



# ENTERPRISE RISK MANAGEMENT (ERM) PROGRAM

## I. INTRODUCTION

Apollo Global Capital, Inc. (or APL) is committed to implementing a robust Enterprise Risk Management (ERM) Program to identify, assess, mitigate, and monitor risks that may impact the achievement of our corporate objectives. This ERM Program aligns with the guidelines set by the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and international risk management standards such as ISO 31000.

## II. OBJECTIVES

The ERM Program aims to:

1. Strengthen the company's risk governance framework.
2. Ensure a proactive approach in identifying and mitigating risks.
3. Integrate risk management into business decision-making.
4. Protect shareholder value and enhance corporate resilience.
5. Comply with regulatory requirements and best practices.

## III. RISK GOVERNANCE STRUCTURE

1. **Board of Directors (BOD)** – Provides oversight and ensures risk management is aligned with corporate strategy.
2. **Risk Oversight Committee (ROC)** – Assists the Board in reviewing risk policies, frameworks, and reports.
3. **Enterprise Risk Management Unit (ERMU)** – Implements risk management activities and reports to the ROC.
4. **Business Units and Functional Departments** – Identify and manage risks within their respective areas.
5. **Internal Audit Department** – Provides independent assurance on the effectiveness of risk controls.

## IV. RISK MANAGEMENT FRAMEWORK

The ERM Program follows a structured approach based on the following key processes:

### **Risk Identification**

- i. Conduct regular risk assessments across all business units.
- ii. Categorize risks into strategic, operational, financial, compliance, and reputational risks.

### **Risk Assessment and Prioritization**



- i. Evaluate risks based on likelihood and impact.
- ii. Use a risk matrix to classify risks as high, medium, or low.

#### **Risk Mitigation and Control Measures**

- i. Develop risk treatment plans to address identified risks.
- ii. Implement controls such as policies, procedures, and contingency plans.

#### **Risk Monitoring and Reporting**

- i. Establish key risk indicators (KRIs) to track risk exposure.
- ii. Conduct periodic risk reporting to senior management and the Board.

#### **Risk Communication and Culture**

- i. Promote a risk-aware culture through training and awareness programs.
- ii. Encourage employees to proactively report and address risks.

### **V. BUSINESS CONTINUITY AND CRISIS MANAGEMENT**

- Develop a Business Continuity Plan (BCP) to ensure operational resilience.
- Conduct stress testing and scenario analysis for potential disruptions.
- Establish a Crisis Management Team (CMT) to respond to emergencies.

### **VI. REVIEW AND CONTINUOUS IMPROVEMENT**

- The ERM Program shall be reviewed annually to adapt to evolving risks.
- Regular audits and third-party assessments shall be conducted to enhance risk management effectiveness.
- Feedback mechanisms shall be in place to ensure continuous improvement.

### **VII. CONCLUSION**

APL is dedicated to fostering a risk-conscious organization to safeguard its long-term sustainability and stakeholder interests. Through this ERM Program, we aim to manage risks effectively and create a resilient enterprise.

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*Approved by the Board on Feb. 17, 2025*  
Apollo Global Capital, Inc.