



PROSEGUR

**Prosegur Compañía
de Seguridad, S.A.
Risk Control and
Management
Policy**

1. Object

The purpose of this Risk Control and Management Policy is to establish the basic principles and general framework for action for the control and management of risks faced by Prosegur Compañía de Seguridad S.A. (hereinafter "**Prosegur**") and the other subsidiary companies that make up the Prosegur Group.

This policy defines the risk control and management model. It also defines the duties, functions and responsibilities of those involved in risk management, the placement of the risk supervision function within the corporate governance structure, and the risk types or factors.

The Risk Control and Management Policy is developed and complemented through internal policies or regulations developed by the different areas for the management of their risks.

Risk management at Prosegur aims to provide tools and a homogeneous framework for action to prevent the different types of risks that may affect Prosegur and its Group from impeding the achievement of the established objectives.

Prosegur is committed to promoting a culture based on risk prevention and management and to developing capabilities so that material risks are adequately identified, managed (prioritising as necessary) and have a mitigation plan based on established tolerance levels. Likewise, those responsible for the Business and Support areas will adopt the necessary measures for the dissemination, training and compliance of this policy.

2. Scope

The Risk Control and Management Policy is applicable to all companies that comprise Prosegur, understood as all those companies over which Prosegur Compañía de Seguridad S.A. has effective control. Prosegur Cash S.A. and its subsidiary companies may establish their own risk control and management policy, respecting the principles set out in this standard.

The Risk Control and Management Policy affects, as a guiding principle, all of Prosegur's business and support areas. The risk control and management model will cover all types of risk that may threaten the achievement of Prosegur's objectives.

Through this policy, Prosegur undertakes to develop all its capabilities so that risks of all kinds are adequately identified, measured, prioritized, managed, supervised, controlled and mitigated.

3. Roles and responsibilities

All people who make up Prosegur have some responsibility in risk control and management.

3.1. Risk owners

The heads of Prosegur's businesses and support units will be the owners of each of the risks identified and will actively participate in their assessment, their effective control and mitigation, setting the acceptable risk level, and any decision that affects their management. To this end, each of the identified risks will be assigned a person responsible for controlling and managing the risk, who must establish effective control mechanisms and, where appropriate, prepare a mitigation plan, while effectively monitoring the evolution of the risk.

In this regard, all staff must take into account that the information provided on risk control and management must meet the following requirements:

- ▶ Comprehensive information, ensuring that all relevant information is transmitted for adequate risk control and management.
- ▶ Correct and truthful, ensuring that the information transmitted does not contain errors.
- ▶ Creates value, by promoting the development of a culture of risk control and management.
- ▶ Transmitted in a timely manner, i.e. at the time when it is known and relevant for adequate control and management of risks.

3.2. Risk Committee

The Risk Committee is Prosegur's risk control and management unit that ensures the proper functioning of the risk control and management systems. In particular, it ensures that all significant risks affecting Prosegur are identified, managed and quantified appropriately; it actively participates in the development of the risk strategy and in important decisions regarding its management; and it ensures that the risk control and management systems mitigate the risks appropriately.

The Group Internal Audit and Control Department is responsible for coordinating this Committee and ensuring that its objectives are met.

3.3. Corporate Group Control Department

Prosegur's Internal Audit and Group Control Department will provide objective assurance to Prosegur's governing bodies regarding the effectiveness of Prosegur's risk management and control activities, helping to ensure that key business risks are being managed correctly and that the risk management and control system is functioning effectively.

It must meet the following requirements:

- ▶ Provide assurance regarding risk control and management processes.
- ▶ Provide assurance regarding correct risk assessment.
- ▶ Evaluate risk control and management processes.
- ▶ Evaluate reporting on key risks.
- ▶ Review control and management of key risks.

3.4. Monitoring of the risk control and management system

Within the remit of its general supervisory function, Prosegur's Board of Directors is ultimately responsible for determining Prosegur's general policies and strategies on risk control and management, delegating to the Audit Committee the power of information, advice and proposal in relation thereto and the monitoring of the operations of all areas with risk functions, through the Prosegur Group Internal Audit and Control Division.

4. Basic principles

Prosegur is subject to various risks inherent to the different countries and markets in which it operates, and to the activities it carries out, which may undermine, or even prevent, it from achieving its goals and successfully executing its strategies.

Prosegur carries out control activities through appropriate policies and procedures that contribute to preventing and detecting the materialization of risks and, in the event of an occurrence, to mitigating, compensating or correcting their impact. In this way, the aim is to ensure that the risks assumed by Prosegur are compatible with its objectives in the short, medium and long term.

Prosegur maintains adequate control and management of risks, assuming a controlled level of risk that makes it possible to:

- ▶ Achieve the approved strategic objectives.
- ▶ Provide the highest level of assurance to its shareholders.
- ▶ Defend the interests of shareholders, clients and other groups interested in the development of Prosegur.
- ▶ Protect its financial results and its reputation.
- ▶ Ensure sustained financial stability and soundness.

The risk control and management system is based on procedures and methodologies that allow the identification and evaluation of risks in order to achieve these objectives.

Risk assessment is carried out according to pre-established tolerance levels, so that this assessment constitutes the basis for determining how the risk will be managed.

The actions aimed at controlling and mitigating risks are summarized below:

- ▶ Ensure sustained financial stability and soundness.
- ▶ Continued identification, prioritisation and assessment of critical risks based on their possible impact on Prosegur's strategic goals.
- ▶ Risk assessment in accordance with procedures based on key indicators which make it possible to control them, assess their management and monitor their progress over time.
- ▶ Periodic monitoring of the effectiveness of the measures applied by risk owners to prevent and mitigate the effects of any risk materialising.
- ▶ Review and analysis of results by the Prosegur Risk Committee.
- ▶ Supervision of the system by the Audit Committee, through the Internal Audit and Group Control Department.

5. Risk map

This is the management and information tool that controls and manages Prosegur's risks, providing a graphical representation of the risk assessment process diagnosis. It is determined by the interaction of the probability and impact of risks on the different processes, activities and functions of a business or of support areas. It contributes to carrying out a review of the internal control that exists to mitigate the impact of risks.

The risks included in the map are assessed qualitatively and quantitatively, in order to establish their probability of occurrence based on past events and on historical experience, and they are also assigned a quantitative indicator for their level of impact, based on an economic rating scale.

Each risk owner continuously assesses each of the identified risks, establishes effective control measures and proposes the implementation of corrective or mitigation measures.

The Group's Corporate Internal Audit and Control Division promotes and coordinates the model by creating the risk map, with input from the corporate and country divisions, and through the monitoring information it presents to the Risk Committee. Additionally, the Group Control Division promotes detailed and recurring analysis of key risks that arise from the assessment of the corporate risk map.

The Audit Committee must supervise Prosegur's risk map as often as needed for adequate monitoring of risks, with the support of the Group's Corporate Internal Audit and Control Division. The risk map will be updated, both at the corporate level and for each business, by each of those responsible for the risks.

6. Risk factors

In general terms, the risk factors which affect Prosegur are as follows:

6.1. Operational and business risks

Prosegur's operates in sectors and markets that may be undergoing concentration processes or other adverse situations which may significantly affect Prosegur's business volume. European markets especially are seeing a reduction in demand due to the unfavourable economic climate, the concentration of the financial sector or the public sector status. Likewise, the operations of Prosegur and other companies of the Prosegur Group in Latin America may be affected by the economic recession.

If adverse market conditions resulted in a substantial reduction in the demand for services or facilities, Prosegur would not reach the business volume which has been forecast in its budgets and, as a consequence, its P&L would be affected. These adverse conditions include concentration processes in the financial sector; prolonged reduction of cash use which would mainly affect the cash in transit and cash management businesses; reduction in the demand for security services from the public sectors; cost containment policies with regard to private companies which would mostly affect the manned guarding business; reduction in the number of construction projects; and slowdown of the real estate market which would mostly affect the technology and alarm businesses.

Additionally, Prosegur operates in highly competitive sectors and markets with pricing pressure. Manned guarding markets especially are very fragmented and register relatively low barriers to entry. Although Prosegur does not compete solely on price, due to the differences in the services provided compared to its competitors and the recognition of its brand, actions taken by competitors, especially aggressive pricing policies, can exert considerable pressure and affect Prosegur's prices, margins and results.

There is also the possibility that a Prosegur counterparty, especially clients, may not comply with their contractual obligations and affect Prosegur's financial situation and results.

6.2. Financial, interest rate, exchange rate and tax risks

Prosegur's P&L and equity may be affected by unexpected variations in interest or exchange rates.

Prosegur is exposed to interest rate risk due to the monetary assets and liabilities it holds on its balance sheet, and is also exposed to exchange rate risks arising from income generated in different currencies, since the reference currency is the euro. Exchange rate fluctuations also affect the company's financing costs for instruments denominated in currencies other than the euro.

Lastly, incorrect analysis or interpretation of tax policies may result in delays in reimbursement of taxes, greater tax burden and even fines.

6.3. Technological and computer security risks

The activities of Prosegur and the other companies in the Prosegur Group, especially those linked to the transport of valuables and cash management services and connections to alarm receiving centres,

are highly dependent on their information technology and communications infrastructure. Certain significant infrastructure problems, such as failure or interruption of telephone and technology systems, prolonged interruption in the operation of applications, or third-party intrusion into information systems, could stop or delay the ability to serve customers, impede the ability to conduct business, and may require significant costs to correct.

During its daily activities, Prosegur gathers, manages, processes and stores sensitive and confidential information, including commercial and operational information about its customers and personal details about its customers and employees.

Despite the security measures in place both at the facilities and in the computer systems, the information held by Prosegur could be vulnerable to security breaches, computer viruses, data loss, human error or other similar events.

Any breach of security through misappropriation, loss or any other type of unauthorized disclosure of confidential information, whether by persons associated with Prosegur or by third parties outside of Prosegur, could cause significant damage to Prosegur's reputation, give rise to litigation and have a material adverse effect on the results of Prosegur's operations.

6.4. Legal, social and regulatory risks

Prosegur's operations are subject to various regulations in the countries where it operates, which usually require authorizations for the provision of security services. Prosegur's activities are subject primarily to regulations governing private security, labour and social security regulations, tax regulations, arms control regulations, regulations on capital markets and regulations on the prevention of money laundering, competition regulations and data protection regulations.

Prosegur's operations and business structure include procedures to ensure compliance with the laws in all countries where it operates, although failure to comply with the laws could lead to the imposition of fines, limitation of activity or revocation of operating authorisations.

Changes in regulation may require changes in operating models, which in turn may entail additional costs. Prosegur's results may also be affected by unfavourable changes in regulatory conditions, such as labour or tax legislation or restrictions on obtaining permits and licences.

6.5. Reputational risks

Prosegur's continued business success is to a large extent based on the trust derived from service quality and control, its reputation as a company and the integrity of its employees.

Prosegur's reputation and the reputation of its brand and particularly its clients' trust could be negatively affected if there were real or perceived incidents that affected its ability to operate in an ethical, responsible and safe fashion. Prosegur's reputation may also be affected if the expectations of key stakeholders are not met.

6.6. Environmental risks

Direct or indirect economic losses caused by external events related to the environment. Failure to comply with environmental regulations could result in sanctions or a negative perception among customers and other stakeholders of the Prosegur Group.

6.7. Climate risks

In an environment of significant changes in the regulatory, economic and social sectors, caused by the transition towards a more sustainable economic model, pressure is growing from investors, public bodies, society and other stakeholders for companies to report transparently on how they manage the risks and opportunities derived from climate change in the short, medium and long term, both in their operations and in their value chain.

In this context, Prosegur takes into account the risks and opportunities presented by climate change, incorporating them into the company's vision and objectives for the coming years.

6.8. Political risks

Political risk is that which affects the economic interests of the company, as a consequence of changes or lack of political stability in a country or region and which can have various repercussions, from increases in operating costs, commercial and economic losses or even closure of our activities.

6.9. Risks of corruption and fraud

Prosegur carries out its activities through various operating companies located in different countries, which may be affected by situations of corruption and/or fraud. These risks may affect the economic development of these countries and even jeopardize their state and government models, undermine the principles of equality and competition in the markets and cause serious damage to social order, political stability and the economy.

Although Prosegur has a solid crime prevention programme in the countries where it operates, implemented through policies, procedures and the establishment of controls to prevent any corruption and fraud activity in which an employee, director, shareholder, client or supplier or any related third party acts dishonestly, the materialisation of these risks may affect the reputation and financial situation of the company.

7. Approval and Dissemination

This Risk Control and Management Policy is an update of the policy previously approved by the Board of Directors on 29 July 2020, after receiving a favourable report from the Audit Committee, and will come into force upon its approval on 24 July 2024.

Those responsible for the business and support areas will take the necessary measures to disseminate, train and ensure compliance with this policy.

Owner:	Internal Audit and Group Control Department		
Revised by:	Corporate Legal Area		
Approved by:	Board of Directors of Prosegur Compañía de Seguridad, S.A.	Date:	24 July 2024