
CPF Global Food Solution Public Company Limited

Risk Management Policy

1. Objective

Risk Management Policy of CPF Global Food Solution Public Company Limited (“the Company”) established to executives and all employees aim to operate the Company and/or its subsidiaries’ risk management to be the same direction based on the international standard to determine the risk management roles for personnel at all levels, and communicate and make them aware of their roles and responsibilities to create the chance of achieving the vision, mission and goals of the organization, as well as to mitigate any impact from material events that may occur. This object will influence the Company and its subsidiaries to a stable and sustainable growth.

2. Scope

This Policy applies to the Company and/or its non-listed subsidiaries, as well as to cover all processes, all business groups/units both domestic and international, and all types of significant risks which are strategic risk, financial and reporting risk, operating risk and compliance risk.

For the Company's listed subsidiaries and their subsidiaries, they can deploy this Policy as appropriate to align with their business context and internal management process according to the geosocial background of the country in which they operate.

3. Terms and Definitions

The Company	CPF Global Food Solution Public Company Limited
Subsidiaries	Subsidiary companies in accordance with Securities and Exchange Act and subsidiary companies as included in the financial statements of the Company, but excluding: <ul style="list-style-type: none"> (a) a subsidiary company whose ordinary shares are listed in any stock exchange; (b) any subsidiary company of a company under (a)
Executives	Executives of the Company and/or its subsidiaries

Employees	The Company and/or its subsidiaries' employees that receive daily or monthly remuneration whether on permanent, temporary or special employment contracts
Risk	Any uncertain event which, if occurring, may have adverse effects on or impede the achievement of the vision, mission, goals and business strategies of the organization or business groups/units
Opportunity	Any uncertain event which, if occurring, may have a positive effect or an opportunity to achieve the vision, mission, goals and business strategies of the organization or business groups/units
Risk Appetite	The level of risk that an organization accepts in order to approach the stated goals or objective at a particular time
Inherent Risk	The risk that arises out of circumstances or existing in an environment, in the absence of any control or other mitigating plans were in place (the risk before existing controls)
Residual Risk	The risk that remains after existing controls are operated by executives (the risk after existing controls)
Risk Register	The risk table which is gathered risk list and risk detail of the corporate
Risk Heat Map	The diagram which shows the overall risk levels according to the level of risk

Impact	A result of events that have an effect both positively and negatively to the vision, mission and goals of the organization whether on monetary and/or non-monetary
Likelihood	The probability and frequency that a certain risk might happen given the effectiveness and efficiency of current risk management measures and the possibility of occurrence of any future event
Risk Factor	The factor obtained from analysis of internal and external environments which may cause a risk event
Strategic Risk	Risks related to determining of goals, objective, and mission of the Company including the communication of concept and compliance with their strategies
Financial and Reporting Risk	Risks related to financial policies and procedures, financial management, including investment in order to make the Company has liquidity and financial stability
Operating Risk	Risks related to operational effectiveness and efficiency as well as any operations which may cause fraud or conflict of interest
Compliance Risk	Risks related to compliance with the rules and regulations that are set by the government, external or internal parties

4. Roles and Responsibilities

4.1 Board of Directors

- 4.1.1 To govern and support the appropriate and consistent implementation of risk management throughout the organization by putting in place the clear structures and processes, creating corporate culture on risk management, demonstrating commitment to corporate value and

developing or allocating human resources according to the strategies and business objectives of the organization.

4.1.2 To approve the risk management policy.

4.1.3 To consider the risk management system and assess the sufficiency and appropriateness of the internal control system on annual basis, review key operating systems at least once a year and provide opinion thereof in the annual report.

4.2 Audit Committee

4.2.1 To review compliance of the risk management policies and strategies as well as the risk appetite by the Company, subsidiaries and their management.

4.2.2 To review the overall sufficiency and effectiveness of the risk management policy and strategies as well as the risk appetite at least once a year or upon occurrence of any significant changes.

4.3 Executive Committee

4.3.1 To establish the risk management policy and risk appetite.

4.3.2 To govern and monitor major risks of the business and the management of risk to ensure that the efficiency and effectiveness of risk management are consistent with the vision, mission, goals and business strategies.

4.3.3 To create corporate risk management culture of the Company and/or subsidiaries.

4.4 Risk Management Committee

4.4.1 To consider and determine the criteria for risk assessment.

4.4.2 To review significant risks and result of risk assessment of the Company and/ or subsidiaries and establish risk management measures.

4.4.3 To consider and propose risk management policy and risk appetite to the Board of Directors.

4.4.4 To monitor the operation in accordance to the stated risk management policy.

4.5 Risk Management Office

- 4.5.1 To develop the risk management policy, risk appetite, and risk management manual.
- 4.5.2 To support and disseminate the knowledge of the risk management.
- 4.5.3 To provide advice on risk management to various departments.
- 4.5.4 To monitor the progress of the risk management project and report to the Risk Management Committee.

4.6 Business Group/Business Unit Management

- 4.6.1 To directly responsible for risk management in the scope of responsibility included risk identification, risk assessment, determination controls and implementation, risk monitoring and reporting.
- 4.6.2 To report level and status of risk to the Risk Management Committee.

4.7 Risk Champion

- 4.7.1 To be representative in coordination between the Risk Management Office and the employees in business unit.
- 4.7.2 To notify the progress of risk management to Business Unit Management and the Risk Management Office in order to ensure a proper risk management.

4.8 Internal Audit Office

To assess operational processes and provide recommendation on improvement of risk management system.

4.9 Employees

- 4.9.1 To incorporate risk management into operational process as a part of the responsibility.
- 4.9.2 To behave in compliance with the risk management culture.
- 4.9.3 To report the occurring risk in the timely manner to the channel that is set up.

5. Principle

5.1 Risk Management Principle

The Company has already defined the main principles of the risk management in order to encourage the Company and/or its subsidiaries to achieve the objective of the risk management.

These main principles are followings:

- Risk management will be able to help the Company and/or its subsidiaries to achieve the goals, vision, mission, and strategies. Moreover, risk management is aligning with the operations and capable to manage risk efficiently and effectively to become a level of acceptable risk (Risk appetite).
- Risk management must be integrated throughout the organization, and operating process is based on international standard and timely manner.
- Risk management has been part of all main business processes since defining strategy, plan, decision, operation, evaluation and report of performance.
- Risk management is the responsibility of all employees in the organization, and a part of our corporate culture and good governance that has to comply with a commitment.

5.2 Risk Management Culture

The Company and/or its subsidiaries are committed to creating the corporate risk management culture and expect that the management and employees realize the importance of risk management and perform their duties and business processes with such realization. Risk awareness is created through suggestions, seminars and communication channels of the Company and/or its subsidiaries as well as implementation of risk management tools and linking-up of risk management outcome with work performance evaluation.

5.3 Risk Management Processes

5.3.1 Establish the Context

Business groups/units must comprehend and analyze the context in which their business operates including external factors, industry's competitive situation and self-analysis to be able to identify any supporting or impeding factors to business operations.

5.3.2 Risk Identification

Business groups/units must identify risks at the time of determining their business strategies which are identified risk affecting the strategies, operations and objectives of the Company and the business groups/units. Risk identification must take into account material risk, although there is a small chance that it will happen. Risks must be identified along with the risk factors to ensure that risks are clearly identified.

5.3.3 Risk Assessment

Business groups/units have to assess the risks level considered from impact and likelihood according to assessment criteria. For the risk assessment, risks must be assessed before controlling (Inherent risk) including assessment the efficiency and effectiveness of the existing controls in order to get the risk level after controls (Residual risk). These assessments will help each business groups/units being priority of each risk according to criteria of the Company.

5.3.4 Risk Treatment

In managing any residual risk, business groups/units need to establish both preventive and detective measures and procedures to mitigate impacts when a risk event occurs and/or the probability of risk event in the context of the risk appetite, provided that any risk management measures should be established by balancing the costs of implementation against the benefits derived.

5.3.5 Risk Monitoring and Reporting

Risk Management Office collects data and prepares the risk assessment result report as well as additional measures to manage residual risks, and report to the senior management of the business groups/units, the Risk Management Committee, Executive Committee and Audit Committee respectively. It also reports any progress on establishment of company-wide risk management measures according to the reporting line.

Business groups/units and risk owners are responsible for reporting any progress on measures to manage residual risks of the business groups/units or risk owner as well as the status of key risks to the Risk Management Committee.

5.4 Support and Monitor

- 5.4.1 The Company encourage and support management and all employees to know, understand and be aware the process and guidelines of risk management.
- 5.4.2 The Company has the mitigation for encouraging the Risk Management Committee and Risk Management Office to operate more efficiently and effectively in terms of budget, personnel, equipment, technology and information, including defining clear roles and responsibilities of the Risk Management Committee and Risk Management Office in written documents and communicating such roles and responsibilities throughout the Company and its subsidiaries.
- 5.4.3 The Company has clear guidelines and measures to govern and monitor the efficiency and effectiveness of risk management consistently including setting up risk management to be one of the performance indicators.

6. Policy Revision

The Risk Management Office shall revise this Policy on an annual basis or earlier as appropriate. If the Policy is found to be unsuitable with the nature of business operations of the Company and/or its subsidiaries, the Risk Management Office shall revise and present the revised policy to Risk Management Committee before proposing to the Board of Directors for approval.

This Risk Management Policy was approved by the Board of Directors on 1 February 2023.