



Risk Management Policy



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Introduction

The Risk Management Committee has approved this risk management policy in order to use as the crucial strategy to support the operation of KEX Express (Thailand) Public Company Limited (“Company” or “Organization”) for sustainable development and growth. The organization is aware of the importance of operations with good corporate governance which is the main factor in enhancing the organization to have good management standards and building trust among stakeholders and those concerned that the operational processes in the organization are effective and effectiveness, and able to conduct business for sustainable economic benefits. Therefore, the efficient risk management is the important part which can lead the organization to achieve its mission, objectives, strategies and business goals efficiently including achieving the objectives of having the principles of good corporate governance which is the key factor to strengthen the good management of the organization. The risk management can help the organization to make efficient decisions. The risk management can help the organization to make efficient decisions. Furthermore, the efficient risk management can increase the business opportunities and reduce the impact of risks that may occur to the organization.

Purpose of the policy

The purpose of the risk management policy is to

- 1) Ensure the organization has an operational guideline in consistent with the principles of good corporate governance as the risk management framework for all employees to operate in the same direction
- 2) Ensure the organization has the risk management framework and guideline aligning with the mission, objectives, strategies, business goals, and risk appetite of the organization.
- 3) Reasonably assure the organization will achieve its mission, objectives, strategies, business goals, creating value added and stability for the best interests of the best interests of the company’s stakeholders
- 4) Reduce the likelihood and impact of risks or obtain business opportunities for creating sustainable business value
- 5) Review new risks may occur as a result of significant changes such as the environment, technology, law, business structure, organizational structure, society, and etc.
- 6) Confirm and ensure the company’s risk assessment is a tool for organizational management
- 7) Identify the event that may negatively affect company and manage the risks into risk tolerance and risk appetite will ensure the organization has the comprehensive risk identification and assessment by considering both external and internal factors which may affect the company not achieving the objectives in terms of strategy, operations, reporting and legal compliance



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- 8) Ensure that there is a system for reporting and monitoring the operations regarding significant risks to the Board of Directors appropriately and on time
- 9) Determine roles and responsibilities in risk management for personal at all levels and to communicate to all employees to be aware of risk management under their own duties and responsibilities
- 10) Ensure the risk management system is a part of the daily management activities of the organization

Scope of the policy

This policy applies to all operations all directors, managements and all employees in the organization.

Risk Management Practices

- 1) Develop a risk management policy in consistent with the main goals, objectives, strategies as the framework for all personnel in the organization
- 2) Determine the risk management as one of the organizational cultures all directors, managements, and staffs must adhere to in order to ensure the achievement of the mission, objectives, strategies, business goals, and stakeholders' expectations and the best interests under the risk appetite
- 3) Establish the risk governance structure which covers from the level of the Board of Directors, Audit Committee, Risk Management Committee and related functions
- 4) Determine significant risks including clearly identifying definition and scope of the risk, key risk indicators, procedures for monitoring the changes that may negatively affect the business operations and significant work processes in order to consider emerging risks as the enterprise risk
- 5) Analyze the business structure, set business goals, determine the risk appetite and set the risk management as a part of the annual plan, strategic plans, task management processes and daily decision making
- 6) All managements and staffs of the organization are risk owner which has the responsibilities to identify and assess risks in own responsible department including determining appropriate measures to manage the risks
- 7) The risk owner shall manage risks that may affect the mission, objectives, strategies, and business goals of the organization in a timely and continuous manner as following
 - Identify risks in a comprehensive and timely manner including internal and external factors
 - Assess the likelihood and impact of risks in term of Qualitative Assessment and Quantitative Assessment (If any)



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- Ranking the identified risks in risk map by determining the related variables and assumptions in order that the organization is able to analyze data and assess the likelihood and impact of the risk
 - Risk response, managing risks in consistent with the developed risk management criteria regarding business context, costs and benefits, law compliance, laws & regulations, stakeholder's expectations, mission, vision, corporate values, the need and urgency to respond risks including risk appetite and the severity of the impact that may be caused by the risk
 - Analyze overall enterprise risks and monitor, review, and report the risk regularly, all extreme and high risks that affects the business plans and the strategic plans of the organization shall be reported to Risk Management Committee or Audit Committee and the Board of Directors at least quarterly of more as appropriate
- 8) There is the procedure of significant change assessment in the governance structure and corporate culture to ensure the organization's risk management covers all aspects of issues including the risk and impact reviews for improving the process of Risk Identification, Risk Assessment, Risk Rating, and Risk Response in order to enchant the efficiency of risk management, monitor the risk mitigation progress, and find the guidelines of risk management improvement.
 - 9) Communicate / report risks, mitigation guidelines, and mitigation results to the stakeholders in order to be the important information in making strategies, operation, and investment including creating awareness among personnel in the organization and assuring the effectiveness of the organization's risk management level
 - 10) Develop information technology or other available software as the tool to identifying, monitoring and reporting risks
 - 11) To support the integrity of Corporate Governance, Risk Management & Compliance (GRC)
 - 12) Using the current risk management framework and focusing on the changing situations that new risks may occur and negatively affect the organization's objectives

Roles and Responsibilities

Board of Directors

- 1) Supervise the organization's risk management aligning with the mission, objectives, strategies, and goals of the organization including the risk appetite
- 2) Supervise the adequacy of the risk management system and internal control of the organization



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- 3) Assign Risk Management Committee or Audit Committee to screen the information before proposing to the Board of Directors for consideration as appropriate for the business
- 4) Regularly monitor and evaluate the effectiveness of risk management
- 5) Supervise the business operation to comply to both domestic and international laws and standards
- 6) In case that the company has significant subsidiaries or other businesses in which the company has invested (for example, the company's proportion of shares with voting right is 20% but not more than 50%), the Board of Directors will use the results of internal control and risk management evaluations as part of consideration

Risk Management Committee

- 1) Consider and approve the risk management policy and the risk appetite in order to be the risk management framework for all employees to operate in the same direction
- 2) Supervise to ensure that the company has comprehensive risk identification which considers both internal and external factors affecting the achievement of the company's objectives and that the company has assessed the impact and likelihood of the identified risks in order to prioritize and mitigate the risks properly
- 3) Monitor the risk status, the progress of risk management plans, the changes in the enterprise risks in which the Risk Management Committee meeting will be held at least once a quarter and the results will be reported to the Board of Directors.
- 4) Evaluate the adequacy of the risk management plan including the efficiency and effectiveness of risk management of the company and provide suggestions for improvement to comply with the risk management framework and policy.
- 5) Support the operation of the risk management department and other departments to be able to perform risk management effectively and allocate sufficient resources

Risk Management Team

- 1) Develop risk management framework and policy to propose Risk Management Committee for review and approval
- 2) Discuss and support all risk owners to perform overall risk management process and monitor the results to ensure the efficiency and effectiveness of company's risk management
- 3) Report the risk status, the progress of risk management plans the changes in the enterprise risks to Risk Management Committee
- 4) Promote risk management culture throughout the company



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Audit Committee

To enhance the efficiency and effectiveness of risk management, the key risk management progress and status will be reported to Audit Committee and the committee will also recommend and ensure the identified key risks will be integrated into internal audit planning of Office of Internal Audit including attending the Board of Directors meeting or assigned sub-committees as an observer. The audit committee gives an opinion on the adequacy of the risk management system and internal control and discloses it in the annual report.

Office of Internal Audit

- 1) Ensure risk management systems are adopted and implemented appropriately throughout the organization
- 2) Develop and review the efficiency of risk management and internal control systems and report the review results to Audit Committee including disclosing the review report in an annual report
- 3) Review the operations of the risk management department and recommend the improvement of the effectiveness of the risk management process
- 4) Review the effectiveness of internal control through an annual audit, review key risks to management and communicate with the risk management department in order to understand the risk for auditing core business processes

Management and Staff

- 1) Implement as the risk management framework
- 2) All managements and staffs are risk owner as own responsible duties.
- 3) Management is responsible for putting the risk management policy into practice and continuously monitor the practice with support from the Board of Directors
- 4) All staffs are responsible for complying with risk management policy and manual
- 5) Identify risk events, assess existing controls, and report operational-related risks to a higher-level supervisor in the hierarchy
- 6) Get involved in determining risk mitigation and put it into practice
- 7) Monitor strategic risks, operational risks financial risks, compliance risks and other significant risks in each mission of the entire division and ensure there is an appropriate risk mitigation plan and able to manage the risk into risk appetite



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- 8) Supervise the functions' operations to ensure there are Risk Assessment, Risk Mitigation and Risk Reporting adequately and appropriately
- 9) Report a department risk and its status, risk mitigation guidelines, progress and results to risk management department on a quarterly basis or according to additional reports as required
- 10) Promote risk management culture to ensure division managers / managers give priority to risk management in their own division / department
- 11) All employees must be aware of the importance of risk management and act as part of normal work processes

Review of the policy

The risk management policy shall be reviewed on annual basis to ensure that the policy is appropriate and sufficient for business operation environment and align with the change of risk management framework. In case the risk management policy is found that it is inappropriate or inadequate for the risk management of the company, the amendments shall be proposed to Risk Management Committee for consideration and approval and also be reported to the Board of Directors.

As this risk management policy, the Risk Management Committee has considered and approved at the Risk Management Committee Meeting No. 1/2022 on 3rd February 2022, effective from 3rd February 2022 onwards.

Ms. Xin Wang
Chairman of the Board of Directors
KEX Express (Thailand) Public Company Limited

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