

Dynamic Group Risk Management Processes to Promote Effective Risk Culture (2025)

Risk Management Education for Non-Executive Directors	The Company arranges annual risk management education for non-executive directors to strengthen their understanding of risk management practices and their ability to identify and assess risks. This education supports the integration of risk considerations into Board decision-making and strengthens corporate governance. In 2025, non-executive directors completed a combined total of 15 hours of education in risk management and related governance topics. Courses included "Recent Developments in AI and Practical Applications of Risk Management Frameworks," "Corporate Sustainability: From Anxiety to Strategy," "Cybersecurity Governance and Management in a Geopolitical Context," and "Recent ESG Laws and Regulations: Trends, Impacts, and Responses."
Employee Training on Risk Management Principles and Practices	The Company provides annual risk management training for employees across the Company to support their understanding of its risk management policies, processes, principles, and related requirements. The training strengthens employees' ability to identify and respond to risks and integrates risk awareness into daily operations. In addition to risk management policies and processes, related training addresses information security, occupational health and safety, natural disasters, the Employee Code of Conduct, and the introduction of new operational activities. These topics help employees understand different risk scenarios and appropriate responses. In 2025, training in risk management, information security, occupational health and safety, internal controls, internal audit, and related areas totaled 43,180 person-hours. Courses included "Information Security and Confidentiality Awareness," "Email Security Awareness," "Six Areas of Prevention," "Occupational Health Knowledge," and "Safety Risk Identification and Control."
Risk Assessment Criteria in Product and Service Development	The Company incorporates product quality, conformity with customer requirements, product delivery, product liability, and related operational risks into risk assessments for product and service development and associated decisions. For new products, new processes, and significant process or product changes, the Company evaluates relevant technology, operational, quality, and change-related risks according to the nature of the activity. Appropriate controls are implemented based on the assessment results, which inform product introduction, change, and delivery decisions. The Company also monitors product and service risks through quality management, customer requirements management, customer complaint handling, and the management of product quality issues. Necessary

	improvements are implemented to reduce risks relating to product quality, delivery, and product liability.
Risk Management Metrics in Performance Evaluation and Rewards	The Company incorporates selected risk management and control performance measures into performance evaluations and reward arrangements for relevant employees and departments. Quantitative risk management indicators are used to assess management effectiveness in accordance with the Company's performance evaluation and reward policies. For occupational health and safety, indicators such as disabling injury frequency and injury severity rates are included in the performance evaluations of relevant units. For information security, security performance ratings and related management indicators inform employee performance evaluations and rewards. For supply chain and operational management, supplier corrective actions, operational efficiency, and other relevant risk management measures are incorporated into performance evaluations and reward arrangements to encourage employees to actively manage and reduce operational risks.
Risk Appetite Assessment and Management Process	The Company establishes its risk assessment and risk appetite management framework with reference to its business objectives, business development, and risk-bearing capacity to define the level of risk it is willing to accept. Under the Company's Risk Management Policy and Procedures, the Risk Management Working Group approves risk appetite and risk levels. Risk management personnel work with operating units to assess risks based on likelihood, impact, and the effectiveness of existing controls. The results are compared with the approved risk appetite to determine priorities and response measures. Depending on the nature of each risk, assessments consider factors such as regulatory requirements, the adoption of emerging technologies, customers' operating conditions, and talent development. Information security risks are additionally monitored using external threat and vulnerability intelligence, information security risk trends, automated vulnerability detection, and early warnings of security incidents. Risks exceeding the Company's risk appetite are escalated to the appropriate authority for review. Significant risks are submitted to the Risk Management Committee and, where necessary, the Board of Directors. Relevant arrangements are reviewed in response to changes in the external environment and risk conditions. Risk assessment results and response measures are submitted to the Risk Management Committee for review at least three times a year. For business interruption risks, the Company conducts business impact analysis (BIA) and establishes the maximum tolerable period of disruption (MTPD), recovery time objectives (RTOs), and minimum acceptable operating capacity to inform recovery strategies and response measures.