

**Enterprise Risk Management
Policy**



01 Introduction

The Board of Directors, its delegated Audit and Compliance Committee (hereinafter ACC) and the Management Board of the Dia Group have initiated a process of identifying and assessing the main risks facing the Group, as well as the necessary controls to mitigate the same, with risk management being the responsibility of each and every one of the members of the Dia Group.

The approval of this Policy is an non-delegable power of the Board of Directors, its definition being the responsibility of the Management Board.

02 Purpose

The purpose of this Policy is to establish the principles and guidelines to provide reasonable assurance that any risks that could affect the achievement of the Dia Group's goals are identified, evaluated and managed systematically, with uniform criteria and within established risk levels.

03 Scope of Application

The Risk Management Policy applies to all companies that make up the Dia Group.

04 Risk Categories

The Dia Group defines risk as any threat that an internal or external event may materialise, thereby impeding or hindering the achievement of the strategy and goals set by the Organisation.

The Group is subject to various risks inherent to the different countries in which it operates and the activities it carries out, which may prevent it from achieving its goals and executing its strategies successfully, among which the following general categories of risk stand out:

- 1) **Strategic Risks:** are those associated with the strategic position of the Dia Group in the environment in which it carries out its activity, its relationships with third parties, its portfolio of markets, products and services, as well as planning and organisation, and which may lead to difficulty in fulfilling the goals defined in its Strategic Plan.
- 2) **Operational Risks:** are those referring to direct or indirect economic losses caused

as a result of external events or due to inadequate internal processes, technological failures and/or human errors, including those derived from the Group's operations and that affect the continuity of the Group's operating processes. An additional subcategory of technology risks is included within this category.

- 3) **Compliance Risks:** are all those related to compliance with the legislation in force in the countries where the Dia Group is present, as well as with internal policies, and which may lead to sanctions and/or reputational deterioration resulting in an adverse impact on results and/or capital and/or business development expectations.

Compliance risks include fundamentally those related to fraud and corruption, litigation, arbitrations and legal obligations, including those arising from the Dia Group's activities.

- 4) **Financial Risks:** are those associated with issues affecting goods and services and/or the financial markets that affect the costs and income of the Group, including areas related to the management of exchange rates, liquidity risk, interest rate risk and credit or counterparty risk, as well as the reliability risk of financial and non-financial information. An additional subcategory of tax risks is included within this category.
- 5) **Reputational Risks:** are those associated with a potential negative impact on the value of the Group resulting from external effects or behaviours by the company that are below the expectations created in the different stakeholders.

05 Basic Principles

The following basic principles of action are established within the framework of the Comprehensive Risk Management System (hereinafter CRMS), which is inspired by the methodological framework established in COSO ERM 2017 (Committee of Sponsoring Organisations, of the Treadway Commission - Enterprise Risk Management 2017), and which is adapted to the needs and specificities of the Dia Group:

- a. Integrate risk culture into Group management.
- b. Maintain a segregated assignment of duties between areas assuming risks and areas responsible for analysing, controlling and supervising them, providing an adequate level of independence.
- c. Continuously evaluate risk coverage, transfer and mitigation mechanisms to ensure their suitability and the adoption of market best practices.

- d. Report in a transparent manner on the risks present and the operation of systems developed to control such risks, duly informing regulators and key external agents, maintaining appropriate channels to promote communication.
- e. Ensure adequate compliance with the corporate governance standards established by the Group and act at all times in accordance with applicable laws and regulations and the values and standards of conduct in force.

06 Responsibilities

The main bodies and areas involved in the CRMS and their responsibilities are as follows:

The Board of Directors has the non-delegable competence to approve the Dia Group's Enterprise Risk Management Policy, as well as the level of risk appetite and risk tolerance.

The ACC is responsible for overseeing risk management, ensuring that it is carried out within the risk appetite and accepted tolerance limits, as well as compliance with this Policy.

The ACC will, at least annually, inform the Board of Directors about the adequacy of risk management, the existence of processes established for the identification of both inherent and residual risks, including emerging risks and their monitoring, and will also ensure that this Policy is complied with.

The Management Board is ultimately responsible for the implementation of the CRMS and for disseminating and promoting the belief that risk and control culture in the Group is a factor that is taken into account in all decisions and at all levels.

It pre-approves the Group risk map and its subsequent updates for submission to the ACC, which then submits it to the Board of Directors. It will also have the power to review the risk maps of each of the business units in order to ensure that residual risks are managed within the risk appetite approved by the Board of Directors.

The Internal Control and Risk Management Committee is responsible for making decisions arising from the operation of the CRMS and, regardless of those that may be attributed to it in addition, assumes the following responsibilities:

- It approves the methodological framework that allows for adequate risk management, ensures the proper functioning of the CRMS and, in particular, allows for the identification, assessment, management, communication and supervision, as defined in this Policy, of the most important risks that may affect the Group.
- It ensures that emerging risks are properly identified, assessed, managed and

reported.

- It approves business unit risk maps and the Group risk map for escalation to the Management Board.
- Annually, it reviews appetite and tolerance by proposing changes when deemed appropriate.
- It follows up on action plans to ensure risks associated with them are appropriately managed.

The function of the Directorate of Internal Control and Global Risk Management, which reports to the Group CFO, is the design and development of the CRMS, the goals of which are to help identify, evaluate, manage and monitor the evolution of the identified risks that are considered most relevant to the Group, reporting on their situation and foreseeable evolution to the responsible areas, the Management Board and the ACC.

It makes available to the Group a common risk management methodology and ensures its follow-up. In addition, it is responsible for coordinating with all Dia Group risk managers.

All conclusions related to the risk management of the Group and the business units are reported to the Management Board, as it is the deciding body in relation to the risk management and approval of risk maps. Like the ACC, it will also receive the consolidated information at the Group level, and it may request additional information whenever it deems appropriate.

Risk Owners: these are the persons responsible for the functional areas designated for risk management, establishing the necessary controls and action plans. Each risk has a single owner who will be responsible for managing risk within the risk appetite established. In the case of emerging risks, the Risk Management and Internal Control Committee shall assign said responsibility to whomever it deems pertinent.

07 Comprehensive Risk Management System Process in the Dia Group

The Dia Group's CRMS is structured as an iterative process of continuous improvement. This process consists of the identifying the different risks involved in achieving the Group's objectives, assessing their impact and probability of occurrence, prioritisation according to the speed of materialisation, monitoring and management over time, within the approved appetite and tolerance, highlighting the importance of risk management in

strategic planning and its integration at all levels of the organisation.

The CRMS is structured as follows:

- a. **Identification.** Strategy, goal setting and risk management go together. A strategy is defined with its objectives and, subsequently, the risks that may affect the achievement thereof are identified and assessed.
- Risk management is continuous from the definition of the company's strategy to its measurement.

The risk identification process is intended to generate a risk inventory based on events that could prevent, degrade, or delay the achievement of goals.

In the application of the risk management process, the Dia Group considers a two-way identification of the risks involved:

- i. Top-down: identifying Group-level risks to assess and manage these with the Risk Owners of the business units and the Group as a whole.
- ii. Bottom-up: identification of risks that could have an impact at the Group level by the business units' Risk Owners.

- b. **Evaluation.** The objective is to obtain parameters that allow the assessment of the impact and probability of occurrence of all risks for their subsequent prioritisation according to the speed of materialisation and be able to take actions that mitigate, transfer, share and/or avoid the risks.

After the inherent assessment of the risks, defined as an intrinsic value without taking into account the existing control mechanisms, if it exceeds the risk appetite, the associated controls for their subsequent assessment will be identified, obtaining a residual assessment of the impact and probability of each risk, presented in a residual risk map.

The results are then consolidated through a risk aggregation process for each business unit.

- c. **Follow-up.** The objective is the monitoring of risks and the establishment of management mechanisms that allow risks to be maintained within the established appetite and tolerance limits, as well as taking the appropriate management actions.

To this end, monitoring of the entire CRMS of the Dia Group is carried out, updating the inherent assessments of the exposed risks and the testing of the design and

effectiveness of the applicable controls that are associated with the risks, all in order to ensure that the residual risks are within the accepted appetite and tolerance.

Risk management is an ongoing process, with the risk map updated at least annually for both the business units and the Group.

Within the risk management process, all approvals made by the Risk Management and Internal Control Committee are submitted to the Management Board, with the ACC acting as the supervisory body for said process.

It should be mentioned that the Group has a GRC (Governance, Risk and Compliance) technology tool to support the Group's risk management and control process.

- d. **Management:** The objective is the execution of the actions aimed at achieving the optimal levels of risk and, in any case, respecting the established limits. This process is intended to ensure that all risks are adequately managed and are within the appetite and tolerance levels approved by the Board of Directors.

Based on the residual risk maps and the appetite and tolerance set for them, the action plans that help improve risk management are identified based on the prioritisation made by the Management Board.

- e. **Reporting and Communication:** Risk management requires an ongoing process of obtaining and exchanging the necessary information, both from internal and external sources, that flows throughout all levels of the organisation. The information is communicated both up and down within the Group, through periodic meetings to update and identify emerging or materialised risks.

On a semi-annual basis, updates made during the CRMS period are reported, both with regard to any identified emerging risks that may have arisen, as well as those that are no longer applicable.

In addition, within the risk management process, all the approvals made by the Risk Management and Internal Control Committee are submitted to the Management Board and the ACC for information and approval, where appropriate, by the Board of Directors.

This Policy was approved in its fifth version on 04 December 2023 by the Board of Directors of Distribuidora Internacional de Alimentación S.A., being applicable until the Board of Directors approves its update, revision or repeal.