

Pili International Multimedia Co., Ltd.

Risk management progress - 2021

According to the Company's "Risk Management Policy and Procedures," reports on risk management progress shall be made to the board of directors at least once a year:

1. Business risk assessment and ESG (environmental, social, governance):
The Company convenes monthly interdepartment meetings involving tier-1 managers to discuss financial, business, and operational matters, and to incorporate ESG (environmental, social, and governance) values into marketing and cultural activities.
10 tier-1 manager meetings were convened between January and October 2021.
ESG assessment: See sections on Corporate Governance Performance and Corporate Social Responsibilities Performance.
2. Cybersecurity risk assessment: See section on Cybersecurity Performance.
3. Legal risk assessment: See sections on Business Integrity and Intellectual Property Rights Management.
4. All departments and subsidiaries had completed evaluation of the effectiveness of internal control system (including operating cycle and operational risk assessments) for the most recent year (2020) in the beginning of February 2021. A Declaration of Internal Control System for 2020 has been prepared according to Article 24 of "Regulations Governing Establishment of Internal Control Systems by Public Companies" and was submitted for review during the board meeting held on February 22, 2021.
5. Orientation training has been designed to cover the risks involved in various aspects of business activity and inform new recruits on relevant operating procedures, rules, and measures while promoting their awareness on the Company's operational risk culture. Furthermore, directors and employees are assigned to external risk management training from time to time to help raise their awareness towards corporate risk management.
6. Risk management-related training between January and October 2021:
Internal training

Date	Course name	Man*hours
2021/3/2	Orientation (including awareness on "risk management by business activities")	48
2021/5/10		
2021/8/2		
2021/10/25		

External training

Date	Course name	Man*hours
2021/9/23	Exploring Fraud Risk and Prevention Strategies through Case Studies	12
2021/10/1	Global Risk Awareness - Opportunities and Challenges for the Next 10 Years	
2021/7/21	Enhancing "Information Resilience" of the Financial Industry - A Response to Risks and Crises	

[Source of Information: internal departments]