

II.5. Description of the internal control and risk management systems within the company, namely over the financial information disclosure system, as well as its functioning system and its effectiveness

Risk management is a component of the company's culture and is present in all processes; it is the responsibility of all managers and collaborators at the different levels of the organization.

Risk management is undertaken with the aim of creating value through the management and control of uncertainties and threats that can affect Group companies from a standpoint of operational continuity, with a view to taking advantage of business opportunities.

In the context of strategic planning, risks to the portfolio of existing businesses are identified and evaluated; new businesses and more relevant projects are also developed and strategies to manage those risks determined.

At operational level, management risks are identified and evaluated regarding the objectives of each business and actions to manage those risks are planned; they are included and monitored in the scope of the business plans and the functional units.

Regarding risk to the security of tangible assets and persons, politics and standards are defined and a self-control compliance face to that risk is undertaken; external audits are carried out on all units and actions are implemented to prevent, identify and correct those risks.

In order to guarantee conformity of the established procedures, the group's main internal control systems are periodically evaluated.

Internal control and accompaniment of the internal control systems are carried out by the Executive Committee. For specific business aspects there are risk areas whose management has been assigned to functional departments, standing out:

Food Quality and Safety

In the foodservice business the risk associated to hygiene and food safety is of major importance.

Management of this risk area is coordinated by the Quality Division. Its main concerns imply responsible and proactive action, following the principles of prevention, training, monitoring of indicators and the search for continual improvement in order to minimize food-related risks that impact consumers' health.