

Global Risk Management Group Policy

Madrid, 28.04.2022

REGULATION DETAILS

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Persons giving opinion	Amrisk Project Steering Committee – 28.04.2021 Audit Committee – 30.03.2022
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1. Introduction

- 1.1. The Global Risk Management Group Policy (the “**Global Risk Management Group Policy**”) defines the basic principles and the general operating framework for the identification, assessment, response and monitoring of all Risks to which AmRest Group is exposed (“**Enterprise Risk Management**” or “**ERM**”).

This Group Policy emphasizes the importance of Risk management as an integral part of the prudent business decision-making process and lays the foundation for all Personnel to be considered a Risk manager in the context of their responsibility, to own, identify, manage and monitor their Risks, and to actively participate in AmRest's Enterprise Risk Management process.

- 1.2. The Group Policy is supplemented by the additional Regulations that may be established for specific Risks, corporate functions or businesses of AmRest Group.

2. Scope of this Group Policy

- 2.1. This Group Policy applies to all Personnel without exception, regardless of their position, responsibilities or geographical location.
- 2.2. Additionally, persons who act for or on behalf of AmRest but do not form part of its organization shall observe the provisions of this Group Policy and undertake to act in accordance with it when exercising their functions.
- 2.3. Moreover, this Group Policy affects all the activities carried out by the Group, both while undertaking professional duties and in the relationship with co-workers, customers, suppliers, business partners and other stakeholders.

3. Roles and responsibilities

The ERM governance in AmRest Group is structured as follows:

3.1. **Board of Directors**

The Board of Directors has exclusive authority to approve and modify this Group Policy.

3.2. **Audit and Risk Committee**

The Audit and Risk Committee is responsible to oversee the effectiveness of the Group's Enterprise Risk Management system.

3.3. **Senior Management**

Senior Management is responsible for the sponsorship of the ERM, with the aim to foster and promote a common and consistent Risk culture throughout the Group.

3.4. **Risk Owners**

Risk Owners, appointed for each specific Risk by the Risk & Compliance Committee, are responsible for the following:

- i. Identify variances in the exposure to current Risks or emerging Risks that require a modification in the Group's Risk inventory;
- ii. conduct Risk assessment over the Group's Risk inventory to keep the Risk Map updated; and
- iii. implement the ERM, defining and executing Risk response strategies to mitigate Risks within the Risk Appetite and Risk Tolerance levels approved by the Board.

3.5. **Risk & Compliance Committee**

Risk & Compliance Committee is responsible for the following:

- i. Overseeing the appropriate functioning of the ERM system, specifically regarding the identification, assessment, response and reporting to the Audit and Risk Committee over the critical Risks to which the Group is exposed, including emerging Risks; and
- ii. to foster the implementation of efficient and complete Risk response strategies to mitigate or reduce critical Risks to which the Group is exposed within the Risk Appetite and Risk Tolerance levels approved by the Board.

3.6. **Chief Risk & Compliance Officer**

The Chief Risk & Compliance Officer leads the Risk & Compliance Committee in its responsibilities and is also responsible for the following activities:

- i. Promoting and guiding the Group in the Enterprise Risk Management culture;
- ii. ensuring appropriate communication, training and awareness of all Personnel regarding ERM and Risks in their area of responsibility;
- iii. coordinating the Global Risk Managers;
- iv. periodical reporting to the Audit and Risk Committee regarding the performance and functioning of the ERM;
- v. determination of the needs of the Enterprise Risk Management function and propose resources allocation needs to the Audit and Risk Committee; and
- vi. periodical review and update of the ERM based on the evolution of the external and internal context of the Group.

3.7. **Global Risk Manager**

Global Risk Manager is responsible for the following:

- i. Global coordination of the Risk identification, assessment and response processes;
- ii. coordination, consolidation and analysis of the periodical reporting from Risk Managers; and
- iii. Periodical reporting to Chief Risk & Compliance Officer regarding the performance of the ERM.

3.8. **Risk Managers**

Risk Managers support the Global Risk Manager at each region or location where they are necessary. Risk Managers are responsible for the following activities:

- i. Regional or local coordination of the Risk identification, assessment and response processes within their assigned region or location;
- ii. coordination, consolidation and analysis of the periodical assessment over Risks and operating effectiveness of the Controls reported by Risk & Compliance Delegates; and
- iii. periodical reporting to Global Risk Manager regarding the performance of the ERM in their assigned region or location.

3.9. Risk & Compliance Delegates

Risk & Compliance Delegates support the Risk Manager and Risk Owners in their responsibilities at each function and/or location by means of the following activities:

- i. Conducting and reporting the Risk and Controls assessment assigned to their corresponding function and/or location;
- ii. evaluating and proposing action and remedial plans as a result of the daily operation of the ERM, as well as changes in the Risk exposure and response as a result of changes in the function and/or location environment; and
- iii. acting as a liaison party between the Risk & Compliance Structure and the different functions and country teams, promoting a consistent Risk culture across AmRest Group.

3.10. Internal Audit and Control department

In its role of third line of defense, the Internal Audit and Internal Control department supervises the ERM effectiveness by analysing and evaluating Risk management, internal Controls and corporate governance and providing recommendations supporting:

- i. Risk reduction of not achieving AmRest objectives;
- ii. increase of efficiency of business processes; and
- iii. optimization of control mechanisms.

Moreover, in the area of Risk Management, Internal Audit and Control department:

- i. Gives assurances on the Risk management process;
- ii. gives assurances that the Risks are correctly evaluated;
- iii. assesses Risk Management process;
- iv. assesses the reporting of key Risks; and
- v. reviews the management of key Risks.

4. Principles

In addition to the Group's values, detailed in the Code of Ethics and Business Conduct, AmRest recognizes and adopts the following principles:

- 4.1. Integration of ERM into its vision and processes, especially the ones related to decision-making, to maximize value creation and protection and to help the achievement of the Group's strategic objectives set by the Board of Directors any given time.
- 4.2. Rational balance of the Risk response strategies in order to ensure that the appropriate resource allocation for the purpose of Risk mitigation.
- 4.3. Efficient and transparent communication within the Group of the Risk management strategy, approach and performance.
- 4.4. Monitoring of the Risk exposure and responses along the year.
- 4.5. Revision and updating of the ERM, at least, every three years based on the evolution of the external and internal context of the Group.
- 4.6. Involvement and commitment of the whole organization to ensure that Risk management and Control measures are available, updated and operating effectively, based on a clear and interactive communication.
- 4.7. Compliance of the ERM with the applicable laws in the different countries where AmRest operates and with the Regulations.

5. Risk management process

AmRest's Risk management process comprises the following activities:

- 5.1. **Environmental analysis:** The Board of Directors has exclusive authority to define the Group Policies on Control and Risk management, including taxation and to supervise the internal information and Control systems.
- 5.2. **Objective setting:** AmRest's objectives are determined by the Board of Directors.
- 5.3. **Risk identification:** identification and analysis of events that could have an Impact on AmRest's objectives.
- 5.4. **Risk assessment:** measurement of Risks using common, homogeneous procedures and standards, based on scales that measure Impact, likelihood and vulnerability; as well as other factors, as the case may be.
- 5.5. **Risk response:** evaluation of response strategies in the event of occurrence of a Risk. Four strategies are considered:
 - 5.5.1. **Risk assumption:** the Risk is accepted without adopting any measures.
 - 5.5.2. **Risk reduction:** the Risk is managed by adopting measures, including Control activities, to minimize the extent of the impact and the likelihood of occurrence of the Risk.
 - 5.5.3. **Risk transfer:** the Risk is shared through mechanisms such as contracts or insurance policies, among other options.
 - 5.5.4. **Risk mitigation:** the business activity that gives rise to the Risk is ceased.
- 5.6. **Information and communication:** the results of monitoring of the Risk management and Control system, including compliance with this Group Policy and related procedures, are periodically reported within the Group.

- 5.7. **Oversight:** ERM is supervised for compliance with Regulations in general and with this Group Policy in particular, as well as to enable its adaptation to new circumstances.

6. Whistleblowing Channel

- 6.1. AmRest has approved a Whistleblowing Group Policy that makes available to anyone who so wishes a strictly confidential whistleblowing channel to collect all reports of Irregularities or breaches of this Group Policy.

7. Consequences of non-compliance with this Group Policy

- 7.1. All Personnel are responsible for complying with the provisions of this Group Policy. The Senior Executives and Directors will be considered as a reference for the correct application and oversee of this Policy in the framework of their competences and daily activities.
- 7.2. Failure to comply with the provisions of this Group Policy may result in the application of appropriate disciplinary measures, all in accordance with the provisions of internal Regulations and applicable labour legislation in the specific country concerned.

8. Related Regulations

- 8.1. Group Policy on the Implementation of Internal Regulations
- 8.2. Code of Ethics and Business Conduct
- 8.3. Global Compliance Group Policy
- 8.4. Global Compliance Manual
- 8.5. Whistleblowing Group Policy
- 8.6. Business Continuity Management Group Policy

9. Miscellaneous

- 9.1. The Regulation is effective from 01/05/2022.
- 9.2. In case of any amendment to the Regulations, this Group Policy applies accordingly. Minor editorial changes, changes involving linguistic corrections, corrections to translations and obvious errors shall not require an opinion.
- 9.3. This Group Policy shall be made available to all Personnel on AmRest's intranet.

10. Review and approval of this Group Policy

- 10.1. This Group Policy will be subject to continuous review and improvement, especially when regulatory, social and business or any other circumstances so require. In any case, it will be subject to annual review.

10.2. This Group Policy was approved by the Board of Directors on 28/04/2022.

11. Definitions

- 11.1. **AmRest Group, AmRest or the Group** – refers to AmRest Holdings and the legal entities considered as its subsidiaries, following the definition disclosed by the Group in its consolidated financial statements.
- 11.2. **AmRest Holdings** – AmRest Holdings SE with its registered office in Madrid.
- 11.3. **Audit and Risk Committee** – the Audit and Risk Committee of the Board of Directors.
- 11.4. **Board of Directors or the Board** – the Board of Directors of AmRest Holdings.
- 11.5. **Chief Risk & Compliance Officer** – the Chief Risk & Compliance Officer of AmRest Group.
- 11.6. **Code of Ethics and Business Conduct** – refers to the internal Regulation defining the ethical principles, values and standards of conduct required to all Personnel.
- 11.7. **Control** – refers to any measure taken by the Group which addresses one or several Risks, reducing its Impact and/or likelihood. Controls include Policies, standards, procedures, guidelines and activities.
- 11.8. **Enterprise Risk Management or “ERM”** – refers to the combination of strategies, processes, organizational structure and technologies which the Group has allocated to the purposes of the identification, assessment and response to Risks to which the Group is exposed.
- 11.9. **Global Risk Management Group Policy or the Group Policy** – refers to the Global Risk Management Group Policy, internal regulation which defines the basic principles and general operating framework for Risk management within the Group.
- 11.10. **Global Risk Manager** – The Global Risk Manager of AmRest Group.
- 11.11. **Group Policy** – Regulations that cover areas which, in view of the law, business efficiency or corporate considerations, should be regulated in a consistent manner across all AmRest Group Companies.
- 11.12. **Impact** – refers to the result or consequence of events which influence the Group’s objectives either positively or negatively. Impacts can be measured based on quantitative or qualitative criteria.
- 11.13. **Internal Audit and Control Department** – the Internal Audit and Control Department of AmRest Group.
- 11.14. **Irregularity** – actual or potential breach of the law, violation of the Code of Ethics and Business Conduct or any Regulations of AmRest, including Prohibited Acts.
- 11.15. **Management** – Managers at level 5+ within respective sub-functional area.
- 11.16. **Personnel** – all employees of the AmRest Group.
- 11.17. **Policies** – Regulations that cover areas which, in view of the law, business efficiency or corporate considerations, should be regulated in a consistent manner across all AmRest Group Companies.
- 11.18. **Prohibited Act** – an act prohibited by law carrying a penalty as an indictable or fiscal offence.
- 11.19. **Regulation Owner** – a person authorized to implement the Regulation, ensuring that it is drafted, reviewed and communicated.
- 11.20. **Regulations** – a set of mandatory provisions approved accordingly to Group Policy on the Implementation of Internal Regulations binding to the Personnel to which they are addressed.

- 11.21. **Risk** – refers to the effect of uncertainty over the Group’s objectives. Effect is any deviation against the expectation, which can be positive, negative or both, and can address, create or result in opportunities or threats.
- 11.22. **Risk & Compliance Committee** – the Risk and Compliance Committee of AmRest Group.
- 11.23. **Risk & Compliance Delegate** – each Risk and Compliance Delegates appointed by AmRest Group.
- 11.24. **Risk & Compliance Structure** – All AmRest areas in charge of coordinating Risk and compliance related activities throughout the organization.
- 11.25. **Risk Appetite** – refers to the level of Risk considered acceptable by the Group in the pursuit of value and compliance with the Group’s long-term objectives.
- 11.26. **Risk Manager** – the Risk Manager of each region or location where AmRest operates.
- 11.27. **Risk Map** – refers to the graphical representation of the Risks to which the Group is exposed in the form of a chart, in which the X axis represents the Impact of the Risk materialization; and the Y axis represents the likelihood of the Risk materialization.
- 11.28. **Risk Owner** – each Risk and Compliance Owner appointed by AmRest Group.
- 11.29. **Risk Tolerance** – refers to the range of deviation from the Risk appetite level which is considered acceptable by the Group and which, if exceeded, requires immediate action to mitigate the Risk back to the acceptable range, inasmuch as the Risk is manageable and the cost-benefit ratio of the mitigation measures is justified.
- 11.30. **Senior Executives** – Members of the Management Team of AmRest Group.
- 11.31. **Senior Management** – Managers at level 6+ within respective functional area.