

Risk management

Because the Company operates in a complex and dynamic business environment, GMA Network believes that an effective risk management is crucial in the attainment of the Company's operational and financial targets. In order 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 program, GMA Network's risk exposure is managed at an acceptable level—effectively reducing threats, creating opportunities for continued growth, and strategically gaining competitive advantage.

Our commitment to effective risk management

All risk management-related activities within GMA Network 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 the culture and operations of GMA Network

- 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-asses GMA Network's risk profile and the effectiveness of risk treatments

The Head of Corporate Strategic Planning (CSP) Department functions as the Chief Risk Officer (CRO), and spearheads the risk management process in GMA. 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 GMA Network, the most crucial are:

- Intense 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
- Decline in advertising revenues and loss of significant advertisers
- Damages and attacks to the GMA brand and its representing entities

- On-air and other operational disruptions brought about by equipment failures, natural disasters, cyberattacks, malicious parties, and other threats
- Loss of key personnel and talents or failure to attract and retain highly qualified personnel and talents
- Unfavorable political and economic conditions in the Philippines and in territories where GMA and its subsidiaries operate

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.