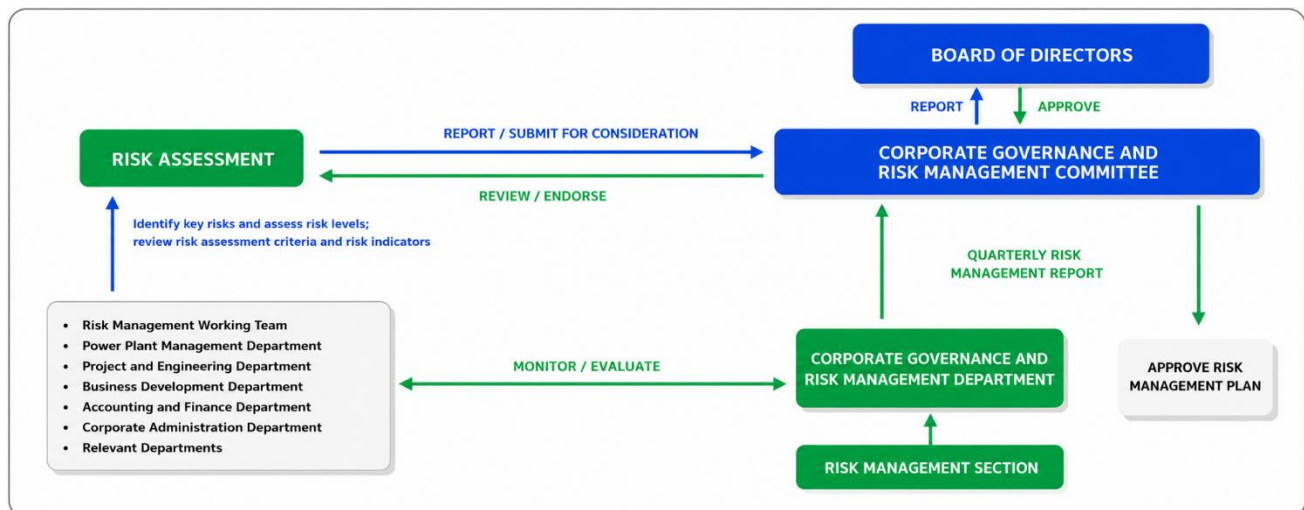


Risk Management

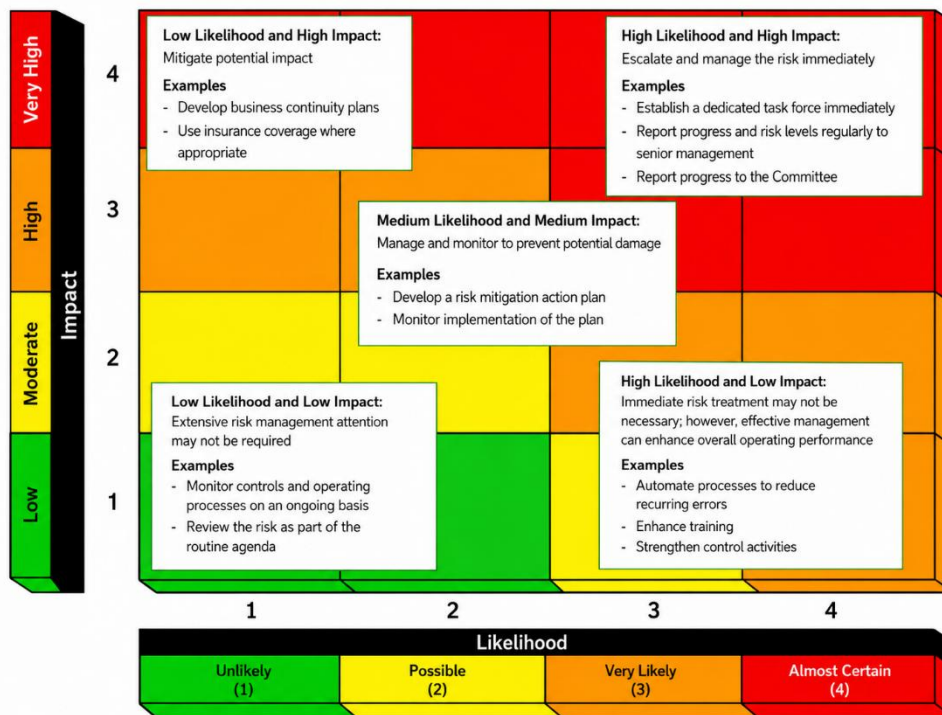
The Board of Directors recognizes the importance of risk factors that may affect the Group’s business strategies and projects amid rapidly changing domestic and international environments. Accordingly, the Board has assigned the Corporate Governance and Risk Management Committee to oversee the Company’s enterprise risk management. The Committee has appointed the Operational Risk Management Working Group and the Strategic Risk and Business Continuity Management Working Group to assess, analyze, and determine mitigation measures for strategic, operational, financial, legal, and compliance risks. Risk considerations are also integrated into the formulation of business strategies that support sustainable development, covering environmental, social, and governance risks (ESG risks), to ensure that key risks remain within the Company’s approved risk appetite. The Risk Management Division is responsible for coordinating and continuously monitoring the implementation of risk mitigation plans, as well as regularly reporting progress to the Corporate Governance and Risk Management Committee and the Board of Directors for acknowledgement and oversight.

Corporate Risk Management Structure



Risk Identification, Risk Assessment, Strategic Response, and Risk Appetite

The Company conducts enterprise-wide risk identification and assessment through the Operational Risk Management Working Group and the Strategic Risk Management Working Group. The assessment also covers risks at the departmental and project levels. Key risks are evaluated based on their likelihood and potential impact and are plotted on a risk matrix to prioritize risk levels. The results are then used to determine appropriate risk response strategies and mitigation measures in accordance with each risk level. The Company defines its approved risk appetite as the low-risk level, as illustrated in the risk matrix diagram.



The Company defines its approved risk appetite as the low-risk level, as indicated in the risk matrix.

Determination of Risk Appetite, Risk Tolerance, and Key Risk Indicators (KRIs)

The Company establishes Key Risk Indicators (KRIs), risk appetite, and risk tolerance levels for certain types of risks. Risk tolerance may vary depending on the nature and drivers of each risk factor.

Examples of risk indicators and risk control measures determined by the Company are as follows:

No.	Risk	Risk Control Activities / Measures
1	<p>Information Technology (IT) Risk: Number of incidents where the Company’s core infrastructure systems and main databases are unavailable.</p> <p>Risk Appetite: 1 incident per year where core infrastructure and main database systems are affected for more than 4 hours.</p> <p>Risk Tolerance: 1 incident per year where core infrastructure and main database systems, such as ERP and HRMI, are affected for 2–3 hours.</p>	<ol style="list-style-type: none"> 1. Establish data backup systems and ensure that network and information systems are prepared for emergency situations. 2. Develop a Business Continuity Plan (BCP) for network and information system services and regularly review and update the emergency backup plan. 3. Provide backup network and database equipment or provide replacement equipment to ensure operational continuity in the event of equipment failure.
2	<p>Human Capital Risk: Number of vacancies in key positions that directly affect business operations.</p> <p>Risk Appetite: Vacancies in key positions that directly affect business operations shall not exceed the specified timeframe.</p> <p>Risk Tolerance: None.</p>	<ol style="list-style-type: none"> 1. Prepare successors by identifying and developing internal personnel for key positions. 2. Implement employee retention plans, such as career path development for high-potential employees through Individual Development Plans (IDPs), appropriate welfare arrangements, and review of competitive remuneration structures. 3. Collect information on reasons for employee resignation, analyze relevant causes, and take corrective actions on company-related factors to reduce the likelihood of employee turnover.