

Risk Appetite Statement

The ACEN Board is responsible for setting the risk appetite of the Company; thus, guiding the rest of the organization on how risks are identified, assessed, evaluated, and addressed. Some risks are inherent to ACEN's business decisions while other risks are beyond its control. There are risks that are simple and straightforward but there are also risks that are complex and multi-faceted. Furthermore, there are regularly occurring risks that provide enough data to anticipate their occurrences but there are also rare events with little to no information to use as reference or warning.

ACEN is a growth company with an ambitious target to grow its renewable energy portfolio in an industry that is rapidly transforming amidst unpredictable market conditions. ACEN is cognizant that it will be exposed to more risks than other companies, and the Company will exercise due diligence to anticipate and prepare for such risks, assess each one of them, and formulate strategies and plans to address them. At all times, ACEN will be guided by the following Corporate Policies:

- *ERM Policy*
- *Code of Conduct*
- *HSSE Policy*
- *Environmental & Social Policy*
- *Financial management policies*

ACEN acknowledges that there are climate-related risks that threaten the Company, its stakeholders, and the general public. It is difficult and expensive to prepare for all possible scenarios, but ACEN will exercise due diligence in addressing these risks and in reducing the impact of these events if and when they occur. Should a climate-related risk affect our operations, ACEN will deploy all necessary resources to ensure the safety of its stakeholders and recover the business as soon as reasonably practicable and address the risk in accordance with applicable laws.

Governance and Risk Ownership

Along with the establishment of the ERM Policy Statement and the Risk Appetite Statement, the ACEN Board of Directors has also reaffirmed its responsibility and commitment to the company’s risk. To manage enterprise-wide risks, the Board has established clear ownerships at three different management levels.



In 2022, a Chief Risk Officer was appointed, decoupling the role from the Chief Finance Officer, who then created a the Risk and Insurance Management unit.