

P-005CA | Risk Management Policy

Context

Floene Energias S.A (Floene, Company or Group), as a company that operates in the energy sector, particularly in gas distribution, intends to ensure the continuity and sustainability of its operations, promoting the resilience of the company, through a solid risk management structure.

Company's position

Floene undertakes to:

- Integrate risk management into strategic business planning, regulatory adequacy, change management and addressing new sector challenges.
- Ensure that the government of risk management is robust and aligned with best practices, adopting the model of the "three lines of defense".
- Ensure that risk analysis, its causes and potential consequences, is a cyclical process of Identification, Evaluation, Treatment, Monitoring and Review following the Risk Management process referenced in ISO 31000.
- Establish, from an integrated perspective, a risk management system (threats and opportunities) that promotes the continued improvement of its management.
- Promote an organizational culture that develops the necessary behaviors to understand and act upon the risk.
- Define responsibilities and establish a system of risk management performance indicators (KRI) in order to evaluate the organization's performance in this management area.
- Promote and implement communication mechanisms, with all stakeholders, at appropriate levels and time, ensuring the accuracy and transparency of the information provided.
- Have an updated Company Risk Management Standard that establishes the regulatory principles of Floene's risk management activity.

Final declaration

Floene is aware of the challenges that it faces. To this end, it undertakes to monitor risks at the appropriate frequency and to manage the inherent exposure according to the appetite and risk tolerance defined, within the best practices framework.

Board of Directors

2022/07/28