

# Risk Management Report

## Annual Report 2023

### 1. Overview

The Risk Management Report outlines the key risks faced by the organization throughout 2023 and the strategies implemented to effectively identify, assess, and manage these risks. This report is an integral part of the Annual Report, aimed at providing transparency to stakeholders.

### 2. Risk Governance Structure

The Board of Directors is responsible for overseeing risk management. The Risk Management Committee monitors the implementation of risk policies. The following framework supports risk oversight:

- Board of Directors: Ultimate oversight and approval of risk strategies.
- Risk Management Committee: Design, implementation, and monitoring of risk controls.
- Internal Audit: Periodic independent review and assurance.

### 3. Principal Risks Identified

1. **Strategic Risk:** Risks related to business strategies, market competition, and regulatory changes.
2. **Operational Risk:** Process lapses, system failures, human errors, and supply chain disruptions.
3. **Financial Risk:** Credit risk, liquidity risk, currency fluctuations, and interest rate changes.
4. **Compliance Risk:** Risks associated with legal and regulatory requirements.
5. **Reputational Risk:** Impact on brand, public perception, and stakeholder trust.

### 4. Risk Assessment and Response

Risks are assessed based on likelihood and impact, using a risk matrix. The company regularly reviews, updates, and tests its risk controls. Specific mitigation actions include:

- Maintaining adequate insurance coverage.
- Strengthening internal controls and compliance programs.
- Crisis management simulation and contingency planning.
- Continuous staff training and awareness campaigns.

### 5. Emerging Risks and Outlook

The organization monitors potential emerging risks, including climate change, cyber security threats, and technological disruptions. Proactive measures are being developed to adapt to these evolving challenges.

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#### Important Notes:

- This type of document enhances transparency and accountability for stakeholders.
- Regular updates and board oversight are crucial for effective risk management.
- Risks should be tailored and prioritized based on specific organizational context.
- Clear documentation supports regulatory compliance and decision-making.
- Risk management is an ongoing process, not a one-time activity.