

Risk Management Policy

Meb Corporation Public Company Limited

Risk Management Policy

The company recognizes the importance of effective enterprise risk management to drive sustainable growth, ensure financial stability, and deliver appropriate returns to shareholders. Implementing Good Corporate Governance and Check and Balance mechanisms is crucial, especially in today's constantly evolving business environment influenced by both internal and external factors. These changes can impact the company's ability to achieve its objectives and mission. To enhance confidence among shareholders and stakeholders while maintaining operational continuity, the company has adopted a risk management framework aligned with COSO (The Committee of Sponsoring Organizations of the Treadway Commission) standards. This approach supports the company in achieving its objectives and creating value. The following definitions, objectives, and guidelines outline the company's risk management framework.

Definition of Risk and Risk Management

Risk refers to uncertainties or events that may prevent the company from achieving its objectives or targets. These risks can have negative financial impacts or affect the company's reputation and image.

Risk Management is the structured approach applied by the Board of Directors, subcommittees, management, and all employees to identify, assess, and manage risks within an acceptable level. This ensures reasonable confidence in achieving corporate objectives.

Objectives of the Risk Management Policy

1. To ensure that enterprise-wide risk management operations comply with international standards and follow a consistent approach, enabling the identification of unforeseen risks or crises and the effective mitigation of risks that may cause losses or damages to the organization in a timely and appropriate manner, with reasonable costs.
2. To integrate the risk management system into decision-making, strategic planning, work plans, and business operations of the company, with a focus on achieving the defined objectives, goals, vision, mission, and strategies, thereby enhancing operational excellence and fostering stakeholder confidence.
3. To ensure that the Board of Directors, the Risk Management Committee, and the management receive key risk information, risk trends, and an overall risk overview, as well as to effectively and efficiently oversee risk management.
4. To raise awareness among company personnel regarding the importance of risk management and encourage their participation in risk management through communication and knowledge transfer. Additionally, to develop employees' understanding and awareness of risk ownership and promote collaborative risk management within the company in their respective responsibilities.

Risk Management Approach

The Company recognizes the importance and necessity of implementing an internationally standardized risk management system in its operations. The goal is to establish the Company as a key organization that enhances customer satisfaction, maintains a positive image, and ensures consistency in operations across the entire organization. The Company has therefore established the following risk management approach

1. The Company prioritizes comprehensive risk management across various aspects under a structured internal control framework. Risk factors are identified through a two-dimensional risk assessment: the likelihood of an event occurring and the severity of its impact. Additionally, the Company defines an acceptable risk level (Risk Appetite) and sets warning indicators (Warning Signs) to alert employees to take necessary actions to prevent risks from exceeding the designated threshold.
2. The Company requires a thorough risk assessment that considers both external and internal risk factors to ensure alignment with the Company's business strategy and direction. This comprehensive assessment aims to support the achievement of corporate objectives and covers 6 key risk categories, as follows
 - (a) Financial and Liquidity Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk
 - (e) Fraud and Corruption Risk
 - (f) Technology Risk
3. Respond to organizational risks by preventing or mitigating them to reduce both the likelihood of occurrence and the severity of potential impacts.
4. Assign designated personnel to regularly monitor, assess, and review risk management outcomes, ensuring timely reporting to the Risk Management Committee.
5. Establish risk management as a responsibility for employees at all levels, emphasizing risk awareness and active participation in preventing risks that may arise within their departments and the organization. Additionally, promote and cultivate a risk-conscious mindset among all employees, ensuring consistent or appropriate application of risk management practices.
6. The Risk Management Committee will encourage and enhance the integration of modern information technology systems into the risk management process, as well as improve the Company's risk management reporting system to ensure effective risk management.
7. The Company will support comprehensive access to risk management information for employees at all levels.

Furthermore, the Company will periodically review its risk management policy to ensure alignment with changing business conditions and environments.

This Risk Management Policy shall be effective from 18 April 2022, onward.