

## Risk Management

Operating in a complex and dynamic business environment, the Company believes that effective risk management is crucial in the attainment of its operational and financial targets. To protect and enhance shareholder value, a comprehensive and integrated enterprise-wide risk management program is implemented, guided by internationally accepted standards, and closely monitored by the Company's executive management and Board of Directors. As a result of such a program, the Company's risk exposure is managed at an acceptable level-effectively reducing threats, creating opportunities for continued growth, and strategically gaining a competitive advantage.

Our commitment to effective risk management

All risk management-related activities within the Company are based on the International Organization for Standardization (ISO) 31000:2018 risk management guidelines.

As mandated by executive management, it is the policy of the Company to:

- \* Integrate risk management into its culture and operations
- \* Incorporate risk management into strategic planning, activity planning, performance management, and resource allocation decisions
- \* Manage risk in accordance with the adopted standard
- \* Periodically revisit and re-assess its risk profile and the effectiveness of risk treatments

The Head of Corporate Strategic Planning and Business Development (CSPBD) functions as the Chief Risk Officer (CRO), and spearheads the risk management process in the Company. The CRO is part of the Audit and Risk Management Committee, which assists the Board in performing its oversight functions.

Major risks relating to our operations

Among the risks that may impact the sustained profitability and resilience of the Company, the most crucial are:

- \* Evolving and intensifying industry competition, amplified by globalization and rapid technological advancements

- \* Changing consumer habits driven primarily by innovations in content distribution platforms
- \* Failure to sustain lead in audience and market shares
- \* Failure to sustain lead in reach and technological superiority
- \* Unfavorable and volatile political and economic conditions in the Philippines and in territories where the Company and its subsidiaries Operate
- \* Decline in advertising revenues and loss of significant advertisers
- \* Damages and attacks to the Company brand and its representing Entities
- \* On-air and other operational disruptions brought about by equipment failures, pandemics, natural disasters, cyberattacks, malicious parties, and other threats
- \* Loss of key personnel or failure to attract and retain highly qualified personnel

With the coordinated efforts of the Company's risk management champions, risk owners, assurance providers, and support team, a systematic approach is in place to proactively respond to these risks. Mitigating controls are identified and periodically evaluated to ensure that they are operating satisfactorily to address the risks.