



**IRANI PAPEL E EMBALAGEM S.A.**  
**Corporate Registration No. 92.791.243/0001-03**  
**Identification Number No. 43300002799**  
**PUBLICLY HELD COMPANY**

**RISK MANAGEMENT POLICY**

**1. OBJECTIVE**

To define the set of guidelines, principles and Coordinated Actions within the scope of Integrated Risk Management, to ensure that the Company's objectives and activities are pursued and performed within acceptable limits of exposure to Risks.

**2. APPLICATION**

The orientation contained in this Policy applies to the Company, the subsidiaries, the Top Management, the Risk managers, and the Collaborators, as applicable.

**3. REFERENCE**

For the elaboration of this document, the following references were used:

- Regulations of B3's Novo Mercado.
- COSO – ERM: Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management Framework.
- ABNT Rule NBR ISO 31000:2018 - Risk Management: Principles and Guidelines.
- ABNT Rule ISO GUIA 73:2009 - Risk Management: Vocabulary.
- Brazilian Rules of Technical Accounting of Internal Auditing - NBC TI 01.
- International Rules for the professional practice of Internal Auditing.
- Code of Ethical Conduct of the Company.
- 6th Edition of the Code of Best Practices for Corporate Governance – IBGC.

**4. TERMS AND DEFINITIONS**

**Coordinated Actions:** Actions aimed at prevention, detection, response, and communication of Risks, as well as accountability.

**Top Management:** Members of the Board of Directors, its committees, and the Company's statutory board.

**Risk Appetite:** The Company's willingness or propensity to assume Risks in the execution of its activities, projects or investments, respecting the purpose defined in its Incorporation.

**Risks Assessment:** Risks are analyzed, based on their probability and impact, as a basis for determining how they will be treated. They are evaluated for their inherent and residual condition.

**Risk Classification:** Risks can be divided into risks of financial origin (credit, liquidity and market) and risks of non-financial origin (operational, strategic and compliance risk) and have different dimensions of impact, such as financial impact, image, operational , occupational and environmental.

**Collaborators:** Any person with an employment relationship with the Company, as well as interns and young apprentices.

**Company:** Irani Papel e Embalagem S.A. and its subsidiaries.

**Share:** Risk response option in which the Risk must be shared with third parties, whether through contracts, insurance, hedge, among others.

**Compliance:** Permanent search for coherence between what is expected of an organization – respect for rules, purpose, values and principles that constitute its identity – and what it actually practices on a daily basis.

**Internal Control:** Processes established by governance agents with the aim of ensuring the achievement of the Company's objectives in accordance with Company Standards, Laws and regulations.

**Eliminate:** Risk response option that implies that no alternative is acceptable or viable to reduce impact or probability, leaving only the business or process that generates the Risk to be abandoned.

**Risk Management:** Structured process that assists in the prevention, detection, response and communication of Risks (Coordinated Actions).

**Integrated Risk Management:** Structure composed of the Company's corporate governance agents who have roles and responsibilities defined in this Policy to comply with the Risk Management process.

**Risk Manager:** All managers of the areas and other managers who have some Risk associated with their work scope, with the responsibility and authority to manage them.

**Laws and Regulations:** Law is a norm or set of legal norms created through the processes specific to the normative act, emanating from the Legislative Branch and promulgated by the Executive Branch; Regulation is a normative text that explains a legal norm.

**Risk List:** List of all identified Risks that may affect the achievement of the Company's objectives.

**Risk Map:** Hierarchy of the most relevant Risks in terms of combined impact and probability.

**Mitigate:** Risk response option in which efforts must be made to reduce the impact and/or probability of the Risk occurring.

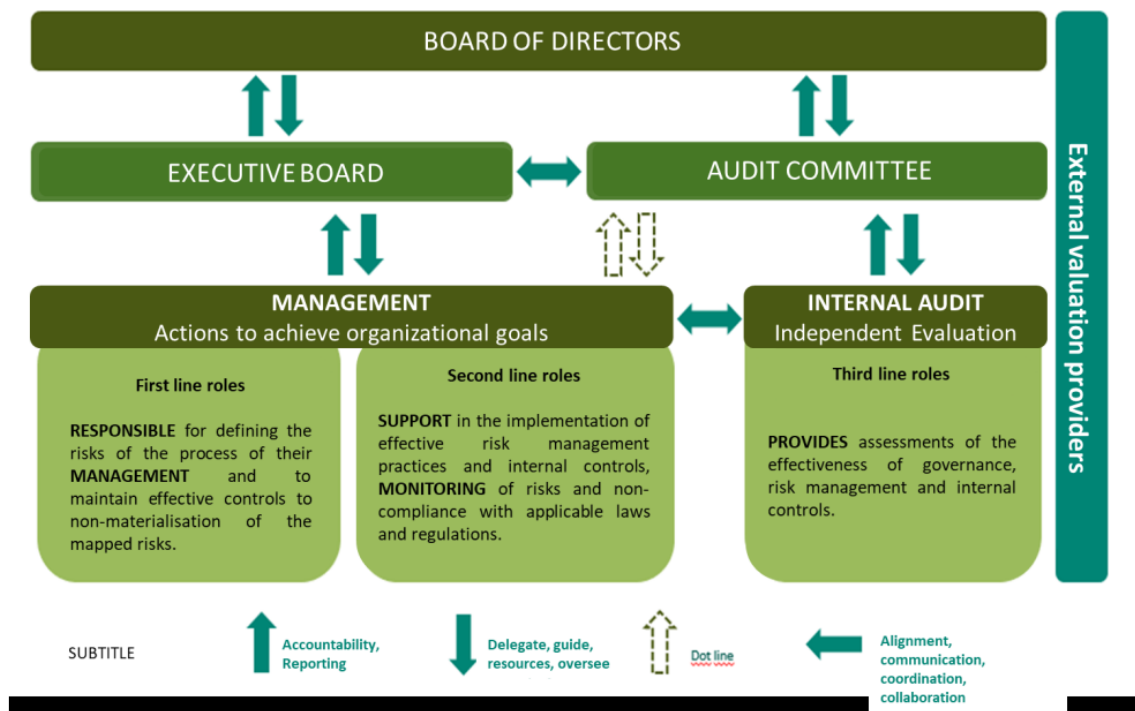
**Company Rules:** A set of rules that orientate what is and is not allowed by the Company, contemplating the Articles of Incorporation, the Integrity Program, Policies, Procedures, and Work Contracts, among others.

**Risks Review:** Process of updating Risk information, Risk factors, impacts or response.

**Risk or Risks:** Effect of the uncertainty and/or possibility of an event that adversely affects the realization of the Company objectives.

## **5. RESPONSIBILITIES AND DUTIES RELATIVE TO THIS POLICY**

### **5.1. Structure of the Risk Management of the Company:**



## 5.2. Board of Directors

It is incumbent upon the Board of Directors, within the scope of this policy, to:

- I. Establish and defend the fundamental values of the Company;
- II. Approve this Policy;
- III. Approve the Risk tolerance level; and
- IV. Monitor the results of the activities related to this Policy.

## 5.3. Audit Committee

It is incumbent upon the Audit Committee, within the scope of this policy, with no prejudice to the other competencies defined in its internal regulation, to:

- I. Analyze the Risk assessment methods used by Legal and Compliance and the results of the evaluations carried out;
- II. Evaluate the reporting routines carried out by Legal and Compliance, suggesting occasional adaptations of the reports relative to their integrity, form, content, distribution, and effectiveness;;
- III. Discuss and evaluate the Company's Risk List and Risk Map;
- IV. Examine and evaluate the recommendations for improvements of the internal control and Risk management systems made by the internal and independent auditors and, if it is the case, report and review them with the Board of Directors, and monitor their deployment with the objective of eliminating or mitigating relevant deficiencies identified;;

- V. Evaluate the determination of the parameters of the financial Risk model of the Company and this Policy, their resources, and the maximum tolerance determined by Top Management;
- VI. Evaluate the adequacy of the human and financial resources intended for the Risk management of the Company;
- VII. Evaluate and monitor the Risk exposures of the Company, including requiring detailed information on Policies and procedures related to (i) the compensation of the administration; (ii) the use of Company assets; and (iii) the expenses incurred in the name of the Company; and
- VIII. Report to the Board of Directors all themes related to the Risk Management of the Company.

#### **5.4. Statutory Board**

It is incumbent upon the Statutory Board within the scope of this policy to:

- I. Approve this Policy and submit it to the approval of the Board of Directors;
- II. Define Risk Appetite and Risk Tolerance and submit to the Board of Directors for approval;
- III. Act without prejudice to the Audit Committee activities to:
  - a) Ensure that this Policy, as well as its procedures and processes, are developed and implemented;
  - b) Ensure that the resources necessary for the execution of this Policy are available, reserved, and attributed;
  - c) Ensure full access for Risk Managers to information relevant to Risk Management procedures;
  - d) Follow up on the results of the Risk Management activities, ensuring that the adequacy actions proposed by the internal audit for correcting the deficiencies pointed out are implemented; and
  - e) Maintain active communication about the importance of this Policy..
- IV. Make the organization aware of the importance of Risk Management and Internal Controls and their respective responsibilities in the process.

#### **5.5. First Line: Risk Managers**

It is incumbent upon the Risk Managers within the scope of this policy to:

- I. Act as the first line of defense of the Company, performing their activities complying with: i) the current and applicable laws, including anti-bribery and anti-corruption laws; ii) the rules established in the Integrity Program and the Code of Ethical Conduct; and iii) the Company Rules (policies, operational procedures and manuals);

- II. Identify new Risks, submitting them to the Compliance area, as soon as there is a finding (so that it, in turn, proceeds as provided for in items (IV) and (VI) of item 5.6) and act to monitor management and Risk Treatment;
- III. Become aware of the Risks inherent to their respective areas of responsibility and their role in managing and treating Risks;
- IV. Preventively guarantee the identification, monitoring, and control of the Risks according to this Policy and the established methodology;
- V. Have a hold on the Risks of one's area of operation, developing action plans to mitigate/prevent whenever necessary;
- VI. Identify and implement internal controls to reduce or nullify the likelihood of risks materializing;
- VII. Develop preventive and corrective action plans for Risk Treatment and thus reduce their impacts and/or probability of occurrence;
- VIII. Implement action plans;
- IX. Communicate the materialization of Risks to the Compliance area; and
- X. Create contingency plans in case of materialization of the risk.

#### **5.6. Second Line: Compliance Area**

It is incumbent upon the Compliance team within the scope of this policy to:

- I. Submit this Policy for the approval of the Statutory Board;
- II. Act on the second line of defense complying with the Risk management procedure;
- III. Define training sessions for the Top Management, the Risk Managers, and the Collaborators on the Risk Management themes;
- IV. Assist Risk Managers in identifying Risks, submitting them for evaluation by the Top Management, and monitor the management of these Risks;
- V. Establish Risk Management performance indicators, monitoring the efficacy thereof;
- VI. Ensure routine reporting to Top Management on Risk Management, through the presentation of the current Risk List and Risk Map;
- VII. Work in the Company's Risk Management, Internal Controls and Compliance;
- VIII. Test the effectiveness of internal controls;
- IX. Help Risk Managers to be in Compliance;
- X. Monitor the Risk Management and Internal Controls routine carried out by Risk Managers, as well as monitor the routine of recording incidents, preparing action plans and monitoring their execution; and
- XI. Execute the guidelines of this Policy.

#### **5.7. Third Line: Internal Audit**

It is incumbent upon the Internal Audit within the scope of this policy to:

- I. Provide an independent evaluation of the processes and controls of Risks of the Company;
- II. Evaluate performance, quality and effectiveness and make recommendations for improving Internal Controls for Risk Treatment, aiming to strengthen the Risk Management process;
- III. Make reports about the evaluations to the Audit Committee, indicating improvements whenever necessary;
- IV. Evaluate the performance of the management of this Policy;
- V. Verify the broad and effective disclosure of the access and use forms of the complaint channel, internal and external to the Company, including complaints about matters of accounting, internal controls, and auditing, as provided for in the Code of Ethical Conduct.

## **5.8. Collaborators**

It is incumbent upon the Collaborators within the scope of this policy:

- I. Become aware of the Risks inherent to one's respective areas of responsibility and of one's role in managing the Risks of one's area;
- II. Participate in training sessions about the Risk Management theme;
- III. Immediately report the identification of any relevant fact, deficiency, failure, or non-compliance regarding the Company Risks to the Risk Managers; and
- IV. Identify and report to the Risk Managers occasional Risks not yet mapped.

## **6. DIRECTIVES**

The directives to be observed within the scope of this Policy are:

- I. Ensure the appropriate performance of Top Management and Employees in accordance with Laws, regulations and Company Standards;
- II. Ensure Risk Management, with a view to prevention, detection, response, communication and accountability (Coordinated Actions), by Risk Managers, the Compliance area, Top Management and the Company's internal audit;
- III. Carry out Risk Management in a transparent and participatory manner within the Company, seeking the involvement of managers in the process.

## **7. CLASSIFICATION, REVISION, ASSESSMENT, AND RISK TOLERANCE**

### **7.1 Risk Classification:**

Risks are classified as financial and non-financial:

- I. **Financials:** Risks associated with the Company's financial management. These are the Risks whose materialization results in losses of financial resources by the Company, subdivided into three categories:
  - a) **Market Risks:** arise from the possibility of losses that may be caused by changes in the behavior of interest rates, exchange rates, share prices and commodity prices;;
  - b) **Credit Risks:** defined as the possibility of loss resulting from uncertainty regarding the receipt of amounts agreed with customers for products sold on installments by the Company;
  - c) **Liquidity Risks:** Possibility of loss arising from the inability to carry out a transaction within a reasonable time and without significant loss of value or the possibility of a lack of resources to honor the commitments assumed due to the mismatch between financial assets and liabilities.
  
- II. **Non financials:** Risks associated with compliance with the Company's strategy and operations, as well as its compliance with Laws and regulations applicable to its business, subdivided into three categories:
  - a) **Strategic:** Risks whose materialization results in losses to the Company and which are associated with strategic decisions to achieve its business objectives, and/or arising from its lack of capacity or ability to protect itself or adapt to changes in government, the market or the regulatory environment.
  - b) **Operational:** Arising from the lack of consistency and adequacy in the management of people, machines and equipment, information systems, processing and control of operations, as well as failures in resource management and Internal Controls, or fraud that makes the exercise of activities inappropriate of the Company or, also, Risks related to the Company's infrastructure, which affect operational efficiency and effective and efficient use of resources.
  - c) **Compliance:** Risks of legal or regulatory sanctions, financial loss or reputation that the Company may suffer as a result of failure to comply with legislation, considering laws applicable to the sector in which it operates and general laws (environmental, labor, civil and tax/ tax), as well as applicable regulations, internal regulations, Code of Ethical Conduct and/or internal Policies..

## 7.2 Risk Assessment and Review:

7.2.1. The Company's Risks are reviewed and assessed annually.

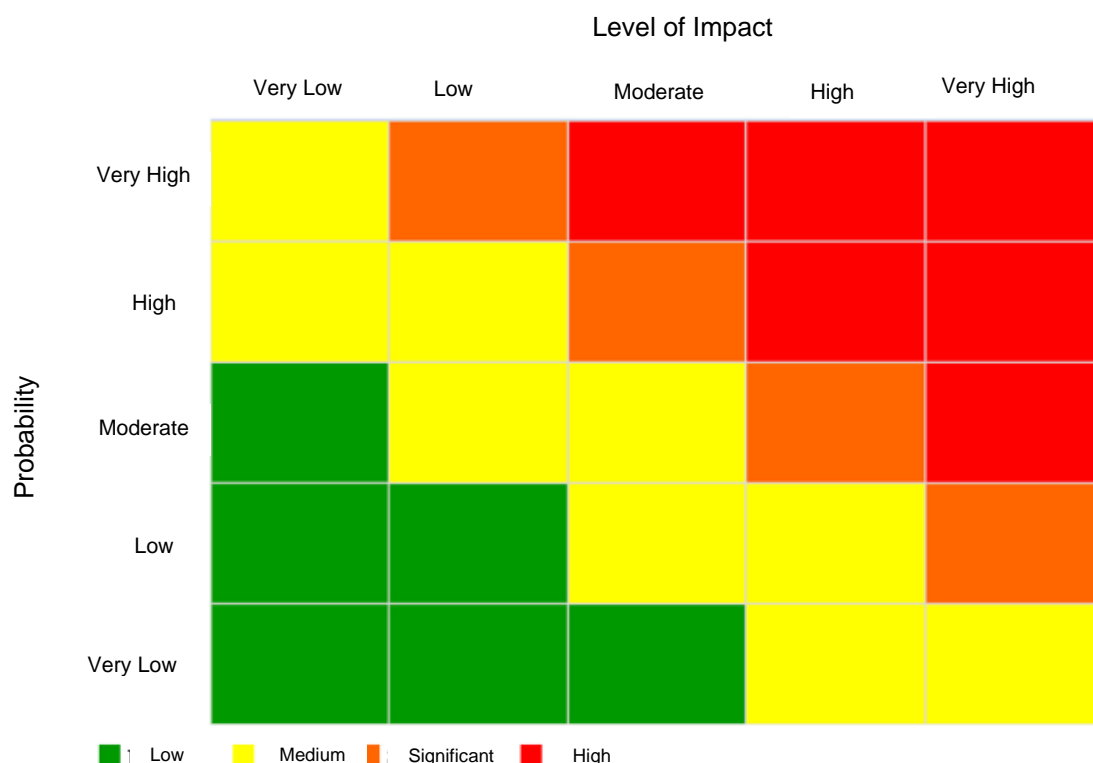


7.2.2. Besides the evaluation of the previous items, the Risks must be reviews when the following scenario ruptures occur::

- Processes: when there are alterations to the Company processes;
- Projects: when there are alterations to the Company projects;
- External Factors: when there are alterations to the macroeconomic, political, social, regulatory, or public health factors;
- Strategic Planning: Extraordinary changes preceding the period of 3 years..

7.2.3. The Risk Assessment will observe the perspectives of impact and probability, being based on the level of existing controls capable of mitigating the Risk and on historical records of its materialization.

7.2.4. Crossing the impact and probability perspectives explains the degree of criticality of the Risk, categorized as low (green), medium (yellow), significant (orange) and high (red), as presented in the Risk Map below:



### 7.3 Risks Tolerance:

The Risk Tolerance established by the Company is delimited by the perspectives of impact and probability, on a very high scale (grade 5), high (grade 4), moderate (grade 3), low (grade 2) and very low (grade 1), as detailed below:

**Operational Impact**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Risks that, upon materializing, may cause the stoppage of a production process of the Company for more than 3 days.
High	Risks that, upon materializing, may cause the stoppage of a production process of the Company in the interval from 1 to 3 days.
Moderate	Risks that, upon materializing, may cause the stoppage of a production process of the Company in the interval from 9 hours to 1 day.
Low	Risks that, upon materializing, may cause the stoppage of a production process of the Company in the interval from 30 minutes to 9 hours..
Very Low	Risks that, upon materializing, do not cause the stoppage of the production processes of the Company.

**Occupational Impact**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Risks that, upon materializing, may cause death.
High	Risks that, upon materializing, may cause partial or total permanent disability, requiring leave.
Moderate	Risks that, upon materializing, may cause temporary disability, requiring leave.
Low	Risks that, upon materializing, may cause mild lesions without leave, not causing disability.
Very Low	Risks that, upon materializing, do not cause lesions or diseases.

**Environmental Impact**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Risks that, upon materializing, cause irreversible damages.
High	Risks that, upon materializing, may cause serious damage to the environment that may only be reversed in the long term (over one year).
Moderate	Risks that, upon materializing, may cause moderate damage to the environment that may be reversed in the medium term (from one month to one year).
Low	Risks that, upon materializing, may cause mild damage to the environment that may be reversed in the short term (up to one month).

<b>Scale</b>	<b>Qualitative Description</b>
Very Low	Risks that, upon materializing, do not cause damage to the environment.

#### **Image/Reputation Impact**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Very high loss of credibility with clients, creditors, investors, Collaborators, communities, and/or other audiences relevant to the Company.
High	High loss of credibility with clients, creditors, investors, Collaborators, communities, and/or other audiences relevant to the Company.
Moderate	Moderate loss of credibility with clients, creditors, investors, Collaborators, communities, and/or other audiences relevant to the Company..
Low	Low loss of credibility with clients, creditors, investors, Collaborators, communities, and/or other audiences relevant to the Company.
Very Low	With no effects on the image or reputation of the Company.

#### **Financial Impact**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Risks that, upon materializing, may cause a financial impact over R\$ 20,000,000.00.
High	Risks that, upon materializing, may cause a financial impact of the loss of approximately R\$ 10,000,000.00 to R\$ 20,000,000.00.
Moderate	Risks that, upon materializing, may cause a financial impact of the loss of approximately R\$ 5,000,000.00 to R\$ 10,000,000.00.
Low	Risks that, upon materializing, may cause a financial impact of the loss of approximately R\$ 5,000,000.00 to R\$ 1,000,000.00
Very Low	Risks that, upon materializing, may cause a financial impact of the loss of up to R\$ 1,000,000.00.

#### **Probability**

<b>Scale</b>	<b>Qualitative Description</b>
Very High	Risk on the verge of occurring..
High	Risk with a probability of occurrence in the short term (up to one month).
Moderate	Risk with a probability of occurrence in the medium term (over one month and up to two years).
Low	Risk with a probability of occurrence in the long term (over two years).

Very Low	Risk that may only occur in exceptional circumstances.
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## **8. FINAL PROVISIONS**

### **8.1. Training Sessions**

Training sessions must occur for the engaging and awareness of the persons subject to this Policy, with the aim of guiding them in complying with the guidelines.

### **8.2. Aprovação e Vigência**

This Policy was approved by the Board of Directors of the Company on September 19th, 2023, and will take effect from this date forward. This Policy may only be modified by the deliberation of the Company's Board of Directors, whenever said management body deems necessary and/or stemming from alterations to legislation, regulations, or documents of the Company's corporate governance.