



泰鼎國際股份有限公司
Apex International Co., Ltd.

2025

風險管理與利害關係人溝通執行情形

Risk Management and Stakeholder Communication



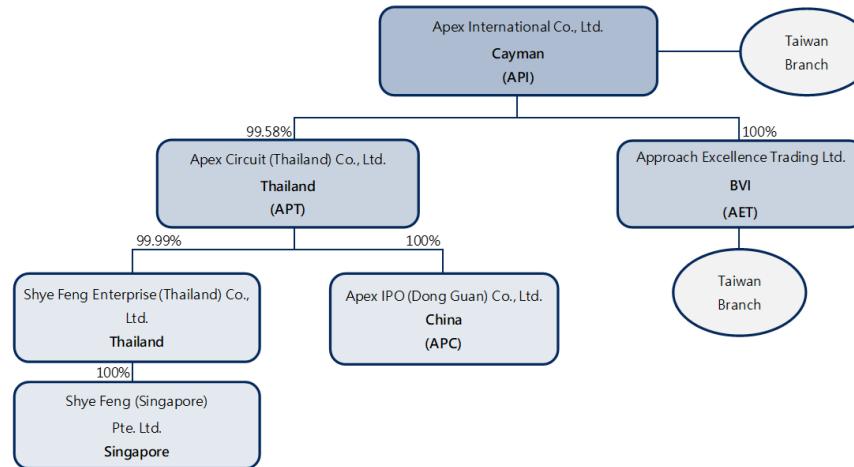
2025 年風險管理與利害關係人溝通執行情形報告

Report of Risk Management and Stakeholder Communication

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1. Company Overview

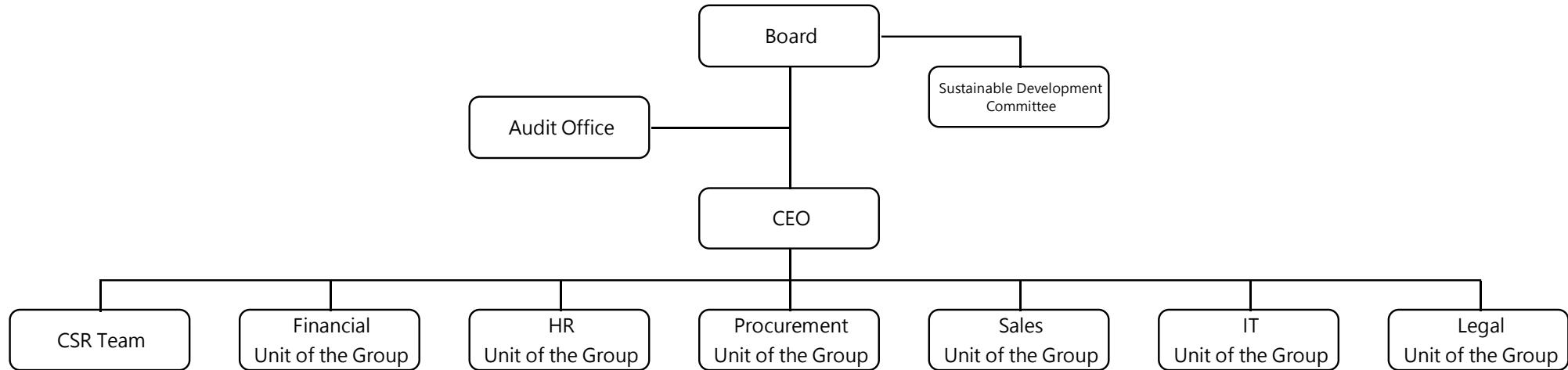


Establishment Date	October 28, 2009		Company Registration
Headquarters	Taiwan	Apex International Co., Ltd.	(Acronym: Apex)
Branch office	Taiwan	Approach Excellence Trading Ltd.	(Acronym: AET)
Subsidiary	Thailand	Apex Circuit (Thailand) Co., Ltd.	(Acronym: APT)
	Thailand	Shye Feng Enterprise (Thailand) Co., Ltd.	(Acronym: APC)
	China	Apex IPO (Dong Guan) Ltd.	(Acronym: APS)
	Singapore	Shye Feng (Singapore) PTE. LTD.	(Acronym: APSS)
Paid-Up Capital	NTD 2.65Billion		
Products	Single-sided, Double-sided, Multi-layer, Printed Circuit Board (PCB) and HDI		
Production Facilities	APT: APEX1, APEX2, APEX3 APS		

2. Report of Risk Management and Stakeholder Communication

2.1 Risk Management Promotion and Management

2.1.1 Organization and functions



In the Company's risk management structure, the Board of Directors serves as the highest governing body, approving relevant policies and frameworks, ensuring alignment between business strategy and risk management, and overseeing overall effectiveness and resource allocation. The Manager leads risk management implementation by coordinating key departments in evaluating risks and opportunities, setting strategies, conducting analysis and controls, and providing training to strengthen risk awareness.

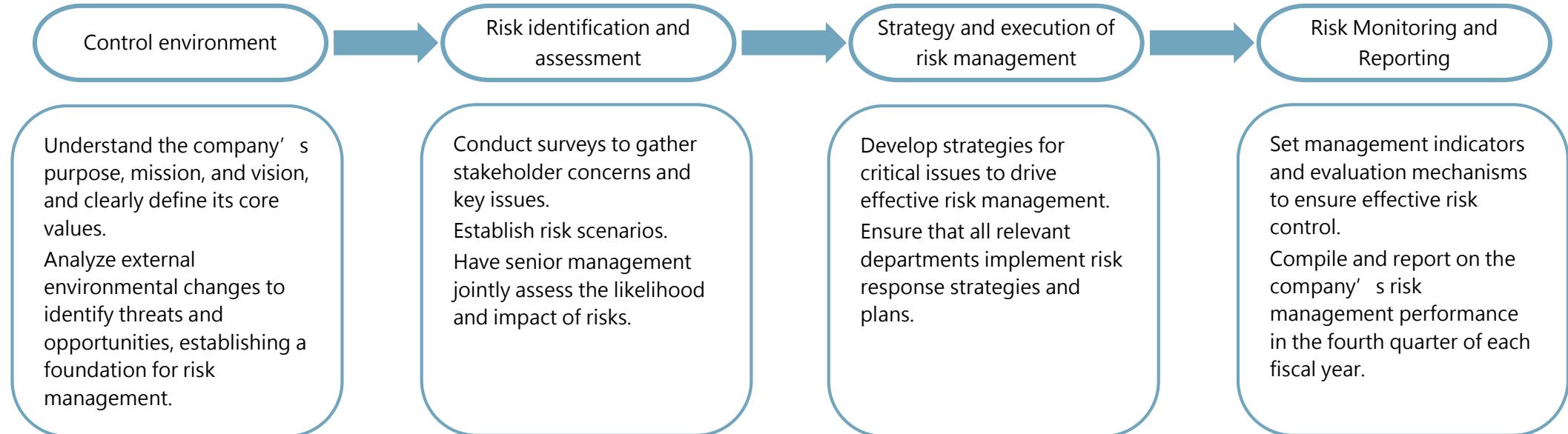
Operational units are responsible for identifying, analyzing, assessing, and responding to risks within their departments and reporting regularly. The IA evaluates control effectiveness through the annual audit plan, and the Company conducts a yearly self-assessment. The Sustainability Development Committee reviews risk management performance, provides improvement suggestions, and reports results to the Board annually.

2.1.2 Risk Management Operations

Comprising members from various departments, the Sustainable Development Committee holds monthly meetings with the following key focuses:

- Formulating strategies and objectives for significant risks
- Monitoring risk management indicators
- Reviewing and adjusting implementation plans
- Executing risk assessments
- Reporting to the Sustainable Development Committee

2.1.3 Risk Management Process



Achievements in 2025:

- Apex is ranked in the 6%–20% among listed companies for the first time in the 11th Corporate Governance Evaluation results and also ranked in the top 5% in the printed circuit board industry for the first time.
- Obtained ISO 14064-1:2018 Greenhouse Gas Inventory Certification
- Awarded the Silver Award in the 2025 TCSA Corporate Sustainability Reports Award
- S&P Corporate Sustainability Assessment (CSA) 2025 score: 34, outperforming the industry average of 28.
- Attained a "Medium Risk" rating in ESG risk assessment by Sustainalytics (the top 41% of the industry peers)

2.2 Identification and Evaluation Process

2.2.1 Risk Identification

2.2.1.1 Organizational Context

Item	Thinking	Content	Definition
Tenet	Core Values	Apex's culture is people-oriented, emphasizing the integration of Western management discipline with Eastern philosophical spirit, balancing "emotion" and "reason." In the face of changes in both internal and external environments, the "Middle Path" is our guiding principle. We adhere to the "Middle Path" in our operations, responding to all changes accordingly.	Integrity, Gung Ho
Mission	The business value of creating	To create value for stakeholders and foster mutually beneficial, win-win relationships, sustainability and resilience are the long-term goals we strive to achieve.	Provide products with the best C/P ratio.
Vision	The ideals to be achieved	Manufacture single side~20-layer PCB and HDI	Sustainability, Happiness

2.2.1.2 Analyze the Organization

Changes in the external environment can impact business strategies and models. Therefore, paying attention to and analyzing the external environment helps us understand our opportunities and challenges. This, combined with assessing our strengths and weaknesses, forms the foundation for developing effective business strategies.

External Environment Analysis: PESTEL

P olitical
E conomic
S ocial
T echnological
E nvironmental
L egal

Analyze internal situation: SWOT

S trength
W eakness
O pportunity
T hreat

2.2.2 Stakeholder Investigation

2.2.2.1 Identify Stakeholder

Each department, based on its business responsibilities, identifies frequently engaged stakeholders and presents the following table with the logic and results.

PUR	Main revenue	BIZ	Significant proportion of purchase
HR	Employees	IR	Media and investor frequently contact with
GA	Main suppliers (waste, transportation, food)		
F&A	Main banks	External audit CPA	

2.2.2.2 Stakeholder Questionnaire Response Statistics

Identity	Quantity	Identity	Quantity	Identity	Quantity
Supplier	17	Customer	11	Investor	2
Employee	52	Financial Institution	5	Other Or Not Remarked	1
Total					88

2.2.2.3 Employee satisfaction survey

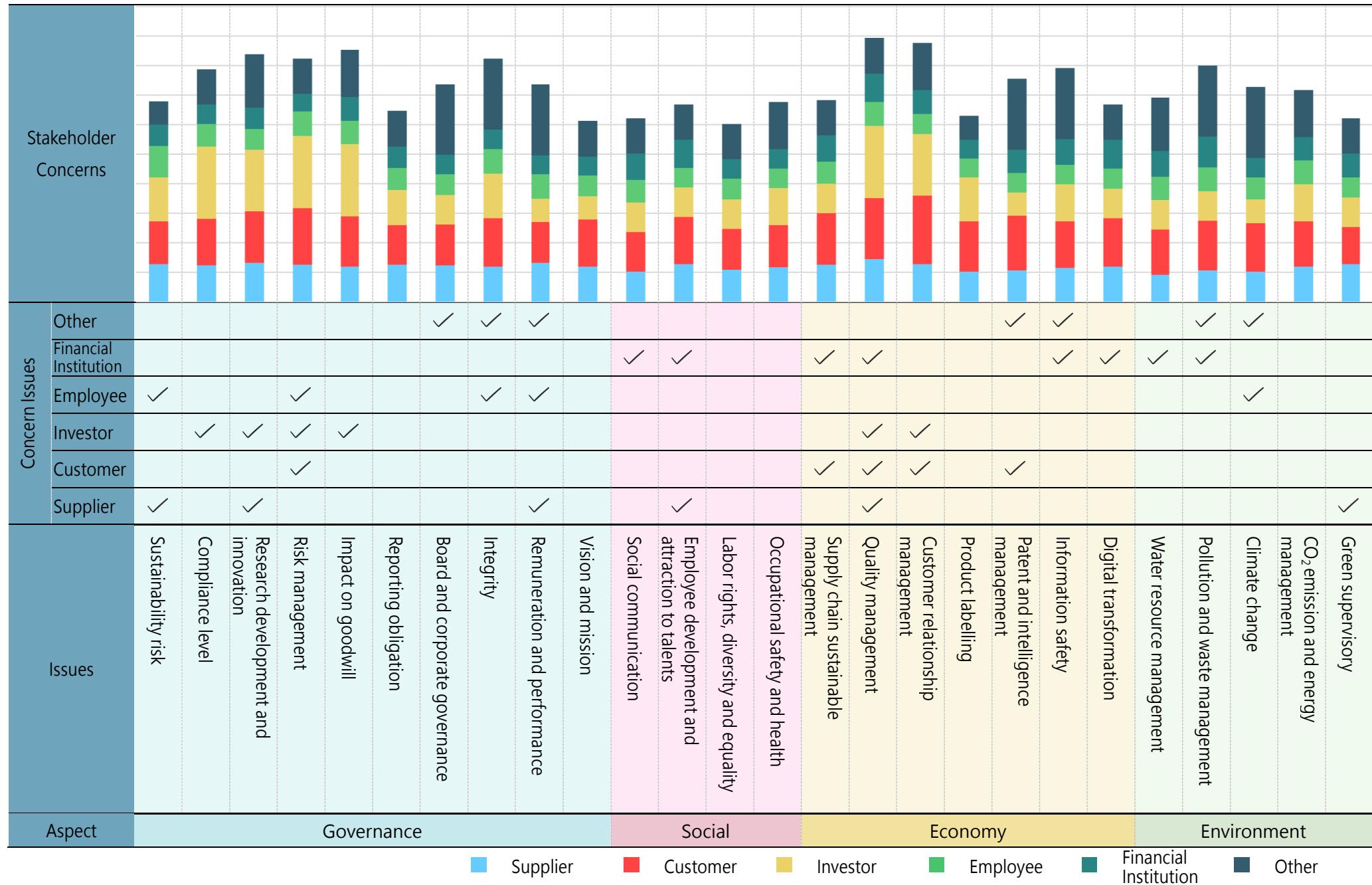
For employees, communication is conducted through employee satisfaction questionnaires, which are divided into four major items: work and development, team and culture, human rights issues, and welfare and resources. The survey statistics will end on July 31, 2025.

Survey Target	All employees	Conducted By	HR Department
Responses Collected	3,940	Frequency	Annually
Survey Period	January 1 to December 31, 2024		
Overall Satisfaction	76.5%		
Key Concerns	Living Quality, Working Hours, Compensation and Benefits, Workplace Discrimination		
Improvement Measures	Continuously optimize working hours and staffing, review compensation and benefits, and strengthen training on discrimination and grievance mechanisms to improve employee well-being and the workplace environment.		

2.2.2.4 Topic response statistics

Aspect	Topic	Concerning level	Impact level	Product
Governance	Sustainability risk	2.39	2.37	5.67
	Impact on goodwill	2.20	2.20	4.85
	Research development and innovation	2.20	2.19	4.83
	Risk management	2.38	2.21	5.27
	Compliance level	2.28	2.21	5.05
	Reporting obligation	2.20	2.10	4.63
	Integrity	2.16	2.09	4.51
	Board and corporate governance	2.22	2.29	5.10
	Remuneration and performance	2.25	2.19	4.92
Society	Vision and mission	2.15	2.07	4.44
	Occupational safety and health	2.16	2.10	4.53
	Labor rights, diversity, and equality	2.15	2.10	4.51
	Employee development and attraction to talents	2.07	2.09	4.32
Economy	Social communication	2.08	2.08	4.32
	Quality management	2.21	2.20	4.87
	Supply chain sustainable management	2.37	2.30	5.46
	Digital transformation	2.28	2.18	4.97
	Customer relationship management	2.07	2.03	4.20
	Information safety	2.12	2.07	4.39
	Patent and intelligence management	2.17	2.04	4.43
Environment	Product labelling	2.20	2.07	4.55
	Pollution and waste management	2.20	2.08	4.58
	CO ₂ emission and energy management	2.26	2.18	4.92
	Climate change	2.20	2.09	4.60
	Green supervisory	2.21	2.21	4.90
	Water resource management	2.12	2.07	4.39

2.2.2.5 Issues of Concern to Stakeholders



2.2.6 Stakeholder Communication

Stakeholder	Concerned Topic	Response Department	Communication Channels	Frequency	Communication status in 2024
Society	Board and corporate governance		Compliance with Relevant Regulations	Irregular	1. Engage in community outreach activities
	Integrity				2. Comply with environmental regulations
	Remuneration and performance	• RBA Team	Website Announcements	Irregular	3. Continuously improve water resource and waste management systems
	Patent and intelligence management	• ADM			
	Information safety	• HR	Community Maintenance, Public Welfare Activities	Irregular	4. Plant greenery
	Pollution and waste management				5. Support women's employment
	Climate change		Interaction with Local Government	Irregular	
Customer	Risk management		Phone Calls, Email Correspondence, Meetings, Site Visits	Irregular	1. Enhance sustainability reporting content
	Supply chain sustainable management	• BIZ			2. Respond to CDP questionnaire
	Quality management	• QA	Internal and External Audits	Irregular	3. Continuously improve water resource and waste management systems
	Customer relationship management	• ADM			
	Patent and intelligence management	• R&D	Customer Satisfaction Surveys	Semi-annual	
		• PUR	International Regulations (RoHS, HF, Etc.) Compliance Assessments, Compliance Assessments of Customer-Requested Items	Irregular	
Employee			Email Notifications, Facebook Announcements, Line Official Account Announcements, Intranet Announcements	Irregular	1. Enhance sustainability reporting content
			Employee Welfare Committee Meetings, Internal Meetings, Complaint Box	Irregular	2. Compliance with regulations, no major compliance incidents
	Sustainability risk	• Employee Welfare	Employee Satisfaction Surveys	Yearly	3. Link Remuneration with performance and conduct regular performance reviews
	Risk management				4. Obtain various certifications such as ISO to ensure quality management
	Integrity	Committee	Occupational Physical Check-ups	Yearly	
	Remuneration and performance	• ADM			
	Climate change	• HR	Safety Awareness Campaigns, Safety and Occupational Committees; ISO45001 Committee	Irregular	5. Actively embrace digitalisation in operations
			Fire Drills	Yearly	
			Employee Training	Annual Plan	

Stakeholder	Concerned Topic	Response Department	Communication Channels	Frequency	Communication status in 2024
Government	Social communication		Official letters, Media, Official Website, Email, MOPS, Seminars	Irregular	1. Participate in advocacy and seminars organized by regulatory authorities
	Employee development and attraction to talents				2. Compliance with regulations, no major compliance incidents
	Supply chain sustainable management	• Board	TCFD Report, ESG Report	Yearly	3. Conduct annual risk management analysis
	Quality management	• Corporate Governance			4. Receive ESG-related awards and international ratings
	Information safety	• F&A			5. Rank in the 6-20% of 11th(Y2024) Corporate Governance Evaluation
	Digital transformation	• ADM	Compliance with Relevant Regulations	Irregular	
	Water resource management				
	Pollution and waste management				
			Corporate Governance Evaluation	Yearly	
Shareholder	Compliance level				1. Shareholders' meeting
	Research development and innovation		Shareholders' Meetings, Annual Report, ESG Report	Yearly	2. Enhance sustainability reporting disclosure content
	Risk management	• IR			3. Publish significant information and various announcements in accordance with regulations
	Impact on goodwill				
	Quality management				4. Before the report is published in 2025, 3 domestic earnings calls have been attended, with a fourth planned by year-end.
	Customer relationship management		Earning Call, Spokesman Window, Mops, Official Website	Irregular	
Supplier	Sustainability risk				1. Compliance with regulations, no major compliance incidents
	Research development and innovation		Supplier Audit, Acceptance Review	Yearly	2. Obtain various certifications such as ISO to ensure quality management, occupational health and safety management, and labor rights
	Remuneration and performance	• PUR			
	Employee development and attraction to talents	• PD			
	Quality management	• QA			
	Green supervisory		Phone Calls, Emails, Meetings	Irregular	

2.2.3 Risks Description and Categories

In identifying enterprise-level risks (the appropriateness of related risk controls at the operational level), the reference basis during execution is as follows:

- Self-own business model and operating content
- Analysis result of PESTEL and SWOT previously described
- Regulations of FSC
- ESG regulations (e.g., GRI, TCFD, COSO, ISSB, etc.)
- Comments from stakeholder communication previously described

The participants reviewed and discussed to compile 37 enterprise-level risks, of which risk factors 28-40 and opportunities 41-45 are listed based on the climate change scenario, as follows:

Risk Factors	ERM	GRI	TCFD	ESG
1. Board governance and corporate governance effectiveness	Strategic	GRI 2: General Disclosures	-	G
2. Ethical business conduct	Integrity	GRI 205: Anti-corruption	-	G
3. Remuneration and performance management system	Strategic	GRI 2: General Disclosures	-	G
4. Vision and core value positioning	Strategic	GRI 2: General Disclosures	-	G
5. Risks from external political and economic environment changes	Strategic	Custom Topic	-	G
6. Corporate sustainability risks	Strategic	Custom Topic	-	G
7. Risks from technological transformation	Operational	Custom Topic	-	G
8. Research and innovation	Operational	Custom Topic	-	G
9. Information security management	Information	GRI 418: Customer Privacy	-	G
10. Intellectual property protection and management	Operational	Custom Topic	-	G
11. Supply chain risk and responsibility management	Operational	GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	-	G
12. Customer relationship management	Operational	Custom Topic	-	G
13. Product responsibility management	Operational	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	-	G

Risk Factors	ERM	GRI	TCFD	ESG
14. Market and demand fluctuation risks	Operational	Custom Topic	-	G
15. Legal compliance and regulatory management	Compliance	GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	-	G
16. Financial risk management	Financial	Custom Topic	-	G
17. Occupational health and safety	Operational	GRI 403: Occupational Health and Safety	-	S
18. Employee development and talent attraction	Operational	GRI 404: Training and Education GRI 401: Employment	-	S
19. Labor conditions and working hours	Operational	GRI 401: Employment GRI 402: Labor/Management Relations	-	S
20. Diversity, equality, and non-discrimination	Operational	GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination	-	S
21. Grievance and response mechanism	Compliance	GRI 2: General Disclosures	-	S
22. Employment of child labor	Compliance	GRI 408: Child Labor	-	S
23. Forced labor	Compliance	GRI 409: Forced or Compulsory Labor	-	S
24. Workplace harassment and improper treatment	Compliance	Custom Topic	-	S
25. Responsible minerals management	Compliance	Custom Topic	-	S
26. Freedom of association and collective bargaining	Compliance	GRI 407: Freedom of Association and Collective Bargaining	-	S
27. Pay equity and benefits management	Operational	GRI 405: Diversity and Equal Opportunity	-	S

Assumption Scenario for Risk Factors 28-40 and Opportunity Factors 41-45

This assessment combines scenarios with Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). It uses scenario simulations to evaluate the impacts of policy implementation on social and economic dimensions. By incorporating representative concentration pathways, it focuses on future greenhouse gas concentrations and other radiative drivers input into climate models to estimate different levels of global warming scenarios.

This report adopts the SSP2-4.5 scenario, categorized as a moderate scenario. It indicates that under regional competition, countries give some attention to sustainability issues but prioritize economic and security concerns within the region, sacrificing broader development. Disparities in development among countries lead to unclear policy effectiveness. Despite efforts from global and national institutions, progress in achieving sustainable development goals remains slow. RCP 4.5 represents a moderate emissions scenario where CO₂ emissions do not decline until mid-century and net-zero emissions cannot be completed before 2100, aligning more closely with current development trajectories.

Climate change risks and opportunities affect the company's strategy and financial planning; therefore, the company conducts a moderate scenario analysis to assess the resilience of its climate strategy based on TCFD recommendations, utilizing transitional and physical risk types and climate opportunities.

The scenario is set as follows:

1.5°C Scenario, Thailand's Climate Change Master Plan (2015-2050), Taiwan's 2050 Net-Zero Emissions Pathway and Strategy, Taiwan's "Climate Change Response Act" scenario estimation description, etc.	
Carbon tax collection	According to the Climate Change Response Act, the Taiwan government will impose a carbon fee on enterprises, estimated at NT\$300 per metric ton of CO ₂ e in the short term, and NT\$1,200–1,800 per metric ton of CO ₂ e in the medium to long term.
Implementation of the Thai V-ETS	Since 2013, Thailand has been promoting the voluntary carbon emissions trading system (V-ETS). This system targets high-carbon emission industries and sets limits on both direct carbon emissions and energy-related indirect carbon emissions. It also outlines policies for implementing a nationwide mandatory Emission Trading System (ETS).
Enhanced regulatory standards	The "Climate Change Master Plan (2015-2050)" of Thailand outlines the goal of simultaneously limiting greenhouse gas emissions and achieving economic expansion. To accomplish this, it focuses on enhancing green building standards, building energy efficiency standards, lighting and air conditioning standards, and promoting high-efficiency transportation systems.
Energy shortages	The National Economic and Social Development Board (NESDB) of Thailand has conducted an analysis indicating that Thailand's available regional energy resources can only provide a 20-year supply reserve.
Changes in customer behavior	Customers are requesting the provision of carbon reduction strategies and actions. They may also require proof of carbon neutrality in the medium to long term.
The government provides relevant subsidies.	The Taiwanese government provides various subsidies to businesses for carbon reduction, renewable energy, energy storage systems, carbon capture, and related initiatives under the Climate Change Response Act.

The Intergovernmental Panel on Climate Change (IPCC), in its Sixth Assessment Report (AR6), describes a moderate global warming scenario known as SSP2-4.5. This scenario envisions a future with moderate climate change mitigation action. In this scenario	
Temperature	Global temperatures are projected to continue rising. Under the moderate global warming scenario (SSP2-4.5), relative to the period from 1850 to 1900, global temperatures in the 21st century are expected to increase by more than 2°C and move toward 3°C. As for Thailand, the average temperature rise by the middle and end of this century is estimated at 1.6°C and 2.4°C, respectively.
Extreme High Temperatures	Future temperature changes will become more significant and noticeable. In 1995, the median number of days with temperatures exceeding 35°C across Thailand was 44 days. Under the moderate global warming scenario (SSP2-4.5), by the end of this century, the median number of days with temperatures exceeding 35°C in Thailand is projected to reach 195 days.
Intense Rainfall	Under the scenario, SSP2-4.5, Thailand's average daily maximum rainfall is expected to increase by approximately 4.99% by mid-century and 11.01% by the end of the century.
Sea Level Rise	The global average sea level will continue to rise throughout the 21st century. Under the scenario SSP2-4.5, by the end of this century, the possible range of global average sea level rise is projected to be between 0.66 and 1.33 meters.

Risk Factors	ERM	GRI	TCFD	ESG
28. Pollution emissions management	Compliance	GRI 305: Emission	Transition Risk – Policy & Regulation	E
29. Energy management	Operational	GRI 302 : Energy	Transition Risk – Technology	E
30. Carbon pricing and rising carbon cost risks	Operational	Custom Topic	Transition Risk – Policy & Regulation	E
31. Low-carbon technologies and energy transition investments	Operational	Custom Topic	Transition Risk – Technology	E
32. Market preferences and consumer behavior changes	Operational	Custom Topic	Transition Risk – Market	E
33. Sea level rise	Operational	Custom Topic	Physical Risk – Chronic	E
34. Temperature rise	Operational	Custom Topic	Physical Risk – Chronic	E
35. Water resource risks (water quality, quantity, and sources)	Operational	GRI 303: Water and Effluents	Physical Risk – Acute & Chronic	E
36. Enhanced sustainability governance and disclosure requirements	Compliance	Custom Topic	Transition Risk – Policy & Regulation	G
37. Supply chain disruptions and climate risk-induced cost variations	Operational	Custom Topic	Transition Risk – Market	G
38. Reputation risk	Integrity	Custom Topic	Transition Risk – Reputation	G
39. Extreme weather events (heavy rain, typhoons, wildfires)	Operational	Custom Topic	Physical Risk – Acute	E
40. Climate risk response and resilience capacity	Operational	Custom Topic	Physical Risk – Chronic	E

Opportunity Factors	ERM	GRI	TCFD	ESG
41. Sustainable finance	-	-	Opp. – Market	G
42. Industry chain collaboration	-	-	Opp. – Market	G
43. Resource use efficiency improvement	-	-	Opp. – Resource Efficiency	E
44. Climate governance and carbon management capacity enhancement	-	-	Opp. – Resilience	G
45. Use of renewable energy	-	-	Opp. – Energy Source	E

2.2.4 Risk Analysis

- Analyze and identify positive and negative impacts
To analyses the identified enterprise-level risks and to understand the nature and characteristics, then to know positive and negative impacts that could be helpful to do qualitative and quantitative evaluation.
- Define evaluation index: possibility and impact
Reference:
 - Participants' management experience and professional knowledge
 - Balance of depth and efficiency of risk management implementation
 - Consider and design qualitative and quantitative standard

Frequency of Occurrence or Likelihood

Situation		Definition of Possibility	Score
Occurred	Not Occurred		
Occurs 4 times or more per year	Most Likely	4	4
Occurs no more than 3 times a year	Probably	3	3
Occurs no more than 2 times a year	Maybe	2	2
Occurs no more than 1 time a year	Possibly	1	1

Impact level

Negative Impact: refers to the potential harm or adverse effects that may result from the occurrence of a risk.

Reference Indicators						Definition of Impact	Impact Score
Definition and Principle	Financial Impact	Regulatory Impact	Production Capacity Impact	Business Impact	Occupational Safety Hazards		
Impact survival ability	More than 300 million baht	Collapse	impact capacity >50%	Over 50%	More than 1 person dead or injured.	Very Big	4
Significant loss	50 million - 300 million baht	Work stoppage; lawsuit losses of 1 million baht or more.	impact capacity 20%~50%	20~50%	1 fatality or injury.	Big	3
Harm profitability	10 million - 50 million baht	Lawsuit losses from 300 thousand - 1 million baht.	impact capacity 5%~20%	5~20%	Employee slightly injured	Small	2
Normal loss	Less than 10 million baht	No lawsuits; fines up to 300 thousand baht or less.	impact capacity <5%	Less than 5%	No injury occurs	Very Small	1

Positive Impact Refers to the Potential Positive Effects or Benefits that may Result from the Occurrence of a Relative Opportunity.

Reference Indicators					Definition of Impact	Impact Score
Definition and Principle	Profit Impact	Capacity Impact	Business Impact	Overall Efficiency Improvement		
Impact on survivability, implications for business model	More than 300 million baht	Over 50%	Over 50%	Over 20%	Very Big	4
Significant impact on competitiveness, profitability, sustainability	50 million - 300 million baht	20~50%	20~50%	10-20%	Big	3
Significantly enhances competitiveness, profitability, sustainability	10 million - 50 million baht	5~20%	5~20%	3-10%	Small	2
General improvement/opportunity	Less than 10 million baht	Less than 5%	Less than 5%	0-3%	Very Small	1

2.3 Risk Appetite

After reviewing the scoring and ranking results, and considering financial impacts from both qualitative and quantitative indicators, risk levels are set using likelihood-impact products of 5.5, 4.5, and 4.0. Products ≥ 5.5 are Risk Level A (highest risk); $4.5 - < 5.5$ are Risk Level B (high risk); $4.0 - < 4.5$ are Risk Level C (moderate risk); and products < 4.0 are Risk Level D (low risk). A product of 4.5 serves as the risk appetite threshold.

Risks with a product of 4.5 or above are considered material risks and are also defined as material topics in the sustainability report.

Financial impact level

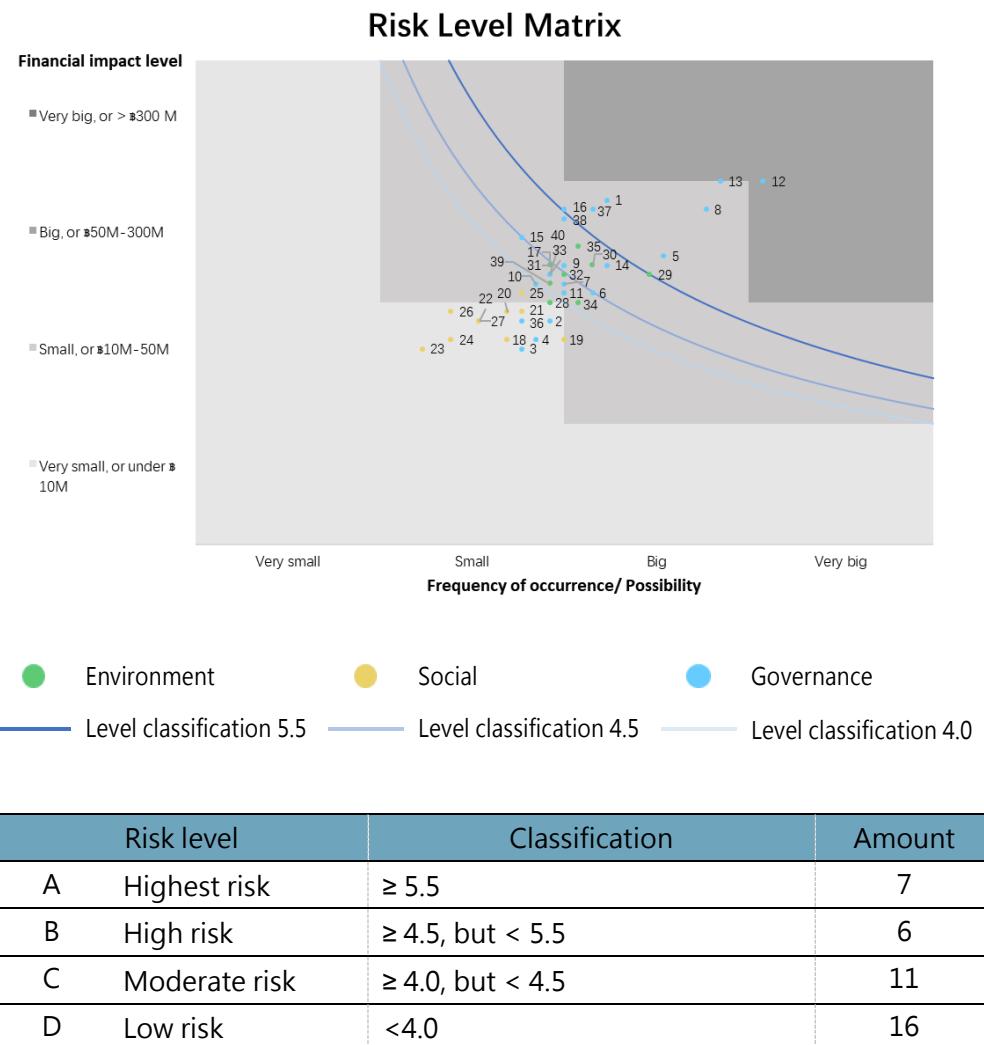
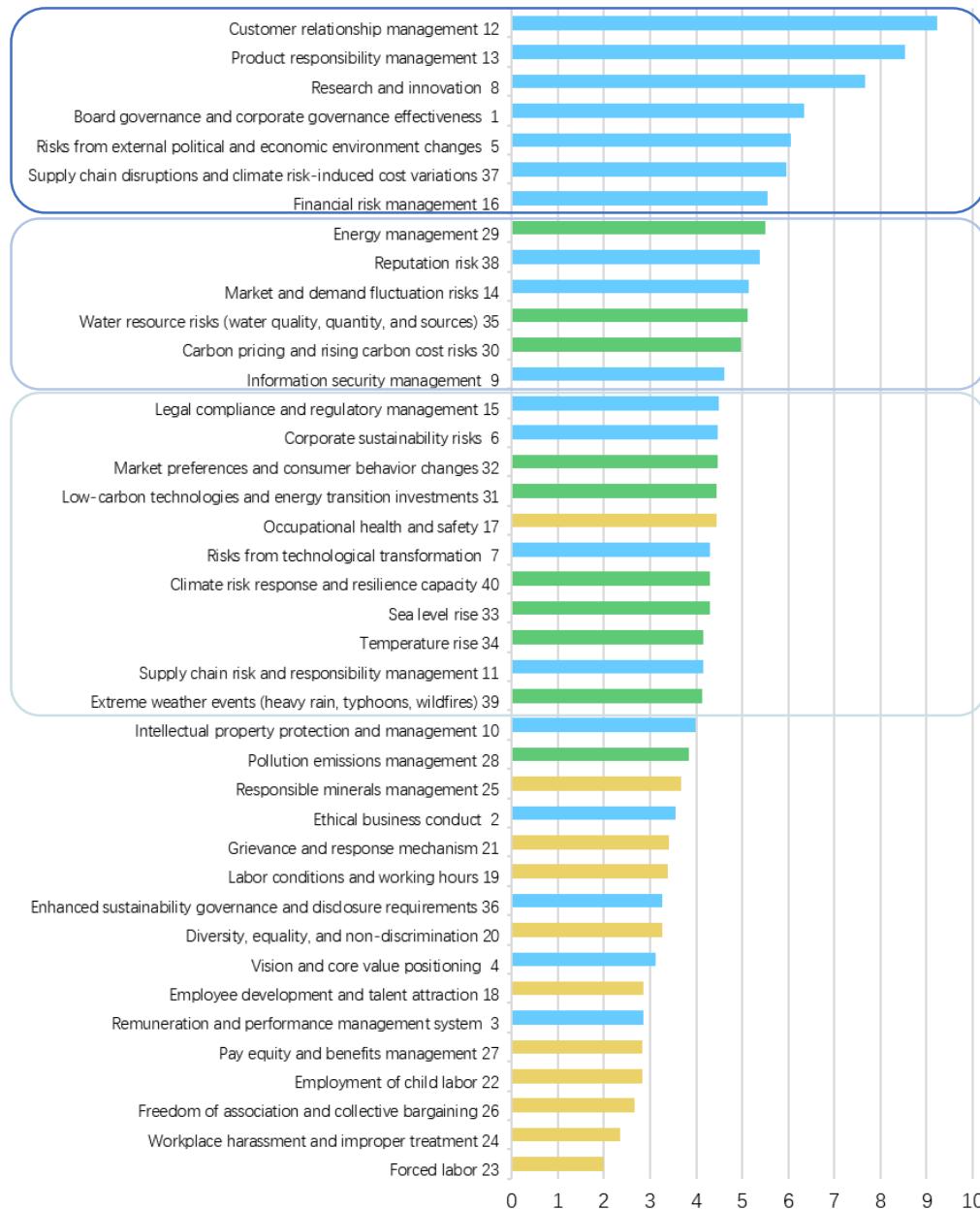
Very big, or $> \text{B}300\text{M}$	4	8	12	16
Big, or $\text{B}50\text{M}-\text{B}300\text{M}$	3	6	9	12
Small, or $\text{B}10\text{M}-\text{B}50\text{M}$	2	4	6	8
Very small, or under $\text{B}10\text{M}$	1	2	3	4
	Very small	Small	Big	Very big
	Frequency of occurrence/ Possibility			

Rank	Risk factors	Score	Risk level	Material	Climate-Related
1.	12. Customer relationship management	9.23	A	V	
2.	13. Product responsibility management	8.54	A	V	
3.	8. Research and innovation	7.67	A	V	
4.	1. Board governance and corporate governance effectiveness	6.35	A	V	
5.	5. Risks from external political and economic environment changes	6.05	A	V	
6.	37. Supply chain disruptions and climate risk-induced cost variations	5.96	A	V	V
7.	16. Financial risk management	5.54	A	V	
8.	29. Energy management	5.49	B	V	V
9.	38. Reputation risk	5.38	B	V	V
10.	14. Market and demand fluctuation risks	5.15	B	V	

Rank	Risk factors	Score	Risk level	Material	Climate-Related
11.	35. Water resource risks (water quality, quantity, and sources)	5.11	B	V	V
12.	30. Carbon pricing and rising carbon cost risks	4.97	B	V	V
13.	9. Information security management	4.62	B	V	
14.	15. Legal compliance and regulatory management	4.49	C		
15.	6. Corporate sustainability risks	4.47	C		
16.	32. Market preferences and consumer behavior changes	4.46	C		V
17.	17. Occupational health and safety	4.44	C		
18.	31. LC technologies and energy transition investments	4.44	C		V
19.	7. Risks from technological transformation	4.31	C		
20.	33. Sea level rise	4.29	C		V
21.	40. Climate risk response and resilience capacity	4.29	C		V
22.	11. Supply chain risk and responsibility management	4.15	C		
23.	34. Temperature rise	4.15	C		V
24.	39. Extreme weather events (heavy rain, typhoons, wildfires)	4.14	C		V
25.	10. Intellectual property protection and management	3.98	D		
26.	28. Pollution emissions management	3.85	D		V
27.	25. Responsible minerals management	3.67	D		
28.	2. Ethical business conduct	3.55	D		
29.	21. Grievance and response mechanism	3.40	D		
30.	19. Labor conditions and working hours	3.38	D		
31.	36. Enhanced sustainability governance and disclosure requirements	3.27	D		V
32.	20. Diversity, equality, and non-discrimination	3.25	D		
33.	4. Vision and core value positioning	3.12	D		
34.	18. Employee development and talent attraction	2.86	D		
35.	3. Remuneration and performance management system	2.86	D		
36.	22. Employment of child labor	2.84	D		
37.	27. Pay equity and benefits management	2.84	D		
38.	26. Freedom of association and collective bargaining	2.66	D		

Rank	Risk factors	Score	Risk level	Material	Climate-Related
39.	24. Workplace harassment and improper treatment	2.34	D		

Rank	Risk factors	Score	Risk level	Material	Climate-Related
40.	23. Forced labor	1.99	D		



2.3.1 Risks Assessment and Response

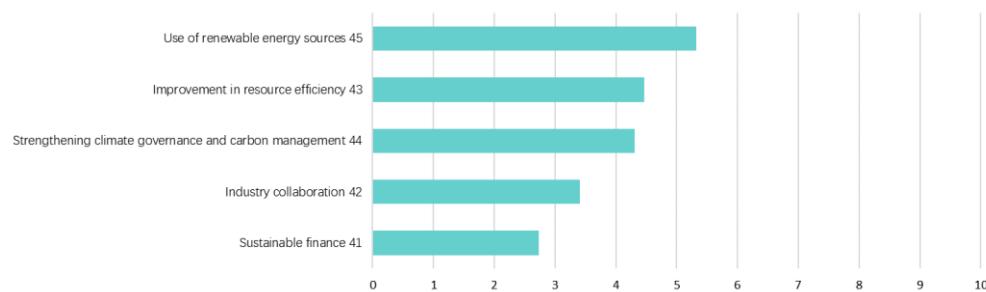
Rank	Risk factors	Risk Response	
		Short-term	Mid-term/ Long-term
1.	12. Customer relationship management	Regularly review market demand and frequently engage with customers and distributors to confirm feasibility; regularly check complaint-handling tasks and progress to address core issues.	Expand training in negotiation, customer relationship management, and market analysis, and establish channels for political and economic trend monitoring.
2.	13. Product responsibility management	Promote the implementation of quality concepts (14Q Project).	Enhance quality management systems and adopt innovative approaches for managing different quality specifications within the same site.
3.	8. Research and innovation	A laboratory and management standards have been established. Manufacturing capabilities and quality management are continually reviewed to identify opportunities for improvement, and factory capabilities are enhanced through new product development with customers.	Develop cooperative education programs to cultivate talent and explore remote-work options to reduce geographic constraints.
4.	1. Board governance and corporate governance effectiveness	Building on the existing governance framework, external evaluations are being introduced.	Medium term: monitor industry trends, update performance and risk-management systems, and establish a suitable nomination mechanism. Long term: continually refine management systems.
5.	5. Risks from external political and economic environment changes	Market information is gathered through PUR, BIZ, F&A, and other external interactions, analyzed, and fed back to management for planning.	Strengthen political and economic trend-analysis channels; develop mature industry-academy cooperation models; and improve employee competency measurement.
6.	37. Supply chain disruptions and climate risk-induced cost variations	Management intensity is being strengthened across production planning, procurement, sales planning, and logistics, with organizational adjustments to improve flexibility in material and product coordination.	Track industry shifts, expand local supplier evaluation and auditing, and consider innovative partnership models.

Rank	Risk factors	Risk Response	
		Short-term	Mid-term/ Long-term
7.	16. Financial risk management	<p>Regularly forecast and review funding needs and manage financing channels and instruments.</p> <p>Analyze A/R aging with sales to track customer trends; perform credit reviews for existing and new customers; finance teams monitor macro and industry changes.</p> <p>Maintain a foreign-currency exposure forecast, conduct regular reviews, and use forward contracts for hedging while tracking macroeconomic developments.</p>	<p>Maintain regular engagement with professional institutions (e.g., banks, consulting firms) to strengthen credit-management practices.</p>
8.	29. Energy management	<p>Solar power systems have been installed and ISO 50001 has been implemented.</p>	<p>Expand solar-power capacity.</p> <p>Long term: assess the knowledge, talent, and capital needed for small in-house power plants.</p>
9.	38. Reputation risk	<p>Operational and ESG activities are continuously and effectively managed.</p>	<p>Continue strengthening the risk-management framework and evaluate timelines for adopting international standards.</p>
10.	14. Market and demand fluctuation risks	<p>Management intensity has been strengthened across market analysis, customer and distributor management, and logistics to improve responsiveness to market changes.</p>	<p>Add training on negotiation, customer-relationship management, and market analysis, and establish channels for political and economic trend monitoring.</p>
11.	35. Water resource risks (water quality, quantity, and sources)	<p>Water-management workflows and reviews are in place, with maintenance budgets and schedules planned using internal experience and supplier input. A business-continuity team monitors major hazards and external information. No major violations have occurred, and a wastewater-recycling project is underway.</p>	<p>Complete the Sinsakhon wastewater-recycling project and track performance; evaluate adopting ISO 46001 for water-efficiency management.</p>
12.	30. Carbon pricing and rising carbon cost risks	<p>GHG inventories are conducted, ISO 14064-1 certification continues, and energy-saving projects are being implemented; carbon-footprint and carbon-pricing timelines are under evaluation, with strategies adjusted through the adoption process.</p>	
13.	9. Information security management	<p>External experts support enhancements to cybersecurity controls and infrastructure, and ISO 27001 compliance is maintained.</p>	<p>Evaluate suitable cloud-system deployment options and continue planning appropriate firewall solutions.</p>

2.3.2 Opportunity Assessment and Response

Rank	Opportunity factors	Score	Climate-Related
1.	45. Use of renewable energy sources	5.32	Opportunity
2.	43. Improvement in resource efficiency	4.46	Opportunity
3.	44. Enhancement of climate governance and carbon management capabilities	4.31	Opportunity
4.	42. Industry collaboration	3.41	Opportunity
5.	41. Sustainable finance	2.73	Opportunity

Rank	Opportunity Factors	Management Measures
1.	45. Use of renewable energy sources	Participate in renewable-energy procurement and investment, increasing the share of renewable energy each year.
2.	43. Improvement in resource efficiency	Improve equipment efficiency through internal and external projects, adjusting production equipment and replacing components to reduce energy use. Enhance wastewater-recovery system performance to increase recovery rates.
3.	44. Enhancement of climate governance and carbon management capabilities	Hold promotional activities periodically. Provide related training to employees at all levels.
4.	42. Industry collaboration	Attend industry-association courses to learn sustainability practices. Promote sustainable supply-chain management and respond proactively to customer expectations.
5.	41. Sustainable finance	Engage in ESG, CDP, and related disclosures and evaluations to improve access to credit, low-interest loans, and other financing opportunities.



Financial impact level

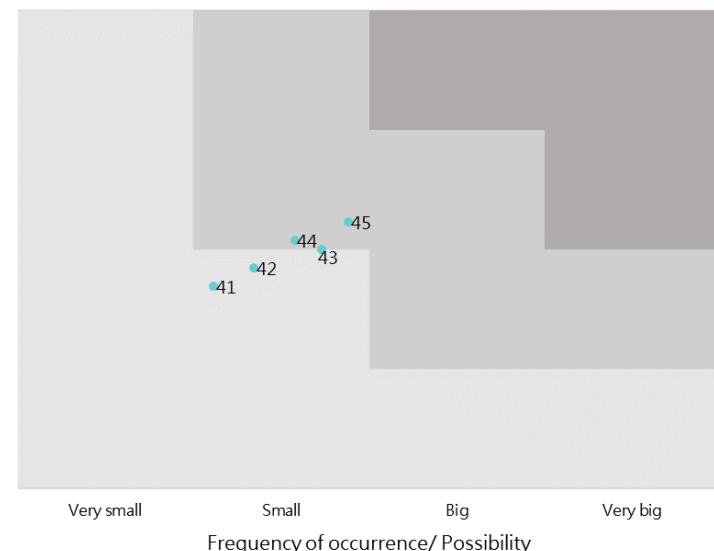
■ Very big, or > \$300 M

■ Big, or \$50M-300M

■ Small, or \$10M-50M

■ Very small, or under \$10M

Opportunity Level Matrix



3. Supervisory and Inspection

Execution is carried out as follows:

- Enterprise-level risks, after departments complete the risk-management procedures, are discussed and reviewed with the General Manager.
- The effectiveness of current risk controls, ongoing plans, and future directions are monitored by each unit and supervisor during routine operations, and summarized in the fourth quarter for reporting to the Sustainability Committee.
- This execution report is also submitted to the Board of Directors for review and discussion.
- Operational-level risk controls are evaluated by the Internal Audit unit in accordance with the audit plan, and the company conducts an annual self-assessment. Results are submitted to the Audit Committee and the Board, with no major deficiencies identified this year.