

RISK MANAGEMENT POLICY



INTRODUCTION

At Conconcreto, we are a team with diverse experiences, skills, and knowledge, with shared values and behaviors that give our company its unique identity.

We are committed to business continuity, which is why we adapt to market changes and customer needs. We differentiate ourselves through innovation and industry best practices. We are aware of the need to manage risks, and to this end, we identify, measure, and address them, always striving to ensure that this process allows us to meet our commitments and the expectations of both our customers and shareholders.

We are committed, from the board of directors and at all levels of the organization, to upholding the principle of self-control, understood as the "ability of people involved in different processes to consider control as an inherent part of their responsibilities, fields of action, and decision-making." This means that each individual has the duty and responsibility to be aware of the risks that affect their process, weigh them in terms of impact and severity, and communicate them to higher authorities.

The main purpose of this policy is to define a guiding principle for Comprehensive Risk Management at Conconcreto and its related companies.

This policy was developed taking into account the ERM (Enterprise Risk Management) framework, the COSO report, and ISO 31000.

SCOPE

The policy must be applied in all subsidiaries, departments, levels, and significant activities of the organization where risks or opportunities that impact the fulfillment of objectives are evident. It is the responsibility of all employees to comply with the controls established for effective risk management.

This policy is based on the following principles, defined in the bylaws and internal regulations of the Board of Directors and Corporate Governance:

1. The Board of Directors is responsible for approving the risk management policy and for understanding and periodically monitoring the company's main risks, including those assumed in off-balance sheet operations. It is also responsible for setting maximum exposure limits for each identified risk.
2. The Board of Directors is responsible for ensuring that there is an adequate control system in place, adapted to the company and its complexity, and consistent with the risk management in force.

3. The approval, implementation, and monitoring of appropriate control systems, including operations with offshore companies, which must be carried out in accordance with the procedures, risk control systems, and alerts approved by the Board of Directors.

4. The Board of Directors is ultimately responsible for ensuring a robust control environment within the Company, adapted to its nature, size, complexity, and risks, so that:

I. A culture of Comprehensive Risk Management is promoted throughout the organization.

II. Roles and responsibilities are defined around Comprehensive Risk Management, with clearly established reporting lines.

III. Consider the risks arising from the Company's strategic definition and business processes in order to adequately monitor, evaluate, and manage them.

CONCEPTS

Probability: A measure between 0 and 1 for the estimated likelihood of a given event occurring, where 0 is the non-occurrence and 1 is the occurrence of the event.

Frequency: Number of times an event occurs in a given period of time.

Severity: Impact, whether economic, reputational, human, or environmental, that an event has when it materializes.

Risk level: The weighting given to the risk.

Risk tolerance: The level of risk accepted for a given event or situation.

Influencing factors: These are the aspects that contribute to an event materializing.

Risk profile: The degree of acceptance of the occurrence or non-occurrence of negative events. Three categories are usually distinguished: Risk aversion (conservative), Risk tolerance (moderate), and Risk appetite (aggressive).

Risk: The possibility of an event occurring that could impact the organization's strategic objectives.

Inherent risk: The risk generated by the organization's activities without the application of controls.

Residual risk: The exposure to risk that the organization has once it has applied controls to mitigate them.

Control: Actions or activities implemented by the organization to reduce the probability and impact of a risk materializing.

OBJECTIVES

Comprehensive Risk Management consists of timely detecting risks that may affect the company in order to generate strategies that anticipate them and turn them into opportunities for profitability, thereby maintaining business continuity and ensuring adaptability to changes in the environment. The main objectives of this policy are:

1. To identify the risks to which the organization is exposed, following the guidelines defined in the corporate strategy. To assess risks and measure the degree of exposure to them.
2. Effectively manage risks, including making decisions aimed at their administration and control.
3. Monitor risks by tracking action plans to ensure they remain within the levels accepted by the organization.
4. Report periodically to the Audit Committee, senior management, and the Board of Directors on comprehensive risk management.

GUIDING FRAMEWORK

1. All employees in the organization are responsible for identifying and communicating the risks associated with the performance of their duties. For the company, prevention and self-control are the main mechanisms for the timely treatment of aspects that represent vulnerabilities.
2. Risk management is a process aimed at generating value and guiding decisions regarding risk in accordance with levels established and previously accepted by the company.
3. Risk management prioritizes exposure levels and the consequences of their materialization and defines their treatment based on these variables.
4. The company's risk management is integrated with the organization's policies and processes. Therefore, any new process that is intended to be incorporated must be verified to ensure that it is consistent with this policy.
5. Risk management must be timely and systematic, and it must be aligned with the strategic objectives of the organization and each area.
6. The Comprehensive Risk Management area is responsible for designing and implementing the model documents under which the areas must report risk management, as well as for designing the organization's risk matrix and map.

7. The company maintains an ethics hotline as a mechanism for receiving anonymous reports and identifying situations of fraud, abuse, risk, among others.
8. Risks are classified according to their severity in terms of economic or financial aspects, reputation or image, safety, human resources, and information, and are weighted as Low, Medium, High, and Very High.
9. Conconcreto's risk management process includes the following stages:
 - a. **Risk context:** This is the first stage, where the identified situations are placed in the context of the organization's reality. By contextualizing the risks or opportunities, it is easier to carry out the following activities.
 - b. **Risk identification:** This is a fundamental stage that allows the organization to list, understand, and define its risks.
 - c. **Risk analysis:** Once the risks have been identified, information about their frequency must be associated with them, i.e., how often the identified event occurs; their severity, i.e., the consequences that this event has on the organization in economic, image, security, human, and information terms; and a measure of probability of occurrence must then be determined.
 - d. **Risk response plan:** Based on the risk assessment, the company will define those responsible, actions, and strategies to avoid, mitigate, transfer, or accept the identified risks.
 - e. **Monitoring and evaluation:** Record and update the risks and their rating, periodically reporting the results of the risk management carried out by each area of the company to the Comprehensive Risk Management area.
 - f. **Communication:** The company will ensure mechanisms are in place so that information from this process flows properly within the organization and is heard by higher authorities. By mandate of the Board of Directors, this policy is accessible to all members of the organization; management will provide mechanisms for its dissemination at all levels of the organization. The information available in the company must meet the following characteristics: appropriate, timely, up-to-date, accurate, available, and verifiable content.
10. At least once a year, an assessment of the organization's risks must be carried out, based on its strategic objectives, and actions must be established to mitigate the impact of these risks.
11. Periodically, the organization's employees must be trained in risk management.
12. All new employees and suppliers must receive training on the organization's risk management system during their induction.

RISK CLASSIFICATION

To facilitate the process of identifying and monitoring risks, the company has adopted a classification based on the following main aspects:

Strategic Risk Families (16).

Technical and Operational	Innovation
Reputational risk	Human Talent
Legal	Country risk
Fraud	Macroeconomic environment
Technology, information, and communication	Strategic alliances
Property, environmental, networks, and social governance	Corporate
Financial	Confidence in the
sector	
Market risk	Occupational Health and Safety

The above classification should be considered in the risk matrix for each of the processes.

ROLES AND RESPONSIBILITIES IN COMPREHENSIVE RISK MANAGEMENT

This section describes the general responsibilities of the areas or positions involved in risk management.

- a. **Board of Directors:** Establish acceptable risk levels and ensure that an adequate control system is in place.
- b. **Audit Committee:** Evaluate the effectiveness of the control process, recommend the implementation of measures to management when, in its opinion, there is exposure to risk that exceeds desirable levels or it considers that relevant information is being overlooked. Supervise the effectiveness of the various components of the Control Architecture.
- c. **Senior Management:** Responsible for communicating and preparing action plans based on the evidence presented.
- d. **Integrated Risk Management:** Defines the framework for control activities and is responsible for monitoring the performance indicators established for risk management. Responsible for facilitating communication, training, and the risk management process within the organization; centralizes the risk management process.

This department is also responsible for verifying compliance with risk management procedures and the risk management plan, in order to ensure that:

- i. Each of the risks identified in the company's various processes is adequately managed with specific controls.
- ii. The policies, processes, controls, and measures developed for risk management are effectively applied in practice.

OTHER PROVISIONS

Any modification to this policy shall be submitted to the Audit Committee and approved by the Board of Directors.

This General Policy on Comprehensive Risk Management is effective from the date of its approval by the Board of Directors.