



# Risk Management

## Risk Management Policy

SAL's risk management policy is based on applying best practices to manage all risks that could negatively impact the Company. This includes its vision, strategy, customers, assets, departments, objectives, employees, and operations. Enterprise Risk Management (ERM) is integrated into strategic, operational, and business management responsibilities and is part of the strategic and business planning processes.

The Company's risk management policies aim to:

- Ensure risk management is a standard management practice.
- Protect the Company from negative events by reducing risk exposure, mitigating severity, and controlling losses.
- Ensure the Company's efficiency in performing its mission, achieving its goals, and serving customers.
- Reduce risk costs and their effects on the Company.
- Protect the interests of the Company, Board of Directors, Shareholders, and Stakeholders.
- Adhere to internationally accepted industry best practices.

## Risk Appetite

SAL aims to ensure that risks are taken in a systematic and thoughtful manner. Personnel throughout the organization should be clear on what risks must be taken to achieve strategic goals and what risks should be avoided. SAL will not accept any risk that significantly hampers the achievement of its strategic goals and objectives. Any risk above SAL's risk appetite should be brought to the attention of the Board and immediately responded to by management.

The risk appetite encompasses:

- Risk philosophy
- Risk attitude (seeker, averse, neutral)
- Risk and return relationship
- Mitigation preferences
- Risk treatment priorities
- Acceptable impact thresholds
- Risk appetite categories

## Risk Categories

SAL has identified the following risk categories:

- **Financial:** Risks that could lead to an adverse financial impact.
- **Operational:** Risks resulting from inadequate internal processes, people, systems, or external events that impact daily operations. This includes the risk of not attracting or retaining top talent.
- **Reputational:** Risks impacting the Company's image and brand.
- **Strategy:** Risks impacting SAL's ability to achieve its mission, goals and strategic objectives.
- **Health, Safety & Environment:** Risks impacting the health and safety of employees, contractors, customers and the environment.
- **Regulatory, Legal & Compliance:** Risks of loss from non-compliance with regulations and legal actions.
- **Security:** Risks impacting the security of SAL stations, aircrafts, cargo and airport infrastructure.
- **Information Technology:** Risks impacting IT operations within the Company.
- **Cybersecurity:** Risks impacting the cybersecurity environment at SAL.



