



Comprehensive risk management ISA and its companies

isa

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Energía
Vida
Transición

Comprehensive risk management - ISA and its companies

At ISA and its companies, comprehensive risk management **supports strategic decisions**, is transversal and of great importance for the organization, since it aims to **protect and preserve the integrity of resources and the achievement of objectives**.

ISA is committed in a responsible, transparent and ethical manner to manage risks and opportunities in order to **create value for its stakeholders, maintain its competitive advantage and contribute to the development of the communities where it has operations**.



The **ISA Board of Directors and Chair Committee** are aware of the risks and actively participate in their management.

Scope of action for comprehensive risk management

Junta Directiva ISA

Comité de Auditoría y Riesgos



Perfil de riesgos ISA y sus empresas



Chief Risk and Compliance Officer



[View resume](#)



Mapa de riesgos de empresa

4 Junta directiva empresas

3 Comité de Junta

2 Comité de Gerencia

1 Dirección/gerencia

Mapa de riesgos de ISA

3 Comité de Presidencia

2 Vicepresidencia

1 Directores

The **Audit and Risk Committee**, is composed of five (5) members of the Board of Directors and is in charge of giving general guidelines regarding the general risk vision, overseeing its implementation and effectiveness, and is responsible for the functions defined in Agreement No. 136 [Audit and Risk Committee Rules of Procedure](#)

[See Board Committees](#)



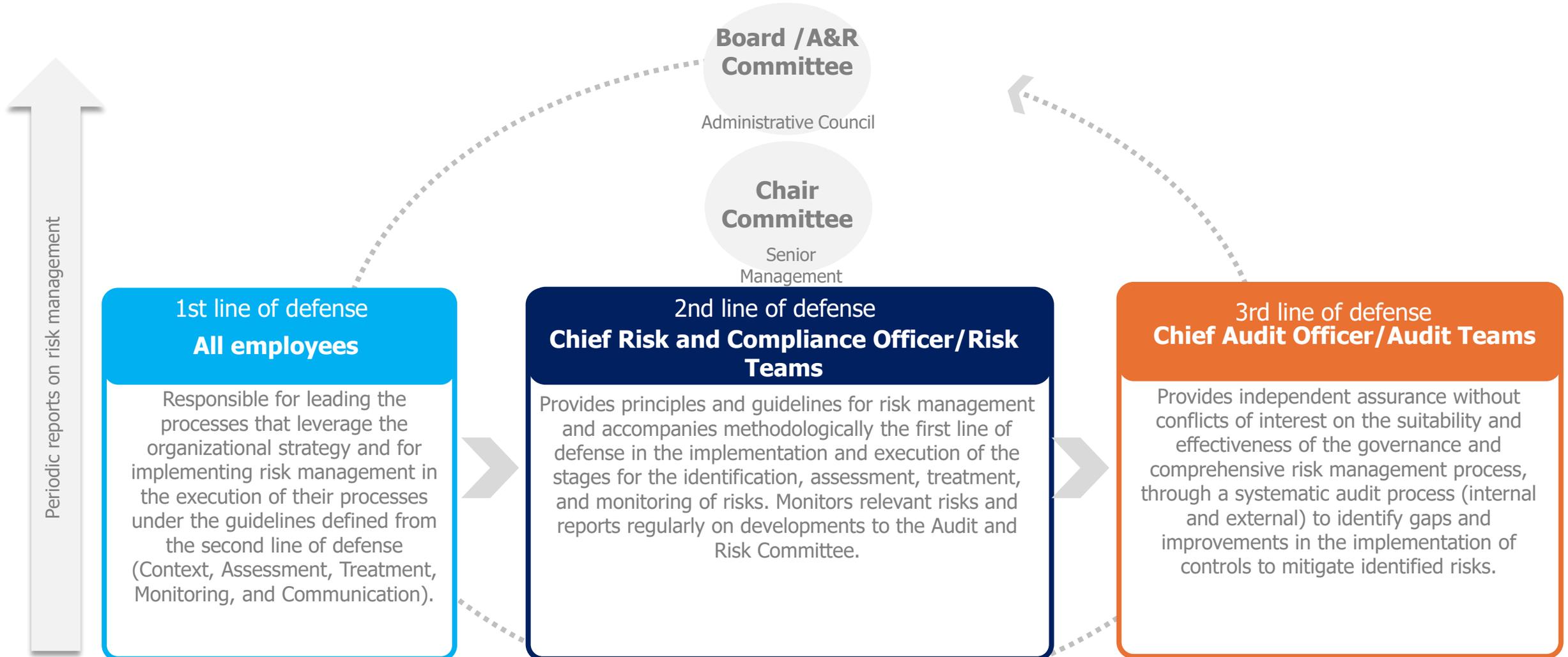
The main guidelines approved by the **Audit and Risk Committee** are as follows:

- Prioritization criteria (financial and reputational dimension, and risk declarations)
- Comprehensive risk management policy
- General procedure for comprehensive risk management

The **Chief Risk and Compliance Officer** establishes guidelines that apply to all ISA companies considering the guidelines of the **Audit and Risk Committee**, through guidelines and lines of action necessary to manage risks. See: [Comprehensive Risk Management Policy](#).

Governance

Risk management is based on the **Three Lines** of Defense model, which enables processes and an organizational structure that promotes risk management **at all levels** and, consequently, **the achievement of strategic objectives**.



Governance

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To ensure the proper operation of the **comprehensive risk management model in ISA** and its companies and to better **understand the management roles**, the following RACI (Responsible, Approves, Communicates and Informs) structure is defined, considering the **main management levels** of the key stakeholders:

	R Responsable	A Aprueba	C Comunica	I Informa	
	Marco de referencia	Contexto, Valoración, Tratamiento, Monitoreo y Comunicación	Análisis Expost	Aseguramiento	
Junta Directiva	A	C*	C*	I	
Comité Corporativo	C	A	A	I	
VP Riesgos y cumplimiento	R	C	C	C	Second line of defense
Auditoría	I			R	Third line of defense
VP	C	R	R	C	First line of defense
Direcciones	I	R	R	C	
Equipos	I	R	R	C	

C* Conocimiento, seguimiento del riesgo y propuesta de medidas de administración adicionales

First line of defense

 Jaime Falquez Ortiga Vicepresidente de Finanzas Corporativas	 Sonia Margarita Abuchar Vicepresidenta Jurídica	 Natalia Pineda Betancur Interim Chief Road Concessions Officer	 Sebastián Castañeda Arbeláez Vicepresidente Crecimiento y Desarrollo de Negocios	 Olga Patricia Castaño Vicepresidenta de Estrategia Corporativa
 Olga Lucía López Marín Vicepresidenta Tecnología de la Información	 Karen Nataly Medina Moreno Vicepresidenta Talento Organizacional	 Gabriel Melguizo Vicepresidente Transmisión de Energía	 Juliana Suso Jaramillo Vicepresidenta Relaciones Institucionales	

Second line of defense

 Hugo Nicolas Genoni Vicepresidente de Riesgos y Cumplimiento

Third line of defense

 Carlos Ignacio Mesa Vicepresidente de Auditoría Corporativa

Governance

ISA's risk management is led by the **Chief Risk and Compliance Officer and is configured as an independent function**, making it possible to address risks throughout the organization and to **monitor and follow up** the main risks.

In addition, it has the following follow-up and escalation schemes:

Escalation of risks

considering the roles of each of the organizational levels:



Follow-up

Reporting. ISA and its companies submit quarterly risk reports to their Boards of Directors/ Governing Bodies/ Governing Boards or Audit Committees. The activities and dates to be taken into account to ensure these reports are as follows:

Agenda de riesgos para el Comité Auditoría y Riesgos

	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dic
• Informe trimestral de riesgos		✓		✓		✓		✓		✓		
• Revisión anual de los criterios de priorización								✓				
• Actualización mapa de emergentes		✓										
• Profundización en análisis de riesgos*		✓			✓			✓		✓		✓
• Reporte Continuidad del negocio						✓						
• Reporte del programa de cultura Gestión integral de riesgos	✓											

* Otras temáticas a profundizar por solicitud de Comité de Auditoría y Riesgos

Comprehensive risk management process

The comprehensive risk management process is based on the ISO 31000 Standard and the ECOPEPETROL group guidelines.

This process involves the systematic and standardized application of policies, procedures, and activities related to communication and consultation, context setting and evaluation, treatment, follow-up, and review. This process is illustrated in Figure 2

Figura 2: proceso gestión integral de riesgos

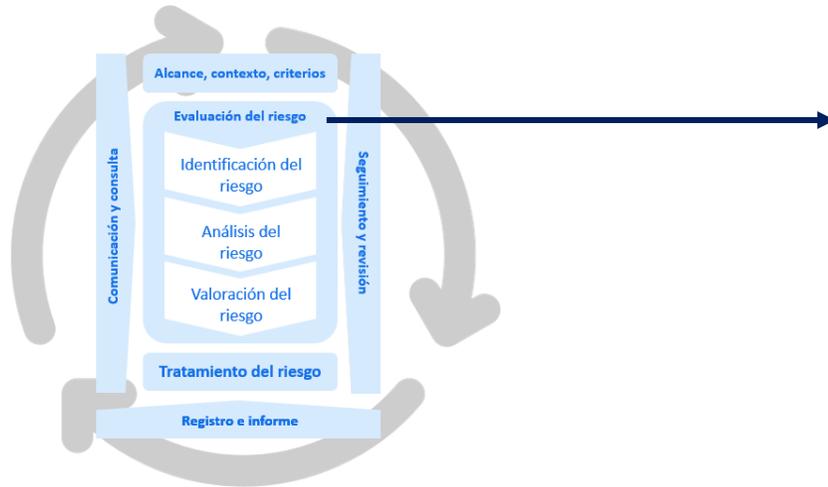


Imagen tomada de ISO 31000 2018(es), Gestión del riesgo – Directrices

This process is conducted on a quarterly basis, from the process base to the consolidated corporate overview (bottom-up) and, after validation by the Board of Directors, feedback is provided to the business units (top-down).

Types and Categories of Risks

They allow risks to be broken down by common issues and are applicable to all companies. Both the type and the categories make it possible to conduct specific analyses and to produce executive reports and correlations.

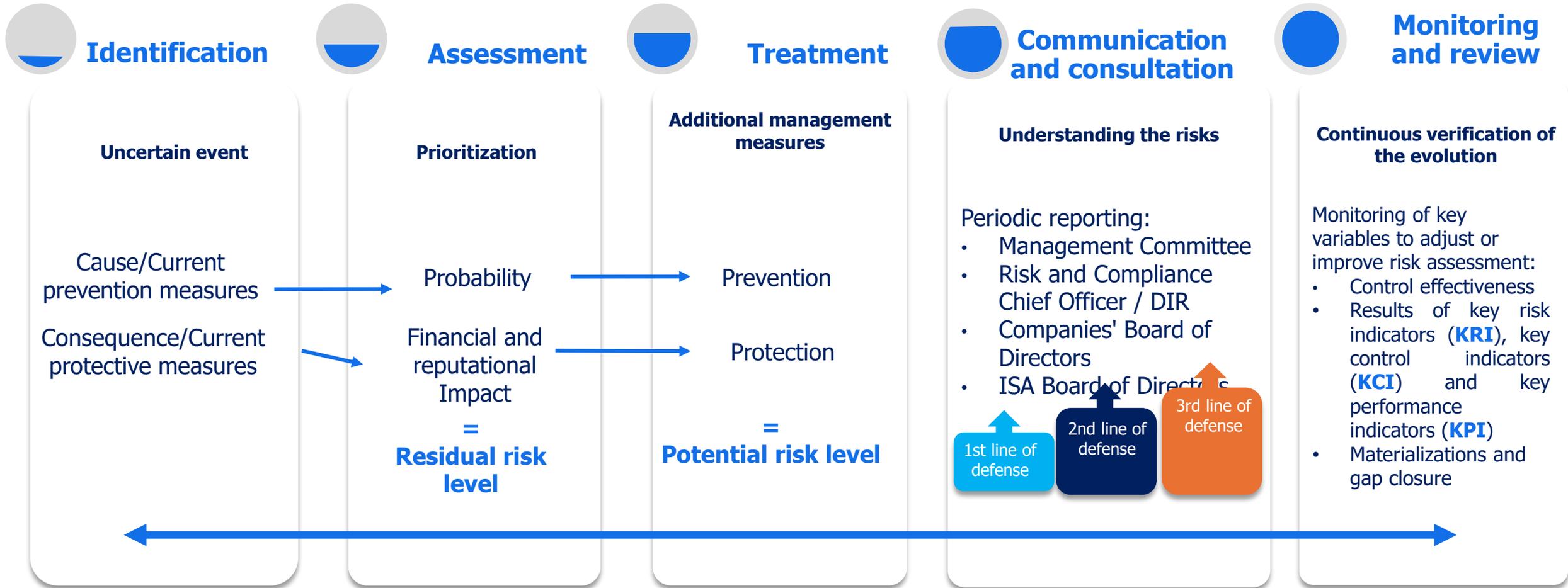
Económica	<ul style="list-style-type: none"> • Gobernabilidad • Regulatorio • Jurídico • Político • Mercado, liquidez y crédito • Mercado, competencia, fusiones y adquisiciones
Operacional	<ul style="list-style-type: none"> • Operación del negocio • Diseño y construcción • Cadena de suministro • Ciberseguridad y tecnologías de información • Capital humano y relaciones laborales • Seguridad y salud en el trabajo
Cumplimiento	<ul style="list-style-type: none"> • Fraude y corrupción (FCPA) • Datos e información • Lavado de Activos (LA), Financiación del terrorismo (FT) y Financiación de la Proliferación de Armas de Destrucción Masiva (FPADM)
Socio Ambiental	<ul style="list-style-type: none"> • Ambiental • Fenómenos naturales y cambios climatológicos extremos • Predial • Social • Orden público y seguridad ciudadana

Corporate Guide 58. Comprehensive Risk Manual, supplemented with 6 annexes

Corporate Guide 43. Business Continuity Management and response protocols

Comprehensive risk management process

Standardized, systematic risk management



Comprehensive risk management process

Risk appetite and risk tolerance - ISA and its companies

Risk assessment depends on the nature of each **risk category** analyzed and its prioritization is based on the established levels or limits, defined on the basis of **appetite and tolerance criteria for financial and reputational dimensions or resources, and risk declarations or aversions**. The Audit and Risk Committee is responsible for reviewing and approving the prioritization criteria.

ISA and its companies review and establish the criteria annually considering the financial results and the proposed goals against the organization's objectives.

Financial dimension or resource

Continuous probability and impact values are used. The assessment is quantitative



Reputational Dimension or Resource

Discrete values of probability and impact are used. The assessment is semi-quantitative

Probabilidad									
Muy alta (>75%)	8	16	32	64	IMPACTO EN LA REPUTACIÓN Se genera un concepto público	CONFIANZA	PÚBLICOS CLAVE	MEDIOS, REDES SOCIALES Y CANALES	
Alta (>50-75%)	6	12	24	48					
Media (>25-50%)	4	8	16	32					
Baja (<25%)	2	4	8	16					
		Leve 2	Moderad 4	Critica 8	Muy Critica 16	LEVE 2 MODERADO 4 CRÍTICO 8 MUY CRÍTICO 16	Muy baja Baja Media Alta	Conocen Observan Cuestionan Acusan	Leve Moderada Crítica Muy crítica
		Impacto							

1. Risk limits for financial and reputational risks

Appetite

Low

Risks that ISA and its companies are willing to accept in order to achieve their objectives

Tolerance

Medium

Maximum risk that ISA and its companies are able to bear in the achievement of their objectives without affecting the sustainability of the organization

High

Very High

Risk that ISA and its companies are not willing to assume

2. Risk declarations (independent of limits)

Approved by the Audit and Risk Committee held in August 2024

Supplementary declarations on comprehensive risk management

These are red lines or limits of an action or decision on key issues of comprehensive risk management.

These declarations were approved by the February 2022 Governance, Sustainability and Risk Committee.

Aversion to:

- Actions that may cause serious or fatal accidents to employees, suppliers and the community

Discrete probability and impact values are used to determine prioritization. The assessment is semi-quantitative



- Irreparable environmental damage*
- Illegal or unethical actions
- Unfavorable deviations in the reference values of key service indicators

In the face of risk transfer:

The acceptable level for the transfer of insurable risks in its aggregate value of premium, deductible and retention after coverage, will be the limit of the green band of the financial resource ("Low" level - USD 10 MM). Applies to insurable risks associated with cybersecurity, property damage and All-Risk Construction and erection.

*Irreparable definition: Absolute loss of the biodiversity component in the abiotic, biotic and social sense, the monitoring of this declaration is carried out considering the management and assessment of environmental aspects and impacts within the framework of the ISO14001 standard.

Comprehensive risk management process

Risk appetite and tolerance identified in ISA and its companies

Types	Categories	Appetite, tolerance and risk declarations
Economic	<ul style="list-style-type: none"> • Governance • Regulatory • Legal • Political <ul style="list-style-type: none"> • Market, liquidity, and credit • Market, competition, mergers, and acquisitions 	<p>Economic risks are prioritized by financial and reputational dimension, monitored quarterly by means of key risk indicators, and their evolution is reported quarterly to the Audit and Risk Committee according to an escalation scheme.</p>
Operational	<ul style="list-style-type: none"> • Business operation • Design and construction • Supply chain • Occupational Safety and Health <ul style="list-style-type: none"> • Cybersecurity and IT • Human capital and labor relations 	<p>Follow-up and monitoring carried out quarterly at the most considering the prioritization in the financial and reputational dimensions and the risk declarations against aversion to:</p> <ul style="list-style-type: none"> • Unfavorable deviations in the reference values of key service indicators • Actions that may cause serious or fatal accidents to employees, suppliers and the community <p>In addition, the compliance with the Guidelines or policies defined in the business and by compliance is monitored transversally.</p>
Compliance	<ul style="list-style-type: none"> • Fraud and corruption • Money Laundering (ML), Terrorism Financing, and Financing of Proliferation of Weapons of Mass Destruction 	<p>The reporting and supervision of compliance risks shall be carried out quarterly at the most and on demand, the corresponding levels shall be informed for their management, and their prioritization shall be carried out by means of the reputational dimension and declaration of risks in the face of aversion to:</p> <ul style="list-style-type: none"> • Illegal or unethical actions <p>In addition, the compliance with the Guidelines or policies defined in the business and by compliance is monitored transversally.</p>
Social Environmental	<ul style="list-style-type: none"> • Environmental • Natural phenomena and extreme climate changes <ul style="list-style-type: none"> • Property • Social • Public order and citizen security 	<p>Socio-environmental risks are monitored on a quarterly basis by prioritizing the financial and reputational dimension and risk declarations against risk aversion:</p> <ul style="list-style-type: none"> • Irreparable environmental damage* • Actions that may cause serious or fatal accidents to employees, suppliers and the community

* Irreparable definition: Absolute loss of the biodiversity component in the abiotic, biotic and social sense, the monitoring of this declaration is carried out considering the management and assessment of environmental aspects and impacts within the framework of the ISO14001 standard.

Comprehensive risk management process

Description of the main risks

Company:	ISA Energía Brazil		ISA's shareholding:	35.82%	
Risk:	Claims related to labor liabilities under Law4819/58				
Brief explanation of the risk	Recognition of the definitive liability for the contingency regarding law 4819/58 (supplemental retirement plan).				
Business relevance	Effect on energy transmission business expense				
Current assessment					
Assessment methodology	Scenario analysis				
Risk appetite and tolerance			Approved by the Audit and Risk Committee held in August 2024		
Probability	20%	Explanation: probability is calculated based on attorneys' assessment and probability of loss			
Financial Impact USD million	372	Explanation: corresponds to the actuarial calculation of future disbursements, pro rata of payments made between 2013 and 2020 and the value of the collection actions.	Financial risk level	74.51	
Reputational Impact	Critical	Explanation: Impact on credibility, trust, and visibility through the media	Reputational risk level	Medium	
Current and/or potential management measure	Submission of relevant appeals to the regulatory authorities Documentation and supporting papers Trade union management Judicial and extrajudicial proceedings Collection procedures and ongoing monitoring of process evolution Provision of a dedicated legal team and favorable legal opinions				

Comprehensive risk management process

Description of the main risks

Company:	ISA Energía Brazil		ISA's shareholding:	35.82%
Risk:	RBSE - Failure to receive Ke and change in the update rate			
Brief explanation of the risk	A financial loss could result from the total or partial payment of the financial component, remunerated by the Ke (cost of equity) linked to the payment of the RBSE (payment for assets not amortized before May 2000). The financial component refers to the payment installments not received between 2012 (assignment extension of the concession) and 2017 (payment started). "Failure to receive in full" refers to not receiving the entire financial component, and "failure to receive partially" refers to not receiving the Ke within the financial component. In 2021 there have been new legal actions against the payment of the Ke. Also, bill 4636 can modify the update of the calculation of the Ke.			
Business relevance	Effect on Energy Transmission Business Revenues			
Current assessment				
Assessment methodology	Scenario analysis			
Risk appetite and tolerance	 0 ≥11 ≥23 ≥62		Approved by the Audit and Risk Committee held in August 2024	
Probability	33%	Explanation: NPV of the different inflows updated with the RBSE reprofiling, including Ke's values already received.		
Financial Impact USD million	387	Explanation: NPV of the different inflows updated with the RBSE reprofiling, including Ke's values already received.	Financial risk level	128
Reputational Impact	Critical	Explanation: Impact on credibility, trust, and visibility through the media	Reputational risk level	Medium
Current and/or potential management measure	<p>Permanent work with the Ministry of Mines and Energy, the Ministerio da Fazenda, the National Energy Agency (ANEEL), and the Tribunal de Contas da União (TCU).</p> <p>Submission of proposals and judicial procedures through the Associação Brasileira das Empresas de Transmissão de Energia (Abrate), in collective and individual actions.</p> <p>Acting together with the responsible entities, providing technical-legal arguments</p>			

Risk management culture

Conformation of the Board of Directors

Total hours

10

McKinsey & Company

Critical infrastructure protection and cyber threat landscape

Ayman Al Issa, McKinsey Global Lead of Critical Infrastructure Cybersecurity

May 24, 2024

Plenarias

Viernes - 24 de mayo de 2024

Salón Antioquia 2

08:00	09:00	Premiación Jornadas de Conocimiento e Innovación ISA 2024
09:00	10:00	Seguridad y salud en el trabajo Timothy Chandler Matheson
10:00	10:30	Break
10:30	11:30	El talento del futuro Stephanie Del Carpio
11:30	12:30	Evento cultural

La vocación de asumir riesgos calculados

"We took a huge calculated risk", by betting on several vaccines in 2020 before regulators had even approved of them, ISA's chief executive Adar Ponsawalla told the BBC.

"It wasn't a blind risk, because we knew the Oxford scientists from our earlier collaboration with the malaria vaccine."

The Board of Directors' training approach in this area seeks to provide members with the concepts and bases of risk management, as well as the fundamentals of the main business risks that allow them to have an understanding of the risks for effective management and relevant monitoring.

Los cambios en el contexto político, económico, ambiental y sectorial suponen nuevos retos para la reputación

isa KPMG

Resultados en 2022

- Contexto marcado por la incertidumbre migración de ISA y empresas dentro de Ecuador. Nueva estructura de gobierno y su vinculación a los hidrocarburos.
- Oportunidades reputacionales por un mayor respaldo financiero, capacidad de inversión y alianzas estratégicas.
- Factores externos que condicionan la reputación (Covid-19, migraciones), necesidad de generar el suministro eléctrico y desarrollo económico del territorio.

Avances y resultados estrategia ISA2030

- 2024 se en inversión en regiones y geografías.
- Planes de posicionamiento y reacomodamiento con grupos de interés.
- Innovación y gestión social y ambiental.
- Medición de externalidades.
- Diálogos con grupos de interés.
- Implementación modelo SDG.

Contexto demanda mayor protagonismo en sector, estrategia energética del país y la transición.

- Polarización y politización de debates sectoriales: públicos más intolerantes y expectativas muy elevadas.
- Retos ejecución efectiva de portafolio de proyectos y el crecimiento de la red de transmisión.
- Necesaria modernización de la infraestructura de transmisión y de vías.
- Influencia de los efectos del cambio climático y los fenómenos naturales.

Agenda

1. Casos empresariales de vulneración a los derechos humanos
2. Por qué adoptar una guía de derechos humanos y empresa
3. Actualización de la Guía de Derechos Humanos y Empresa - Lineamientos Comité GCSTI
4. Principales Cambios
5. Plan de trabajo
6. Solicitud de aprobación

El daño a la reputación y el riesgo de vulnerar los derechos humanos

isa

"No hay evidencia de violación a los derechos humanos".

Noticia: Grupo Éxito patrocina centros de tortura en uno de sus almacenes

Contexto: En el paro y movilizaciones de Cali, el Éxito Simón Bolívar fue acusado, por parte de la zona de denuncia gritos de auxilio. En redes sociales circularon videos de desmanes por parte de la policía nacional.

Declaración de la empresa: "Desde Grupo Éxito negamos rotundamente que el Éxito Simón Bolívar haya sido un "centro de tortura". Esta afirmación ha sido objeto de múltiples burras y saques que no responden al espíritu de las marchas legítimas y pacíficas".

Defensoría del Pueblo: "Ante las preocupaciones expresadas por varios manifestantes y habitantes del sector, con la Comisión de DD.HH, encontramos todo en normalidad, tras un pane de tranquilidad y llamamos a la calma".

Lecciones aprendidas: Grupo Éxito no cuenta con una política de derechos humanos, ni proceso formal de debida diligencia. Esta situación los llevó a conformar un grupo de trabajo y ser hoy en día víctimas de buenas prácticas en esta materia robusteciendo sus procesos internos.

Riesgos Positivos

3.1. Definición

Desviación positiva en el cumplimiento de un objetivo.

- Estratégico
- De proceso
- De proyecto
- Etc.

• Sinónimo: Gestión de Oportunidades

• Metodología: "Del mismo modo, en el sentido contrario"

1. Históricamente la gestión de los riesgos físicos es parte natural de la operación, pero enfrentamos nuevas incertidumbres y retos asociados

Riesgos empresariales: Categoría fenómenos de la naturaleza (visión 1-3 años)

En los últimos 30 años se ha duplicado la concentración de CO₂ en la atmósfera

Medidas de prevención: permiten disminuir la ocurrencia del riesgo

Medidas de protección: permiten disminuir el impacto si se materializa el riesgo

Refo histórico

Nuevo reto

Cambio Climático

El incremento de AR en gases de invernadero en la atmósfera, provocando el calentamiento global

2. Modelos climáticos globales proyectan el presente y futuro de la temperatura

Predicción de calentamiento de la superficie mundial considerando los escenarios de emisiones de gases de efecto invernadero

Trayectorias de concentración representativas (RCP, siglas en inglés) y las trayectorias socioeconómicas comparadas (SSP, siglas en inglés)

Las trayectorias socioeconómicas comparadas (SSP) son escenarios de cambios socioeconómicos globales proyectados hasta 2100. Se utilizan para definir escenarios de emisiones de gases de efecto invernadero según diferentes políticas climáticas.

Cambio Climático ISA y sus Empresas

Hoja de Ruta Climática

- Adaptación
- Oportunidades
- Mitigación

- Riesgos Físicos
- Riesgos de Transición
- Reducción de Emisiones Directas e Indirectas
- Carbono Neutralidad / Net Zero 2050

Programa Comisión Jaguar

Reportes a Grupos de Interés

IFRS

CDP

GRI

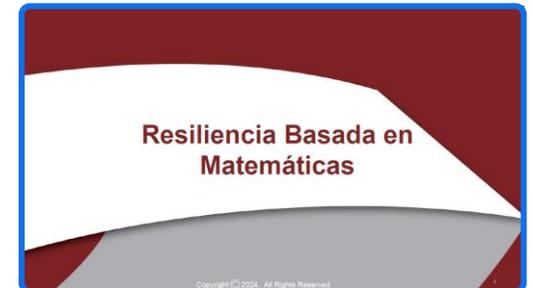
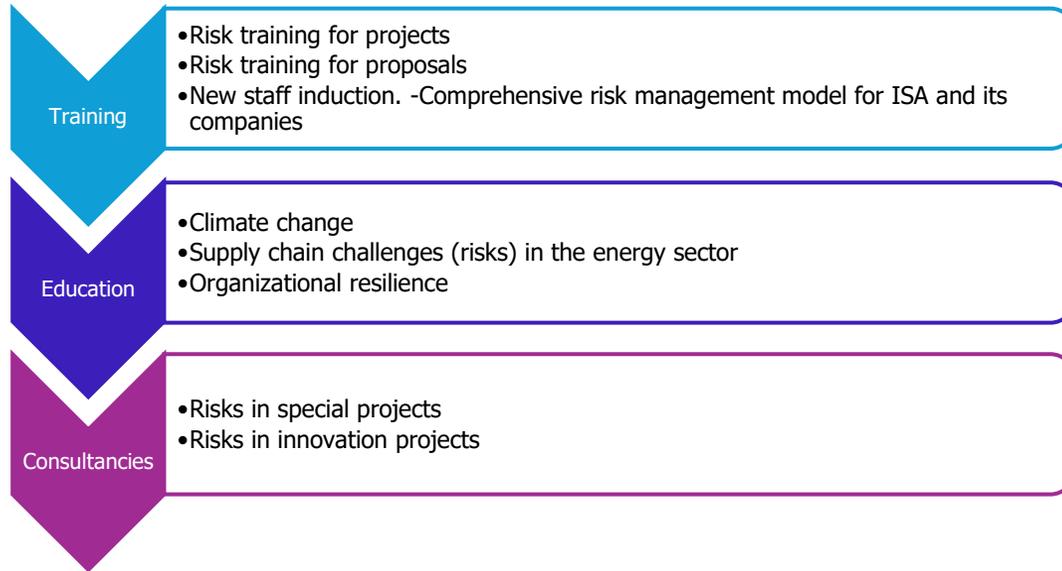
During 2024, the members of the Board of Directors took part in different training and awareness-raising activities, specifically on the following topics: risks related to cybersecurity, human rights, reputation, climate change, changes in the political, talent, economic, environmental context and the sector, among others; and also training in the methodology of opportunities or positive risks.

Risk management culture

Training of employees of ISA and its companies

ISA and its companies work permanently on strengthening the risk culture in a transversal manner in order to promote the incorporation of risk concepts and methodologies in all processes. Annually, a training plan is carried out on different topics for employees of ISA and its companies.

During 2024, the plan included the following topics:



Number of attendees

90 In-person

15,771 Virtual

Total hours

17 In-person

269 virtual

Risk management culture

Risk communication and training campaign

Risk Rally:

In 2024, in order to strengthen the risk culture and raise awareness, a learning space was held in which all the risk teams of ISA and its companies participated. This consisted of fostering creativity, communication, cooperation and critical thinking in relation to comprehensive risk management, through play and exploration.

Number of attendees	Total hours
 100 In-person	4



Risk management culture

Risk communication and training campaign

We have advanced in the maturity of our comprehensive risk management model and governance

ISA process cycle

Coverage in risk management in **ISA processes**

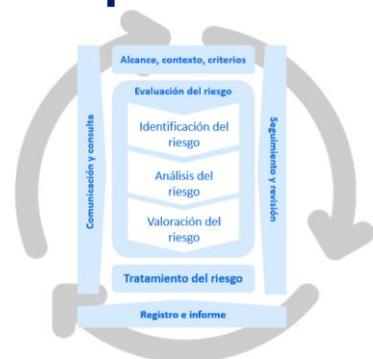


Imagen tomada de ISO 31000 2018(es), Gestión del riesgo – Directrices

2024 coverage of **72%** of the parent ISA Macroprocesses

Digital adoption at all levels of management in the **risk management information tool**



In **2024** there was an increase of **381%** in **interactions in libraries** compared to **2023**

We contribute to growth, lead the analysis of risks in proposals of ISA and its companies



Energy Transmission:
Greenfield 10 and 2
Brownfield



Roads: 1 Greenfield

Comprehensive risk management process

Comprehensive risk management follow-up and monitoring

The Audit and Risk Committee, composed of five (5) members of the Board of Directors, conducts periodic monitoring of risk evolution and management through quarterly reviews, in accordance with the framework presented below

1Q.2024

2Q.2024

3Q.2024

4Q.2024

1. Reporte trimestral de riesgos T4-2024

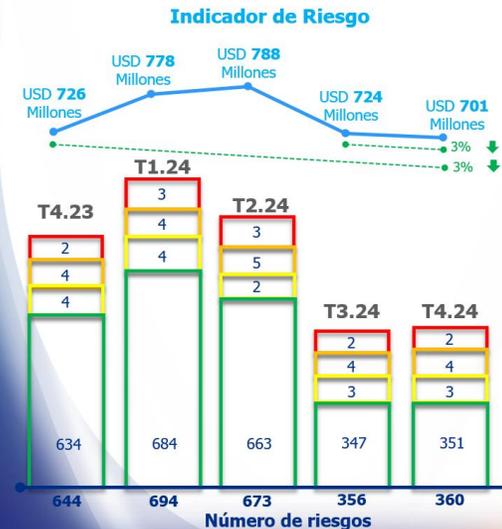
Principales cambios con respecto al T3

Principales cambios del trimestre T4:

Para el T4 no hay cambios representativos en el indicador de riesgos ni en los principales riesgos en la franja roja y naranja.



** Aprobado en el Comité de Auditoría y Riesgos realizado en Agosto/2024



2. Evolución de los riesgos T4.23 – T4.24

Principales riesgos dimensión financiera



Risk maturity level

Internal and external audits

Each year, ISA and its companies assess the maturity level of the comprehensive risk management model by evaluating 6 components considered key to the comprehensive risk management cycle; and supported by standards such as ISO 31000, ISO 55002, COSO ERM, and other good risk practices.

Chief Audit Officer prepares and executes an annual internal audit plan to verify the results of the maturity model and identify points for improvement, which includes the following stages:

1. Execution of the internal audit carried out in 2023
2. Review of effectiveness of improvement plans derived from audit findings during 2024

The main findings and recommendations are presented below:

Evaluación Nivel de Madurez de Riesgos – Principales resultados	
Fortalezas	Oportunidades de mejora
Gobierno <ul style="list-style-type: none"> Estándar de gestión de riesgos Reporte a la Alta Dirección Roles y responsabilidades de la Junta Directiva y la Alta Dirección 	<ul style="list-style-type: none"> Criterios de priorización Toma de decisiones
Administración <ul style="list-style-type: none"> Funciones relacionadas con riesgos Metodologías Mejora continua 	<ul style="list-style-type: none"> Encargado de la función de riesgos Funciones relacionadas con riesgos Líneas de defensa
Información <ul style="list-style-type: none"> Señales del entorno y partes interesadas 	<ul style="list-style-type: none"> Uso de información de riesgos Herramientas de información Incorporación de lecciones aprendidas
Proceso <ul style="list-style-type: none"> Identificación, análisis y valoración de riesgos empresariales y emergentes Comunicación y consulta Contextos interno y externo 	<ul style="list-style-type: none"> Homologación de procesos Identificación, análisis, valoración y tratamiento de riesgos operativos por parte de los líderes de procesos Definición de métricas (KRI)
Personas <ul style="list-style-type: none"> Roles y responsabilidades 	<ul style="list-style-type: none"> Competencias
Cultura <ul style="list-style-type: none"> Comunicación y promoción 	<ul style="list-style-type: none"> Sensibilización Alineación entre incentivos y gestión de riesgos

Evaluación Nivel Madurez Riesgos – Principales conclusiones
<p>Con base en la evaluación realizada, a partir del ejercicio de autoevaluación, podemos concluir que:</p> <ul style="list-style-type: none"> ISA y sus empresas han venido mejorando sus procedimientos y marco de referencia para la gestión integral de riesgos empresariales, a nivel de riesgo operativo existen oportunidades de mejora para su identificación, valoración, definición de medidas de administración, gestión de información y reporte. Tal y como se ve hoy, vemos bajo nivel de riesgo para que ISA y sus empresas alcancen 2025 una calificación promedio de 4.0 sobre 5.0 en modelo de Gestión Integral de Riesgos; aplicando los mismos criterios de evaluación; sin embargo, es importante tener en cuenta que llegar a 4.0 representa una "Nivel Intermedio (2,6 - 4,0)", valdría la pena analizar la posibilidad de modificarla. Es necesario acelerar la definición de los KRI y matricularlos dentro de objetivos de desempeño, buscando un mecanismo de medición del avance en la cultura de riesgos. La información de riesgos operativos aún se encuentra en un nivel "Básico"; toda vez que: <ul style="list-style-type: none"> Falta homologación de los procesos y en la definición de riesgos, aún existen empresas que usan cadenas de valor y categorías de riesgos diferentes a las del nuevo modelo. Bajo uso de MetricStream Evidenciamos líderes que no han levantado el 100% de los riesgos operativos de sus procesos Existen compañías sin la definición formal del responsable de riesgos



Carlos Ignacio Mesa
 Vicepresidente de Auditoría Corporativa
 Team:
5 Internal auditors

In addition, the annual internal audit plan is focused on the organization's risks, taking the Risk Map as a reference.

External audit

In addition, verification work and external audits are carried out on an annual basis, among which the following are noteworthy:

The certified management systems that ISA and its companies have, which aim to verify the proper implementation of these systems and their compliance with national and international norms and standards of reference. The scope of these external audits considers the process of identification, analysis, evaluation and control of the company's risk management, mainly highlighting ISO9001 and ISO55001, where risk management is framed under the ISO31000 standard.

Comprehensive management systems

	ISO 9001	ISO45001	ISO14001	ISO27001	ISO55001	ISO39001	Equidad de Género ¹	EFR ²	Carbono Neutro
ISA	X	X					X		X
ISA INTERCOLOMBIA	X	X	X	X	X		X		X
ISA REP	X	X	X		X				X
ISA ENERGÍA BRASIL		X	X		X		X		X
ISA ENERGÍA CHILE		X							X
ISA TRANSELCA	X	X	X		X		X		X
ISA BOLIVIA	X	X	X		X				X
ISA VÍAS CHILE	X	X	X ³			X ⁴	X		X
RUTA COSTERA		X							X
INTERNEXA	X	X		X				X	X
XM				X					X
INTEIA	X	X		X			X		X

The control system of the energy sector in Colombia Superintendencia de Servicios Públicos Domiciliarios (Superintendence of Household Utilities) requests to perform an External Audit of Management and Results (AEGR) which has within its objectives to review the overall process of risk management, identification and assessment of risks that may affect the provision of service. The general opinion of the AEGR or the Internal Control Office on Risk Management of 2024 stands out:



- The organization's risk management is a proactive process that allows having control of the organization's priority and tolerable, moderate, and low risks.
- The Board of Directors and the Senior Management are strongly committed to risk management. Through its Audit and Risk Committee, the Board of Directors regularly monitors relevant risks throughout the organization.
- There is a process in place to identify, evaluate and treat risks according to the company's structure, in order to avoid the materialization of risks that affect the strategic objectives.
- Risk management is led by a group of people who deploy knowledge and advice at the company level.
- Risk management is part of the company's organizational culture.
- It should be noted that the general risk framework can be found in ISA's comprehensive risk manual.
- Disclosure and training on the risk management model is part of the organizational culture of ISA and its companies.

For 2024, the **compliance** was the overall result and the main findings include:

- The context analysis of the different regions where the organization has operations allows us to identify possibilities by region based on the differentiating factors of each one. In addition, it is a source for identifying region-specific risks and opportunities, which allows customizing design solutions to local needs, mitigating risks associated with conditions unique to each region, and improving project effectiveness and efficiency through proper planning.
- The interdisciplinary participation of seven work teams in the bidding process guarantees greater coverage of the different risks and contributions of lessons learned, which increases the possibility of winning with the proposal submitted.
- The monitoring of risk management makes it possible to identify in a timely manner whether additional controls are necessary to prevent their materialization.



Incentives incorporating risk management metrics

ISA incorporates goals related to proactive risk management into its Balanced Scorecard, linking them to variable compensation. This approach encourages the active participation of all employees in identifying, mitigating, and monitoring risks directly associated with strategic objectives, fostering initiatives and ensuring processes that contribute to the achievement of established performance indicators.

Matriz de compensación variable Trimestre IV y anual 2024

		Directivos y no directivos					
		Componente trimestral				Componente anual	Bono total ¹
Nombre del indicador		Resultado T1	Resultado T2	Resultado T3	Resultado T4	Resultado	
Risk Management for the category: Occupational Safety and Health	Índice de frecuencia total de lesiones registrables (TRIF)	37,50%	37,50%	37,50%	37,50%		15,00%
Risk Management for the category: Market, liquidity, and credit	EBITDA	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%
Risk Management for the category: Design and construction and market, competition, mergers, and acquisitions	Avance físico de proyectos (base anual)	15,00%	14,25%	15,00%	14,71%	14,71%	14,72%
	CAPEX de proyectos (base anual)	14,75%	13,50%	12,00%	12,75%	12,75%	12,95%
	Nueva inversión comprometida					16,67%	10,00%
Risk Management for the category: Environmental	Reducción de emisiones propias de CO2e					16,67%	10,00%
	Cumplimiento de hitos	17,50%	17,50%	17,50%	16,63%	21,12%	19,58%
	Total	99,75%	97,75%	97,00%	96,58%	96,92%	97,26%

Performance incentive - variable compensation - employees of ISA and its companies (Managers and non-managers)

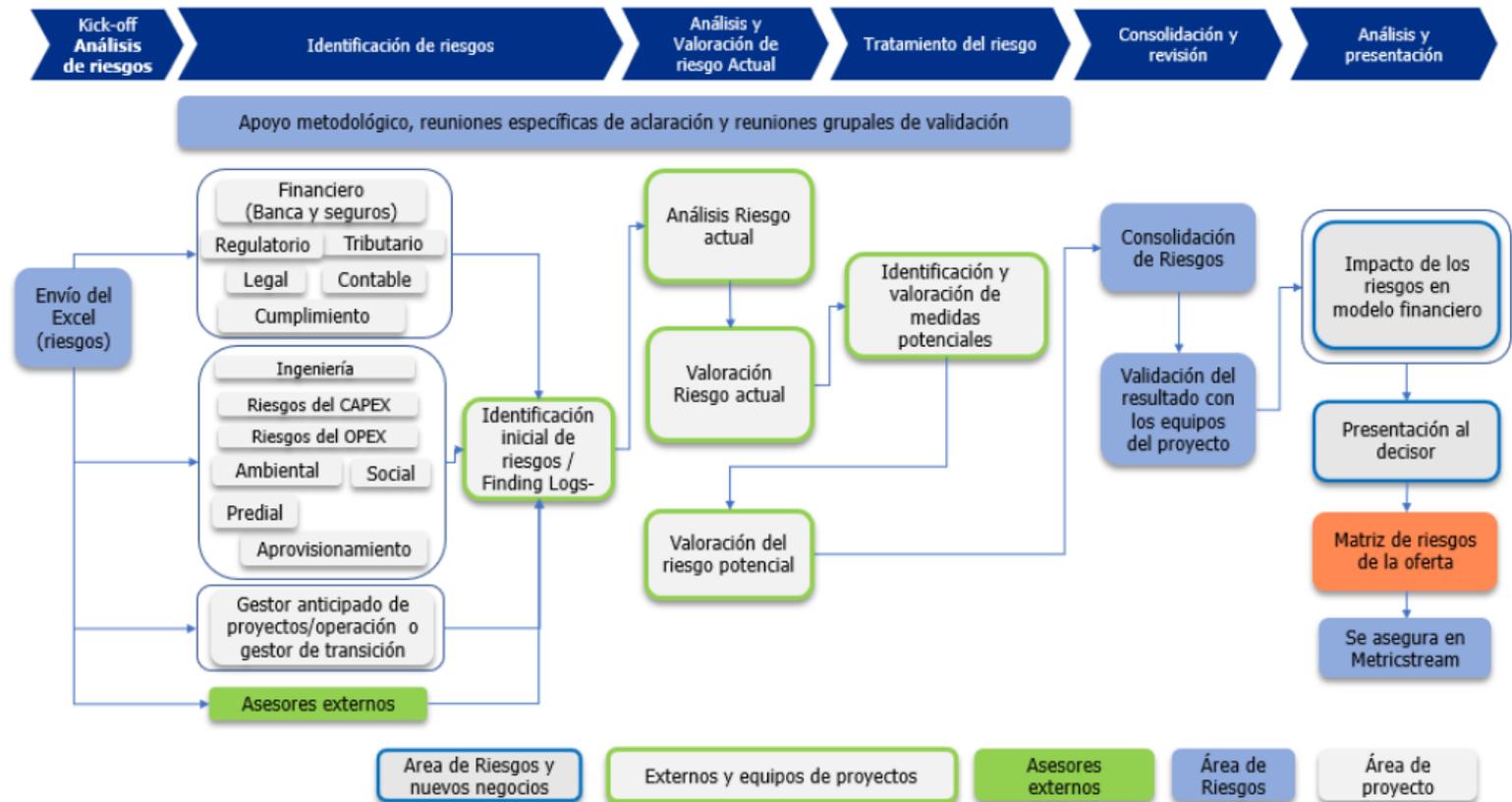
Risk Management in Bids: Risk Criteria for the Development or Acquisition of New Products or Assets

Bids can be: (i) proposals to build new projects, known as greenfield bids, which include tenders or public calls, reinforcements, expansions, customer connections, refurbishments, or other business opportunities; or (ii) acquisitions of companies and/or assets, generally in the operational stage, referred to as brownfield bids.

ISA and its companies carry out the risk analysis process for the structuring stage of the proposals for investments/disinvestments, as well as in the construction stage of the project.

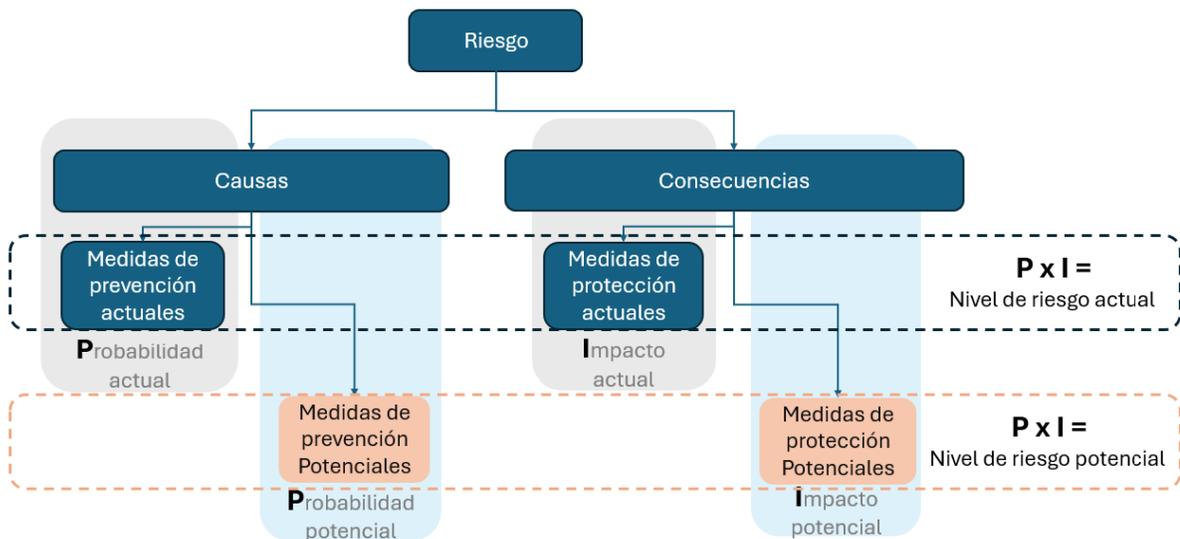
The risk management cycle for proposals is based on the ISO 31000 Standard and the PMBOK, which implies the standardized application of policies, procedures, communication activities, establishment of the context, evaluation, treatment, follow-up, review and appropriate governance.

Proposal risk management process



Risk management in proposals

The updating of the risk matrix in project execution has six (6) steps. The risk matrix contains potential management measures for prevention and protection. The implementation of these response plans that modify the current risk level is reviewed at least monthly. As the plan progresses, the current risk rating is modified. Any modification of the potential measures (scope or objective) requires a review of the potential risk level.



Types and categories of risks analyzed in proposals

Económica

- Gobernabilidad
- Regulatorio
- Jurídico
- Político
- Mercado, liquidez y crédito
- Mercado, competencia, fusiones y adquisiciones

Operacional

- Operación del negocio
- Diseño y construcción
- Cadena de suministro
- Ciberseguridad y tecnologías de información
- Capital humano y relaciones laborales
- Seguridad y salud en el trabajo

Cumplimiento

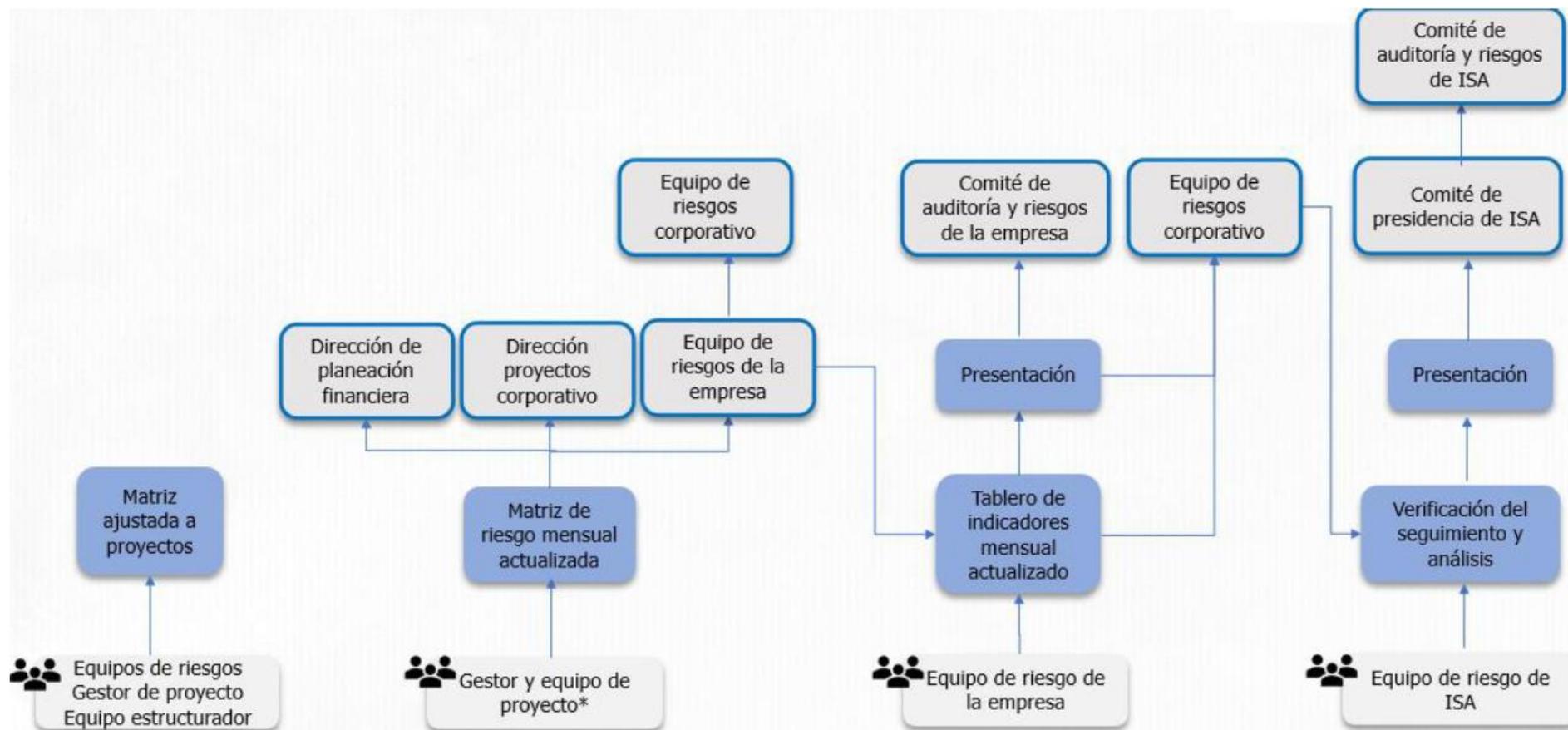
- Fraude y corrupción (FCPA)
- Datos e información
- Lavado de Activos (LA), Financiación del terrorismo (FT) y Financiación de la Proliferación de Armas de Destrucción Masiva (FPADM)

Socio Ambiental

- Ambiental
- Fenómenos naturales y cambios climatológicos extremos
- Predial
- Social
- Orden público y seguridad ciudadana

Risk management in proposals

Roles and responsibilities in proposal risk management



Risk management in proposals

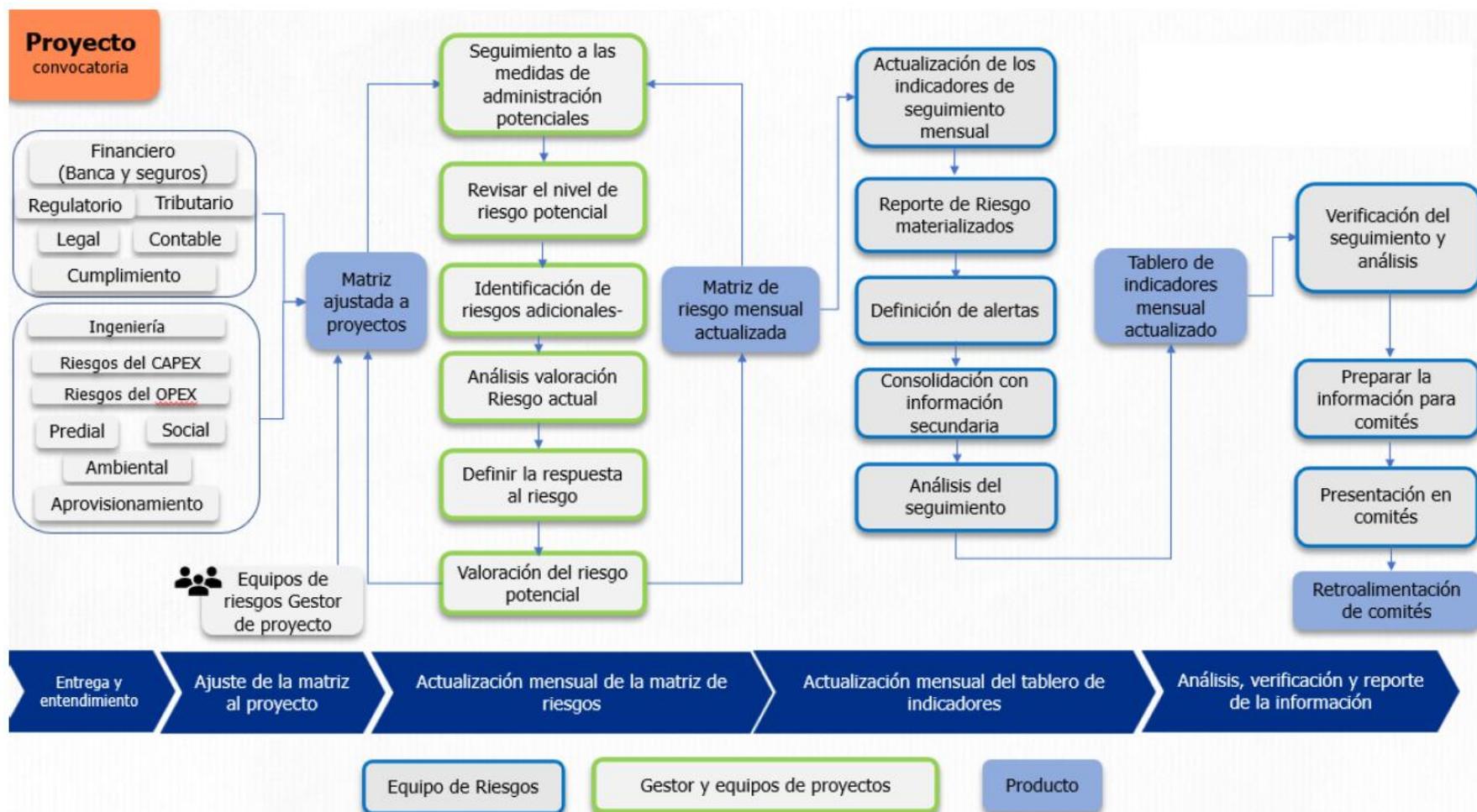
Schedule of activities



Project risk management

Based on the proposal risk management and once the project has been awarded, the necessary modifications are made to the proposal risk management, such as the risk matrix for its development and follow-up during project execution.

Adjustment flow for monitoring project risks



Risk appetite and tolerance - proposals and projects - ISA and its companies

Risk analysis is applied in decision making for investment in new projects, acquisition of companies, development and execution of projects, supported by risk prioritization criteria which is defined as a percentage of the investment value. When this value exceeds the established threshold, the prioritization levels will be determined according to those applied for the assessment of business risks. The evolution and mitigation of project risks is monitored periodically.

ISA and its companies review and establish the criteria annually considering the financial results and the proposed goals against the organization's objectives.

Dimension or financial resource

Continuous probability and impact values are used. The assessment is quantitative.



For proposals and projects with investments <USD880 million, the following % are used to define the limits, otherwise, the ISA criteria are used. The assessment is quantitative



Risk limits for financial and reputational dimensions

Appetite

Low

Risks that ISA and its companies are willing to accept in order to achieve their objectives

Tolerance

Medium

Maximum risk that ISA and its companies are able to bear in the achievement of their objectives without affecting the sustainability of the organization

High

Very High

Risk that ISA and its companies are not willing to assume

An aerial photograph of a vast, lush green forest. A winding river flows through the center of the forest, reflecting the sky. The landscape is hazy with mist or low clouds, particularly in the distance where rolling hills are visible under a clear blue sky with a few wispy clouds. The overall scene is serene and natural.

isa

CONEXIONES QUE INSPIRAN