

# 鵬鼎控股（深圳）股份有限公司

2023 风险管理执行情形(更新日期: 2024年3月)

## 风险管理政策

为降低公司营运可能面临的风险，公司设立风险管理指导委员会，以确保公司业务和整体经营长久持续稳定发展。因应全球政经发展趋势与变化，秉承「长期重视、持续发展、力争最优」宗旨，积极贯彻「预防为主、源头管控；全员参与、全面管控」政策(方针)，全面履行“谁主管，谁负责”的原则。依照公司整体营运方针定义各类风险，通过内外环境变化建立及早辨识、准确衡量、有效监督及严格控管的风险管理机制，在可承受的风险范围内，预防可能的损失，以达成资源分配最优化的原则。风险管理工作每年最少一次向董事会汇报执行结果。

## 风险管理组织

- 一、由幕僚长担任风险管理最高主管，主持风险管理组织运作，通过研发、制造、销售、周边单位参与，负责监督公司风险鉴别作业。第一线风险管理人员对各项风险侦测、辨识、评估并拟定相关对策，并定期于风险管理相关会议上进行检讨及监督。若遇不同风险，幕僚长需按不同事件成立应变小组，并指派负责主管统筹管理。风险管理最高主管(即幕僚长)应认知公司不同风险类型影响的层面并确保风险管理的有效性，其主要职责除应注意各事业单位所承担的风险外，亦需从公司整体角度考虑各种风险汇总后所产生的效果，协调跨部门进行沟通。
- 二、公司设立了风险管理指导委员会，由各事业单位最高主管组成，督导风险管控的改进、辨识及核准风险管控的优先级，并向董事会报告。
- 三、风险管理指导委员会下设风险管理项目小组，应鉴别潜在风险及营运冲击，依风险类别实行对应行动，并建立危机管理作业程序进行演练。风险管理项目小组由各地区主管担任第一线风险管理人员，其主要职责包括：
  - 确保实时且正确的方式进行风险讯息传递
  - 确保相关单位风险规定有效执行
  - 视外部环境及内部策略改变决定风险类别并建议应对方式
- 四、风险管理指导委员会的负责人员每年不定期参与内外部风险管理范畴相关的教育训练，以提升风险管理业务的执行项目。2023 年度参与教育训练的执行情形如下：

单位：人数	培训0-25小时	培训26-50小时	培训51-100小时	培训100小时以上
独立董事	0人	3人	0人	0人
负责人员	0人	7人	13人	10人

五、于内部控制体系，由审计单位负责审计落实情形，并定期于审计委员会会议中报告公司所面临的多变风险环境、风险管理重点、风险评估及因应措施。

## 风险管理流程

为健全风险管理之功能，本集团风险管理系通过风险辨识、风险评估、风险控制、风险监督及沟通等管理程序，掌握各风险之范畴，并通过PDCA等管理措施进行，持续有效改善并掌握各项风险因子，以期降低风险发生损失的机率及程度。为符合永续发展原则，善尽地球公民责任，参考国际情势变化及世界经济各方论坛提出之新兴风险面相，检视集团中长期可能面临营运冲击及挑战的风险议题，即早辨识并采取适当监管措施，随时掌控风险以便实时因应：

一、**风险辨识（内外部环境分析）**：根据营运相关的环境、社会、公司治理等，执行内外部环境分析及风险辨识，依集团风险管理政策定义营运面、策略面、财务面、危害事件四大面向，拟订出14大风险因子之控制执行计划，通过风险辨识、风险评估、风险控制、风险监督及沟通等滚动式管理，掌握各项风险。各类风险项目如下：

<b>营运面</b>	1. <b>市场风险</b> : 根据市场趋势变化，产品需求的改变，原物料价格变动、客户及供应链的履约风险
	2. <b>地域风险</b> : 公司据点，当地政经情势变化对于营运造成影响的检视
	3. <b>信息安全风险</b> : 信息安全软硬件的设置、管理、维护及员工的教育倡导等相关事务的运作维护及管理
	4. <b>供应链风险</b> : 对国内外政经情势、环境变化等造成供应链失衡问题的检核及因应能力
	5. <b>质量过程风险</b> : 对于产品、物料、制造、包装等质量管理项目，各项作业问题的预防及因应检视
	6. <b>工业安全风险</b> : 对于职工工作环境的危害包括各项工伤及火灾、爆炸、化学品等各项环境污染的处理及因应检视
	7. <b>人力资源风险</b> : 用工管理及职工环境及福利等问题的检视
	8. <b>知识产权风险</b> : 知识产权之风险及因应措施，国内外政策及法律变动对公司之影响及因应措施

策略面	9. <b>策略风险:</b> 企业发展方向、产品、价格、技术的定位、供应链的经营对公司营运的影响
	10. <b>商业道德风险:</b> 对遵守法律法规及环境小区责任、保障公司资料及财产、防止贿赂、洗钱及不正当竞争的检视
财务面	11. <b>投资风险:</b> 各项投资内外环境的评估、效益及投资管理的检核
	12. <b>财务税务法规风险:</b> 针对各区的财务、税务政策的变化及国际金融情势对公司利益造成影响事件的检视及因应
危害事件面	13. <b>自然灾害风险:</b> 台风、暴雨、地震、雷击、火灾、爆炸、流行病、传染病 (如: COVID-19、SARS、禽流感)、高温、热浪等预防及因应能力
	14. <b>环境风险:</b> 长期的自然环境变化, 对公司的影响及因应: 碳中和、气候变迁

二、**风险评估:** 集团以下所属子公司依《风险与机遇管理作业办法》展开办理, 各功能单位辨识其所可能面对之风险因子, 采用「风险评估失效模式与效应分析 ( Failure Mode & Effect Analysis, FMEA )」、「SWOT」展开, 或自行制定识别评价准则, 识别和评价出不同风险项目、风险等级进而执行相应管制。依据风险评价归纳出「严重度」、「频度」、「不易探测度」三项特征指数, 以表达风险发生的可能性及其影响程度, 作为后续拟订风险控管之优先级及响应措施选择之参考依据。

### 三、风险控制:

- 属于各事业单位日常营运面之风险管理, 由各事业单位进行滚动式 PDCA 风险控制执行。
- 属于跨部门或跨厂区重要的危机事件, 进行跨部门或跨厂区之风险评估, 由幕僚长或其指定负责人指挥及商议, 辨识预防危机事件的可行策略, 并依危机事件拟定危机处理程序及复原计划。

各功能单位于评估及汇总风险后将监控所属的业务风险, 应采取适当之回应措施提出因应对策, 并将风险及因应对策提供风险管理项目小组进行检视及追踪。

四、**风险监督:** 针对以上范畴, 定期滚动式检讨并完整记录风险管理执行结果, 以掌握风险管理方案及相关控制作业的有效性。风险管理工作执行小组每年度需提报年度计划及执行情形予风险管理执行委员会, 且每年最少召开二次会议, 向风险管理委员会进行执行结果报告与说明, 内部稽核人员视各级风险层次, 定期及不定期检视风险管理程序及控制执行情形向董事会报告。

## 2023年四大风险面向14大风险因子控制执行计划与执行情形:

风险分类	风险因子	控制执行计划	执行情形
营运面	市场风险	<ul style="list-style-type: none"> <li>了解市场趋势，筛选优质顾客与供货商，通过整合系统进行预警与并多产品布局，以增加在消费性电子产业的份额。</li> <li>数字转型、自动化、制成精进，从成本领导导向往双重优势发展(即:兼具成本领导与差异化)。通过多元管道招募，并加强异业结合调配用工人力。</li> <li>通过业务连续性管理(BCM)计划与演练，及早发现风险因子或降低营运中断产生的损失。</li> <li>为确保利害关系人的信息与隐私权，内部常态性推广。</li> </ul>	<ul style="list-style-type: none"> <li>2023年四次以上检视与评估顾客偿付能力，对高风险客户购买保险。设置第二供货商与第三供货商，强化风险调适能力，并增加采购在地化比例，以降低因灾祸造成的断链损失。</li> <li>进行数字转型，精进智能制造，2023年高峰人力与平均人数仅差距2.5%，逐年降低突发性劳动力需求，维持生产线的稳定。</li> <li>抽检业务运作单位的SOP作业流程，确保运作顺畅及危机处理因应。</li> <li>加强对利害关系人之信息与隐私权的保护，于网站、年报及永续报告中及信箱和通讯软件等提供多元申诉管道，提高利害关系人对公司商誉的肯定并强化与社会大众的沟通。</li> </ul>
	地域风险	<ul style="list-style-type: none"> <li>盘点各营运处与母国的文化差异。</li> <li>掌握各营运处所在地与邻近国家的地缘政治与经济贸易措施及相关人道主义政策方向。</li> <li>要求地区行政主管，动态追踪营运处所在国的内政措施，并留意对外来投资公司的政策，随时保持汇报。</li> </ul>	<ul style="list-style-type: none"> <li>运用CAGE架构，掌握各营运处与母公司文化的差异，提供弹性政策(例:休假)。</li> <li>专人每日关注营运处的新闻与报导，并研拟方案以因应或响应当地需求。</li> <li>注意海外厂区政经情势变化与政府外管单位保持沟通管道畅通，随时掌握员工动态警戒因应</li> </ul>

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	信息安全风险	<ul style="list-style-type: none"> <li>● 每年定期检核集团 SOP 对标的国际标准，并委托第三方机构进行 ISO27001 审查。</li> <li>● 定期仿真数据还原演练，以减缓恶意第三方的网络攻击；并聘请专家，定期对公司进行渗透测试。</li> <li>● 主机备援系统的设置与重要机密数据与文件异地主机备援系统的设置与重要机密数据汉文价的异地存放。</li> <li>● 新进员工入职签署保密协议，以防企业信息与利害关系人数据外泄，且外发邮件须经主管审核方能放行。</li> </ul>	<ul style="list-style-type: none"> <li>● 2023 年两次以上系统及数据库的灾害复原演练；重要数据除定期备份外，亦采用磁带方式储存。</li> <li>● 每日对电子产品与设备携入与携出进行管控，并强化外部设备使用管理办法，加强网管避免黑客攻击。</li> <li>● 年内新入职员工 100%签署保密协议。</li> <li>● 每日通过联播平台倡导信息安全教育，年观看量逾 110 万人次。</li> </ul>
	供应链风险	<ul style="list-style-type: none"> <li>● 定期与供货商交流，确保联系管道与平台畅通。专人管理掌握各项进出口法规及政策变化，以为因应。</li> <li>● 为强化日常管理，依据相关 SOP 文件(例: 物流供货商管理作业办法、运输工具安全管理制度等)定期评核与辅导。</li> <li>● 模拟异常情况，盘点影响范围并跨部门进行沟通，以强化公司韧性。</li> </ul>	<ul style="list-style-type: none"> <li>● 本年度共举办 336 场供货商交流会。于 4 月份举办全球供货商大会中，逾 200 家厂商与超过 400 人参与。</li> <li>● 设置检举与举报管道且由第三方公正机构办理与裁定。</li> <li>● 进行年度压力测试，纪录并撰写相关报告。</li> <li>● 每月与会计税务系统对接更新及管理。</li> </ul>
	质量过程风险	<ul style="list-style-type: none"> <li>● 建立合格供货商之资源池，以降低物料异常或无法验出的质量风险。</li> <li>● 对生产流速与及工令进行管理，避免因生产 LT 超计划造成的质量风险。</li> <li>● 增加业务拜访供货商及顾客频率，以掌握重要料号与库存水位，并定期盘点仓库，确保帐料一致。</li> <li>● 完善 Golden Sample、机台极限能力验证与检点。</li> </ul>	<ul style="list-style-type: none"> <li>● 完善 NSRB 管理与 OCAP 系统，对异常进行实时反馈。</li> <li>● 执行仿真验证，对新样品包材进行跌落测试等，以确保包材之缓冲与保护功效。</li> <li>● 强化现场广告牌管理数据应用，提升质量与效率。</li> <li>● 每日对 MRB 系统、漏失与制程能力进行检讨。</li> </ul>

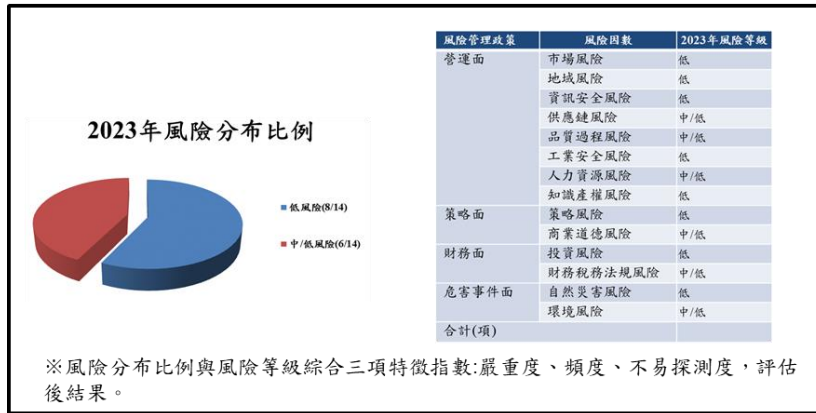
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	工业安全风险	<ul style="list-style-type: none"> <li>职业危害岗位员工签订职业危害因素告知书，以了解相应岗位危害因素及防范措施。</li> <li>确保火警警报系统、自动灭火系统与各园区成立微型消防站。微型消防站配备消防衣、各级防化服、应急推车、SCBA 等运作顺畅。</li> <li>环保业务人员与人资主管，定期向业务负责同仁进行环保教育训练及节能技术知识倡导。</li> <li>设置专责人员对废水与废气设施的运行与维护，并建置专门的环保化实验室。</li> <li>设立工安监控中心，整合集团全区产线及厂区工安区域监测。</li> </ul>	<ul style="list-style-type: none"> <li>本年各园区均遵循相关规定执行，无违反法规事件发生。</li> <li>大陆主要厂区均通过环安卫相关管理系统的认证且 100%取得率，包括 ISO 14001 环境管理体系、ISO 14064-1 温室气体核查、ISO 50001 能源管理系统、中国大陆清洁生产审核等。与此同时，导入最新的国际环保管理系统标准(例:废弃物零填埋认证、AWS 国际可持续水管理标准认证)。</li> <li>每年至少一次委托资质检测公司进行职业病危害因素检测，其结果申报管理部门备案。</li> <li>工安监控中心成立规划于各厂区设立监控监测，已完成深圳一个园区设置，将分阶段陆续完成全区建置。</li> </ul>
	人力资源风险	<ul style="list-style-type: none"> <li>建立 PCB/半导体产业人才库，善用业界人士及高端猎聘资源。</li> <li>定期向「社会与环境责任委员会 (SER)」更新 RBA《责任商业联盟行为准则》及国际公认的劳动人权原则，并定期由 RBA VAP 第三方审核，确保员工劳动人权获得保障。</li> <li>配合隐私权政策，举办教育训练。</li> <li>定期进行人力业务连续性计划及演练，大力推广现有招募渠道及开发新招募渠道。</li> </ul>	<ul style="list-style-type: none"> <li>鼓励员工参与公司举办活动并给予年资礼品与「鼎鼎大名」积分换取奖励等之留才激励措施。依照薪资奖励计划调整员工薪酬结构，有努力就有所得。</li> <li>建立内推制度，并设置「好鹏友」应用程序与「鼎+」公告职缺，强化自主招募能力。</li> <li>安全培训基础课程，参与率与通过率皆达 100%。</li> <li>RBA 认证，每两年进行更新。本年度深圳与秦皇岛厂区均通过 RBA 认证，淮安则于 22 年取得。</li> <li>本年度办理超过 30 场次产学发表会，并提拨项目落地奖励金，参与人数超过 4,500 人次。</li> </ul>

风险分类	风险因子	控制执行计划	执行情形
	知识产权风险	<ul style="list-style-type: none"> <li>在自有技术开发立项前、开发中、销售前进行技术风险评估。</li> <li>追踪当年度专利费之缴纳情形，若未按时缴交，将列为优先检讨案件。</li> <li>收到相关争讼文书，在第一时间会同法务单位研究案情搜集相关证据，评估攻防方案暨应诉策略，准时应诉。</li> <li>发明专利数据专项管理。</li> </ul>	<ul style="list-style-type: none"> <li>已将侵害他人知识产权之责任归属，列入客户合同必要检视条款，并通过合约要求第三方妥善管理我方所提供的数据，且不得为委托事务以外的用途。</li> <li>本年度无任何争讼案件。</li> <li>发明人个资统一汇整至独立存放空间，并设置调阅权限。</li> </ul>
策略面	策略风险	<ul style="list-style-type: none"> <li>定期检讨月产能目标，并比对同期成本结构。</li> <li>对外市场业务 FAE 及研发技术部门定期与客户交流新技术趋势及产业动态。对内则通过 Align meeting 通报厂内异常，强化扁平化交流。</li> <li>检视原物料、设备、产品等的受影响范围，研拟对策以规避风险。</li> <li>利用 Allocation model 调整价格策略。</li> <li>拓展东南亚投资计划，紧贴国际变化因应。</li> </ul>	<ul style="list-style-type: none"> <li>建置战情中心时刻，每月经营会议追踪市场方向，以制定集团性策略。每双周会议，查核客户案件、检视 SOP 检核数据、追踪产业动态。</li> <li>加大东南亚投资，除印度外新增泰国厂区投资计划，以因应国际变化及客户需求。</li> <li>成立成本优化项目，连结各工站智能化管理，针对重要案件从设计到量产各层面达到成本优化以控制成本。</li> <li>每月检讨与竞商资本支出及扩充产能状况差异，结合客户 FCST、FATP 组装计划等，调整价格策略。</li> </ul>
	商业道德风险	<ul style="list-style-type: none"> <li>针对主要供货商、代理商、客户与其他有商业往来对象举办《阳光政策》讲座，并签定《廉洁承诺书》，以避免与有不诚信行为纪录者进行交易。</li> <li>每年定期举办诚信经营法规、道德行为内部控制、重大讯息、内线交易、反贪腐等相关课程。</li> <li>监管部门，定期检视与评估内部规范以遵守国际准则。</li> </ul>	<ul style="list-style-type: none"> <li>本年度完成超过千家以上供货商阳光政策倡导，并与主要供货商签定超过千份承诺书。</li> <li>本年度举办诚信经营法规、道德行为、内线交易、反贪腐等相关课程，共举办逾 70,000 学时，且当年度新进间接及直接员工经营规则通过率为 91%。</li> <li>本年度董事进修我国近期 ESG 法规更新及 ESG 对于企业营运产生之潜在风险、内线交易法律规范与实务案例研析等课程。</li> <li>每年检视代理商、供货商、客户等之合法性与不良纪录调查。</li> </ul>

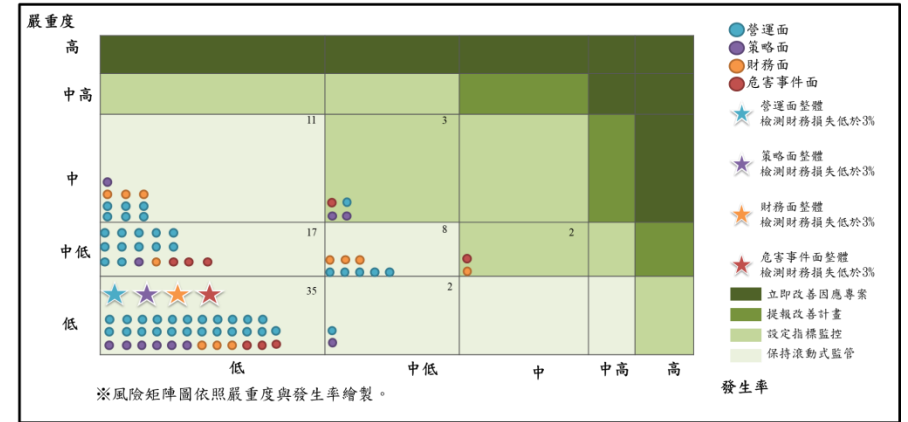
风险分类	风险因子	控制执行计划	执行情形
财务面	投资风险	<ul style="list-style-type: none"> <li>● 选择大型且信誉良好之金融机构进行往来，并分散资金配置，以降低银行体系及财资市场风险。</li> <li>● 在投资协议中，约定投资人保护条款，确保风险发生时的保护措施，尔后定期取得财报及经营报表、投后访谈、参与董事股东会，实时掌握经营情况及异常。</li> <li>● 藉由压力测试，模拟营收变动，预计淨现金需求并评估融资额度是否足够。</li> </ul>	<ul style="list-style-type: none"> <li>● 超过 40 家国际或信誉良好银行往来，以分散风险。</li> <li>● 提高集团流动资产比，保持安全现金流量水位。</li> <li>● 增加金融工具使用降低借贷成本，持续规划发行公司债。与此同时，避免杠杆投资，提高就地融资降低汇率风险。</li> <li>● 检视股东持变化，维护公司股权稳定。以利经营发展。</li> </ul>
	财务税务法规风险	<ul style="list-style-type: none"> <li>● 设置各项资产制度、财务指标等，以确保资产安全性与利用率。与此同时，针对约当现金、应收帐款、应收票据、固定资产等进行分析，并辨别问题与提出改善计划。</li> <li>● 为避免不恰当保或遗漏投保，由专责人员定期进行检视。</li> <li>● 每年参加金融机构及主管机构办理之会议，以追踪检视内部相关规范。</li> <li>● 定期或项目评估日常业务适法性，识别风险，规范日常业务。</li> </ul>	<ul style="list-style-type: none"> <li>● 通过风险管理与保险经纪人双重机制，检核保单到期日与内容，并期满前 1-2 月进行续保，确保保险之有效性。</li> <li>● 与会计师随时更新财务税务法令制度及要求。经检视本年度大陆及台湾地区税务政策与会计准则未有重大变动。</li> <li>● 专人参与政府相关政策倡导工作并追踪相关业务办理情形。</li> <li>● 紧盯国际汇率变化，随时测算外币部位，采购费用原币交易。</li> </ul>
危害事件面	自然灾害风险	<ul style="list-style-type: none"> <li>● 藉由集团应急组织架构，定期更新自然灾害 SOP 作业与紧急预备方案。</li> <li>● 全球暖化日益严重，公司成立圣婴项目，并于高发期间准有应急物资。</li> <li>● 集团防疫委员会定期召开控管会议，以掌握流行并与传染病之风险。</li> <li>● 厂房阶建置消防系统，以防范应急救灾，并落实现场 8S 工作。</li> </ul>	<ul style="list-style-type: none"> <li>● 定期检查消防水池与生活水池储水量，并倡导节约用水，与地方政府及排水公司超过 5 次会议检视排水相关事务。</li> <li>● 本年度虽有部分厂区外积水但未发生因圣婴现象导致之重大灾害。</li> <li>● 工安监测中心随时掌握工厂周围环境变化。</li> </ul>
	环境风险	<ul style="list-style-type: none"> <li>● 依照不同客户需求，区分产品范畴，拟定相对应之碳中和策略，并藉由成本分析与敏感度测试，挑选最佳方案，满足顾客多样性需求。</li> <li>● 成立异地备援管理公司内部数据。</li> <li>● 持续推测与仿真碳中和路径，并与绿能业者共同规划合作模式。</li> </ul>	<ul style="list-style-type: none"> <li>● 本年度增加逾 60 家主要供货商的减碳沟通，共同规划节能减碳项目，并拓展至其他供货商。</li> <li>● 本年度鹏鼎绿色供应链 CITI 指数进入前 10 名。</li> <li>● 采购绿色能源，降低资源适用对环境的迫害。</li> </ul>



## 2023年風險檢核結果



## 2023年風險矩陣圖



集团2023年度整体风险自评为低度风险。部份中/低等级检核项目多为自然灾害及国际情势相关风险，此部分由各事业单位随时保持在日常营运中滚动式风险辨识与控制，以提高风险减缓与调适能力随时因应。本年度于相关业务单位新增隐私权及业务压力测试项目，检核项目由前一年度的61项提高到78项，依照各作业单位的管理体系进行项目的辨识、评估，并将检核结果绘制成风险矩阵图，依据图谱结果制定四大措施包含：1)立即改善因应项目2)提报改善计划3)设定指标监控4)保持滚动式监管。经分析2023年管控结果，各检测风险项多维持在保持滚动式监管。为了进一步了解每个风险项目对财务的冲击影响，以前一年度营收为基础，检测每一项风险因子可能产生的财务损失量化估算，汇整结果显示，本年度四大风险面向检核后之集团潜在财务损失风险控制在3%以内。

# Avary Holding (Shenzhen) Co., Limited

## 2023 Implementation Result of Risk Management (Updated: March 2024)

### Risk Management Policy

To ensure the company's sustainable business operations and progress towards the goal of sustainable development. Risk Management is conducted through the analysis of internal and external environments, the policy defines four major risk management facets: operational, strategic, financial, and hazard pillars. To determine the risk level of each pillar, there are a total of 14 risk factors, and the process of identification, assessment, control, and supervision is clearly documented. Furthermore, to review the status of each aspect, the PDCA cycle (Plan, Do, Check, Act) is utilized for daily measurement.

To uphold the principle of sustainable development, the company evaluates emerging risks in accordance with the Global Risk Report and other international standards. Three long-term risks highlighted this year are "Structural changes in the labor market," "Global armed conflict and economic downturn," and "Misinformation and disinformation."

### Organizational Structure of Risk Management

- I. The Chief of Staff is the highest supervisor of risk management and is responsible for the operations of the risk management organization. The Chief of Staff is responsible for supervising the Group's risk identification procedures through R&D, manufacturing, sales, and participation of surrounding units. The front-line risk management personnel detects, identifies, evaluates, and formulates countermeasures for each risk, and regularly carry out reviews and supervision at risk management-related meetings. In case of different risks, the Chief of Staff may set up a response team according to different events and assign the responsible supervisor to coordinate the response.

The top risk management officer (i.e. Chief of Staff) should be aware of the impact of different types of risks to the Group and ensure the effectiveness of risk management. His/her main responsibility is not only to pay attention to the risks borne by each business unit, but also to consider the effects of the aggregation of various risks from the overall perspective of the company and coordinate cross-departmental communication.

- II. The Company has established the Risk Management Committee, which consists of the highest supervisors of each business unit. The Committee supervises improvements to risk controls and identifies and approves the prioritization of risk controls, and is responsible for reporting to the Board of Directors.
- III. The Risk Management Project Team operates independently from other operational departments and is responsible for reviewing and assessing the risk management and implementation carried out by frontline personnel across various risks. They shall adopt actions corresponding to the risk category and establish crisis management procedures and conduct drills. The Risk Management Project Team is headed by a regional director as the frontline risk manager, whose main responsibilities include:
- Ensure that risk information is communicated in a timely and correct manner.
  - Ensure the effective implementation of risk regulations within the relevant units.
  - Depending on the external.
- IV. The responsible personnel of the Risk Management Committee, in addition to participating in irregular internal and external risk management-related education and training, will fully implement risk management mindset education for employees and managers starting from 2023. This will be included as a performance evaluation criterion in the annual performance evaluation, in order to deepen risk awareness in daily life education and effectively enhance the promotion and implementation of risk management practices.

## Risk Management Procedure

To improve the risk management function, the Group's risk management is carried out through (1) risk identification, (2) risk assessment, (3) risk control, and (4) risk monitoring and communication to clearly grasp the scope of each risk. Through PDCA (Plan, Do, Check, Act) management measures, we will continue to improve and manage the risk factors to reduce the chance and degree of risk loss, and take appropriate measures to efficiently implement risk management.

**I. Risk Identification:** The company performs risk identification based on the environmental, social, and corporate governance aspects of its operations, where 14 risk factors have been formulated based on the four major aspects defined in the risk management policy, and the management scope includes various risk items at different levels as follows:

<b>Operational</b>	1. Market Risks: Changes in market trends, changes in product demand, changes in raw material prices, customer and supply chain performance risks
	2. Regional Risks: Review of the impact of changes in local political and economic conditions on the company's operations
	3. Information Security Risks: Information security software and hardware setup, management, maintenance, and personnel education and promotion and other related matters of operation maintenance and management.
	4. Supply Chain Risks: The ability to check and respond to supply chain imbalances caused by domestic and foreign political and economic situations and environmental changes.
	5. Quality Process Risks: Prevention and review of operational issues in quality management of products, materials, manufacturing, packaging.
	6. Occupational Health and Safety Risks: Handling and response to workplace hazards including workplace injuries, fire, explosion, chemicals, and other environmental contamination.
	7. Human Resource Risks: Review of employment management, employee environment, and welfare issues.
	8. Intellectual Property Risks: Intellectual property risk and response measures, impacts of changes of domestic and foreign policies and laws on the company, and the response measures.
<b>Strategic</b>	9. Strategic Risks: Corporate development direction, positioning of products, prices and technologies and the impact of supply chain operations on the company's operations.
	10. Business Ethics Risks: Review of compliance with laws and regulations and environmental/community responsibilities, protection of company information and property, prevention of bribery, money laundering, and unfair competition.
<b>Financial</b>	11. Investment Risks: Assessment of the internal and external environment of each investment, review of efficiency and investment management

	12. Financial and Tax Regulatory Risks: Review and response to changes in financial and tax policies in various regions and international financial situations that affect the company's interests.
<b>Hazardous Events</b>	13. Natural Disaster Risks: Prevention and response capabilities for typhoons, rainstorms, earthquakes, lightning, fires, explosions, epidemics, and infectious diseases (e.g.: COVID-19, SARS, etc.), bird flu, high temperature, heat wave.
	14. Environmental Risks: Impact of long-term natural environmental changes on the company and response: Carbon neutrality and climate change.

- II. Risk Assessment:** All subsidiaries of the company comply with the “Strategic Risk Control Procedures”. Each functional unit identifies the risk factors it may face, and may use Failure Mode and Effects Analysis (FMEA), or may develop its own identification and evaluation criteria to identify and evaluate the risk levels of different risk items and implement corresponding controls. Based on the risk evaluation, the three characteristic exponent of "severity, frequency, and difficulty of detection" are summarized to express the possibility of risk occurrence and its degree of influence, which are used as reference bases for the subsequent prioritization of risk control and the selection of response measures
- III. Risk Control:** Risks related to the daily operations of each business unit shall be managed by the risk controls of each business unit. For important crisis incidents that are cross-departmental or cross-plant, cross-departmental or cross-plant risk assessment should be carried out. The Chief of Risk Management Executive Committee or a designated representative is responsible for coordinating and negotiating, in order to identify feasible strategies for preventing crisis incidents. The supervisor shall formulate crisis handling procedures and recovery plans according to the crisis incident.
- IV. Risk Monitoring:** For the 14 major risk management areas, regular rolling reviews and complete records of risk management executive results are kept to understand the effectiveness of risk management projects and related control operations. The Risk Management Committee reports and explains the implementation results to the Board of Directors every year. Furthermore, internal auditors review the risk management procedures and control implementation status on a regular and irregular basis and report to the Board of Directors depending on the level of risk at all levels as well.
- V. Risk Monitoring:** In order to address the above areas, it is necessary to regularly review and thoroughly document the results of risk management implementation to understand the effectiveness of risk management strategies and related control operations. The Risk Management Project Team is required to submit an annual plan and progress report to the Risk Management Executive Committee, and hold at least two meetings annually to provide reports and explanations on the implementation results to the Risk Management Committee. Internal audit personnel should periodically and irregularly review the risk management procedures and control implementation status at various risk levels and report to the Board of Directors. (The risk management implementation status for the year 2023 was reported to the Board of Directors on March 29, 2024).

## 2023 Risk Management Training

Risk management training requires the participation of all members, including the board of directors. Regular and ad-hoc internal and external risk management courses are held annually and integrated into the annual performance evaluation criteria for employees and managers. The aim is to deepen risk awareness in daily operations, effectively enhancing the promotion and implementation of risk management in business. In 2023, there are 33 key executives, including members of the board of directors and committees. The breakdown is as follows:

<b>Unit: Number of people</b>	<b>0 to 25 hours of training</b>	<b>26 to 50 hours of training</b>	<b>51 to 100 hours of training</b>	<b>Over 100 hours of training</b>
<b>Non-Executive Director</b>	0 people	3 people	0 people	0 people
<b>Responsible personnel</b>	0 people	7 people	13 people	10 people

## Summary of the 2023 risk implementation results

Risk Pillars	Risk Factors	Control Plan	Implementation Status
Operational	Market risk	<ul style="list-style-type: none"> <li>● In order to increase market share in the consumer electronics industry, it is essential to understand market trends, select high-quality customers and suppliers, and utilize integrated systems for early warning and multi-product layout.</li> <li>● Shifting from cost leadership towards dual advantages (i.e., combining cost leadership and differentiation) via the measures of digital transformation, automation, and manufacturing improvement.</li> <li>● Implementing Business Continuity Management (BCM) plans and conducting drills to identify risks in advance to minimize losses from operational disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>● Customers with high-risk repayment capabilities were reviewed quarterly, and insurance was purchased for hedging purposes. Furthermore, the supply chain was enhanced through a pool of substitute firms.</li> <li>● Digital transformation was conducted to achieve an intelligent factory. In 2023, the differences between peak and average manpower were reduced to 2.5%.</li> <li>● Standard operating procedures (SOPs) were randomly inspected to ensure operational fluency and the ability to respond to crises.</li> <li>● Strengthen the protection of stakeholders' information and privacy rights by offering multiple complaint channels on the website, including in annual reports, sustainability reports, mailboxes, and communication software. This will enhance stakeholders' perception of the company's integrity and improve communication with the public.</li> </ul>
	Regional risk	<ul style="list-style-type: none"> <li>● Assessing cultural differences between each operational unit and the headquarters country.</li> <li>● Region administrative executives are required to dynamically track domestic policies of the operating locations and be attentive to policies regarding foreign investment companies in the host country, ensuring timely reporting.</li> </ul>	<ul style="list-style-type: none"> <li>● Utilizing the CAGE framework to analyze the differences between host country and home country (e.g., flexible leave).</li> <li>● Prepare plans based on daily news that were related to operation in order to response local needs.</li> </ul>

Risk Pillars	Risk Factors	Control Plan	Implementation Status
	<p><b>Information Security risk</b></p>	<ul style="list-style-type: none"> <li>● ISO 27001 was reviewed on an annual basis.</li> <li>● Regular backups of data and recovery drills were conducted. Furthermore, penetration tests were carried out to enhance the ability to cope with cyber-attacks.</li> <li>● Set up backups for the main and auxiliary server rooms.</li> <li>● New employees were required to sign a confidentiality agreement to prevent data leakage.</li> </ul>	<ul style="list-style-type: none"> <li>● Electronic equipment was not allowed in factories; only the devices approved by supervisors were permitted.</li> <li>● Back up important data regularly and create copies on hard drives stored in different locations.</li> <li>● Employees agreed to a confidentiality agreement and will comply with regulations.</li> <li>● Promote information security by using displays in living areas to raise awareness. In 2023, there were over 1,100,000 of exposure.</li> <li>● In 2023, database and system recovery drills were conducted biannually. Furthermore, important data was backed up regularly and stored on tapes.</li> </ul>
	<p><b>Supply Chain risk</b></p>	<ul style="list-style-type: none"> <li>● Regularly communicate with suppliers to ensure effective communication channels and platforms.</li> <li>● To improve daily management, regular evaluations and guidance were conducted based on relevant Standard Operating Procedure (SOP) documents (e.g., transportation safety management system, etc.).</li> <li>● Simulate abnormal situations, assess the scope of impact, and communicate across departments to enhance company resilience.</li> </ul>	<ul style="list-style-type: none"> <li>● A total of 336 supplier exchange meetings were held this year. At the global supplier conference held in April, more than 200 manufacturers and over 400 attendees participated.</li> <li>● Reporting channels were established, managed, and adjudicated by a third-party impartial agency.</li> <li>● Sensitivity analysis and stress tests were conducted; records can be found in relevant reports.</li> <li>● Updated information on accounting and tax systems on a monthly basis and manage them accordingly.</li> </ul>



Risk Pillars	Risk Factors	Control Plan	Implementation Status
	<p><b>Quality Process risk</b></p>	<ul style="list-style-type: none"> <li>● Qualified suppliers' resource pools were established to mitigate the risk of receiving abnormal or undetectable materials, thus reducing quality risks.</li> <li>● Manage production flow rate and work orders to prevent quality risks resulting from production lead time exceeding the schedule.</li> <li>● Increase the frequency of business visits to suppliers and customers to obtain crucial financial data and monitor inventory levels.</li> <li>● Enhance the verification and inspection of Golden Samples and machine capability limits.</li> </ul>	<ul style="list-style-type: none"> <li>● Enhance the NSRB management and OCAP system to deliver prompt feedback on anomalies.</li> <li>● Conduct simulation verification and perform drop tests on new sample packaging materials to verify the cushioning and protective effects of the packaging materials.</li> <li>● Strengthen the utilization of on-site signage management data to enhance quality and efficiency.</li> <li>● Conduct daily reviews of the MRB system, leakage, and process capabilities.</li> </ul>
	<p><b>Occupational Health and Safety risk</b></p>	<ul style="list-style-type: none"> <li>● Employees in positions exposed to occupational hazards are required to sign a notification letter regarding occupational hazard factors. This is to ensure their understanding of the hazard factors and preventive measures specific to their position.</li> <li>● Ensure fire alarm systems, automatic fire extinguishing systems, and the establishment of micro fire stations in each park. The micro fire station is equipped with fire jackets, chemical protective suits at all levels, emergency carts, SCBA, etc., and operates smoothly.</li> <li>● Environmental protection business personnel and human resources managers regularly conduct environmental education and training.</li> <li>● Environmental protection laboratory was established and dedicated personnel operate and maintain wastewater and waste gas facilities.</li> <li>● Industrial safety monitoring center were established to monitoring production lines.</li> </ul>	<ul style="list-style-type: none"> <li>● This year, all parks complied with relevant regulations, and no violations of regulations occurred.</li> <li>● All major factories in mainland China have achieved a 100% certification rate for environmental, safety, and health-related management systems, including ISO 14001 environmental management, ISO 14064-1 greenhouse gas verification, ISO 50001 energy management, and more. Additionally, the latest international environmental management system standards have been implemented, such as zero waste to landfill certification and AWS international sustainable water management standard certification.</li> <li>● Shenzhen Park has established the Industrial Safety Monitoring Center, and the construction of the center in various locations will be completed in phases.</li> <li>● The participation rate and passing rate of safety training are both 100%.</li> </ul>

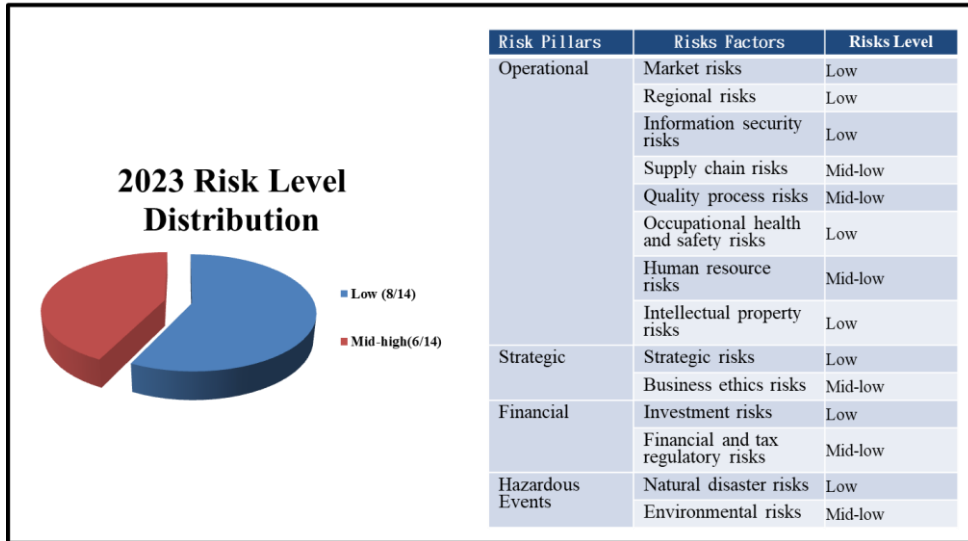
Risk Pillars	Risk Factors	Control Plan	Implementation Status
	<p align="center"><b>Human Resource risk</b></p>	<ul style="list-style-type: none"> <li>● Establishing a talent pool for the PCB/semiconductor industry and leveraging industry professionals and high-end recruitment resources is crucial.</li> <li>● The "Responsible Business Alliance Code of Conduct" and internationally recognized labor rights principles are regularly updated by the Social and Environmental Responsibility Committee (SER). They are also subject to regular audits by third-party RBA VAP to ensure the protection of employees' labor rights.</li> <li>● In compliance with the privacy policy, educational training is conducted.</li> <li>● Regularly conduct human resources business continuity plans and drills, vigorously promote current recruitment channels, and develop new recruitment channels.</li> </ul>	<ul style="list-style-type: none"> <li>● Encourage employees to participate in company-organized activities and offer incentives for talent retention.</li> <li>● Adjust the employee salary structure in accordance with the salary incentive plan.</li> <li>● Establish an internal recommendation system and utilize the internal application to announce job vacancies, enhancing independent recruitment capabilities.</li> <li>● For basic safety training courses, both the participation rate and the passing rate are 100%.</li> <li>● RBA certification is renewed every two years. This year, both the Shenzhen and Qinhuangdao plants have passed RBA certification, while the Huaian plant will obtain it in 2022.</li> <li>● There are more than 25 industry-university cooperation projects this year.</li> <li>● In 2023, more than 30 industry-university conferences were held, and scholarships were allocated, with over 4,500 attendees.</li> </ul>
	<p align="center"><b>Intellectual Property risk</b></p>	<ul style="list-style-type: none"> <li>● Conduct technical risk assessments before initiating self-owned technology development projects, during the development phase, and prior to sales.</li> <li>● The payment of patent fees for the current year will be monitored. If the payment is not made on time, it will be listed as a priority review case.</li> <li>● After receiving the relevant dispute documents, dedicated personnel will collaborate with the legal department to analyze the case and promptly gather pertinent evidence.</li> <li>● Special management on patent materials.</li> </ul>	<ul style="list-style-type: none"> <li>● The allocation of responsibility for violating the intellectual property rights of others has been included in the essential review clauses of the customer contract.</li> <li>● There were no disputes during the year.</li> <li>● The inventor's personal information is consolidated into a separate storage space, and access permissions are set.</li> </ul>

Risk Pillars	Risk Factors	Control Plan	Implementation Status
Strategic	Strategic risk	<ul style="list-style-type: none"> <li>● Regularly review monthly production capacity targets and compare cost structures for the same period.</li> <li>● The external market business, Field Application Engineering (FAE), and Research and Development (R&amp;D) technology departments regularly communicate with customers on new technology trends and industry developments. Internally, Align meetings are used to report abnormalities within the factory to enhance direct communication.</li> <li>● Examine the scope of impact on raw materials, equipment, products, etc., and develop countermeasures to mitigate risks.</li> <li>● Utilize an allocation model to adjust pricing strategy.</li> <li>● Expand investment plans in Southeast Asia to align with international developments.</li> </ul>	<ul style="list-style-type: none"> <li>● A strategic center was established, and monthly operational meetings were held to monitor market trends and develop group strategies. Biweekly meetings are held to review customer cases, standard operating procedure (SOP) inspection data, and track industry trends.</li> <li>● Increase investments in Southeast Asia by expanding beyond India and initiating a new plant investment plan in Thailand to address global shifts and meet customer demands.</li> <li>● Establish a cost optimization project to implement intelligent management at each workstation and achieve cost efficiency at all stages, from design to mass production, particularly for critical cases, to manage expenses effectively.</li> <li>● Review the disparities in capital expenditure and capacity expansion status with competitors on a monthly basis, and adapt pricing strategies according to customer FCST, FATP assembly plans, etc.</li> </ul>
	Business Ethics risk	<ul style="list-style-type: none"> <li>● Conduct "Sunshine Policy" lectures for major suppliers, agents, customers, and other business contacts.</li> <li>● Courses related to integrity management regulations, internal control of ethical behavior, major information, insider trading and anti-corruption are held regularly every year.</li> <li>● Regulatory authorities regularly review and evaluate internal regulations to ensure compliance with international standards.</li> </ul>	<ul style="list-style-type: none"> <li>● In 2023, we successfully promoted the Sunshine Policy to over 1,000 suppliers and signed more than 1,000 letters of commitment with key suppliers.</li> <li>● Courses on integrity management regulations, ethical conduct, insider trading, anti-corruption, and other related topics were conducted, totaling more than 70,000 teaching hours.</li> <li>● Directors took courses on ESG regulations, insider trading legal norms, and practical case studies.</li> <li>● Review the legality and track record of agents, suppliers, and customers annually.</li> </ul>

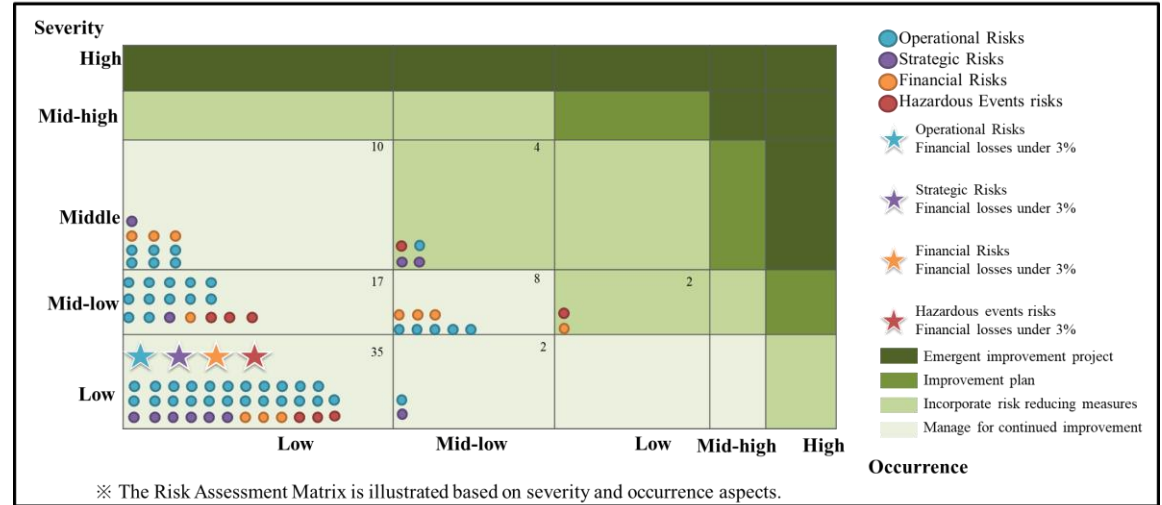
Risk Pillars	Risk Factors	Control Plan	Implementation Status
<b>Financial</b>	<b>Investment risk</b>	<ul style="list-style-type: none"> <li>● Select large and reputable financial institutions for transactions and diversify your capital allocation to reduce risks in the banking system and financial markets.</li> <li>● Post-investment interviews are conducted, and board and shareholder meetings are attended to stay informed about operating conditions and abnormalities.</li> <li>● A stress test was implemented based on revenue fluctuations to determine whether net cash and financial credit were adequate.</li> </ul>	<ul style="list-style-type: none"> <li>● Cooperate with over 40 international and reputable banks to diversify risks.</li> <li>● Enhance the group's current asset ratio and ensure the maintenance of safe cash flow levels.</li> <li>● Review changes in shareholder holdings and maintain the stability of the company's equity. To facilitate business development.</li> <li>● Increase the utilization of financial management tools to reduce the loan ratio. In the future, the firm will issue USD 400 million of corporate bonds.</li> </ul>
	<b>Financial and Tax Regulatory risk</b>	<ul style="list-style-type: none"> <li>● Establish various asset management systems and financial indicators to ensure the safety and efficient utilization of assets.</li> <li>● To prevent inadequate or missing insurance coverage, dedicated personnel conduct regular inspections.</li> <li>● Attend annual meetings organized by financial institutions and regulatory agencies to monitor and evaluate relevant internal regulations.</li> <li>● Evaluate the legality of daily business operations regularly or on an ad-hoc basis, identify risks, and standardize daily business practices.</li> </ul>	<ul style="list-style-type: none"> <li>● Through the dual mechanism of risk management and insurance brokers, the expiration date and content of the policy are verified. The policy is renewed 1-2 months before expiration to ensure the insurance remains valid.</li> <li>● Work with accountants to stay updated on financial and tax laws, regulations, and requirements at all times. After review, there have been no significant changes in the tax policies and accounting standards in Mainland China and Taiwan this year.</li> <li>● Monitor international exchange rate fluctuations closely, calculate foreign currency positions at any given time, and manage procurement costs by conducting transactions in the original currency.</li> <li>● Dedicated personnel participated in promoting relevant government policies and tracking relevant business processes.</li> </ul>

Risk Pillars	Risk Factors	Control Plan	Implementation Status
<b>Hazardous Events</b>	<b>Natural Disaster risk</b>	<ul style="list-style-type: none"> <li>● Through the firm's emergency organizational structure, standard operating procedures (SOPs) for natural disasters and emergency preparation plans are regularly updated.</li> <li>● As global warming becomes increasingly serious, the company has established the Holy Infant Project to ensure emergency supplies are available during periods of high outbreaks.</li> <li>● The firm's Epidemic Prevention Committee holds regular meetings to monitor the prevalence and risks of infectious diseases.</li> <li>● A fire protection system is installed on the factory floor to prevent emergencies, disaster relief, and on-site 8S work is implemented.</li> </ul>	<ul style="list-style-type: none"> <li>● Regularly inspect the water storage capacity of fire pools and domestic pools to promote water conservation.</li> <li>● The industrial safety monitoring center keeps track of changes in the environment around the factory.</li> <li>● Although there was waterlogging in the factory this year, no major disasters were caused by ENSO.</li> </ul>
	<b>Environmental risk</b>	<ul style="list-style-type: none"> <li>● According to various customer needs, we categorize products differently, develop corresponding carbon-neutral strategies, and choose the optimal solution through cost analysis and sensitivity testing to meet the diverse requirements of customers.</li> <li>● Establish an off-site backup management system for internal company data.</li> <li>● Continue to speculate and simulate carbon-neutral pathways, and collaborate on cooperative models with stakeholders in the green energy industry.</li> </ul>	<ul style="list-style-type: none"> <li>● We enhanced communication on carbon reduction with over 60 major suppliers, collaborated on energy-saving and carbon reduction projects, and extended our efforts to other suppliers.</li> <li>● In 2023, Avary's Green Supply Chain CITI Index ranked among the top 10.</li> <li>● Purchase green energy to reduce the impact of resource utilization on the environment. The firm's internal green power resource ratio has reached 50%.</li> </ul>

## 2023 Risk Management Overview



## 2023 Risk Assessment Matrix



The firm's overall risk self-assessment in 2023 is low. Some of the medium to low-level inspection items mainly involve risks associated with natural disasters and international situations. This year, privacy and business stress tests were added to the relevant business units. The number of inspection items increased from 61 in the previous year to 78. Projects were identified and evaluated in accordance with the management system of each operating unit. The inspection results were plotted in the risk assessment matrix, which further derived four key actions: 1) Emergent Improvement project 2) Improvement Plan 3) Incorporate risk reducing measures 4) Manage for continued improvement. After analyzing the control results in 2023, most of the risk detection items continue to be under ongoing supervision. In order to gain a deeper understanding of the financial implications of each risk factor, a quantitative assessment was conducted to estimate the potential financial losses associated with each risk item, using the previous year's revenue as a benchmark. The results revealed that the firm faced four major risks this year after the review. The risk of potential financial losses is kept below 3%.