




Emerging risks

Emerging risks are risks whose hazard potential is not fully known. Its assessment is challenging in terms of likelihood and severity due to uncertainty and changes in external factors to manage risks such as politics, laws and regulations, social norms, technology, environment, and climate change. Therefore, the company has consistently promoted a learning culture and encouraged our business units to be aware of changes in the operating environments and customer behaviors. Also, the company has encouraged employee to familiarize themselves with emerging trends & risks and find solutions to mitigate such risks.

Emerging risks have been analyzed to cover ESG issues that may affect the company's business operations in the next 3-5 years. It also includes new risks that have no evident impact at the moment.

Therefore, the Company defines these risks as emerging risks (shown in the table below) and applies these risks to the Enterprise Risk Management Framework & processes to mitigate future challenges which might affect to the company sustainability.

RISK	DEFINITION	IMPACT	MITIGATION
<p>Young Generation Turnover</p> 	<p>A less-competitive benefits and compensation structure of the company; limited career opportunities; and demotivating management style and culture resulting in declining employee morale and engagement, as a consequence, the company may lose the young generation employee to other organizations.</p>	<ol style="list-style-type: none"> 1. High turnover will lead to higher hiring cost; the cost is especially significant on the relatively critical roles. 2. The demotivation will render employee to be unable to perform duties well, in return, company is unable to deliver quality service to customers. 	<ol style="list-style-type: none"> 1. The company observes the benefit and compensation structure in the market and annually review its benefit and compensation structure. 2. The company continues to improve the appraisal program to provide appropriate rewards and benefits based on performance.
<p>Climate changes - Flood tends to occur more in Bangkok area.</p> 	<p>The company does not have a business continuity plan in the event that the Head Office is unable to operate due to flood & riot in surrounding areas and the pandemic.</p>	<ol style="list-style-type: none"> 1. A lack of a business continuity plan can increase the cost of business interruption, the longer the downtime is, the higher the losses depending on the severity of the situation. The company may also be liable, which could end up costing even more. 2. The way that a company responds to a crisis can break the company's reputation given that the customers expect the business to quickly respond to any disruption. In addition, the safety of employees is also one of the main concerns of the company, lack of comprehensive business continuity plans can cause the injury or death of employees which could deteriorate employee morale and productivity. 	<ol style="list-style-type: none"> 1. The company initiates the BCM covering flood, pandemic and riot as well as appoints the Recovery Executive Committee to handle the emergency situation. 2. The company sets up the BCP office along with necessary equipment to operate the business during emergency situation. 3. Risk Management Group regularly review the Business Continuity Management to ensure that the information is correct and up to date.
<p>Pandemic - An outbreak of a disease that occurs over a wide geographic area which may affect the company business.</p> 			
<p>Social Movement - Thai citizen participate more in political activities. It is possible that Riot might occur in Bangkok area.</p> 