

# Risk Management in 2023

Information coverage period: January to October 2023

1. BizLink formulated "Regulations Governing Risk Management" on November 13, 2023 Policies and Procedures", please refer to the appendix of this document for content.

2. The company actively promotes the implementation of the risk management mechanism, holds regular risk management group meetings and reports its operations to the board of directors once a year. The main operations in 2023 are as follows:

- The Corporate Governance and Sustainability Committee will hold regular meetings on March 30 and August 25, 2023, by the chairman of the committee meeting, including the climate change risk proposal - the implementation progress report of the greenhouse gas inventory and verification schedule on March 30 and the implementation progress report of the greenhouse gas inventory and verification schedule on August 25. Both meeting reports were at For the report submitted by the board of directors, please refer to the official website for important resolutions.

- Establish employee training courses on risk management related topics to inform the company of important risks and prevention and related response measures. As of October 2023, the number of participants is 1,895 and the total training hours are 1,270 hours.

- Respond to risks or opportunities in the community and take corresponding measures in 2023 - Taiwan

Actively contribute to the community and reduce environmental impact. Protecting the environment is one of the important cultural values of BizLink Group. Therefore, BizLink volunteers and dependent partners have participated in several beach and mountain cleanup activities organized by the company to reduce the amount of marine and environmental pollution in the community. Forest waste poses the risk of destroying the natural ecological environment. It increases the opportunities for employees' family members (especially children) to know the ocean and get close to the forest. It further cultivates awareness of environmental protection and expands the community influence in the areas where BizLink's bases are located. The following are the specific measures adopted. The quantitative data of the measures show that although the amount of waste picked up is not large, we believe that the accumulated positive impact will definitely become larger and larger. Please refer to page 39 of the 2023 Sustainability Report for specific results.

# Regulations Governing Risk Management Policies and Procedures

November 13, 2020

## Article 1

**Purpose of Preparation** These Regulations are formulated to help manage the risk of internal and external uncertainties that the Company may face in the course of business operations to ensure stable operation and sustainable development.

## Article 2

**Basis of Preparation** These Regulations are formulated pursuant to Article 5 of the Company's Ethical Corporate Management Best Practice Principles to establish an optimal corporate governance and risk control system.

## Article 3

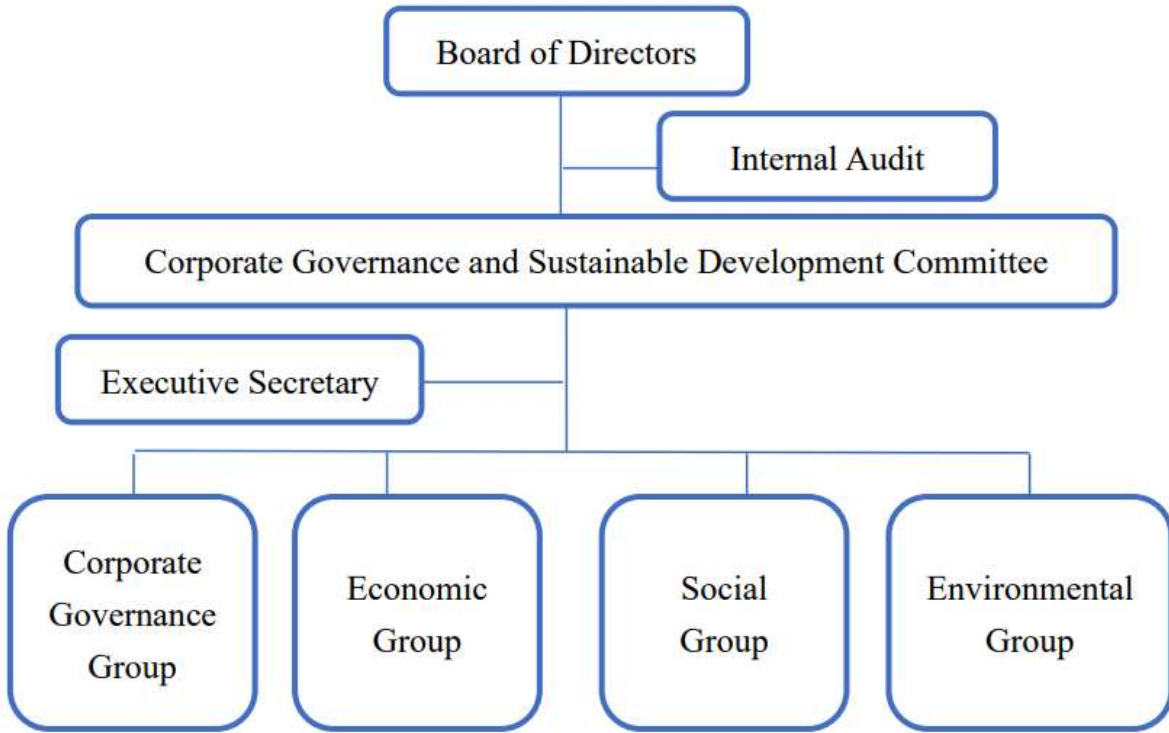
### Organizational Structure and Duties of Risk Management

**I. Board of Directors:** The Board of Directors of the Company have the highest power over risk management. It aims to comply with relevant laws and regulations, promote and implement the Company's overall risk management system, keep track of operational risks, ensure the effectiveness of the risk management procedures, and bear the ultimate responsibility for risk management.

**II. Corporate Governance and Sustainable Development Committee:** The Company established the Corporate Governance and Sustainable Development Committee under the Board of Directors. The supervisors of the four functional groups (Corporate Governance, Economic, Social, and Environmental) appointed under the Committee are responsible for risk management, and analyzing and monitoring the risks of their groups to ensure the effective implementation of the risk control system and procedures.

**III. Internal audit:** Regularly check whether the internal control and audit plans of each business unit are implemented based on the risks monitored by the four functional groups under the Committee, and submit follow-up improvement reports based on the results of the audit.

Management Organizational and Structural Table



Article 4

Scope and Procedures of Risk Management The scope of the Company’s risk management system is divided into several aspects pursuant to the four major functional groups under the Committee. Each aspect identifies different types of risks and summarizes different risk factors based on risk management practices and the principle of materiality. Such risk factors are managed according to the monitoring, reporting, management, and disclosure procedures. The type of risks faced by the Company can be summarized as follows:

Aspects	Type of Risk	Risk Factor (Including but not limited to the following factors)
Corporate Governance	Corporate Governance	● Risk of insufficient information disclosure
		● Directors’ and supervisors’ liability risk
		● Material internal regulations
		● Integrity corporate management

		● Compliance
	Corporate risks	● Reputation/brand damage
		● Insufficient innovation/unable to meet customer needs
		● Loss of intellectual property/data
		● Poor implementation or strategic communication
		● Merger/acquisition/reorganization
		● Increased competition
	Information technology risks	● Computer crime/hacker/malware virus
		● Systems and facilities unable to meet business needs
		● Technical/system failure/server room safety
Economy	Financial risks	● Asset value fluctuation
		● Capital availability/credit risk
		● Cash flow/liquidity risk
		● Purchaser credit risk
		● Exchange rate fluctuation
		● Rate fluctuation
	Operating risks	● Business interruption
		● Supply chain interruption
		● Damage of property and equipment
		● Product return
		● External service provider/third party responsibilities
		● Concentrated purchases
		● Concentrated sales

Social	Human resource risks	● Difficult to attract and retain employees
		● Occupational harassment/discrimination
		● Insufficient employees/absence
		● Unethical conduct/criminal, theft, and fraud
	Operational hazard risks	● Occupational safety and health hazards
		● Poor safety protection and emergency response
● Other improper management or mistakes		
Environment	Climate change and natural disasters	● Fire hazard/flood/typhoon
		● Changes in greenhouse gas emission and energy consumption standard
		● Changes in international and local environmental laws
Others	External risk factors	Refer to the risks that are not included in the above. However, the risk will incur significant damage to the Company, including epidemics, emerging risks, policy changes, legal and regulatory adjustments, and other material external damage.

Note: The Corporate Governance and Sustainable Development Committee divides and adjusts the competent authorities of risk management according to the business of each functional group.

**Article 5**

**Risk Monitoring** Each functional group is responsible for monitoring the business risks of their respective departments and for proposing countermeasures, which are regularly reported to the Corporate Governance and Sustainable Development Committee.

**Article 6**

**Risk Management Report** Record the risk management procedures and their implementation results. The functional group should regularly report the risk status to the Corporate Governance and Sustainable Development Committee for management reference.

#### Article 7

**Risk Disclosure** In addition to disclosing relevant information in accordance with the regulations of the competent authority, the Company shall also disclose information related to risk management in the Annual Report and Company website.

#### Article 8

**Revision of Risk Management Regulations** Members of the functional group should regularly review the Regulations, and revise them in a timely manner with reference to domestic and foreign risk management systems to enhance the effectiveness of risk management.

#### Article 9

**Implementation** These Regulations shall immediately take effect after being approved by the Board of Directors. Subsequent amendments thereto shall be effected in the same manner.