

Risk Management

GRI 2-25

The risk management process, including those related to environmental, social, and governance (ESG) aspects, allows ALFA's initiatives and strategies to be optimized according to the nature of its operations and the sectors they belong to. This information is presented to the Board of Directors' Audit Committee, which is responsible for monitoring progress and performance in the management of the most relevant risks.

The strategy and specific action plan for each risk is defined based on its nature, probability of occurrence, and potential impact.

ALFA's Internal Audit department plays a key role in evaluating control processes, corporate governance, and risk management from a comprehensive and systemic approach, generating benefits like:

- **Fostering** an environment that allows the Company to meet its stakeholders' performance expectations.
- **Protecting** the organization's human, economic, physical, and reputational resources.
- **Ensuring** compliance with legal and regulatory requirements.

- **Identifying** historical data on current situations to improve understanding and set goals related to each Business Unit's specific sustainability issues.
- **Obtaining** advice on best practices regarding corporate governance, internal controls, progress tracking, validating objectives, and reasonability of reported information.
- **Integrating** ESG risks into the Internal Audit program.

In 2024, the Audit Committee implemented a work plan to strengthen the management of ESG topics before the Board of Directors, highlighting the following actions:

- Collaboration with functional teams to identify and prioritize risks in its Business Units.
- Development and implementation of a system to record each Business Unit's main risks.

During the year, ESG topics were presented to the Board's Internal Audit Committee twice, reaffirming ALFA's commitment to managing sustainability-related risks.

Four steps are considered in the integration of risk reports:



Annual interviews with each Business Unit's management team for identification, evaluation, and handling.



Presentation of main risks to ALFA's Audit Committee for follow-up.



Evaluation and treatment of the risks of each business by ALFA's Internal Audit.



Management by the responsible areas within the operations.