

# **Risk Management Policy**



**TGI**  
Grupo Energía Bogotá



## OBJECTIVE

To establish the framework for the comprehensive management of strategic risks, process risks, project risks, and any other type of risk identified and managed by the organization, as well as the management of risk appetite, capacity, and tolerance.

## SCOPE

This policy shall be applied by **Grupo Energía Bogotá S.A. E.S.P.** and its controlled subsidiaries, in accordance with the applicable regulations in each of the jurisdictions where they operate.

## COMMITMENT STATEMENT GENERAL COMMITMENTS

1. Contribute to the achievement of the corporate strategy, continuous operational improvement, protection of investments, and preservation of the Company's reputation by managing risks at all levels in a permanent and systematic manner through the implementation of an Enterprise Risk Management (ERM) approach.
2. Ensure that risks remain within the levels accepted by the Company by identifying and managing risks through measurable controls and response plans that are feasible in terms of time and cost.
3. Promote trust through communication with all Group stakeholders regarding risk management activities and risk events that may threaten the achievement of the strategy and/or the Company's financial stability. This shall be achieved through the timely generation of early warnings, reporting of risk materialization events, and periodic monitoring and reporting on the implementation status of risk controls and response plans.
4. Implement risk controls and mitigation alternatives, including insurance management and risk transfer mechanisms for insurable risks, seeking the most favorable technical and economic conditions.
5. Design and implement communication, training, and awareness strategies that promote knowledge, understanding, and the development of a risk-based culture, fostering awareness of self-control and individual responsibility regarding risk management.
6. Consider risk appetite, tolerance, and capacity as key inputs for strategic planning, as well as for all major investments and business decisions.
7. Manage project risks throughout all project phases in accordance with the Value Creation and Project Maturity Model and the transformation process framework.
8. Manage information security and cybersecurity risks efficiently and in a documented manner, reviewing and adapting them to changes in the operating environment, establishing and complying with treatment measures accepted by the Company, and ensuring compliance with regulatory, business, information security, and cybersecurity requirements.
9. Manage and mitigate compliance risks across the Group and its subsidiaries in accordance with the Corporate Policy on Business Ethics, Anti-Corruption, and Anti-Bribery.



10. Report and manage contingencies in a timely manner in accordance with the Corporate Contingency Management Procedure and the Relevant Legal Risk Management Policy.

11. Promptly report and manage all risk materialization events by notifying the relevant stakeholders and the Corporate Risk Management function to ensure appropriate and timely treatment of such events.

## SPECIFIC COMMITMENTS

### RISK APPETITE

1. Maintain an updated reference of the level of risk that the organization is willing to accept in relation to the achievement of its strategic objectives, by defining risk appetite, risk tolerance, and risk capacity, and communicating the organization's risk position throughout the Company.
2. Ensure the implementation of appropriate methodologies for calculating the Risk Appetite Framework, considering the Company's operational reality and financial position, and ensuring that it can be consistently and standardizedly replicated across all subsidiaries and affiliates.
3. Manage risks in accordance with the established methodology, ensuring that no risk exceeds the defined risk appetite level.
4. Ensure the relevance and validity of the reference values established for risk appetite, tolerance, and capacity, guaranteeing consistency with the expected strategic positioning and the current state of the Company's businesses.
5. Establish a mechanism for reviewing the Risk Appetite Framework at least every three (3) years, or whenever a strategic risk materializes.

### FUNDAMENTAL ASPECTS FOR IMPLEMENTATION

The following stages shall be considered for the implementation of this policy:





## STAGE 1 | ESTABLISH CONTEXT

1. Establish the internal and external context in which the Company's activities are carried out and which may positively or negatively influence the achievement of organizational objectives.
2. Analyze the impact of internal and external factors according to the nature of each business, the characteristics of the processes performed, and the products and/or services delivered.
3. Include in the external context analysis geopolitical, legal, regulatory, economic, technological, sociocultural, and environmental factors, whether international, national, or regional, as applicable to the scope of the assessment.
4. Include in the internal context analysis the organizational structure and culture, compliance with plans and programs, information systems, processes and procedures, as well as the human and financial resources available to the Company.

## STAGE 2 | IDENTIFY RISKS

5. Identify events that could positively or negatively affect the achievement of organizational objectives at the strategic, process, or project level, based on the internal and external context analysis conducted in Stage 1.
6. Document the following information for each identified risk:
  - a. Risk description
  - b. Identification of causes
  - c. Identification of consequences
  - d. Identification of the type of impact

## STAGE 3 | ASSESS RISKS

7. Estimate the likelihood of occurrence and the impact of potential consequences in order to determine the level of risk and define the appropriate response strategy or treatment plan.
8. Analyze risks using risk assessment matrices and evaluation tables, which employ descriptive scales to represent both the magnitude of potential consequences (impact) and the likelihood of occurrence (probability).
9. Evaluate risks in two phases:
  - a) Inherent Risk (Uncontrolled Risk): Considering the nature of the risk and its assessment in the absence of controls.
  - b) Residual Risk (Controlled Risk): Considering the extent to which the risk is modified through the implementation of controls.
10. Implement risk treatment strategies or response plans according to the assessed risk level, with the objective of avoiding, mitigating, transferring, and/or accepting the risk.
11. Define risk appetite, tolerance, and capacity criteria to support the achievement of the corporate strategy.



## STAGE 4 | DEFINE CONTROLS

12. Define controls or measures that maintain or modify a risk, such as actions, response plans, policies, procedures, and other mechanisms that support the implementation of risk treatment strategies.
13. Identify the causes that could lead to the materialization of a risk.
14. Determine whether the identified controls contribute to:
  - Increasing the likelihood and consequences of potential positive events (opportunities);
  - Reducing the likelihood and impact of risk materialization; or
  - Reducing or eliminating one or more potential causes of the risk.
15. Define control actions that are feasible in terms of implementation time and cost.

## STAGE 5 | IMPLEMENT CONTROLS

16. Evaluate the controls implemented, considering both their execution and their effectiveness by design.
17. Assess the controlled (residual) risk, taking into account the type of control applied, specifically whether it acts on the likelihood of occurrence or the impact of the risk.
18. Report any identified risk materialization events in a timely manner.

## STAGE 6 | MONITORING AND REVIEW

19. Ensure that planned actions are being carried out and evaluate the effectiveness of their implementation.
20. Ensure that risks are properly identified, assessed, controlled, and mitigated, and that monitoring and review activities are conducted to evaluate the effectiveness of the implemented controls.
21. Periodically monitor the implementation of controls and the outcomes of risk management activities.
22. Review risks and controls to ensure their proper management and effectiveness, and to propose and/or implement any necessary adjustments or corrective actions in a timely manner.
23. Monitor the overall risk management process and provide recommendations for continuous improvement through higher-level governance bodies such as the Presidency Committee and the Audit and Risk Committee.

## STAGE 7 | COMMUNICATION AND CONSULTATION

24. Ensure that those responsible for risk management, together with relevant stakeholders, actively participate in risk identification and control activities, analyze situations as they arise, understand the associated risks, and make informed decisions regarding the most appropriate course of action.

## PROCESS THROUGH WHICH THE POLICY WILL BE IMPLEMENTED

This policy shall be implemented through the **Enterprise Risk Management Process**.

**Version:** 2  
**Board of Directors Minutes**  
**No.:** 238  
**Approval Date:** August 30,  
2023.



## **POLICY RESPONSIBILITIES**

- The Planning and Performance Management Department is responsible for leading the implementation, follow-up, monitoring, control, and continuous improvement of this policy.
- The scope of its responsibilities includes the periodic review and assessment of this policy to ensure its relevance and effectiveness, making any necessary updates or adjustments when required.
- The Communications Departments are responsible for communicating and disseminating this policy through available channels to ensure that it is known by all relevant stakeholders across the organization.
- Employees are responsible for complying with and applying this policy, as well as adhering to any binding agreements with third parties related to the commitments established herein.

## **EFFECTIVE DATE NOTE**

- This Risk Management Policy has been updated within the framework of the revision of the Risk Appetite Framework applicable to GEB companies.
- This policy repeals and replaces Version 1 of the Risk Management Policy, which was approved under Board of Directors Minutes No. 161 dated May 30, 2018.