

Enterprise Risk Management Policy

Currently, operating business encounters the uncertainty from both internal and external causes, resulting in risk and opportunity events for the organisation, with the risks having a negative impact and the opportunity creating value. Therefore, risk management is a critical tool for preventing, maintaining, and empowering organisations to meet their objectives and goals. Furthermore, risk management is an important component of Good Corporate Governance and leads to Sustainability Development by focusing on every operation process to be transparent, efficient, positive for the organisation's image, and creating value-added both in the short term and long term under the management of the Board, Management, and all employees.

The Company is committed to implementing comprehensive enterprise risk management in line with good practices and international standards. The Company have adopted the framework of Enterprise Risk Management – Integrating with Strategy and Performance, developed by COSO (The Committee of Sponsoring Organisations of the Treadway Commission). This framework serves as a tool in increasing the opportunity for business success while reducing the risks of failure, loss, and uncertainty in the Company's performance.

In this regard, the Company is committed to continually develop and improve its risk management system throughout the organisation by operating in accordance with the following basic principles.

- 1) Risk management is an inherent aspect of corporate governance, planning, and reporting procedures at both the operational and strategic levels and is not separate from the basic activities or processes of the business.
- 2) Risk management helps create and protect organisational value by encouraging the organisation to achieve its objectives and improve its operations through continuous process reviews.
- 3) Risk management as part of the decision-making process enables decision-makers to make clear choices, prioritise actions, and demonstrate the effectiveness and efficiency of the course of action.
- 4) Risk management is used to manage uncertainty whereby organisations can establish a control system to manage various uncertainties in order to increase the likelihood of a return or reduce the likelihood of loss through the risk management process.
- 5) Systematic risk management has a clear pattern consistent across the organisation. Activities are continually reviewed and monitored for emerging or evolving risks with a flexible and timely response to internal and external changes.
- 6) Risk management process is transparent and requires participation from internal and external stakeholders. Decision-making process requires multiple perspectives that lead to proper consideration of risks.
- 7) Risk Management Policy must be reviewed at least once a year or when there is a significant change that affects risk management.

The Company's operations are at risk of hindering the goals that have been set. If the risk arises at a certain level but remains at the level that the Company is able to operate until the target is achieved, the level of risk that arises is known as "Acceptable Risk Level (Risk Appetite)". Risk Appetite is determined by the Sub Risk Management Committee and is approved by the Risk Management Committee which is authorised by the Board of Directors to manage risk management. The Company has established the Risk Appetite under the Risk Assessment Criteria. The Company's Risk Appetite (Within Risk Appetite) is the risk that has been assessed at a low level. It is considered an acceptable level of risk but still needs to be controlled to prevent the risk level from moving to a higher level. The risk level that is higher than the acceptable risk level of the Company (Exceeding Risk Appetite) is the risk that has been assessed at the level from medium to very high or extreme.

This Policy has been considered and approved by the Board of Directors at the meeting No. 10/2024 on 13 December 2024 and shall enter into force from 13 December 2024 onwards.



Mr. Apichart Chutrakul
Chairman
Sansiri Public Company Limited