprehensive Risk Management.


## II. POLICY

**In UNACEM, we manage strategic and operational risks through best practices and agile standards, ensuring the identification, evaluation and treatment of risks that threaten the achievement of objectives.**

Annex A identifies the two major categories for comprehensive risk management: (a) strategic risks and (b) operational risks.

## III. PRINCIPLES

1. The Business Unit Management is responsible for risk management, that is, for ensuring the identification, evaluation and treatment of risks in line with this Policy and with the Corporate Risk Management Manual.
2. The Corporate Risk and Compliance Department, together with the Corporate Department, are responsible for defining the Risk Management Policy and procedures, ensuring compliance, as well as advising the Business Unit for the application and continuous improvement thereof.
3. A risk is an event, act, or omission, from an internal or external source, that can occur and adversely affect the achievement of objectives.
4. Strategic risks are events that may adversely impact the achievement of the strategic purpose or objective, whether due to impacts on initiatives, capabilities or other enablers. Project risks are included in this category.
5. Operational risks are events that may adversely impact the performance or efficiency of ongoing operations. This category includes, among others, production, logistics, cybersecurity, financial reporting, legal and compliance risks.
6. All risk management processes carried out in Grupo UNACEM (for example, taxes, treasury, legal, compliance, institutional affairs) shall comply with the fundamental principles of this Policy and with the Corporate Risk Management Manual, except as required by specific regulations (for example, ISO standard).

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- The comprehensive risk management process is supported by the Three Lines Model of the Institute of Internal Auditors (See Annex B).

#### IV. METHODOLOGY

The comprehensive risk management process is divided into seven stages:




#### V. RISK APPETITE

##### OPERATIONAL

The maximum risk level is the risk appetite desired in the achievement of business objectives. It is used as a guide for decision making and resource allocation. In this regard, in the UNACEM Group, risk appetite is defined as the maximum potential impact of acceptable loss multiplied by the maximum acceptable probability of occurrence of this loss.

In Grupo UNACEM, the potential impact is estimated in quantitative terms based on the EBITDA of the relevant business unit. If EBITDA is close to zero or negative, it is replaced by sales, or another measure established by the Audit, Risk and Compliance Committee (see Operational Risk Appetite in

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Annex C). In addition, the potential impact is also estimated in qualitative terms, such as the impact on reputation.

The probability of occurrence is estimated based on the historical records of occurrence of the event or expert judgment, depending on the nature of the risk.

The level of risk is the result of the combination of the potential impact and the probability of occurrence of the risk. Please note that the level of risk is the main prioritization criterion in risk management.


### **STRATEGIC**

Strategic risk appetite is the amount of risk desired in the achievement of the objectives of the initiatives or strategic projects.

In this regard, the risk appetite is defined as the maximum levels of acceptable reduction of the financial or non-financial key indicators of these initiatives or strategic projects times the maximum acceptable probability that this reduction occurs.

## **VI. MAIN ROLES AND RESPONSIBILITIES**

1. The Board of Directors promotes a comprehensive risk management culture in Grupo UNACEM, approves the risk appetite and periodically reviews the risk management strategy to ensure that corporate strategies and objectives are supported.
2. The Audit, Risk and Compliance Committee oversees compliance with the Policy and the Corporate Manual for Comprehensive Risk Management.
3. The Corporate Risk Committee and the Business Unit Risk Committees promote compliance with the risk management process, by showing senior management's commitment to developing a risk culture.
4. The Corporate Risk and Compliance Department develops risk strategies, policies, and procedures, including risk mitigation and control. Furthermore, this Department shares knowledge and provides guidance on the risk management methodology and coordinates the activities of the risk management process in Grupo UNACEM.
5. The Corporate Internal Audit role assesses compliance with the Corporate Comprehensive Risk Management Policy and the risk management methodology.

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6. The Business Unit Management is responsible for the risks and for ensuring their identification, evaluation, treatment and reporting in line with the Policy and Corporate Manual for Comprehensive Risk Management.
7. The Business Unit Risk Officer promotes and coordinates the risk management process, as set out in the risk management methodology.

**VII. PERSON RESPONSIBLE FOR THE POLICY**

The Audit, Risk and Compliance Committee is responsible for this Policy. Queries about this Policy shall be directed to the Corporate Director of Risks and Compliance or the Corporate Manager of Comprehensive Risk Management.

**VIII. FREQUENCY OF REVIEW**

The Audit, Risk and Compliance Committee shall review this Policy at least every two years.

Document Name	CORPORATE POLICY FOR COMPREHENSIVE RISK MANAGEMENT			Version
Responsible Area	Corporate Risk and Compliance Department			
Prepared by	Javier Carrasco Corporate Manager for Comprehensive Risk Management Fernando Dyer Corporate Director of Risk and Compliance	Date of Review	OCT/11/2022	1.0
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