



Risk Avoidance



Risk Reduction



Risk Transfer



Risk Acceptance



Reducing the Likelihood of Risk

6 Risk Monitoring and Evaluation

The Company mandates regular monitoring of progress and evaluation of risk reduction measures according to the chosen strategies, compared against the defined risk indicators, through quarterly Risk Management Working Group meetings.

7 Review and Improvement of Risk Management Approach

The Company acknowledges that organizational risk management is not a one-time activity but a process requiring time, ongoing review, adjustment, and development of response plans and measures. Therefore, the Risk Management Working Group, together with the Risk Management Committee, is tasked with reviewing risk management policies and processes, as well as continuously improving response strategies to enhance effectiveness and better align with the current risk landscape.

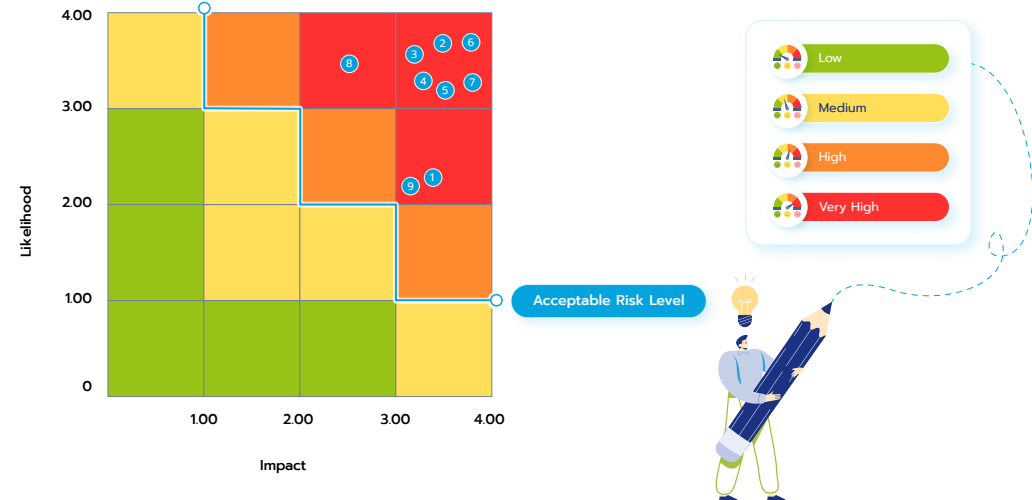
8 Risk Management Reporting

The Company requires the Risk Management Working Group to summarize the key points of risk management for each issue and report the risk management results to the Risk Management Committee quarterly, as well as regularly reporting the results to the Company's Board of Directors for acknowledgment.

Business Risk Factors and Risk Management (GRI 2-25)

In 2024, the Company collected risk issues from business groups and support units, selecting key risk issues using acceptable risk criteria and grouping risk issues with similar causes or impacts to ensure effectiveness and efficiency in setting risk management measures. The key risk issues for 2024 were summarized as nine main issues and three newly emerged risks, as shown in the table.

Key Risk Prioritization for 2024








Risk Criteria

		Level 1	Level 2	Level 3	Level 4
Impact	Financial	$X < 10\%$ of target EBITDA	$10\% \leq X < 15\%$ of target EBITDA	$15\% \leq X < 20\%$ of target EBITDA	$X \geq 20\%$ of target EBITDA
	Probability	$X < 20\%$	$20\% \leq X < 40\%$	$40\% \leq X < 80\%$	$X \geq 80\%$
Likelihood	Frequency	Has occurred at least once in 4 years	Has occurred at least once in 2 years	Has occurred in every year	Has occurred at least 2 times a year

Key Risk Issues	Root Causes of Risk			Characteristics of Risk					Key Risk Indicators (KRIs)	Risk Targets 2024		Risk Management Results 2024
	Risks from the Company's Business Operations	Risks from Stakeholders in the Business Value Chain	Risks from the Environment and Uncontrollable External Factors	Strategic and Business Risks	Management and Operational Risks	Financial Risks	Regulatory Risks	Environmental, Social, and Governance (ESG) Risks				
1. Risk from uncertainty of revenues in the project business, which may deform the operating performance as planned		●	●	●	●	●			The Risk Index decreased from 2023.	Below 12.36 points	Reduce the variance between performance results and plans, or increase backlog volume to secure revenue for sustainable business operations	9.50 points
2. Risk from the project management which may not go as planned, either risk from cost management or project delays	●	●		●	●	●			The Risk Index decreased from 2023.	Below 16.00 points	Reduce impacts from project management that does not follow plans, in terms of results and action plans	16.00 points
3. Financial risk from foreign exchange volatility			●			●			The Risk Index decreased from 2023.	Below 16.00 points	Have measures to manage foreign exchange rate fluctuations and clear operational guidelines to reduce volatility	13.50 points
4. Risk from some subsidiaries having sources of funds that are not consistent with the business plan	●		●	●		●			The Risk Index decreased from 2023.	Below 16.00 points	Ensure business growth is sustainable, with funding sources and liquidity consistent with business growth	12.00 points
5. Risks from some departments with unclear core business issues	●			●	●				The Risk Index decreased from 2023.	Below 14.86 points	Ensure business units can sustainably return to profitability	14.29 points
6. Risks from technological changes that affect the business context	●		●	●	●				The Risk Index decreased from 2023.	Below 15.00 points	Enable units to adapt or transform their business to fit conditions caused by market changes due to Technology Disruption	15.00 points



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7. Risks from Trading SBG that still rely on niche products	●	●		●	●	●			The Risk Index decreased from 2023.	Below 16.00 points	Reduce reliance on any single product or partner that significantly affects revenue generation	 13.50 points
8. Risk from the Trading SBG which may affect the supply chain		●	●	●	●			●	The Risk Index decreased from 2023.	Below 12.00 points	Have measures to manage fluctuations in market supply and demand to reduce potential uncertainties	 9.00 points
9. Risk associated with personnel development plan which must be relevant to the business growth plan		●		●	●	●		●	The Risk Index decreased from 2023.	Below 12.69 points	Maintain continuous succession of employees in key positions and have development plans for existing employees aligned with business growth	 12.00 points
Emerging Risks												
10. Risk from Climate Change due to Greenhouse Gas Emission	●	●	●	●	●	●	●	●	The organization’s greenhouse gas emission reporting, certified by an external auditor, to create base year data.		 The organization’s greenhouse gas emission and absorption report results for the year 2024 have been certified by external auditors, with a total greenhouse gas emission volume of 1,855 tCO ₂ e and set as the Company’s base year data.	
									Amount of greenhouse gas reduction from various activities	Equivalent to the number of trees used to absorb greenhouse gases of 3,000 trees.	 The total amount of greenhouse gas reduction from various activities is 68.21 tCO ₂ e, equivalent to planting 7,581 trees. Details of greenhouse gas reduction measures can be found in section Coping with Climate Change, page 84.	

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11. Risks from Geopolitical Conflicts			●	●	●	●		●	Evaluate the results together with the Risk from the project management which may not go as planned, either risk from cost management or project delays		Manage the supply chain, especially critical tier-1 suppliers who are acting as producers and distributors of raw materials and equipment, balance inventory with customer supply and consumer demand, manage project costs and regularly assess project risks, including foreign exchange and business liquidity management, to mitigate impacts from these risks.
12. Risks from the Utilization of Artificial Intelligence (AI)	●			●	●	●		●	n/a	n/a	<ul style="list-style-type: none"> Establish data security measures, cybersecurity plans, including installing additional security equipment. Communicate to all employees the IT security policy and procedures to maintain information security as guidelines for work processes, appropriate social media use, and cyberattack prevention through Company communication channels and internal training. Implement cyber threat response plans, conduct penetration testing of equipment and IT systems, and prepare log monitoring reports to secure the network system against attack risks.

Details, explanation of possible impacts, risk management plans and performance can be read in the 2024 Annual Report in Section 2.2 Risk Factors on Business Operations of the Group and Risk Management (pages 72-75)