

# Risk, Compliance & Information Security (RCIS) Division

## DESFA Enterprise Risk Assessment

March 2026

The logo features the word "desfa" in a white, lowercase, sans-serif font, centered within a circular emblem. The emblem is composed of overlapping, semi-transparent layers of blue and green, creating a 3D effect. The background of the slide is decorated with several horizontal, wavy bands of blue and green, which are semi-transparent and overlap each other, creating a sense of motion and depth.

desfa

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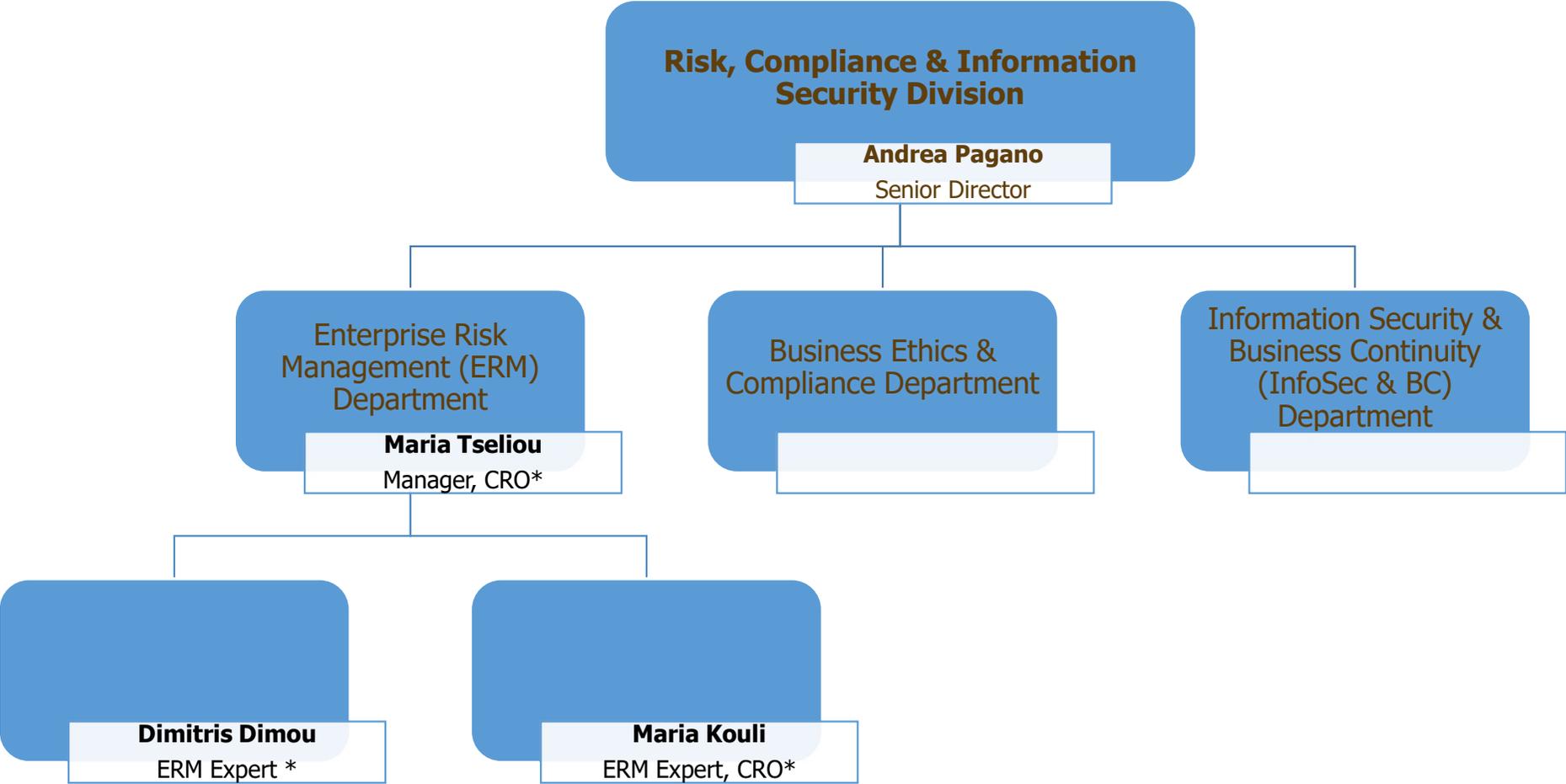


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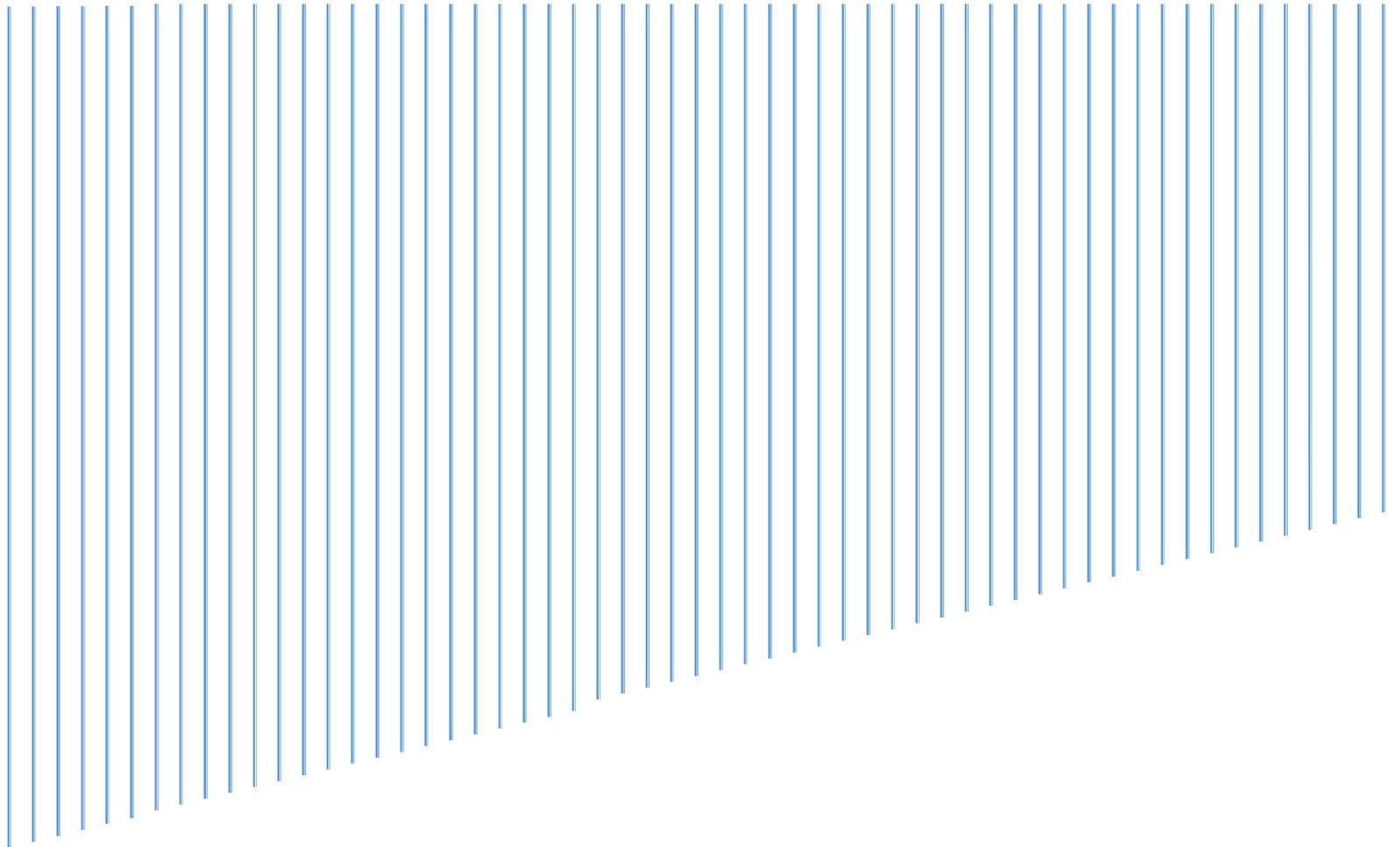
# Desfa Risk, Compliance & Information Security Division Composition



\* Certified by HARIMA



# 1. Risk Assessment Approach



# 1. Risk Assessment Approach

## Terms & Definitions

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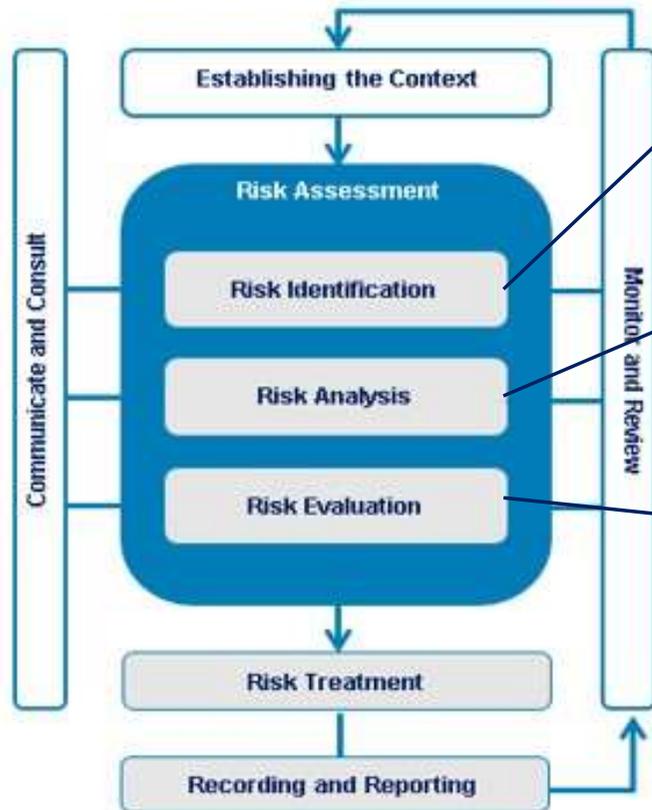
Below are provided the terms and definitions of the key concepts used for the implementation of DESFA's "Enterprise Risk Assessment" exercise.

- ▶ **Risk**: Risk is defined as any event or circumstance which could negatively or positively impact the achievement of business objectives. As such, all assessment of risk is based on how the potential event or circumstance would affect the ability to achieve business objectives.
- ▶ **Impact**: The extent to which the risk, if realized, would affect the company regarding the achievement of its objectives.
- ▶ **Likelihood**: Probability; possibility of a condition or event occurring.
- ▶ **Inherent Risk**: Inherent risk is the risk exposure that is intrinsic to the business in the current environment before the application of risk management, control activities or other mitigating factors in place (i.e., the gross risk, or risk before controls). The risk in the absence of any actions that management might take to alter either the risk's likelihood or impact. This is calculated quantitatively by multiplying the impact score times the likelihood score to derive the measurement.
- ▶ **Residual Risk**: Residual Risk is the exposure to a risk remaining after considering the effect of the existing risk management and control activities i.e. inherent risk offset by the aggregate impact of risk management activities and controls equates to Residual risk.
- ▶ **Control Effectiveness**: The level at which controls reduce the inherent risk to a suitable level. This is traditionally used with inherent risk to reach a Residual risk calculation.
- ▶ **Risk Profile**: A compilation of risk assessment results and it is a list of risk exposures at a certain time.

# 1. Risk Assessment Approach

## Our Methodology

### Enterprise Risk Management Framework



**Risk Identification:** to generate a comprehensive list of risks based on those events that might create, enhance or prevent the achievement of DESFA's objectives.

**Risk Analysis:** to determine the severity of the risks as well as to identify the measures/actions that the company has implemented in order to manage the identified risks.

**Risk Evaluation:** to prioritize the risks in order to improve the decision-making process, select the appropriate risk treatment and optimize the allocation of the resources.

The final outcome is the organization's **Risk Profile** on an **"Inherent"** and a **"Residual"** level basis and the validation of final results with the Risk Management Committee.

# 1. Risk Assessment Approach

## Assessment Criteria (1/4)

The purpose of the Enterprise Risk Assessment was to assess a) the impact, b) the likelihood and the c) control environment of each risk. The first dimension required Risk Owners to assess the possible impact that a risk would have on the achievement of DESFA’s objectives if it remains unaddressed.

Score	Rating	Impact Categories				
		Financial	Reputation	Operational	Legal / Regulatory / Compliance	Strategic
<b>5</b>	<b>Significant</b>	<ul style="list-style-type: none"> <li>Significant profit loss</li> <li>Financial figures of the company are significantly affected, to an extent that viability is doubtful. The company is not capable of managing its financial obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Major adverse publicity which could threaten the reputation of company and long-term impact.</li> <li>Loss of confidence in all stakeholders (Internal and external).</li> </ul>	<ul style="list-style-type: none"> <li>Complete inability to continue business operations across the company.</li> <li>Significant health effect to personnel or involving loss of life or serious life-threatening injuries.</li> <li>Detrimental impact to environment.</li> </ul>	<ul style="list-style-type: none"> <li>Major probability of management prosecution, or bring actions to court, or impose penalties from regulators and supervisors.</li> <li>Significant recent/prospective amendments to key legislations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk significantly prevents DESFA from achieving its major business objectives and strategy.</li> <li>Significant changes to business/operating plans and execution.</li> </ul>
<b>4</b>	<b>High</b>	<ul style="list-style-type: none"> <li>Profit loss of a high extent</li> <li>Financial figures of the company are affected. The company is struggling to manage its financial obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Major adverse publicity which damage the reputation of company and/or a long-term impact.</li> <li>Loss of confidence in external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Significant, ongoing interruptions to business operations.</li> <li>Major health effects to personnel such as permanent impairment.</li> <li>Major environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Management dispute, legal obligations, impose penalties from regulators and supervisors.</li> <li>High recent/prospective amendments to key legislations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk prevents DESFA from achieving most of its business objectives and strategy.</li> <li>High number of changes to business/operating plans and execution.</li> </ul>

# 1. Risk Assessment Approach

## Assessment Criteria (2/4)

Score	Rating	Impact Categories				
		Financial	Reputation	Operational	Legal / Regulatory / Compliance	Strategic
3	Medium	<ul style="list-style-type: none"> <li>Considerable profit loss</li> <li>Financial figures of the company are affected but the company can manage its financial obligations to a certain extent.</li> </ul>	<ul style="list-style-type: none"> <li>Longer term adverse publicity locally contained.</li> <li>Loss of confidence in external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate, medium-term impact upon operations.</li> <li>Harm to personnel involving injury requiring medical treatment.</li> <li>Moderate environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Management overview, legal obligations, audits from regulators and supervisors.</li> <li>Medium recent/ prospective amendments to key legislations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk prevents DESFA from achieving some of its business objectives and strategy.</li> <li>Medium adjustments to business/ operating plans and execution.</li> </ul>
2	Low	<ul style="list-style-type: none"> <li>Low impact on profit</li> <li>Financial figures of the company are affected to a low extent. The company can manage its financial obligations without significant difficulties.</li> </ul>	<ul style="list-style-type: none"> <li>Short term adverse publicity (especially local).</li> <li>Loss of confidence in internal stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Minor, near-term impact upon operations.</li> <li>Minor health effects to personnel (some days off).</li> <li>Minor environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Minor legal obligations and possible audits from regulators and supervisors.</li> <li>Minor recent/prospective amendments to key legislations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk prevents DESFA from achieving some of its business objectives and strategy.</li> <li>Minor adjustments to business/operating plans and execution.</li> </ul>
1	Limited	<ul style="list-style-type: none"> <li>Minor impact on profit</li> <li>Financial figures of the company are slightly affected. The company is fully capable of managing its financial obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk has little impact on the DESFA's reputation.</li> <li>Media attention will be quickly remediated.</li> </ul>	<ul style="list-style-type: none"> <li>Insignificant impact upon operations.</li> <li>Minimal health effects to personnel (first aid or less).</li> <li>Negligible environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>Insignificant obligations from regulators and supervisors.</li> <li>Insignificant recent legislation changes.</li> </ul>	<ul style="list-style-type: none"> <li>Risk has little impact on DESFA's business objectives and strategy.</li> <li>Limited adjustments to business/operating plans and execution.</li> </ul>

# 1. Risk Assessment Approach

## Assessment Criteria (3/4)

The second dimension required Risk Owners to assess the estimated frequency of events that may lead to each risk's materialization.

Score	Rating	Likelihood	Explanation
5	Expected	>90%	Event is expected to occur in most circumstances, risk is occurring now.
4	Highly Likely	>60% to <=90%	Event could occur in most circumstances
3	Likely	>30% to <=60%	Event could occur within short-term timeframe (within 12 months).
2	Not Likely	>10% to <=30%	Event could occur but not anticipated in the foreseeable future (within 12 months).
1	Rare	<=10%	Event may only occur in exceptional circumstances in the foreseeable future (within 12 months).

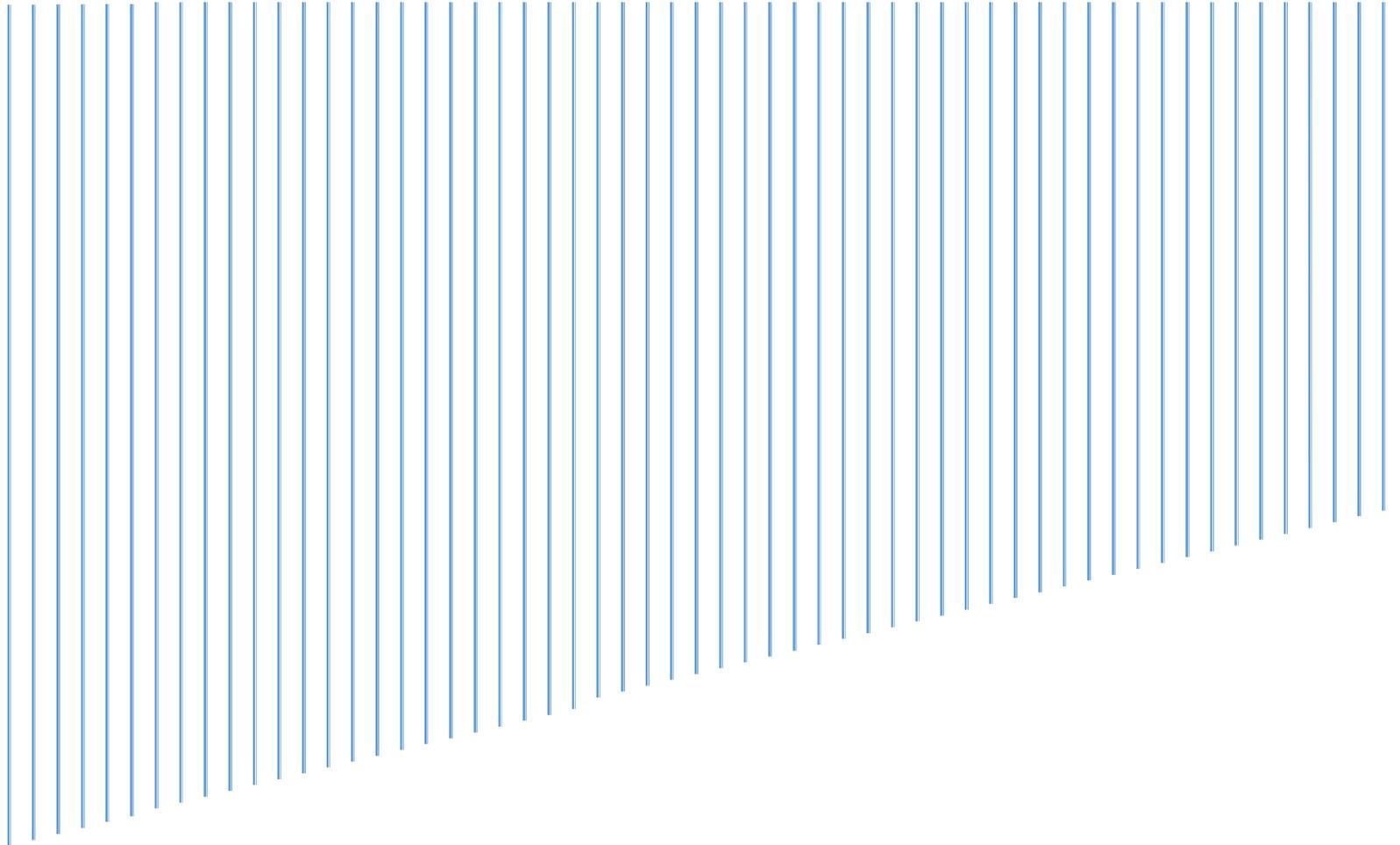
# 1. Risk Assessment Approach

## Assessment Criteria (4/4)

A control is an action within a process that the company establishes/applies to reduce the likelihood and/or impact of a risk event occurring. The Risk Owners assessed the control environment of DESFA in order to identify control activities currently performed for managing the identified risks. Rating the control environment, in combination with the inherent risk rating will help determine the level of Residual Risk which remains for management to make a decision on whether the level of Residual Risk which remains is acceptable or not, and if not to ultimately drive the determination of the action(s) that is/are required to reduce risk to an acceptable level. The following table includes the definitions over ratings to be used for control environment assessment:

Score	Rating	Control Environment Assessment Description	
1	Weak or Nonexistent	Requires Critical Improvement	Controls and/or Management activities are non-existent or have major deficiencies and don't operate as intended.
2	Marginally Adequate	Requires Significant Improvement	Limited controls and/or Management activities in place, High level of risk remains.
3	Adequate	Requires Moderate Improvement	Key controls and/or Management activities in place with moderate opportunities for improvement identified.
4	Reasonably Adequate	Requires Limited Improvement	Controls and/or risk management activities properly designed and operating, with limited opportunities for improvement identified.
5	Strong	Requires no improvement	Controls and/or risk management activities properly designed and operating as intended.

## 2. Enterprise Risk Assessment Results



## 2. Enterprise Risk Assessment Results

### Summary

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The results of the “Enterprise Risk Assessment” exercise of the recognized risks for DESFA, as they emerged after the update of the Risk Registers by the Risk Owners of the company are the following:

- ❑ **DESFA’s Risk Register.**
- ❑ The results of the **Enterprise Risk Assessment** exercise at an **inherent and residual level and the relevant Heatmaps and Action Matrices.**
- ❑ The scoring of the risks at an inherent and a residual level.
- ❑ The status of the actions/measures taken by the company for top risks towards risk mitigation.
- ❑ The results of the Key Risk Indicators (KRIs)

## 2. Enterprise Risk Assessment Results

### Risk Register

DESFA's enterprise Risk Register is developed in the following 4 main risk categories:

Strategic Risks	Financial Risks	Operational Risks	
<ul style="list-style-type: none"> <li>SR Corporate Governance                             <ul style="list-style-type: none"> <li>SR.1 Sustainability Risk Initiatives</li> <li>SR.2 Organizational Structure &amp; Corporate Culture</li> </ul> </li> <li>SR Strategic Planning                             <ul style="list-style-type: none"> <li>SR.1 Strategic Planning &amp; Resource Allocation</li> <li>SR.2 Planning of important initiatives / investments</li> <li>SR.3 Identifying and planning new business activities</li> <li>SR.4 New market entry and expansion strategy</li> <li>SR.5 Supply Participation Management</li> </ul> </li> <li>SR Market conditions volatility                             <ul style="list-style-type: none"> <li>SR.1 Competition</li> <li>SR.2 Macroeconomic risks / Market Trends</li> <li>SR.3 Inflation</li> </ul> </li> <li>SR Reputation / Corporate Image / Communication                             <ul style="list-style-type: none"> <li>SR.1 Reputation / Corporate Image / Communication with stakeholders</li> <li>SR.2 Communication in case of crisis</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>FR Accounting and reporting                             <ul style="list-style-type: none"> <li>FR.1 Management Accounting</li> <li>FR.2 Financial reporting and disclosure</li> <li>FR.3 Forecasting &amp; budgeting</li> </ul> </li> <li>FR Liquidity and credit management                             <ul style="list-style-type: none"> <li>FR.1 Cash management</li> <li>FR.2 Credit and collections</li> <li>FR.3 Funding</li> </ul> </li> <li>FR Financial Structure - Operational and management                             <ul style="list-style-type: none"> <li>FR.1 Financial Structure - Operational management</li> </ul> </li> <li>FR Tax                             <ul style="list-style-type: none"> <li>FR.1 Tax</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>OR Projects                             <ul style="list-style-type: none"> <li>OR.1 Project Management</li> <li>OR.2 Non-regulated new projects &amp; services including IT</li> </ul> </li> <li>OR Information                             <ul style="list-style-type: none"> <li>OR.1 Information</li> <li>OR.2 Data Governance</li> <li>OR.3 Physical Security (Disaster Protection)</li> </ul> </li> <li>OR People and human resources                             <ul style="list-style-type: none"> <li>OR.1 Human capital, diversity and inclusion, talent management and retention</li> <li>OR.2 Human Resource Management &amp; Benefits</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>OR Third-party services                             <ul style="list-style-type: none"> <li>OR.1 Supply Chain Management and External Partners</li> </ul> </li> <li>OR Sales and marketing                             <ul style="list-style-type: none"> <li>OR.1 Processes of services to clients</li> <li>OR.2 Tools</li> </ul> </li> <li>OR IT                             <ul style="list-style-type: none"> <li>OR.1 Application development and infrastructure &amp; architecture</li> <li>OR.2 Cybersecurity</li> <li>OR.3 Data quality and integrity &amp; IT availability and continuity</li> <li>OR.4 Digital disruption, new technology and AI</li> </ul> </li> <li>OR Legal                             <ul style="list-style-type: none"> <li>OR.1 Contract</li> <li>OR.2 litigation</li> </ul> </li> </ul>
		Compliance Risks	
		<ul style="list-style-type: none"> <li>CR Regulatory / Compliance                             <ul style="list-style-type: none"> <li>CR.1 Data protection and privacy</li> <li>CR.2 Regulatory Compliance &amp; Reporting</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>CR Labor                             <ul style="list-style-type: none"> <li>CR.1 Environmental, Health and Safety</li> <li>CR.2 Anticorruption &amp; Business Ethics</li> </ul> </li> </ul>

Indicative Risk Register

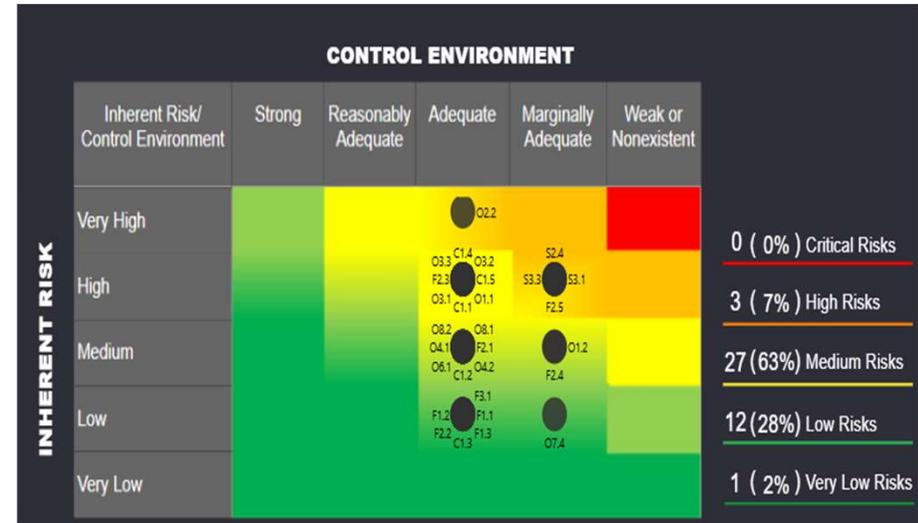
## 2. Enterprise Risk Assessment Results Inherent & Residual Risk Heatmaps

The heatmap shows how DESFA's risks are distributed based upon the potential "Impact" and "Likelihood" of occurring.



Inherent Risk heatmap

The heatmap shows how DESFA's risks are distributed\* based upon the inherent risk and the assessment of the control environment by Risk Owners.

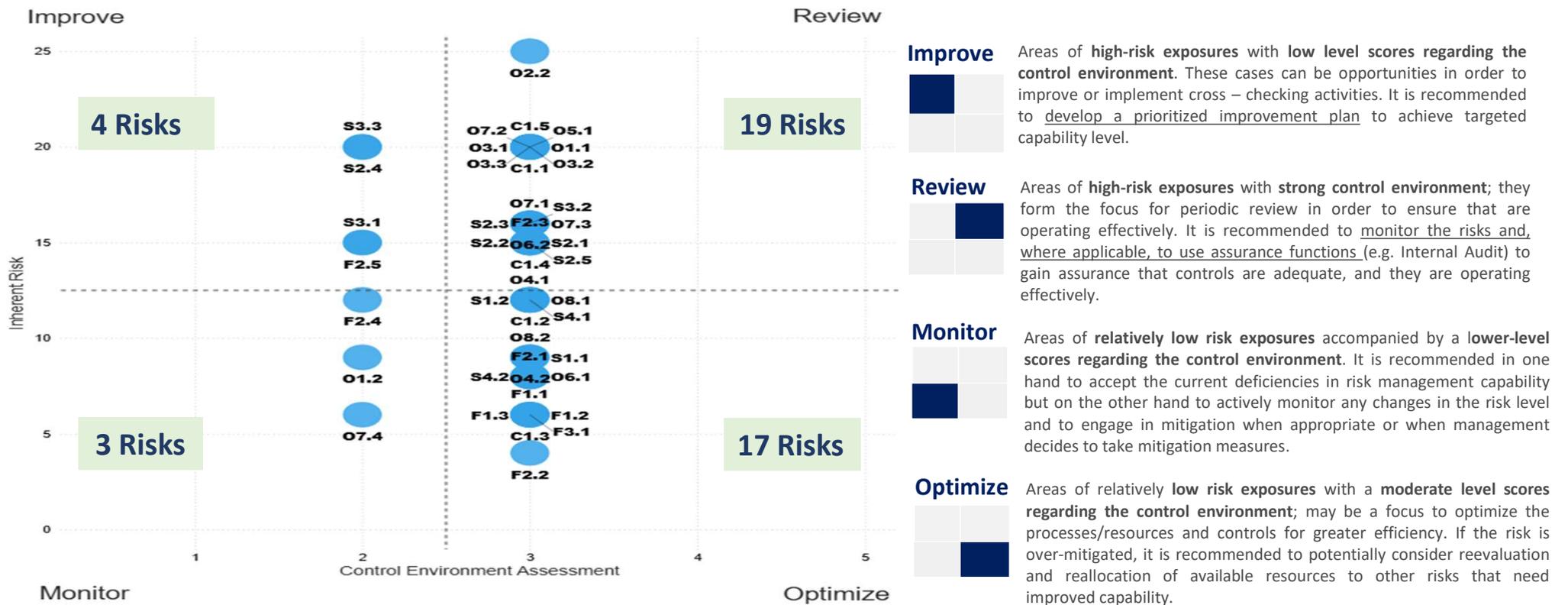


Residual Risk heatmap

## 2. Executive Summary (3/4)

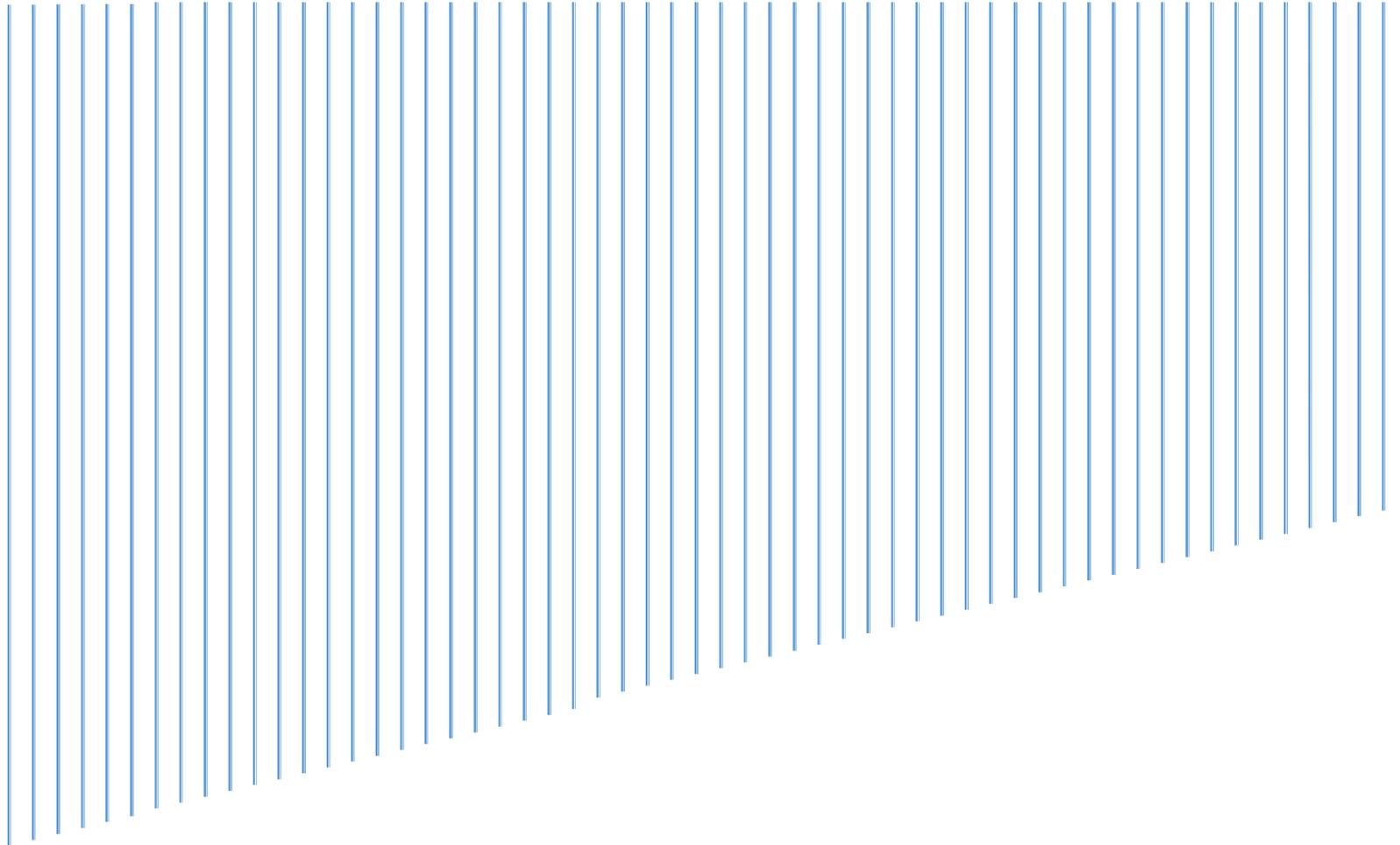
### Action Matrix

The following figure illustrates the ERM proposal of distribution\* of DESFA's risks in the quarters of the company's Action Matrix taking into account their inherent risk, the assessment of control environment and ERM analysis.



The purpose of the Action Matrix is to indicate how to respond to the company's risks. It is Risk Management Committee's responsibility upon proposal of ERM to decide if additional actions\*\* should be taken to further reduce or not their rating.

### 3. Mitigation Actions



### 3. Mitigation Actions

The table below presents the top risks and the status of the actions/measures taken by the company towards risk mitigation. It is noted that the table includes mitigation actions **additional** to the controls already in place contributing to the moderation of *inherent* risk. The abovementioned controls have already been identified in the risk assessment as part of the *control environment* and have been considered for the calculation of *residual* risk.

The mitigation actions are either part of the Business Transformation Program or other initiatives.

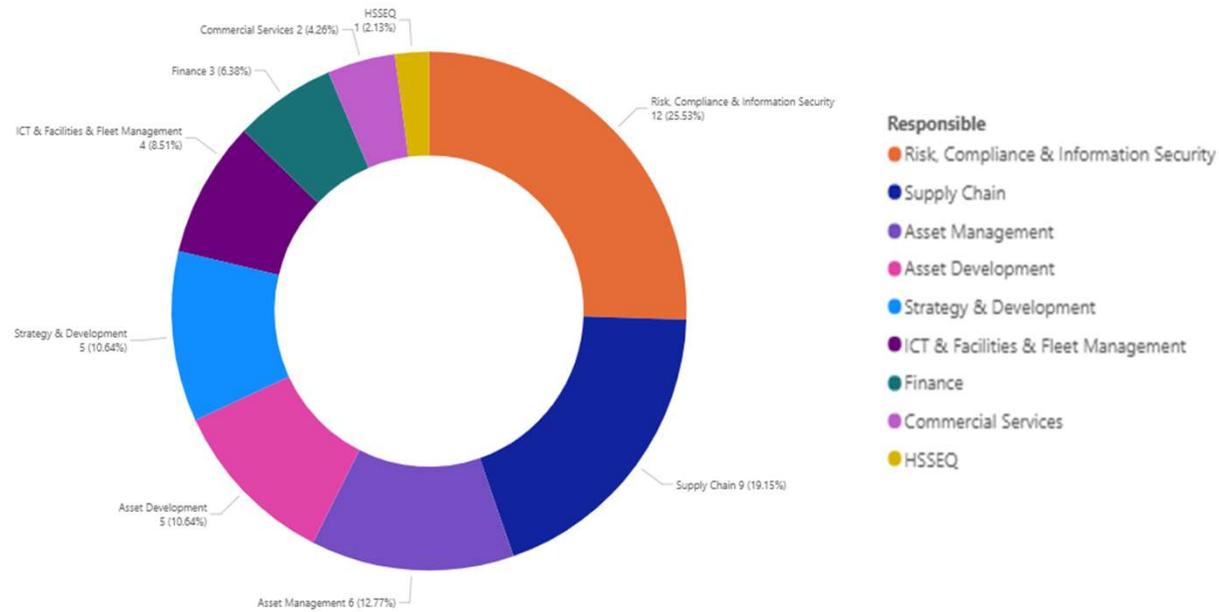
Code	Risk Name	Risk Description	Mitigation Actions
XX.X			
02.4	Gas market policy and regulation change	Failure in interpreting and steering the policy and regulation making process, resulting in unfavorable provisions for OTEG and gas distribution interests.	Support by external advisors <a href="#">(Continued)</a> Cooperation with Greek government for gas directive <a href="#">(Continued)</a> Coordination with shareholders / OTE & OTEG – organizations <a href="#">(Continued)</a> Continuous cooperation with shareholders (Otechtic) and OTEG & J. Collaboration with the Ministry and participation in the consultation process <a href="#">(Blue)</a>
02.3	Geopolitical	The company is exposed to social, political and trade tensions by a third party (public or private) and trade tensions may negatively affect the company's investments, interests and ability to provide services.	Scenario Analysis <a href="#">(Blue)</a>
02.2	Natural Disasters	Natural disasters such as fire, floods and earthquakes, and long term impacts of climate change, including sea levels and extreme weather events may have negative effects on the health and safety of our employees, damage the company's infrastructure leading to supply disruptions and financial losses.	Gradual implementation of OTEG's TSP regarding the Upgrade of Pipeline Condition Management Technologies and Practices (e.g. Geotechnical Monitoring Instruments Upgrade, Satellite GNSS Analysis for Ground Deformation Identification, Web-based monitoring platform etc.). Ongoing improvement addressed by a completed study of OTEG's Technical Department <a href="#">(Continued)</a>

Indicative Mitigation Actions

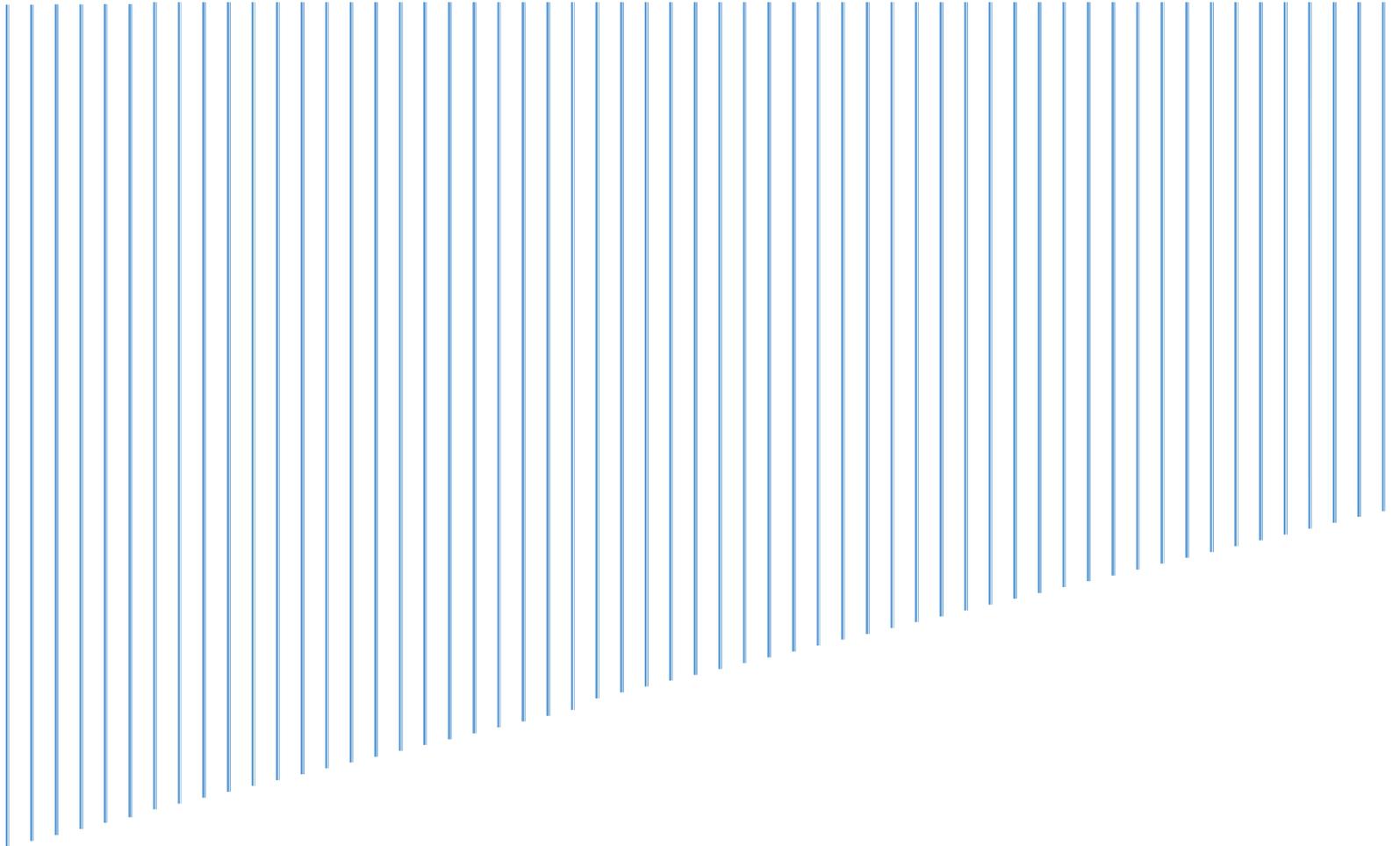
### 3. Mitigation Actions

The following charts illustrate the distribution of mitigation actions agreed during previous ERA runs per Risk Owners and the status of existing mitigation actions.

**Mitigation Actions per Risk Owner**



## 4. Key Risk Indicators (KRIs)



## 4. Key Risk Indicators (KRIs)

### Definition of KRIs (1/2)

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**Key Risk Indicators (KRIs)** are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the organization.

#### Step 1 - KRI design



- Discuss the proposed by ERM list of KRIs.
- Provide insights over the proposed KRIs suitability based on certain criteria (see next slide).
- Identify additional KRIs (if any).
- Update the list of proposed and any additional KRIs per risk along their frequency of measurement, data sources and responsible.
- Finalize KRIs.

#### Step 2 - Define acceptable KRI thresholds



- Establish acceptable limits for each selected KRI. Relevant past experience and available data, performance metrics should be leveraged to define thresholds.
- Establish proposed thresholds for KRI status (low end, moderate and high end)
  - **Low end:** Within acceptable level
  - **Moderate:** Early warning
  - **High end:** Action should be taken

## 4. Key Risk Indicators (KRIs)

### Definition of KRIs (2/2)

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#### KRI Suitability Assessment Criteria

<b>Relevant</b>	<ul style="list-style-type: none"><li>• The metric appropriately reflects the risk associated with the source/ consequence</li></ul>
<b>Informative</b>	<ul style="list-style-type: none"><li>• The metric is easy to communicate to stakeholders</li><li>• It is easy for stakeholders to understand</li></ul>
<b>Practical</b>	<ul style="list-style-type: none"><li>• The calculation or methodology to report the metric has an acceptable level of effort</li></ul>
<b>Timely</b>	<ul style="list-style-type: none"><li>• The metric can be regularly updated according to the desired reporting frequency on the risk</li></ul>

## 4. Key Risk Indicators (KRIs)

### Define acceptable KRI thresholds

#### Risk

#### C1.4 Environmental, Health and Safety - HSSEQ

Failure to identify and prevent risks posed by, and prevent non-compliance with, environmental, health and safety laws and regulations and Corporate standards (including the company's facilities, employees and contractors).

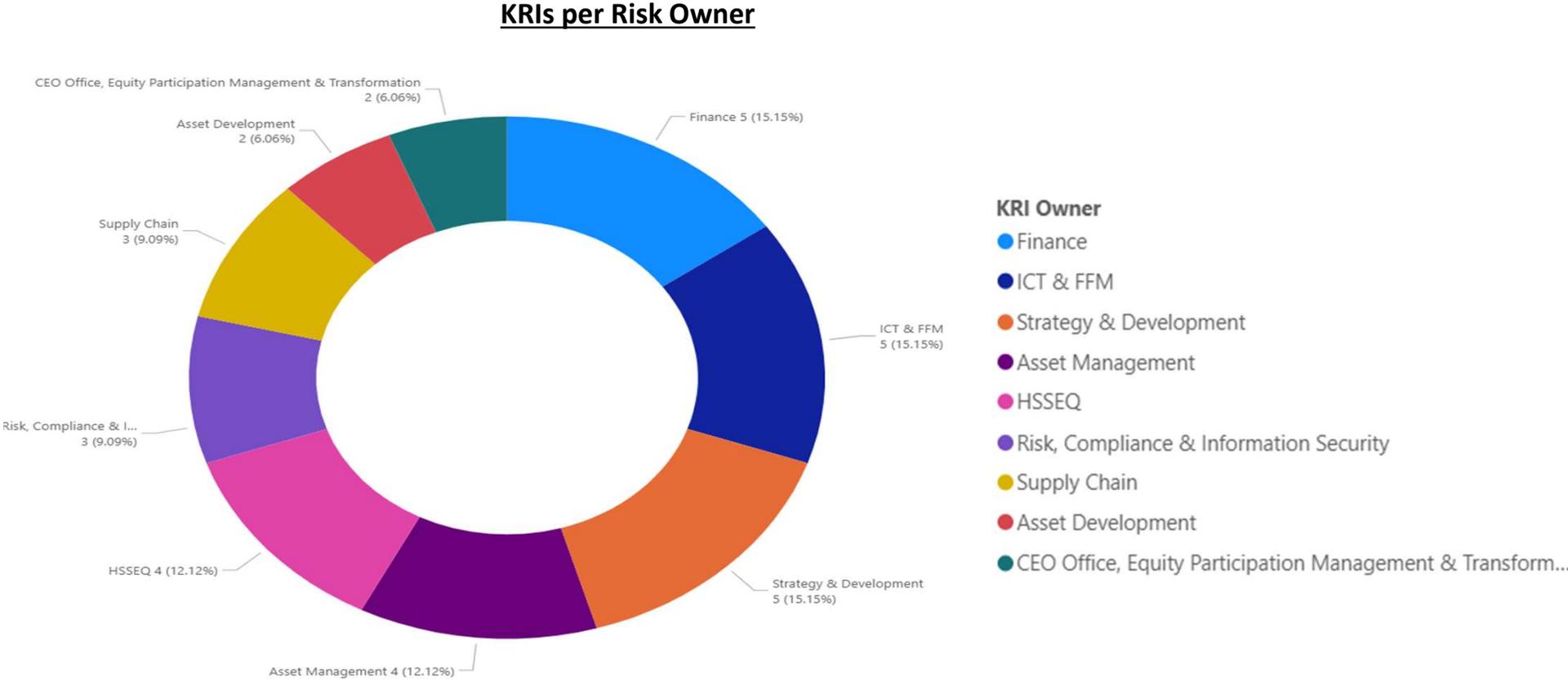
Key Risk Indicator	Description	Frequency	Related Risk Sources and/or Consequences	Suitability Criteria			
				R Relevant	I Informative	P Practical	T Timely
Number of fatal accidents	The total number of fatal accidents that occur annually due to inadequate safety procedures, inadequate personnel safety rules and/or human negligence.	Annually	<ul style="list-style-type: none"> <li>Loss of resources (human, technical, infrastructure, facilities)</li> </ul>	Yes	Yes	Yes	Yes
Number of serious/lost time (LTI) injuries	The total number of serious injuries/lost time (LTI) that occur annually due to inadequate safety procedures, inadequate personnel safety rules and/or human negligence.	Annually	<ul style="list-style-type: none"> <li>Loss of resources (human, technical, infrastructure, facilities)</li> </ul>	Yes	Yes	Yes	Yes
Number of near misses	The total number of near misses that occur annually due to inadequate safety procedures, inadequate personnel safety rules and/or human negligence.	Annually	<ul style="list-style-type: none"> <li>Loss of resources (human, technical, infrastructure, facilities)</li> </ul>	Yes	Yes	Yes	Yes

## 4. Key Risk Indicators Comparison

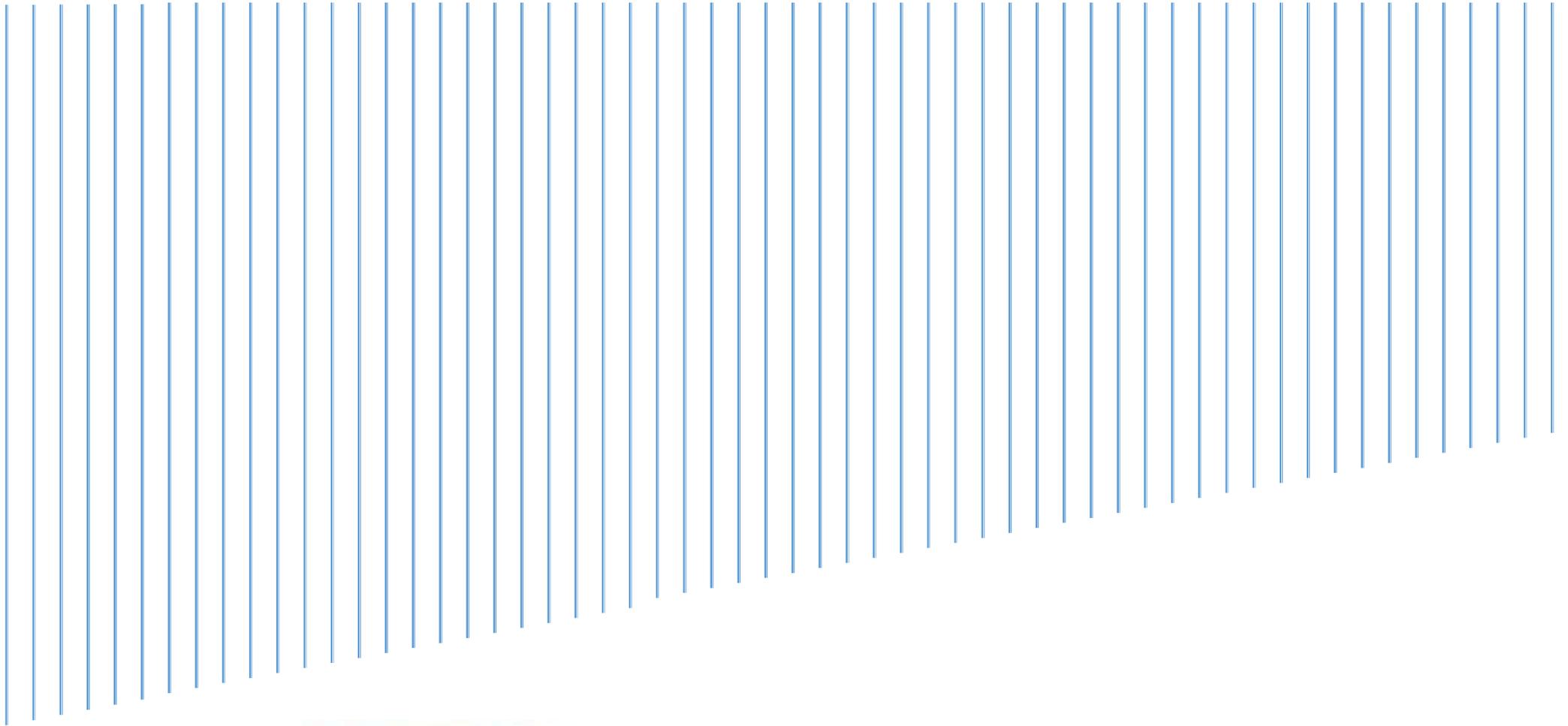
Risk	KRI Name	KRI Owner	Threshold			KRI status		KRI Trend
			Low end	Moderate	High end	KRI Value Q4 2024	KRI Value Q4 2025	
C1.4 Environmental, Health and Safety	Number of fatal accidents	HSSEQ	0	-	> 0			↔
C1.4 Environmental, Health and Safety	Number of serious/lost time (LTI) injuries	HSSEQ	1	2	> 2			↔
C1.4 Environmental, Health and Safety	Number of near misses	HSSEQ	≥ 10	5 - 10	< 5			↔

# 4. Key Risk Indicators (KRIs)

The following charts illustrate the distribution of KRIs per Risk Owners and the Risk Level of existing KRIs, as reported by themselves.



# Dynamic Risk Management



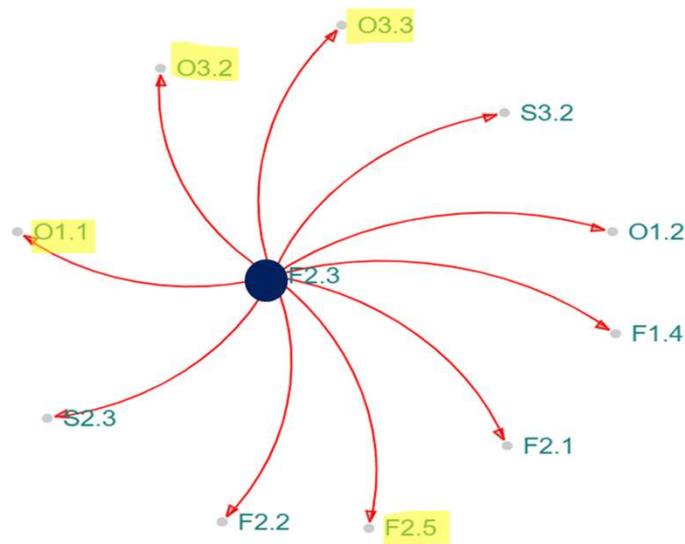
## 5. Dynamic Risk Management | Methodology

- 1 Identification and classification of relationships between risks:** For every pair of risks listed in the Risk Register, assess whether a cause-and-effect relationship exists. This involves determining if one risk influences the occurrence of the other. A risk is classified as a "cause" if its occurrence is likely to trigger another risk, which we then label as the "effect." Conversely, if no influence is detected between the two risks, we will categorize this as **"No Relationship"**. If a cause-and-effect relationship between a pair of risks is identified, further classify the nature of this relationship:
  - **Direct Relationship:** This occurs when one risk directly influences the other without any intermediary risks involved.
  - **Indirect Relationship:** In cases where one risk influences another through one or more intermediary risks.Each identified relationship, whether it is a direct cause-and-effect relationship, an indirect relationship, or a determination of no relationship is recorded in a Risk Matrix.
- 2 Analysis of Direct Relationships:** Focus specifically on analyzing and documenting the direct cause-and-effect relationships identified in the previous step. For each pair of risks with a direct relationship, specify which risk is the "cause" and which is the "effect," based on the previous definitions. Provide a brief explanation of why each risk is categorized as such, detailing how the cause triggers the effect.
- 3 Identification of the most Impactful and most Impacted risks:** Calculate the frequency with which each risk is recognized as a "cause" for other risks. The risks that appear most often as a "cause" will be classified as the **most impactful risks**, signifying their considerable influence on the risk landscape and their high potential to trigger a chain reaction. Then, calculate which risks are most frequently identified as "effects" of other risks. The risks that have been recognized as an "effect" for other risks the most frequently will be classified as the **most impacted risks**, reflecting their "sensitivity" to the influences of other risks.
- 4 Development of Action Plans for Most Impacted and Impactful Risks:** In the presence of resource limitations, proactively implement treatment actions to address the resolution of the most impactful risks with the aim of mitigating their influence on other interconnected risks and disrupt the domino effect. Additionally, in conjunction with RA results and Action Matrix, the most impacted risks are priority risks either for enhanced assurance (e.g. by Internal Audit) or monitoring (e.g. KRIs update, thresholds review).

## 5. Dynamic Risk Management | Full Deployment Results

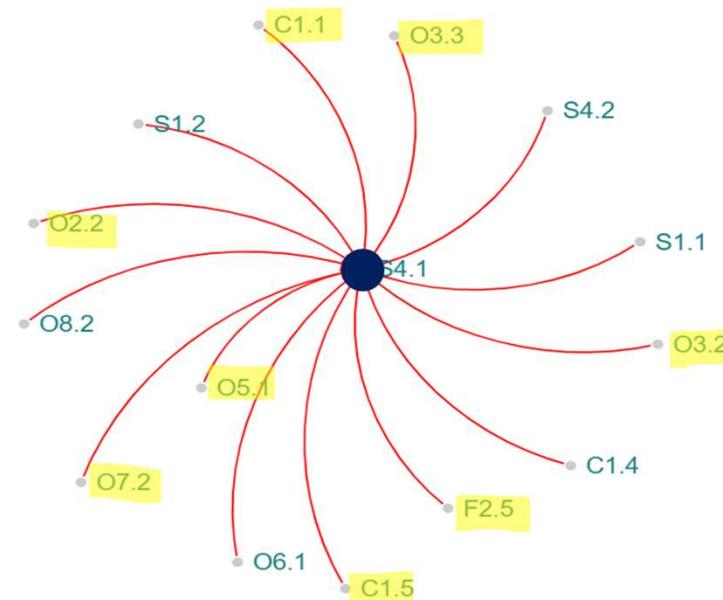
Utilizing the DRM methodology, we analyzed the **interrelationships** among **42 risks** in the risk register. This analysis led to a review of the cause-and-effect relationships among **861 pairs of risks**. We identified **227 direct relationships**, **601 indirect** and **33 pairs with no relationship**. An example of most impactful and most impacted relationships are presented below:

6th Most Impactful Risk



The sixth most impactful risk as it has been identified most frequently (10 times) as a cause for other risks.

2nd Most Impacted Risk



The third most impacted risk as it has been identified most frequently (14 times) as an effect for other risks.



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