

# Symtek Automation Asia Co., Ltd

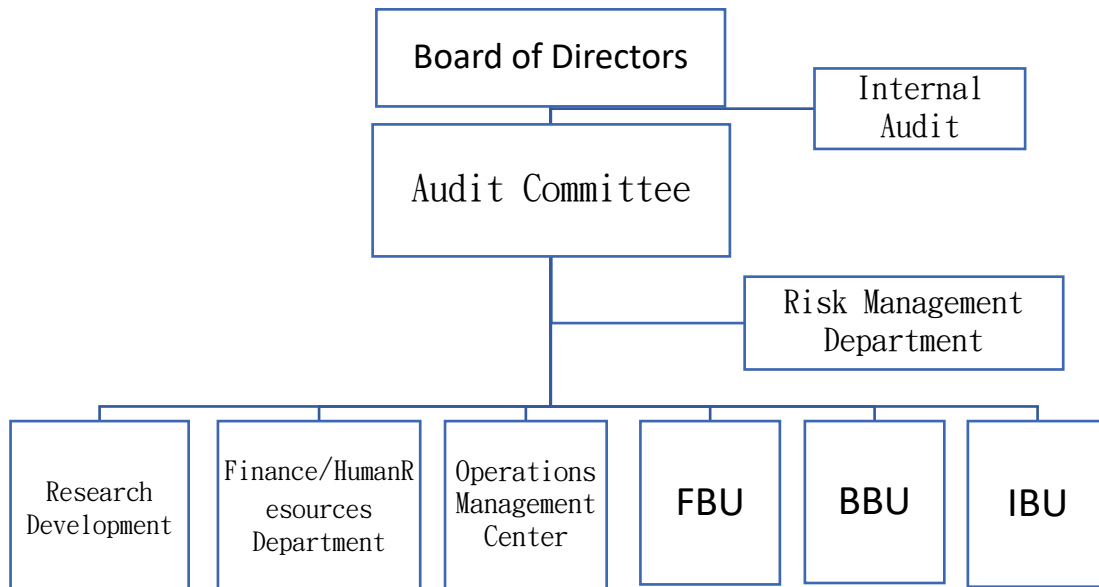
## Risk Management Policy

### Article 1

To ensure the integrity of our company's risk management system and effectively handle various internal and external risks that may arise during our operational processes, we have formulated this risk management policy. The purpose is to safeguard shareholder interests, achieve operational objectives, and pursue sustainable corporate development.

### Article 2

#### Risk Management Organizational Structure and Responsibilities



#### 一、Board of Directors:

The Board of Directors of the company serves as the highest authority for the risk management policy. It is responsible for approving and reviewing the company's risk management policy to ensure its effectiveness. The Board holds the ultimate responsibility for risk management.

#### 二、Audit Committee:

The Audit Committee oversees the implementation of the company's risk management policy and provides professional advice.

### 三、Risk Management Team:

The establishment of a cross-functional risk management team is designated as the responsible unit for executing risk management. The Chief Operating Officer serves as the convener, with the authority to appoint several deputy conveners. Members include designated representatives from various functional units (all departments within the company). The team is primarily responsible for monitoring, measuring, and assessing the company's risks at the operational level. It operates independently of business units and operational activities. The team reports regularly to the Audit Committee on the company's risk environment, risk assessments, and response measures. It is also required to report on the execution of risk management to the Board at least once a year.

### 四、Audit Office:

The Audit Office formulates an annual audit plan based on the company's risk assessment results. It periodically checks whether risk controls within the company are effectively implemented and issues audit reports based on the audit findings.

## Article 3 Risk Management Process

The risk management process comprises risk identification, risk assessment, risk monitoring, risk response, and risk reporting. The company should use the risk management process to understand the organization's context, as well as the needs and expectations of stakeholders relevant to the company. Communication with stakeholders is integral to this process.

### Risk Identification:

Each year, during the months of May to June, every functional unit conducts the operation of filling out risk assessment questionnaires.

### Risk Measurement:

Every year, from May to June, each functional unit conducts the operation of filling out risk assessment questionnaires.

#### Risk Monitoring and Response:

Every July, the Risk Management Team consolidates the risk assessment results from each unit. Discussions are then held during the risk meeting specifically addressing high and significant risks.

#### Risk Reporting:

Every year, the Risk Management Committee reports the results of risk assessments and corresponding strategies to the Board of Directors.

#### 一、Risk Identification and Risk Scope:

To manage risks, it is crucial to recognize the threats and challenges that may be faced during the operational process. In order to effectively grasp these risks, various feasible analysis tools and methods should be employed. Through discussion, analysis, and the synthesis of past experiences, it is possible to predict potential future risks. These risks can be identified, categorized, and classified within the following risk scope and risk factors:

(一) Corporate Risks may include, but are not limited to, the following risks:

1. Reputation/Brand Damage
2. Corporate Social Responsibility/Sustainable Development - Environmental Protection
3. Corporate Social Responsibility/Sustainable Development - Legal Compliance
4. Corporate Social Responsibility/Sustainable Development - Board Functionality
5. Corporate Social Responsibility/Sustainable Development - Stakeholder Communication
6. Lack of Innovation/Inability to Meet Customer Needs
7. Intellectual Property Management
8. Execution or Strategy Communication Failure
9. Mergers/Acquisitions/Restructuring

(二) Financial Risks may include, but are not limited to, the following risks:

1. Fluctuations in Asset Value
2. Availability of Capital/Credit Risk
3. Cash Flow/Liquidity Risk
4. Buyer Credit Risk (Customer Credit)
5. Exchange Rate Risk
6. Interest Rate Risk
7. Financing Risk
8. Investment Risk

(三) Information Technology Risks may include, but are not limited to, the following risks:

1. Employee Negligence/Lack of Cybersecurity Awareness
2. Computer Crime/Hacking/Malicious Code or Viruses
3. Lack of Systems and Facilities to Support Business Needs
4. Outdated or Obsolete Information Equipment and System Software
5. Technical/System Failures/Data Center Security
6. Unauthorized Disclosure or Loss of Company Documents, Files, Data, and Information Assets
7. Cloud Service Security
8. Use of Pirated Software
9. Unauthorized Access to Data, Systems, and Networks

(四) Operational Risks, including but not limited to the following risks:

1. Business Interruption (Production, Sales, etc.)
2. Loss or Damage of Property and Equipment
3. Production and Sales Imbalance
4. Product Safety (Quality and Regulatory)
5. Delayed Product Delivery
6. Product Recall
7. Insufficient, Lost, or Damaged Inventory (Poor Warehouse Management)
8. Supply Chain Disruption
9. Responsibility of Outsourcing/Contractor (Supplier Management)
10. Concentration of Purchases
11. Concentration of Sales

12. Pricing Strategy Errors
13. Inability to Comply with Major Customer Policies or Requests
14. Customer Dissatisfaction

(五) Human Resources Risks, including but not limited to the following risks:

1. Insufficient Workforce or Labor Shortages
2. Difficulty in Retaining Employees
3. Workplace Harassment, Discrimination, or Bullying
4. Unethical or Dishonest Behavior
5. Occupational Health and Safety Hazards
6. Workplace Crisis Management (Occupational Accidents, Suicides, Sudden Deaths)
7. Employee Mental and Physical Health
8. Labor Disputes
9. Violations of Labor Laws

(六) External Factors Risks, including but not limited to the following risks:

1. Adjustments in Policies and Legal Regulations
2. Media/Social Media
3. Commodity Price Risk
4. Economic Slowdown/Slow Recovery
5. Rapid Technological and Industry Changes
6. Increased Competition
7. Climate Change
8. Fire/Flood/Typhoon
9. Pandemics
10. Political Risk/Uncertainty

## 二、Risk Measurement:

After each functional unit of the company identifies potential risk factors it may face, it should establish appropriate measurement methods to serve as the basis for risk management.

1. Risk Measurement includes the analysis and assessment of risks. This involves analyzing the likelihood of the occurrence of risk events and assessing the potential negative impact upon occurrence. The aim is to understand the impact of risks on the company,

providing a basis for prioritizing risk management and selecting response measures.

2. For quantifiable risks, rigorous statistical analysis and technical methods are employed for analysis and management.
3. For other currently challenging to quantify risks, qualitative methods are used for measurement. Qualitative risk measurement involves expressing the likelihood of risk occurrence and its impact through descriptive text.

### 三、Risk Monitoring:

Each functional unit should monitor the risks associated with its business. Relevant departments should propose response strategies and submit both the risks and response strategies to the Risk Management Team.

### 四、Risk Response:

After assessing and consolidating risks, each functional unit should adopt appropriate response measures for the identified risks. Possible measures for risk response include the following:

1. Risk Avoidance: Taking measures to avoid various activities that could potentially lead to risks.
2. Risk Reduction: Taking measures to reduce the impact and/or likelihood of the occurrence of risks.
3. Risk Sharing: Adopting a transfer approach to shift a portion or the entirety of the risk to others. For example, through insurance.
4. Risk Acceptance: Taking no measures to alter the likelihood or impact of the risk occurrence.

### 五、Risk Reporting:

To comprehensively document the risk management process and its execution outcomes, the Risk Management Team should report the status of risks to the Board of Directors at least once a year for management reference.

#### Article 4 Execution of the Risk Assessment Process:

- 一、 The Risk Management Team is required to send email notifications to each department annually (early May) to initiate the risk assessment process. Additionally, they should distribute risk assessment questionnaires.
- 二、 Department heads are responsible for appointing personnel (unit managers) from their respective sub-units based on the actual situation as risk management coordinators. These individuals are tasked with conducting risk assessments and managing related matters within their departments.
- 三、 Risk management coordinators in each functional unit, considering the current company environment, identify potential internal and external risk factors. They conduct risk assessments and devise risk response strategies.
- 四、 The risk assessment questionnaires are reviewed annually by the department heads. After this review, they are consolidated by the Risk Management Team (before the end of June).
- 五、 The Risk Management Team compiles the risk assessment results from various units. For high and significant risks, discussions are presented during the risk management meeting, and the outcomes are submitted for approval by the General Manager (July).
- 六、 The results of risk assessments and corresponding strategies should be reported to the Board of Directors (August to November).

#### Article 5 Risk Information Disclosure:

In addition to disclosing relevant information as required by regulatory authorities, the company should also disclose information related to risk management on its official website.

Article 6 The company should continuously monitor developments in domestic and international risk management. This information should be used to review and improve the established risk management policies, enhancing the effectiveness of risk management.

Article 7 This policy is implemented upon approval by the Board of Directors, and any revisions also require Board approval.

# SAA 2025 Risk Management Operations

## Situation

- 一、 The company, in actively promoting the implementation of a risk management mechanism, completed the establishment of the risk organization and structure, the definition of risk management scope, and the formulation of the company's risk management policy in October of the year 2021. In May of the year 2023, the policy was revised, incorporating the Audit Committee as the supervisory and management unit for the company's risk management.

The company will continue to implement risk detection, analysis, and identification within the scope of risk management. The objectives include strengthening crisis prevention, crisis response capabilities, and rapid recovery post-crisis. This is aimed at effectively controlling risks, with an annual reporting to the Board of Directors on the operational situation.

- 二、 A total of 24 departments and 5 senior management levels within the company were surveyed as part of the risk assessment. Questionnaires were distributed, covering 6 major categories of risks (Corporate Risk, Operational Risk, External Factors Risk, Financial Risk, Information Security Risk, and Human Resources Risk). A total of 65 specific risk items were assessed across these categories in year 2025.
- 三、 Risk assessment involves evaluating each risk item based on the frequency of risk occurrence (likelihood assessment: high, medium, low, very low) and the impact on the company (severity assessment: severe, significant, moderate, minor). The assessment then utilizes a classification criteria table for risk levels, assigning weighted scores to determine the risk level (5 points: significant risk, 4 points: high-risk, 3 points: moderate risk, 2 points: low-risk, 1 point: minor risk).

- 四、 Results of the 2025th-year Risk Assessment: There are a total of 0 significant risk items, 20 high-risk items, 35 moderate-risk items, and 10 low and minor-risk items. The company has proposed relevant management plans or measures for significant and high-risk items and continues to monitor and manage them. The operational status of the company's risk management in the 2025th year was reported to the Audit Committee on November 11, 2025, and presented to the Board of Directors.
- 五、 In the fiscal year 2025, the company conducted an assessment of the timing and impact of TCFD climate-related risks and opportunities, proposing relevant response strategies and measures. This assessment included 3 physical risks, 6 transition risks, and 4 opportunities. The results were reported to the Audit Committee on November 11, 2025, and presented to the Board of Directors.