

# **ASE Technology Holding Co., Ltd.**

## **Risk Management Policies and Procedures**

### **Article 1 Objectives**

The policies and procedures have been formulated to ensure the robustness of ASE Technology Holding Co., Ltd. (the “Company”) and its subsidiaries’ risk management (collectively referred to as “ASEH”), so as to safeguard shareholder interests, attain sustainable development and build good corporate governance. To that end, ASEH is better able to achieve the Company’s operational strategies and goals.

### **Article 2 Basis**

The policies and procedures are formulated in compliance with the ‘Risk Management Best Practice Principles for TWSE/GTSM Listed Companies’ jointly adopted by Taiwan Stock Exchange Corporation (“TWSE”) and GreTai Securities Market (“GTSM”) and Article 44 of the ‘Regulations Governing the Establishment of Internal Control Systems by Public Companies’ promulgated by the Financial Supervisory Commission of the Executive Yuan. According to Article 44, public companies are to establish appropriate risk management policies and procedures; set up effective risk management mechanisms to assess and monitor their risk bearing ability, status of existing risks, as well as to determine risk response strategies and compliance with risk management procedures.

### **Article 3 Goals**

ASEH shall identify, measure, monitor and control the risks related to various business operations. Potential risks should be properly evaluated and processed to ensure control within acceptable levels, and enable the Company to achieve risk and reward rationalization goals.

### **Article 4 Risk Management Policies**

ASEH’s overall business direction drives the company’s risk management

policies that define various risks in order to establish risk management mechanisms for early identification, accurate assessment, effective monitoring and stricter controls. Risks that can be managed within an acceptable threshold help mitigate potential losses, while shareholder interests and company value can be enhanced with continuous adjustments and improvements according to changes in internal and external environments. The following outlines the highest guiding principles of risk management:

- I. Awareness in risk management shall form an integral part of ASEH's operation and management, and shall be duly incorporated into its business strategies and organizational culture.
- II. A management and response mechanism shall be established to identify, evaluate, monitor and control major risks, and measurement standards shall be similarly established.
- III. The Company shall establish appropriate risk management mechanisms, and continuously review and ensure the effective management of risks involved in driving various businesses.

## **Article 5 Risk Governance and Culture**

It is advisable that the Company should establish a sound risk governance and management frameworks, and through the participation of the board of directors, functional committees and senior management, to link risk management with the Company's strategies and goals. Determine the Company's major risk projects, improve the comprehensiveness, forward-looking and completeness of risk identification results, and publicize and carry out corresponding risk control and response to reasonably ensure the achievement of the Company's strategic goals. It is advisable that the Company promote a risk management culture, and integrate risk management awareness into regular decision-making and operational activities, through clear risk management declarations and commitments from governance units and senior management, setting up and supporting risk management units, and providing risk management-related professional training for all employees. It is used to form a comprehensive enterprise risk management culture.

The risk governance units and the management units of the Company shall

place importance on and advocate risk management through providing appropriate resource to operate it effectively and shall be responsible to effective operation of risk management as well.

The Company shall integrate duties of each unit within the Company to jointly promote and execute risk management and shall implement risk management of overall business through communication, coordination and liaison among departments.

## **Article 6 Organizational Structure and Areas of Responsibilities**

### **Organizational structure and areas of responsibilities**

#### **I. Board of Directors**

The Board of Directors is responsible for approving risk management policies and procedures and ensuring the establishment of an appropriate risk management mechanism and risk management culture. The Board monitors ASEH's existing and potential risks, and allocates the necessary resources to support effective risk controls.

#### **II. Risk Management Committee**

The Risk Management Committee, comprising a minimum of three members, is responsible for overseeing risk management activities. An Executive Secretariat shall be established with an independent board director as the convener, and independent board directors comprising at least half of the committee members. The duties of the Risk Management Committee are as follows:

1. Formulate relevant risk operating guidelines, establish risk management standards, verify risk appetite (risk tolerance), determine the priority order and risk level of risk control and management, guide resource allocation and regularly review ASEH's risk management mechanisms, risk category assessment and operational improvements.
2. Implement decisions made by the Board of Directors, and regularly review the development, establishment and execution of ASEH's overall risk management mechanisms.

3. Approve risk response strategies and action plans, and request all ASEH's risk management authorities to effectively identify, measure, monitor and control various risks.
4. Convene a committee meeting at least twice a year, and request each subsidiary to file respective reports.
5. Review and consolidate various risk control reports and submit to the Board on a yearly basis. Provide timely information to the Board on risk management implementation status.

### III. Executive Secretariat

1. Support the Risk Management Committee in risk management implementation.
2. Ensure that each subsidiary carries out effective risk identification and control activities in order to achieve risk management goals.
3. Conduct regular meetings with senior management to identify key and emerging risks.

### IV. Audit Department

The Audit Department shall conduct independent audits on ASEH's risk management related businesses at least once a year, and report the findings to the Board of Directors.

### V. Board of Directors at ASEH's subsidiaries

Supervise the implementation of risk management practices of the respective subsidiaries, and establish risk management committees in all subsidiaries to carry out risk management activities.

### VI. Business Units (including management units, and group /regional function / department)

Each unit shall carry out risk management, reporting, and procedure improvements. Each unit shall also promote and implement risk management practices within each department, report risk plan improvements to the Board of Directors of the respective subsidiaries and plan training related to risk management to enhance overall risk awareness and culture.

## **Article 7 Scope of Risk Management**

ASEH shall evaluate various risk probability and impacts that may occur during the course of business, and take appropriate measures to continuously improve and mitigate business risks.

ASEH's business operation risks can be categorized into operational risks, strategic risks, market risks, compliance risks, information security risks, environmental risks, climate change risks, financial risks and other risks associated with the business operation. To ensure that all risks are kept within acceptable thresholds, ASEH shall aggregate and establish management indicators for various risk categories to be regularly monitored by the respective business units.

## **Article 8 Risk Identification**

ASEH adopts top-down and bottom-up approaches to corporate risk management. Key and emerging risks are regularly identified by the senior management, and communicated to all subsidiaries. Results from risk identification activities and the control status are reported to the Risk Management Committee to strengthen overall decision making.

ASEH shall carry out risk identification at the corporate level at least once a year to compile a record of past experiences and evaluate future risk probabilities.

## **Article 9 Risk Analysis and Assessment**

ASEH shall formulate appropriate assessment methods as the basis for risk management upon identification of potential risk exposure factors, and analyze the possibility of risk incident and the degree of influence as the basis for measuring value at risk, and evaluate the risk levels according to the following aspects:

- I. Probability of occurrence
- II. Risk impact (including but not limited to business continuity, financial viability, company image and reputation)
- III. Effectiveness of control

Correlation analysis is used to examine whether there is a high degree of correlation between primary risk factors and, where necessary, develop further risk mitigation plans to reduce risks.

It is advisable that the units of promoting and executing risk management formulate appropriate standards of qualitative and quantitative measurement according to characteristics of risk as a basis for risk analysis.

Relevant risk analysis and assessment results shall be indeed recorded and reported to the Risk Management Committee to verify.

#### **Article 10 Risk Tolerance**

It is advisable that each business unit formulates risk appetite (risk tolerance) and reports to the Risk Management Committee to verify and determine the acceptable risk limits, and reviews the risk level of each corresponding value at risk and the respective method of responding according to the risk appetite as the basis for risk measurement and response.

#### **Article 11 Risk Response, Monitoring and Reviewing**

Each business unit shall take appropriate measures upon identification and assessment of risk exposures, and establish preventive, early warning, contingency, crisis management and business continuity plans to mitigate, transfer or avoid risks, as well as maintain relevant records.

Each business unit shall review the risk management process and whether relevant risk strategies implemented and operated continuously and effectively, and incorporate the result into performance measurement and report items. To effectively supervise and enhance the benefit of implementing risk management, risk management shall connect with the crucial process within organization.

ASEH shall monitor the control and improvement of various types of risks, and immediately report its findings to the Risk Management Committee in case of significant risk exposures.

ASEH shall conduct an external review at least once every two years by an independent third-party verification organization in accordance with the relevant

guidelines and risk framework of management systems or risk management standards (such as ISO 31000).

## **Article 12 Risk Record And Report**

The process and results of the risk management execution shall be recorded, reviewed and reported through appropriate mechanisms, and properly retained for future reference including risk identification, risk analysis, risk assessment, and response in the risk management process, relevant information resources and risk assessment results, etc.

The units of risk management promotion and execution shall integrate the risk information provided by each business unit, regularly issue risk management related reports to the Risk Management Committee and the Board of Directors, and establish a dynamic management and reporting mechanism to supervise the effective implementation of risk management.

## **Article 13 Risk Disclosure**

In order for shareholders and stakeholders to understand ASEH's overall risk management policy, information on the Company's approach shall be disclosed in the annual report and the CSR report. To further ensure comprehensive disclosure and good corporate governance, the Company shall also publish on its website the Risk Management Policies and Procedures, the scope, organizational structure and operational details of its risk management policy.

## **Article 14 Monitor Of Domestic And Foreign Development**

The Company shall at all times monitor domestic and international developments in corporate risk management mechanisms as a basis for review and improvement of the risk management structure of the Company, so as to enhance the effectiveness of corporate governance.

## **Article 15 Approval and Amendment**

The Risk Management Policies and Procedures shall be reviewed by Risk Management Committee and come into force upon approval by the Board of Directors, and so shall any later amendments.

## **Article 16 Date of Formulation**



The Risk Management Policies and Procedures were formulated on October 15, 2020.

The first amendment to the Risk Management Policies and Procedures was made on December 15, 2022.

The second amendment to the Risk Management Policies and Procedures was made on August 11, 2025.