



Corporate Risk Management Policy

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1.0 PURPOSE

The purpose of this policy is to set forth guidelines for Corporate Risk Management, so that all decision-making by CVC Corp (“CVC Corp” or “Company”) incorporates the risk vision, aligning the Company's interests with the best corporate governance.

2.0 DOCUMENT AUTHOR

Area: Risks and Compliance

The Area in charge of the regulations should be contacted in the following situations:

- Questions regarding the information dealt with in this regulation;
- Flaws or vulnerabilities found in the guidelines and/or process; and
- Suggestions for improving the regulation.

3.0 SCOPE

The Corporate Policy for Corporate Risk Management is applicable to CVC Corp, covering all Business Units and each of its officers, directors, executives, and employees.

4.0 TERMS AND DEFINITIONS

Action Owner: It is in charge of executing controls and implementing corrective measures/action plans, dealing with risk, and improving the control environment.

Risk Appetite: the limit of exposure to risks that the company is willing to accept to achieve its strategic goals and create value for shareholders.

Risk Assumption: The company accepts the risk, seeking to achieve the strategic goals of the business.

Internal Control: The process conducted by the Company's governance structure, management, and other professionals, which is designed to provide reasonable assurance with respect to the achievement of objectives related to operations, disclosure, and compliance;

Risk Dashboard: a panel that shows metrics and risk indicators, in a visual way, facilitating the understanding of the information generated (for example, the number of relevant risks of a Company) extracted from the Matrix of Risks and Mitigation Action Plans.

EBITDA: the meaning of the acronym “Earnings Before Interest, Taxes, Depreciation, and Amortization” in Portuguese is “*Lucros antes de juros, impostos, depreciação e amortização*”.

Corporate Risk Management: Process related to strategic planning, whose purpose is to identify and respond to potential events that may affect the company's objectives, through continuous monitoring. This is a decision-making support structure that considers the risk appetite in the company's business environment.

Hedge: it is a protection strategy for the risks of an investment, which neutralizes the long or short position so that its price does not vary.

Impact: result of the materialization of a risk that affects the company's business processes and objectives, which can be expressed qualitatively or quantitatively.

Uncertainty: state, even if partial, of the deficiency of information related to an event, its understanding, its knowledge, its consequence, or its probability; uncertainty can turn into a threat to the company.

Risk Matrix: set of risk events identified by the company, described and classified into pillars and categories.

Metrics: Refers to general statistics and performance measures. It can be understood as a means of measuring performance through a collection of specific or general data.

Three Lines Model - consists of a set of principles and guidelines, prepared and published by IIA Global, The Institute of Internal Auditors, which aims to clarify and organize the responsibilities and roles of the organization's professionals in managing risks and controls.

Probability: chance of something happening, no matter if it is defined, measured, or determined objectively or subjectively, qualitatively or quantitatively.

Rating: classification (final grade) of the result that comes from the relationship between the impact and the probability of occurrence.

Risk Response: action to avoid or reduce the company's exposure to risk, acting on probability and/or impact, including, but not limited to, internal controls.

Risk: Possibility that events occur and affect the achievement of strategy and business goals.

Corporate/Relevant Risk: Possibility that events occur and affect the achievement of strategy and business goals (COSO ERM 2017).

Inherent Risk: Represents the amount of risk that exists considering the controls in place at the time of risk identification.

Residual Risk: Amount of risk that remains or appears after adding additional controls and/or adjusting existing controls.

Risk Owner: It is directly responsible for managing the risk associated with its operations, as well as for monitoring the implementation of corrective measures/action plans, for the due treatment of risk.

5.0 INTERNAL AND EXTERNAL REFERENCES

- COSO 2013 (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control Integrated Framework
- COSO ERM 2017 (Committee of Sponsoring Organizations of the Treadway Commission Enterprise

Risk Management)

- Standard ABNT NBR ISO 31000:2018 Risk Management Guidelines The Institute of Internal Auditor - IIA
- IIA 2020 Three Lines Model (Institute of Internal Auditors)
- Federal Law No. 12846 (Anti-corruption Law) - Provides on the administrative and civil liabilities of legal entities for the practice of acts against a domestic or foreign government, and establishes other provisions
- Federal Decree No. 8420/2015 - Regulates Law No. 12846 of August 1, 2013, which provides for the administrative liability of legal entities for the practice of acts against a domestic or foreign government, and other covenants
- Sarbanes-Oxley, of 2002, with emphasis on sections 302 and 404
- the Code of Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance IBGC, 2015
- ICVM - 558 Securities and Exchange Commission of Brazil
- B3 - *Novo Mercado* Regulation

6.0 RESPONSIBILITIES

6.1 Board of Directors

- To approve the Corporate Policy for Corporate Risk Management;
- To approve CVC Corp's Risk Appetite;
- To approve Risk Assumption above Risk Appetite; and
- To approve, at least annually, the Company's Corporate Risk Matrix, upon proposal by the Executive Committee.

6.2 Executive Committee - COMEX

- To preventively identify risks and carry out their necessary management, assess the probability of occurrence, and adopt measures for their prevention and minimization;
- To approve the Risk Matrix, risk prioritization, and risk reporting schedule, as well as their revisions;
- To support the Risk Commission in disseminating the Risk Culture;
- To ensure the existence of necessary proceeds, aiming at the effectiveness of Risk Management; and
- To resolve strategic decisions up to the Risk appetite.

6.3 Audit, Risk, Finance, and Governance Committee - "COAUD"

- To supervise the Risk Commission in Risk Management activities;
- To recommend decisions to the Board of Directors;
- To review the Corporate Policy for Corporate Risk Management;
- To review the Risk Appetite; and
- To review the Corporate Risk Matrix and Action Plans.

6.4 Risk Commission

- To periodically assess the Corporate Risk Matrix and the mitigation Action Plans (Risk Dashboard);
- To establish structures, technical standards, methodology, supervision, and governance necessary to support the Risk Management process; and
- To propose changes to the Policy and Risk Appetite and to submit them to higher levels of authority; and

- Monitor financial/reputational impact probability metrics annually.

6.5 Risks and Compliance

- To periodically assess the Corporate Risk Matrix;
- To test the effectiveness of the Action Plans;
- To report the Risk Dashboard to higher levels of authority;
- To advise the Risk Commission in conducting Risk Management;
- To act in the identification of the main vulnerabilities of the business processes, to support the Risk Owners in the preparation of risk response; and
- To disseminate the Culture of Risks.

6.6 Treasury

In matters related to Risk Management, to be responsible for the process and management of the risks described below, including the monitoring and reporting of indicators to the Risk Commission and higher authorities on:

- Credit Risk;
- Market Risk; and
- Liquidity Risk.

6.7 Executive Boards - Risk Owner

- It is the Risk Owner, in charge of identifying, assessing, monitoring, and correcting any deviations and monitoring risks that may prevent the achievement of strategic goals. They may request the implementation of control from the Action Owner, once it has been identified that risk mitigation belongs to another Executive Board;
- To include risk analysis in their decision processes, whenever relevant;
- To employ a participative management style and encourage employees to participate in decision-making and discuss risks that affect the strategy and business goals;
- To discuss and evaluate changes in the internal and external scenario and to propose changes to the risks under its management and identify the potential impacts of new risks;
- To report risk events and their respective deviations from the approved risk appetite, as well as the respective action plans, to Risk and Compliance; and
- To implement the mitigating controls of the Action Plans and/or to monitor the implementation with the Action Owner.

6.8 Executive Boards - Action Owner

- It is in charge of executing controls and implementing corrective measures/action plans, dealing with risk, and improving the control environment;
- To inform the Risk Owner on the evolution of the implementation of corrective measures/action plans, as well as compliance with the deadlines.

7.0 CONFIDENTIALITY

This regulation is corporate and for internal use. It must not be copied, reproduced, or distributed without the formal authorization of Risks and Compliance.

8.0 TERM OF EFFECTIVENESS

This Corporate Policy comes into force on 04/26/2023 and shall be updated at the end of its term of effectiveness.

Term of effectiveness:
04/26/2023 to 04/26/2024

Area in Charge:
Risks and Compliance

Confidentiality:
Internal Use

9.0 GUIDELINES

9.1 Adoption of the Three Lines Model

CVC Corp adopts a risk management model based on the concepts of the three lines, pursuant to IIA - The Institute of Internal Auditors, as follows:

First Line: Business Areas, including B2B, B2C, Online, Sourcing/Products, Information Technology, Pricing, Customers, Operations, Legal, Finance, People, and Sustainability, among others. This line is responsible for providing products/services to customers and managing their risks.

Second line: Risks and Compliance. It is responsible for the risk management process and is responsible for supporting, monitoring, and questioning risk-related issues.

Third line: Internal Audit. This line performs independent and objective assessment and advice on issues related to the achievement of goals.

Risk Governance at CVC Corp is represented as follows:



Key:

Governança de Riscos - CVC Corp	- Risk Governance - CVC Corp
Alta administração	- Senior management
Deliberar sobre decisões estratégicas acima do Apetite ao Risco	- To decide on strategic decisions above Risk Appetite
Conselho de Administração	- Board of Directors
COMEX	- COMEX - FOREIGN TRADE
Deliberar sobre decisões estratégicas até o apetite ao Risco	- To resolve strategic decisions up to the Risk appetite.
3ª Linha	- 3rd Line
Supervisionar a Comissão de Riscos e Recomendar decisões ao CA	- To supervise the Risk Commission and Recommend decisions to the Board of Directors
Comitê de Auditoria, Finanças, Riscos e Governança	- Audit, Finance, Risk, and Governance Committee
2ª Linha	- 2nd Line
Comissão de Riscos	- Risk Commission
Gerenciar os Riscos da CVC Corp	- To manage CVC Corp Risks
Riscos e Compliance	- Risks and Compliance
Gerenciar os Riscos Corporativos e Operacionais	- To manage Corporate and Operational Risks
1ª Linha	- 1st Line
Tesouraria	- Treasury
Monitorar:	- Monitor:
Risco de Crédito	- Credit Risk
Risco de Mercado	- Market Risk
Risco de Liquidez	- Liquidity Risk
Risk Owners	- Risk Owners
Riscos Corporativos e Operacionais	- Corporate and Operational Risks

9.2 Corporate Risk Categories

CVC Corp classifies its risks according to the following categories:

Compliance Risk: The risks arising from non-compliance with rules, policies, procedures, laws, and regulations (internal or external), in addition to accounting principles. Also considered losses related to the formal inadequacy of the agreement, the erroneous interpretation of its sections, in addition to legal questioning regarding CVC Corp transactions, which may generate unforeseen losses or contingencies, when performing any commercial transaction, such as incorrect documentation of the transactions, such as court decisions, analysis of cases, and inadequate defenses.

Also arising from changes performed by political authorities that may affect the way CVC Corp conducts its business and loss caused by misinterpretation of tax legislation (taxes).

Financial Risk: Risks related to events that may directly impact the financial health and liquidity of the Company, arising, for example, from market behavior, default rate, or poor financial management, variability in supplier and product prices, uncertainty related to expected returns on investment, as a result of variations in factors such as interest rates, exchange rates, shares, and commodity prices, loss due to the use of Derivatives (by speculation or “hedge”).

Business Risk: Risks that may directly impact the implementation of the Company's business/strategic plan. Also, losses arising from external factors that negatively impact the Company's image in the market, in addition to losses related to the development of a new product and/or service. It also includes losses arising from a market crash, broadly affecting the economy. Probability of suffering harmful consequences or losses arising from socio-environmental problems (oil leaks, fires, dam failures, among others). Situations that may affect the perpetuity of CVC Corp.

Operational Risk: Risks that may impact the performance of the Company's operations, related to internal procedures, technology, infrastructure, people, external events, or loss resulting from the transfer of management and performance of internal processes to other companies. Losses resulting from breakdowns in the physical and/or logical environment.

9.3 Corporate Risk Management Process

The Corporate Risk Management process at CVC Corp is performed by Risks and Compliance. It considers its strategic planning aligned with the level of risk the Company is willing to accept (risk appetite) in the performance of its strategy and in its operations. Below are the steps of the Corporate Risk Management process:

9.3.1 Risk Identification

Risks that may impact CVC Corp's strategic objectives are identified and classified pursuant to their risk category. Risks are mapped based on the perception of the Company's management bodies, executives, and employees, as well as on the basis of external sources (auditors, government, media, regulatory bodies, and other stakeholders).

9.3.2 Risk Assessment

At this stage, the previously identified risks are analyzed, by verifying their origin, causes, and consequences, being assessed pursuant to their impact and probability of occurrence. The calculation of the classification of the final risk score (final risk rating) is the result that comes from the relationship between the impact and the probability of occurrence.

9.3.3 Risk Prioritization and Treatment

With the result of the classification of the final Corporate Risk rating, the main risks are selected to be treated as a priority by the Company. The treatment of risks consists of defining which action shall be taken, pursuant to the Company's risk appetite.

9.3.4 Monitoring

It consists of monitoring the implemented actions, and assessing their effects on the impact and probability of risks, monitoring the performance of risk indicators and seeking continuous improvement, through cycles of periodic reviews.

9.3.5 Communication

It consists of sharing information that can contribute to risk management and periodic reporting on the evolution of risks to all stakeholders.

At CVC Corp, Risks and Compliance shall periodically report the Risk Dashboard to the Executive Boards, CEO, and "Coaud", aiming to show the Control Environment and Residual Risk.

9.3.6 Risk Response:

It consists of the actions to which Senior Management shall respond to risk identification, namely:

- Accept: to assume the risk, in pursuit of the achievement of strategic business objectives. That is, no action is taken to decrease the likelihood of the risk occurring;
- Avoid: to abandon the activity that gives rise to the risk, such as discontinuing a product;
- Reduce: to define actions that reduce the probability of occurrence and/or the impact of the risk, such as implementing a control;
- Share: reduce the probability of occurrence and/or the impact of the risk through sharing with third-parties. For example: insurance contracting.

9.3.7 Appetite for Risk

Risk appetite applications:

- Use by the organization to make decisions that increase value.
- It helps in matching the acceptable level of risk to the organization's ability to manage risk and opportunities;
- Importance in defining the strategy and business goals, helping management to consider whether the performance targets are aligned with the acceptable level of risk.
- Contribution to communicating the risk profiles desired by the board.
- Importance and alignment with risk capability.
- Use in assessing aggregate risk from a portfolio view.

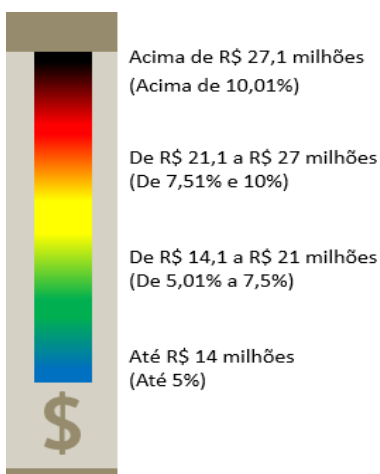
9.4 Probability Metrics

Risk Management must have metrics to measure risk impacts and probabilities. CVC Corp defined the following metrics:

9.4.1 Risk Appetite Modeling - Financial Impact Metric

CVC Corp's financial performance metric is EBTIDA, where the simple average between the EBTIDA projections for 2021 and 2022 shall be used, and the value as the financial metric to perform the analysis of the individual impact of risks and their severity.

EBITDA projection for the coming years: R\$ 128.7 MM in 2021 and R\$ 426.6 MM in 2022.



Referência do cálculo:

Média entre EBTIDA projetado 2021 e 2021
= R\$ 128,7 MM + R\$ 426,6 MM / 2
= ~R\$ 277 MM
= 277MM * 10%
= ~27 MM

Key:

Acima de R\$ 27,1 milhões
(Acima de 10,01%)

De R\$ 21,1 a R\$ 27 milhões
(De 7,51% e 10%)

De R\$ 14,1 a R\$ 21 milhões
(De 5,01% a 7,5%)

Até R\$ 14 milhões
(Até 5%)

Referência do cálculo:

Média entre EBTIDA projetando 2021 e 2021
MM

- Above R\$ 27.1 million
(Above 10.01%)

- From R\$ 21.1 to R\$ 27 million
(From 7.51% and 10%)

- From R\$ 14.1 to R\$ 21 million
(From 5.01% to 7.5%)

- Up to R\$ 14 million
(Up to 5%)

- Calculation reference:

- Average between projected EBTIDA 2021 and 2021
MM

Nível	Grau	PROBABILIDADE		
		Quantitativa	Qualitativa	Frequência
4	Muito Provável	76 a 100%	É quase certo que o evento vai ocorrer. Evento de ocorrência esperada ou quase certa nos próximos 2 anos.	Espera-se que ocorra na maioria das vezes.
3	Provável	51% a 75%	É mais provável que o evento ocorra do que não ocorra. Evento provavelmente ocorrerá nos próximos 2 anos	Deverá ocorrer diversas vezes.
2	Possível	26% a 50%	É mais provável que o evento não ocorra do que ocorra. Evento de possível ocorrência nos próximos 2 anos.	Ocorrerá uma vez ou outra.
1	Remota	0% a 25%	Chance remota de que o evento ocorra. Evento nunca ocorreu em organizações do mesmo segmento e possui chance remota de ocorrer nos próximos 2 anos.	Ocorrerá somente em circunstâncias excepcionais.

Key:

PROBABILIDADE

Nível

Grau

Quantitativa

Qualitativa

Frequência

Muito provável

Provável

Possível

Remota

É quase certo que o evento vai ocorrer. Evento de ocorrência esperada ou quase certa nos próximos 2 anos.

É mais provável que o evento ocorra do que não ocorra. Evento provavelmente ocorrerá nos próximos 2 anos.

É mais provável que o evento não ocorra do que ocorra. Evento de possível ocorrência nos próximos 2 anos.

Chance remota de que o evento ocorra. Evento nunca ocorreu em organizações do mesmo segmento e possui chance remota de ocorrer nos próximos 2 anos.

Espera-se que ocorra na maioria das vezes.

Deverá ocorrer diversas vezes.

Ocorrerá uma vez ou outra.

Ocorrerá somente em circunstâncias excepcionais.

- PROBABILITY

- Level

- Grade

- Quantitative

- Qualitative

- Frequency

- Very likely

- Probable

- Possible

- Remote

- The event is almost certain to occur. Event expected or almost certain to occur in the next 2 years.

- The event is more likely to occur than not to occur. The event shall probably take place in the next 2 years.

- It is more likely that the event will not occur than that it will occur. Event of possible occurrence in the next 2 years.

- Remote chance of the event occurring. The event has never occurred in organizations of the same segment and has a remote chance of occurring in the next 2 years.

- It is expected to occur most of the time.

- It must happen several times.

- It will occur at one time or another.

- It will only occur in exceptional circumstances.

9.4.2 Risk Appetite Modeling - Reputational Impact Metric

The CVC Corp Reputational Impact metric is presented as follows:



Repercussão nas mídias (tradicionais ou digitais)

Tema sensível em veículos de comunicação com expressividade nacional / internacional

Tema detrator em redes sociais e/ou veículos de comunicação qualificado, com potencial de repercussão geograficamente expressivo (nacional).

Tema detrator em meios de comunicação de médio porte, a nível municipal / regional

Meios de comunicação de pequeno porte, média expressividade ou críticas infundadas



Resposta ao evento

Presidência da CVC Corp. com suporte da área de Comunicação e de RI

Área de Comunicação e de RI da CVC Corp. com especialistas no tema.

Diretoria da empresa do grupo.

Ação em Central de Atendimento ou liderança da loja com sua assessoria de imprensa.



Perda de credibilidade junto aos Stakeholders

Mercado Financeiro e de Capitais, Órgãos Reguladores e/ou acionistas, governo.

Parceiros estratégicos / fornecedores.

Público localizado e difícil de ser administrado (sociedade nas regiões em que atua).

Público localizado e passível de ser controlado (colaborador).

Key:

Tema sensível em veículos de comunicação com expressividade nacional / internacional

Tema detrator em redes sociais e/ou veículos de comunicação qualificado, com potencial de repercussão geograficamente expressivo (nacional).

Tema detrator em meios de comunicação de médio porte, a nível municipal / regional

Meios de comunicação de pequeno porte, média expressividade ou críticas infundadas

Repercussão nas mídias (tradicionais ou digitais)

Presidência da CVC Corp. com suporte da área de Comunicação e de RI

Área de Comunicação e de RI da CVC Corp. com especialistas no tema.

Diretoria da empresa do grupo.

Ação em Central de Atendimento ou liderança da loja com sua assessoria de imprensa.

Resposta ao evento

Mercado Financeiro e de Capitais, Órgãos Reguladores e/ou acionistas, governo.

Parceiros estratégicos / fornecedores.

Público localizado e difícil de ser administrado (sociedade nas regiões em que atua).

Público localizado e passível de ser controlado (colaborador).

Perda de credibilidade junto aos Stakeholders

- Sensitive theme in communication vehicles with national / international expressiveness

- Detractor theme in social networks and/or qualified communication vehicles, with geographically significant (national) repercussion potential.

- Detractor theme in medium-sized media, at the municipal / regional level

- Small media, medium expressiveness, or ungrounded criticism

- Repercussion in the media (traditional or digital)

- Presidency of CVC Corp. supported by the Communication and IR area

- Communication and IR Area at CVC Corp. with specialists in the subject matter.

- Executive Board of the group company.

- Action in Call Center or store leadership with its press agency services.

- Event response

- Financial and Capital Markets, Regulatory Bodies, and/or shareholders, government.

- Strategic partners / suppliers.

- Specific and difficult-to-manage audience (society in the regions where it operates).

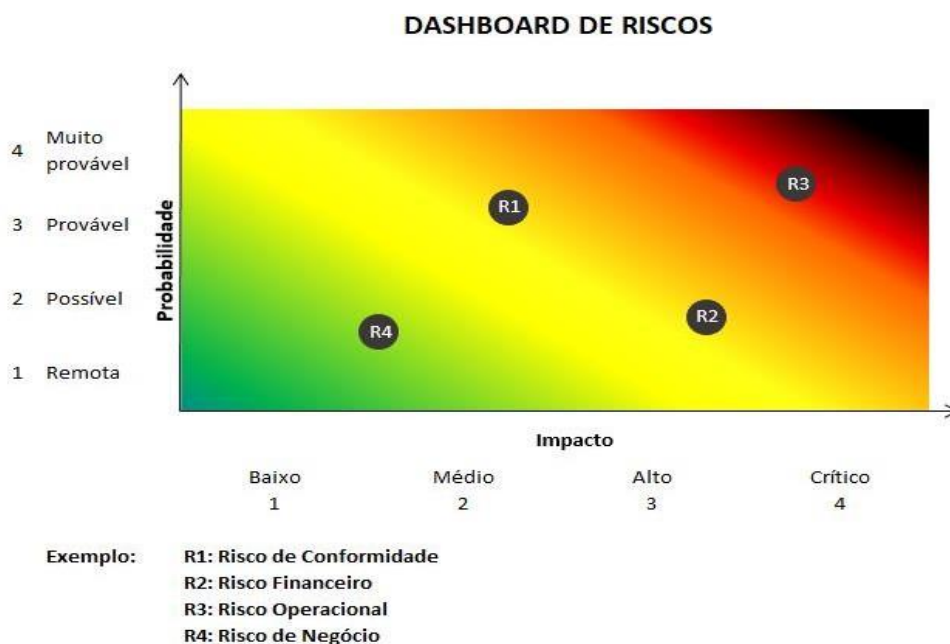
- Specific audience that can be controlled (employee).

- Loss of credibility with Stakeholders

9.5 Risk Dashboard

The Risk Dashboard (Risk Matrix) aims to demonstrate the result of the risk assessment, in a visual way, facilitating the understanding of the generated information. It is the Company's Corporate Risk Matrix, with a view of the Control environment, considering the action plans implemented and/or to be implemented.

Financial and reputational impact metrics are considered, resulting in residual risk, crossing the probability of occurrence versus impact, as shown below:



Key:

DASHBOARD DE RISCOS	- RISK DASHBOARD
Possibilidade	- Possibility
Muito provável	- Very likely
Provável	- Probable
Possível	- Possible
Remota	- Remote
Impacto	- Impact
Baixo	- Low
Médio	- Medium
Alto	- High
Crítico	- Critical
Exemplo	- Example
Risco de Conformidade	- Compliance Risk
Risco Financeiro	- Financial Risk
Risco Operacional	- Operational Risk
Risco de Negócio	- Business Risk

10.0 REVISION CYCLE

This regulation shall be reviewed and updated when:

- There is a service request, correction, or inclusion of information;
- Compliance with new legal requirements or good practices;
- Change in the organizational structure that has a relevant impact on the activity addressed; and
- As per the term of effectiveness.

11.0 STORAGE AND RETENTION

The versions of this regulation shall be stored by Risks and Compliance for a period of five years.

12.0 VERSIONING HISTORY

VERSION	DATE	SUMMARY OF CHANGES
1.0	06/30/2021	1st version of the Regulation
2.0	04/26/2023	2nd version of the Regulation

13.0 APPROVAL AUTHORITY

This Corporate Policy was approved by the Audit, Risks, Finance, and Governance Committee - "COAUD" and the Board of Directors, respectively, as required.

