

## **Risk Management at Empresas Carozzi**

At Carozzi we have implemented a methodology for the continuous management of our risks. Annually we prioritize risks according to a comparative analysis with those that emerge both in the industry and in the world, plus our internal and local perception. This activity is carried out by the executives of all business lines and results in a work plan that is approved and monitored by the Sustainability and Risk Committee, which reports its progress to the Board of Directors.

### **External Consultant Advisory:**

A diagnosis was carried out in collaboration with the company NEXT Consultores, with the purpose of evaluating our Risk Management Model:

- The analysis was carried out by an expert third party, following best practices and considering ISO 31000 and COSO ERM standards.
- The methodology employed included document review, analysis of management tools and interviews.
- Five key components of the Risk Management Model were evaluated: Governance and Structure, Culture and Awareness, Policies and Procedures, Risk Management Tools and Measurement, and Risk Appetite.

Based on the results of this assessment, a work plan was designed to address the main gaps in the search for continuous improvement and strengthening of the risk management model.

### **Risk Management Culture and Awareness:**

Promoting a risk management culture in organizations is essential according to the COSO ERM and ISO 31000 frameworks because it directly influences the organization's ability to identify, assess and manage risks effectively, which strengthens resilience and the achievement of strategic objectives.

In this context, a cross-cutting training plan was designed for the entire organization, using various communication channels, such as internal communications, the My Carozzi App, the internal magazine, e-learning and lectures. The process began with the sending of a series of internal mailings, and during 2025 we will move forward with the implementation of the rest of the planned initiatives.

## **Emerging Risks**

As part of our risk management process, we are alert to emerging risks that could have a significant impact on the business in the future. We consider those that may arise from regulatory, environmental, social and economic changes, among other factors.

### Environmental Damages

In 2024, the Economic Crimes Law came into force in Chile, which introduces a more rigorous regulatory framework to address economic crimes, with a specific focus on environmental damages. This law classifies environmental damages as serious economic crimes, imposing severe penalties.

The regulation allows for the total or partial suspension of business activities if it is demonstrated that significant environmental damage has occurred as a result of the company's operations. This could result in:

Interruptions in production, especially if a key processing plant is temporarily closed.

Loss of revenue, due to the inability to meet market demand, which directly affects sales.

In addition, an incident of this nature can lead to a deterioration in corporate reputation and a loss of confidence on the part of consumers and other stakeholders, affecting customer loyalty and sales.

### Health and safety

In February 2025, Decree Law No. 44 comes into force, which introduces a stricter regulatory framework in Chile to address occupational health and safety, imposing greater responsibilities on companies to protect their workers and third parties linked to their operations.

This decree emphasizes the prevention of occupational risks, with sanctions in cases of non-compliance, including fines by the Labor Directorate and a Sanitary Administrative Procedure in the case of the Regional Ministerial Health Secretariat.

In the case of serious accidents, the site is paralyzed and a process may be halted for a long period of time, with the potential for significant operational, financial and reputational impact.

Decree Law No. 44 requires companies to record and document all information related to occupational risk management, preferably in electronic format.

As a control, the organization has established the standardized use of Hazard Identification and Risk Evaluation Matrices (MIPER). In addition, the company changed its safety mutual insurance company to ACHS, since it has a digital platform that allows for more effective control.