



# **Risk Management Policy and Plan**

## **CH. Karnchang Public Company Limited**



## **Risk Management Policy and Plan**

The Company has established its long-term goals to ensure that its business operations grow steadily and sustainably, generate maximum benefits for stakeholders in all sectors, and that the Company strives to be at the forefront of the quality and comprehensive infrastructure development and construction business in the region. Therefore, to achieve the aforesaid goals and objectives, the Company places a value on risk management in business operations according to changes in internal and external factors which may have a significant impact on the Company's operations. The Company realizes that risk management is a prime instrument for the business administration to efficiently meet the Company's goals and is also a key factor in good corporate governance. To that end, the Company has ensured a systematic risk management, surveillance, and measures to minimize and manage risks on a continuous basis through the appointment of the Corporate Governance and Risk Management Committee to determine and consider at the policy level, with the management having the duty to supervise and approve the overall risk management process of the organization. In addition, there is a working group in each line responsible for monitoring, evaluating, and preparing each unit's quarterly risk management report to seek approval from the Management Team before being taken to the Corporate Governance and Risk Management Committee's meeting for approval and report to the Board of Directors for further acknowledgment. In this regard, the Company's current risk management policy has been considered and stemmed from the Company's policy from the outset to focus on construction works which are beneficial for the society and the country and to carry on its operations under the business philosophy based on integrity, justice and utmost interest of all stakeholders as well as to always give priority to the social and environmental responsibility.

The Company has prepared a handbook on risk management and risk management plan as guidelines in the operations, as well as monitoring, assessment, and review of risks in line with the current situations, both internally and externally, and the Company also takes into account the risk factors which may give rise to investors' investment risks.

Given that the Company has become aware of and recognizes the importance of risk management, the Corporate Governance and Risk Management Committee, with the approval of the Board of Directors, formulates a risk management policy to establish effective risk preventive measures and management systems, resulting in effectiveness throughout the organization, as follows:

### **Risk Management Policy**

1. The Board of Directors, all executives, staff and units own the risks and have the duties to be responsible for, assess, follow up, and support the risk management process with efficiency.
2. All units of the Company shall have a risk management process, as well as having a systematic and continuous assessment and follow-up, subject to regular review at least once a year in line with business changes.
3. The risk assessment shall form an integral part of the annual work plan of all units, by considering all risks of the entire organization, taking into account such risk factors, both inside and outside the organization, including proper risk management.
4. The Corporate Governance and Risk Management Committee has the duties to assess the risk management and propose its opinion to the Board of Directors for acknowledgement.
5. The organization culture will focus on common understanding and awareness of risks. The body of knowledge shall be established for staff at all levels to have access for study and research and sharing of experiences, which would pave the way for development and improvement of the risk management process to become an efficient mechanism in the strategic administration.