

---

## RISK ANALYSIS APPROACH

---

### Sustainability Risk

#### 1.1 Identification of Risks and Opportunities

The Company has assessed risks and opportunities related to organizational sustainability issues. The Risk Management Department and relevant business units jointly analyze risks based on:

1. Internal factors (SWOT Analysis)
2. External factors (PESTEL Analysis) including business environment surveys supported by various statistics.
3. Global risk reports, such as The Global Risks Report 2024 (World Economic Forum).
4. Focus Group meetings to gather stakeholder feedback annually.
5. Other stakeholder feedback channels to identify issues that may affect the Company's sustainability.
6. Risk identification initiated by relevant members of the Risk Management Committee.

Additionally, the Company conducts departmental-level risk management through a Risk-Based Audit process, overseen by the Corporate Governance and Quality Systems Department, to ensure enterprise-wide risk management.

#### 1.2 Assessment of Risk Levels for Each Sustainability Issue (Risk Level), Determination of Risk Appetite, and Setting of Key Risk Indicators (KRIs)

Once sustainability-related risks are identified, the Risk Management Department submits them to the Risk Management Committee for consideration. The committee reviews key risks, assesses risk levels, determines acceptable risk levels (Risk Appetite), and establishes Key Risk Indicators (KRIs).

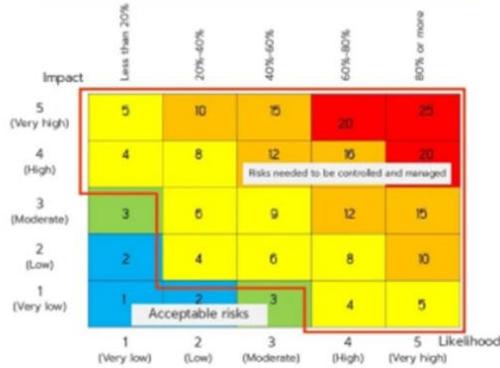
The Company sets its Risk Appetite within the green and blue zones. Determining the Risk Appetite for each issue is based on: 1) Stakeholder requirements 2) Strategic organizational objectives 3) Factors contributing to corporate value creation 4) Risks that may impact organizational objectives (e.g., Mega Trends)

However, if the assessed risk level falls within the yellow zone or above (yellow, orange, or red), the responsible unit must implement management measures to reduce the risk to an acceptable level (within the Risk Appetite).



## Defining the severity of risks

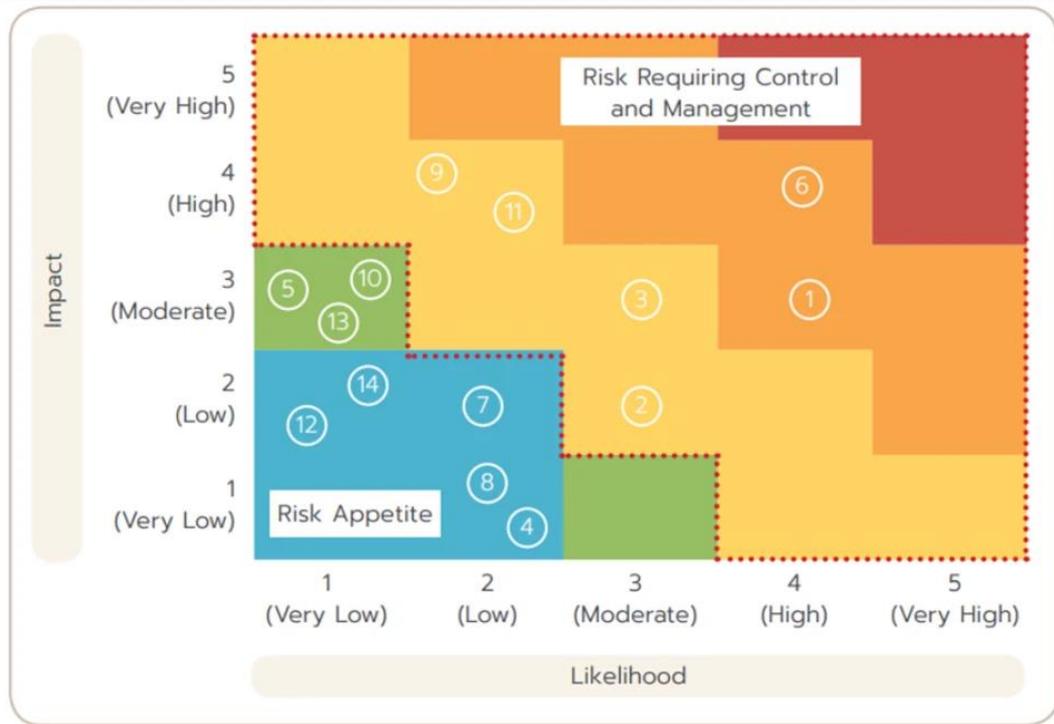
Severity level of risks = likelihood x impact



Severity levels	Color	Table presenting severity levels of risks.
Very high	Red	<b>Very high severity level - high</b> There should be high control with close monitoring and regular evaluation. Also, additional methods should be sought to reduce the likelihood and impact to be at acceptable level.
High	Orange	<b>Moderate level of severity</b> Risks with a control or management plan in place should take into consideration cumulative impact that may escalate.
Moderate	Yellow	<b>Low severity level - very low</b> Risks accepted by the organization that may not require managing action should be assessed periodically to prevent cumulative impact from escalating.
Low	Green	
Very low	Light blue	



### 1.3 Table showing the assessment of likelihood and impacts of each sustainability issue Risk Matrix



Dimensions	Sustainability	Risks
Economic	1. Supply Chain	<ol style="list-style-type: none"> <li>1. Disruptions in the supply chain and loss of bargaining power due to reliance on large or too small number of suppliers/distributors.</li> <li>2. Shortage of skilled labor.</li> </ol>
	2. Tax Operations	<ol style="list-style-type: none"> <li>1. Incorrect or incomplete tax filings.</li> </ol>
	3. Business and Social Innovation	<ol style="list-style-type: none"> <li>1. Lack of monitoring and promotion for the actual implementation of award-winning innovations by relevant departments.</li> </ol>
Environmental	4. Biodiversity and Ecosystem Conservation	<ol style="list-style-type: none"> <li>1. Ecosystems/environment may be affected by the construction in the project, leading to a loss of biodiversity.</li> </ol>
	5. Resource Utilization	<ol style="list-style-type: none"> <li>1. Employees may lack continuous and sustainable implementation of daily efficient resource use and energy-saving practices.</li> </ol>
	6. Climate Management	<ol style="list-style-type: none"> <li>1. Guidelines or activities set by relevant agencies may not align with carbon footprint reduction goals.</li> <li>2. Insufficient knowledge and understanding among responsible agency representatives (Center) in gathering data, communicating with consultants, and educating their teams.</li> </ol>
Social	7. Consumer Responsibility	<ol style="list-style-type: none"> <li>1. Product quality may not the Company's meet standards.</li> </ol>
	8. Community and Social Development Participation	<ol style="list-style-type: none"> <li>1. Incomplete compilation of corporate activities benefiting society and communities.</li> </ol>
	9. Respect for Human Rights and Fair Labor Practices	<ol style="list-style-type: none"> <li>1. The Company may treat employees unfairly, resulting in a decrease in their quality of life and safety, leading to litigation and affecting the Company's employees and reputation.</li> <li>2. Failure to consider rights, diversity, and inclusion in Company's processes such as recruitment, selection, training and development), as well as compensation and benefits, leading to gender, age, religion, and nationality discrimination that could impact the Company's employees and image.</li> </ol>
	10. Employee and Workforce Development for Work and Daily Life	<ol style="list-style-type: none"> <li>1. Employee development may not cover the development of required competencies for each job position, leading to a lack of essential</li> </ol>

Dimensions	Sustainability	Risks
	Capability Development	skills and knowledge for work and for leading daily life. 2. Supervisors may lack a structured approach to developing employees in alignment with competency requirements.
	11. Occupational Safety, Health and Environment	1. Employees failing to comply with safety regulations, rules, or manuals. 2. Unsafe work environments, working procedures and supervision.
Governance	12. Corporate Governance	1. Operations may not comply with stock exchange standards and external regulatory bodies.
	13. Risk Management	1. The organization’s risk assessment may not cover key emerging risks.
	14. Anti-Corruption	1. Operations may not comply with the criteria of the Thai Private Sector Collective Action against Corruption (CAC).

#### 1.4 Risk Mitigation Plan

The Risk Management Committee may propose additional risk mitigation measures beyond those implemented by the respective business unit executives. The committee provides guidance and assigns responsible executives along with a specified completion timeline to ensure that risks are managed to an acceptable level. The Risk Management Team then monitors and verifies the progress and reports to the Risk Management Committee on a monthly basis via the Line Group. Additionally, meetings of the Risk Management Committee and its subcommittees are held at least four times a year to review and consider risk issues, ensuring that risk management is carried out promptly and continuously in accordance with the established framework.

Risk mitigation methods for ESG-related risks and business operation risks are determined based on:

1. The business context.
2. The benefits gained.
3. Alignment with relevant industry standards.
4. Stakeholder expectations, as well as the Company’s mission, vision, and values.
5. The Company’s acceptable risk level (Risk Appetite) and the severity of potential impacts resulting from the risk.

**1.5 Results of Risk Management Sustainability Issues**

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
1. Supply Chain	<p><b><u>Risk Management Committee</u></b> Oversee the assessment of key risks associated with suppliers/contractors.</p> <p><b><u>Corporate Governance and Sustainability Development Committee</u></b> Oversee the implementation of Supplier Code of Conduct that covers ESG aspects and supply chain management.</p>	<p><b><u>Key Risks</u></b></p> <ol style="list-style-type: none"> <li>Supply Chain Disruptions and Loss of Bargaining Power due to reliance on a few or major partners or distributors.</li> <li>Shortage of skilled labor.</li> </ol> <p><b><u>Risk Appetite Level [2]: Low Opportunity</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Encourage the business’s supply chain to prioritize the development of new products with a stronger ESG focus, such as collaborating with partners to recycle waste materials for reuse in construction.</li> <li>High-quality products and services are not solely the result of internal organizational management. Key factors affecting products and services quality stem from the entire supply chain, from upstream to downstream, including product delivery, warranty repairs, and revenue recognition.</li> </ul>	<p><b><u>Opportunity</u></b> Sustainability across the entire supply chain benefits consumers and stakeholders in the long run in terms of quality, price, and after-sales service for continuous sustainability.</p>
2. Tax Operations	<p><b><u>Board of Directors</u></b> Tax Operation Policy</p>	<p><b><u>Key Risks</u></b> There is a possibility of incorrect or incomplete tax filings.</p> <p><b><u>Acceptable Risk Level (Risk Appetite) [1]: Very low Opportunity</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Strengthening a transparent corporate culture aligned with good governance principles.</li> </ul>	<p><b><u>Opportunity</u></b> When the government receives full tax payments, it leads to continuous national development, which benefits the organization and all stakeholders.</p>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
3. Business and Social Innovation	<p><b><u>Executive Committee</u></b></p> <ul style="list-style-type: none"> <li>Support employees in expressing ideas and opinions on innovation.</li> <li>Provide resources related to innovation development.</li> </ul>	<p><b><u>Key Risks</u></b> Lack of follow-up and implementation efforts for award-winning innovations by relevant departments.</p> <p><b><u>Risk Appetite Level [2]: Low Opportunity</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Develop customer perception and company image.</li> <li>Improve operational efficiency.</li> <li>Increase competitiveness.</li> </ul>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Quality of life for consumers, economic growth, social development, and sustainable environmental practices.</li> <li>Able to respond to the needs of stakeholders.</li> </ul>
4. Conservation of Biodiversity and Ecosystems	<p><b><u>Corporate Governance and Sustainable Development Committee</u></b> Corporate Sustainability Management Policy</p>	<p><b><u>Opportunity</u></b> The ecosystem/environment may be impacted by the project's construction, leading to a loss of biodiversity</p> <p><b><u>Risk Appetite Level [2]: Low</u></b></p>	<p><b><u>Opportunity</u></b> Improve operational management to minimize impacts, preserve biodiversity and ecosystems, and reduce corporate-image risks.</p>
5. Resource Utilization	<p><b><u>Corporate Governance and Sustainable Development Committee</u></b> Policy on Efficient Resource Utilization</p>	<p><b><u>Key Risks</u></b> Employees may lack consistent and sustainable daily efficient resource utilization and energy conservation implementation.</p> <p><b><u>Risk Appetite Level [2]: Low Opportunity</u></b></p> <p><b><u>Opportunity</u></b> Planning resource utilization, including integrating innovations into production processes, to enhance efficiency and minimize environmental impact. This approach aims to mitigate climate-related changes that could negatively affect overall business operations.</p>	<p><b><u>Opportunity</u></b> Fostering habits of efficient resource utilization among employees, extending to family and society level.</p>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
6. Climate Management	<p><b><u>Corporate Governance and Sustainable Development Committee</u></b> Corporate Sustainability Management Policy</p>	<p><b><u>Key Risks</u></b></p> <ol style="list-style-type: none"> <li>1. Relevant departments establish guidelines or activities not aligned with the carbon footprint reduction goals.</li> <li>2. The knowledge and understanding of Center representatives responsible for data collection, communication with consultants, and knowledge transfer to employees in their departments remain insufficient.</li> </ol> <p><b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b> Climate issues create opportunities for developing new products and management related to the business.</p>	<p><b><u>Impact</u></b> The impacts of climate change are becoming increasingly severe, evident in phenomena, such as flooding caused by heavier rainfall, rising sea levels due to polar ice melt, heatwaves, and droughts.</p>
7. Responsibility towards the Consumers	<p><b><u>Corporate Governance and Sustainable Development Committee</u></b></p> <ul style="list-style-type: none"> <li>• Policy on Customer Treatment</li> <li>• Policy on Personal Data Protection</li> </ul> <p><b><u>Quality System Review and Improvement Committee</u></b> Quality Policy</p>	<p><b><u>Key Risks</u></b> The products may not be up to standard.</p> <p><b><u>Risk Appetite Level [1]: Very Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• The organization's long-term competitiveness.</li> <li>• Corporate Image.</li> </ul>	<p><b><u>Opportunity</u></b> Responding to customers satisfaction in various aspects, such as quality of life, safety, and value for money.</p>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
8. Community and Social Development Collaboration	<p><b><u>Corporate Governance and Sustainable Development Committee</u></b></p> <p>Policy on Social Responsibility</p>	<p><b><u>Key Risks</u></b></p> <p>The Company’s collection of activities for the benefit of society and communities that the Company has carried out is incomplete.</p> <p><b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Sustainable business growth</li> <li>• Smooth project implementation</li> <li>• Building the Company’s image and credibility with the community and society</li> </ul>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Enhancing the community’s occupational capacity, resulting in increased income for the community.</li> <li>• Improving basic quality of life and promoting environmental conservation.</li> </ul>
9. Respect for Human Rights and Fair Treatment of Workers	<p><b><u>Nomination and Compensation Committee</u></b></p> <ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Compensation and Benefits Policy</li> </ul>	<p><b><u>Key Risks</u></b></p> <ol style="list-style-type: none"> <li>1. Treat employees unfairly, leading to a decline in quality of life and safety, which could result in lawsuits and reputational damage.</li> <li>2. Failure to consider rights, diversity, and inclusion in various Company processes – such as recruitment and selection, training and development, along with compensation and benefits – by discriminating based on gender, age, religion, or nationality could negatively impact the Company’s image.</li> </ol> <p><b><u>Risk Appetite Level [1]: Very Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Enhance competitiveness as the Company has a positive corporate image.</li> <li>• Positively affects the recruitment of qualified and suitable candidates to join the Company while also serving as a strategic approach to</li> </ul>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Employees and stakeholders are treated fairly and without discrimination.</li> <li>• Partner company’s employees benefit from the Company’s request for cooperation from business partners on human rights issues.</li> </ul>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
		<p>retaining skilled employees, ensuring sustained business competitiveness.</p> <ul style="list-style-type: none"> <li>Human rights issues are highly sensitive and can be interconnected with other matters that may have broader implications for the company's operations.</li> </ul>	
<p>10. Develop the Capabilities of Employees and Workers in Both Work Performance and Daily Life</p>	<p><b><u>Nomination and Compensation Committee</u></b></p> <ul style="list-style-type: none"> <li>Employee Development Policy</li> <li>Employee Treatment Policy</li> </ul>	<p><b><u>Key Risks</u></b></p> <ol style="list-style-type: none"> <li>Employee development may not cover the competencies required for each job position, leading to skill gaps and a lack of essential knowledge for work performance and daily life.</li> <li>Supervisors may lack clear guidelines on how to develop employees in alignment with their required competencies.</li> </ol> <p><b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Strengthening employee's knowledge and skills to align with the organization's strategic direction.</li> <li>Implementing Agile Way helps enhance employee potential and competitiveness to keep up with changes.</li> </ul>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>Employees receive fair performance evaluations.</li> <li>Employees have equal opportunities for career growth.</li> </ul>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
11. Safety, Occupational Safety, Health, and Environment	<p><b><u>Corporate Governance and Sustainability Development Committee</u></b></p> <p>Occupational Safety, Health, and Environment Policy</p>	<p><b><u>Key Risks</u></b></p> <ol style="list-style-type: none"> <li>1. Employees not complying with safety regulations, rules, or safety manuals.</li> <li>2. Unsafe work environments, methods, and supervision.</li> </ol> <p><b><u>Risk Appetite Level [1] Very Low</u></b></p> <p><b><u>Opportunity</u></b></p> <p>Reduce safety risks and enhance the Company's image.</p>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Employees enjoy a safe working environment, enhancing their morale and motivation at work.</li> <li>• Partner company employees benefit as the Company collaborates with its partners on occupational safety, health, and environment matters through the signing of the Code of Conduct and on-site workplace visits.</li> </ul>
12. Corporate Governance	<p><b><u>Corporate Governance and Sustainability Development Committee</u></b></p> <ul style="list-style-type: none"> <li>• Policy on Fair Treatment of Shareholders, Customers, Business Partners, Creditors, and Competitors.</li> <li>• Review and approve the Employee Code of Conduct.</li> <li>• Ensure compliance with good corporate governance principles.</li> <li>• Support and promote knowledge sharing initiatives.</li> </ul>	<p><b><u>Key Risks</u></b></p> <p>Operations do not comply with Stock Exchange regulations and external regulatory authorities.</p> <p><b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b></p> <p>Building a strong foundation for sustainable business operations.</p>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Stakeholders benefit from the Company's economic contributions, including income generation, employment opportunities, revenue creation, and social and environmental responsibility participation.</li> <li>• Investors have confidence that their investments are appropriately managed to maximize business benefits.</li> <li>• Business partners enhance their image through ESG collaboration with the Company.</li> </ul>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
	<ul style="list-style-type: none"> <li>• Policy on the Use of Insider Information.</li> <li>• Policy on Conflict of Interest.</li> <li>• Policy on Reporting on Interests, Policy on Information Disclosure and Dissemination to the Public.</li> </ul>		
13. Risk Management	<p><b><u>Risk Management Committee</u></b></p> <ul style="list-style-type: none"> <li>• Identify key sustainability issues (Key Materiality).</li> <li>• Assess the impact of sustainability issues on stakeholders.</li> <li>• Prioritize key sustainability issues through a Materiality Matrix.</li> <li>• Establish policies and propose risk management strategies.</li> <li>• Identify key risks.</li> <li>• Assess risk levels.</li> <li>• Define Risk Appetite levels.</li> <li>• Establish key risk indicators (KRIs).</li> <li>• Develop a Risk Matrix to assess likelihood and impact.</li> </ul>	<p><b><u>Key Risks</u></b></p> <p>The organization’s risk assessment does not cover critical risks that arise within the organization.</p> <p><b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Be aware of looming threats and minimize potential losses.</li> <li>• Build a valuable knowledge database to support organizational management and operations.</li> <li>• Create value for work while enhancing the organization’s image.</li> <li>• Ensure organizational development moves in a unified direction.</li> <li>• Improve efficiency in management and resource allocation.</li> <li>• Enable the organization to achieve its goals while reducing obstacles and unforeseen challenges.</li> </ul>	<p><b><u>Opportunity</u></b></p> <p>Benefit both directly and indirectly from the Company’s risk management, covering social, environmental, and economic aspects.</p>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
	<ul style="list-style-type: none"> <li>• Provide recommendations, set policies, and propose additional risk mitigation plans for business unit executives.</li> <li>• Support initiatives to enhance risk management knowledge and understanding.</li> <li>• Ensure emergency response plans are in place.</li> <li>• Facilitate stakeholder engagement forums to gather feedback and insights.</li> </ul>		
14. Anti-Corruption	<p><b><u>Audit Committee</u></b> Oversee compliance with self-assessment criteria for the Thai Private Sector Collective Action against Corruption (CAC) certification, including reviewing anti-corruption policies in the following areas:</p> <ol style="list-style-type: none"> <li>1. Risk assessment</li> <li>2. Corruption risk prevention measures</li> <li>3. Policies and practices</li> </ol>	<p><b><u>Key Risks</u></b> The Company’s operations do not comply with the criteria of the Thai Private Sector Collective Action against Corruption (CAC). <b><u>Risk Appetite Level [2]: Low</u></b></p> <p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Enhance competitiveness and build a positive corporate image.</li> <li>• Reduce unnecessary</li> </ul>	<p><b><u>Opportunity</u></b></p> <ul style="list-style-type: none"> <li>• Create confidence in investing and purchasing products.</li> <li>• Business partners have been communicated about the anti-corruption policy, helping them reduce operational costs.</li> <li>• Business partners gained knowledge from participating in SME seminars, organized by the Thai Private Sector Collective Action against Corruption (CAC).</li> </ul>

Sustainability Issues	Governance	Risks and Opportunities	
		Business	Stakeholders
	4. Personnel management 5. Communication 6. Whistle blowing mechanisms 7. Review and inspection 8. Receiving complaints and determining solutions to prevent recurrence <u>Corporate Governance and Sustainability Development Committee</u> Ensure that the supplier code of conduct includes provisions on anti-corruption		