Risk Management Policy

Rabbit Holdings Public Company Limited

เวอร์ชั่น :	4
วันที่บังคับใช้ :	10 Mar 2025
อนุมัติโดย :	The Company Board of Directors

Table of Contents

Version Control Log

ลำดับ.	สรุปการเปลี่ยนแปลงที่สำคัญ	วันที่อนุมัติ
1	• Adding the table of contents on page No. 2 • Adding the Version Control Log on page No. 3 • Adding the key subtopic, e.g., Objectives, Scopes of the Policy, Exception of Non-Compliance with the Policy, Related Laws, Regulations, Policies and Procedures, Effective Date and Frequency of Review, Definitions, Generality, Roles and Responsibilities, Risk Management Framework, Risk Appetite, Tools, and Methodologies of Risk Management. • Revised risk management framework (From COSO ERM 2004 to COSO ERM 2017) to comply with the current practices.	14 Feb 2022 The Company Board of Directors
2	• Improved wording and document format due to the change of company name and corrected typos (if any).	14 Feb 2023 The Company Board of Directors
3	• Updating Roles and Responsibilities. • Updating Terms and Abbreviation to align with Roles and Responsibilities. • Updating wording of risk appetite details for clear understanding.	14 Feb 2024 The Company Board of Directors
4	• Updating Objective and Exceptions to Policy Compliance • Updating wording for clear understanding.	10 Mar 2025 The Company Board of Directors

Risk Management Policy

Objective

The objective of this policy is to establish a well-documented, structured, and adequate Enterprise Risk Management (ERM) framework that enables the organization to define roles and responsibilities, foster accountability, and manage corporate risks effectively. The specific objectives are as follows:

1) Ensure that risk considerations are integrated into all activities, including objective setting, strategic planning, decision-making, and daily operations.
2) Promote consistency in risk assessment methodologies and risk management processes.
3) Emphasize the importance of continuous risk monitoring, assessment, communication, and timely reporting, while also implementing early warning mechanisms to enhance effective risk management.

Scope of the Policy

This policy applies to Rabbit Holdings Public Company Limited and its subsidiaries.

Exceptions to Policy Compliance

In cases where the management determines that any aspect of the policy is unsuitable for implementation, the matter must be presented to the Company's Board of Directors for consideration before the Group commits to any obligations.

Relevant Laws, Regulations, Policies, and Procedures

1) Personal Data Protection Act, 2562 (2019) and further amendment
2) The Enterprise Risk Management Integrated Framework (COSO ERM 2017)

Effective Date and Review Period

This policy shall take effect upon approval by the Board of Directors. It must be reviewed annually or whenever significant modifications are necessary. Any modifications or revisions to this policy require approval from the Board of Directors before implementation.

Term and Abbreviations

Term and Abbreviations	Meaning
AC	Audit Committee
BOD	Board of Directors
Business Risk Model Framework	The Business Risk Model Framework can be applied to all departments for risk identification. There are four types of risk as below. • Strategic Risk is the probability that an event will interfere with a company's strategies or business model. Strategic risks are the risks of failing to achieve these business objectives. • Operational Risk refers to risks that a company faces in its day-to-day operations, such as the potential of a breakdown in manufacturing processes, a security breach, corruption and mismanagement, and even natural disasters. • Financial Risk is the possibility associated with financing, including financial transactions that include company loans at risk of default. ▪ Compliance risk is the possibility that the Company may expose to legal penalties, financial forfeiture, and material loss; resulting from its failure to act in compliance with laws and regulations.
COSO ERM 2017	The Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management 2017.
Emerging Risks	The risks that are unknown and unanticipated that may have a major impact on a company's ability to meet its strategic objectives.
Enterprise Risk Management (ERM)	The culture, capabilities, and practices, integrated with strategy-setting and its execution that organizations rely on to manage risk in creating, preserving, and realizing value.

Term and Abbreviations	Meaning
EXCOM	Executive Committee
Impact	The severity of the incident at risk or the prediction that such a risk event will cause damage in areas such as financial, legal, policy or regulatory, delays or interruptions in operations, damage to the image and reputation of the company, etc.
Inherent Risk	The risk to an entity in the absence of any actions management might take to alter either the risk's likelihood or impact.
Key Risk Indicators (KRIs)	The metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise.
Likelihood	The frequency or probability that a risk event will occur.
Residual Risk	The risk that remains after risk responses are executed (the net risk or risk after controls).
Risk	An occasion or event of uncertainty causes the action plan to fail to achieve the stated objectives by causing an impact or damage to the Company, e.g., monetary implications, Company's reputation, delayed or interrupted operations, or impact on relevant laws.
Risk Appetite	A risk that the Company is willing to accept. Risk appetite is compiled by Management and Risk Owners, reviewed by Risk Management Working Team, assessed by EXCOM, and approved by BoD.
Risk Culture	The values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose.
Risk Level	Risk status was assessed by the likelihood and impact of each risk factor. Three levels of risk status are High, Medium, and Low.

Term and Abbreviations	Meaning
Risk Management	The processes performed by the Committees, management, and all employees in the Company to help formulate strategies and operations. Risk management is designed to identify events that may occur and affect the Company so that the Company can manage the risks to an acceptable level and gain reasonable confidence in achieving its objectives.
Risk Profile	A composite view of the risk assumed at a particular level of the entity, or aspect of the business that positions management to consider the types, severity, and interdependencies of risks, and how they may affect performance relative to the strategy and business objectives.
Risk Response	A set of actions that the Management selects, develops, and implements such as avoiding, accepting, reducing, or sharing risk to align risks with the entity's risk tolerances and risk appetite.
Risk Tolerance	The acceptable level of variation relative to achievement of a specific objective, and often is best measured in the same units as those used to measure the related objective.

General Overview

The Company places significant emphasis on risk management, recognizing that effective risk management is essential for achieving business objectives and ensuring sustainable growth. To support this, the Company has allocated adequate and necessary resources to maintain risk management within an acceptable level within the framework of this policy. The Board of Directors, executives, and employees at all levels are responsible for managing risks in alignment with the Company's risk management policy and framework.

Risk Management Framework

The Board of Directors has endorsed the risk management framework in accordance with the COSO ERM 2017 guidelines. This framework aligns with the increasing strategic risks resulting from current economic changes. It integrates risk management with strategy and performance to enable the Company to identify, manage, and respond to risks effectively.

The Risk Management Framework consists of 5 core components and 20 risk management principles based on the COSO ERM 2017 guidelines. These principles are embedded into the Company's regular business processes and cover the following areas: Governance and Culture, Strategy and Objective Setting, Performance, Review and Revision, and Information, Communication, and Reporting. The details are as follows:

1) **Governance and Culture (5 principles)**

   Governance sets the organization's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviors, and understanding of risk in the entity. Governance and culture cover the following:

   - Exercises Board Risk Oversight
   - Establishes Operating Structures
   - Defines Desired Culture
   - Demonstrates Commitment to Core Values
   - Attracts, Develops, and Retains Capable Individuals

2) **Strategy and Objective-Setting (4 Principles)**

   Enterprise risk management, strategy, and objective setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objective put strategy into practice while serving as a basis for identifying, assessing, and responding to risk. Strategy and objective-setting cover the following:

   - Analyzes Business Context
   - Defines Risk Appetite

- Evaluates Alternative Strategies
- Formulates Business Objectives

3) Performance (5 Principles)

Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders. Performance covers the following:

- Identifies Risk
- Assesses Severity of Risk
- Prioritizes Risks
- Implements Risk Responses
- Develops Portfolio View

4) Review and Revision (3 Principles)

By reviewing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed. Review and Revision cover the following:

- Assesses Substantial Change
- Reviews Risk and Performance
- Pursues Improvement in Enterprise Risk Management

5) Information, Communication, and Reporting (3 Principles)

Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external. Information, Communication, and Reporting cover the following:

- Leverages Information and Technology
- Communicates Risk Information
- Reports on Risk, Culture and Performance

Roles and Responsibilities

The establishment of a formal risk management structure enables the clear definition of responsibilities, roles, and duties of all stakeholders involved in the Company's risk management process. Additionally, it helps delineate decision-making authority regarding risk-related matters and enhances the efficiency of risk communication and reporting systems.

Note:
→ Report To

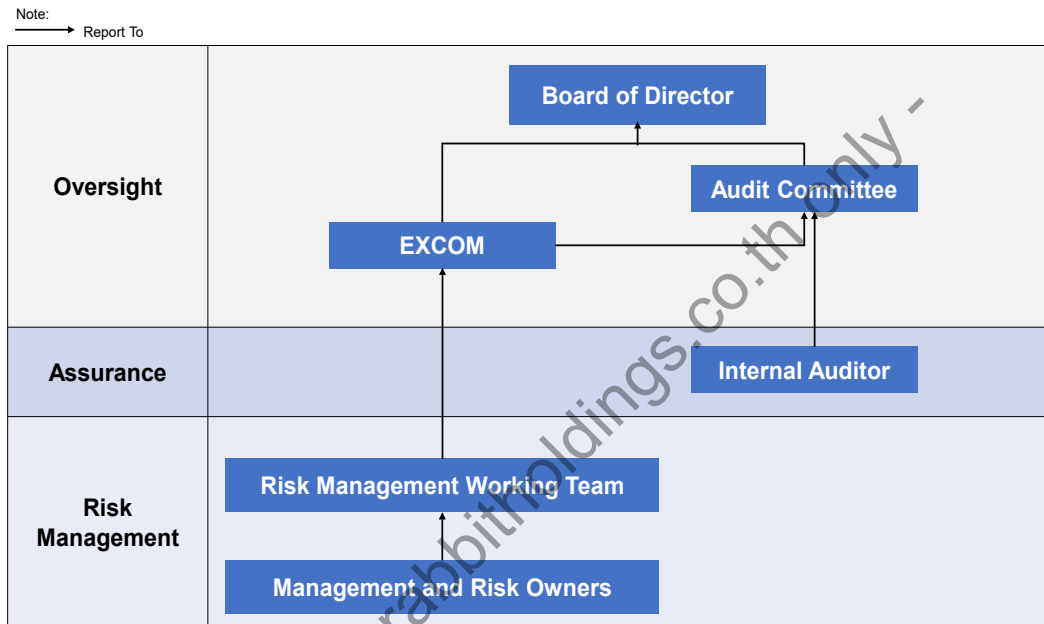| Oversight | | Board of Director |
		EXCOM → Audit Committee
Assurance		Internal Auditor
Risk Management	Risk Management Working Team	
	Management and Risk Owners	

Figure 1 – Rabbit Holdings Risk Management Structure

1. Board of Directors (BOD)

1.1. Governance and Culture

- Establish organizational guidelines and values aligned with the desired risk culture, corporate vision, mission, and values.
- Approve and review the risk management policy.
- Assess the appropriateness of the risk management framework.
- Promote organizational culture by communicating the significance of risk management to employees across all departments.
- Assign the Executive Committee to be responsible for overall enterprise risk management, risk assessment, and the organization's risk management structure

1.2. Strategic and Objective-Setting

- Define corporate strategy and business objectives, ensuring awareness of associated risks.
- Approve and review the company's risk appetite and risk tolerance levels.
- Oversee and provide guidance to management in aligning business strategies and objectives with risk considerations, corporate vision, mission, and culture.

1.3. Risk Assessment

- Approve the Company's risk profile, risk assessment, risk response and mitigation plans as proposed by Management
- Supervise and monitor risk management practices to ensure effectiveness.

1.4. Review and Revision

- Discuss with management to assess significant risks affecting company operations, as well as changes in the business environment that may impact the corporate vision, mission, values, strategies, and objectives.

1.5. Risk Information Communication and Reporting

- Emphasize the importance of risk management by ensuring that the Executive Committee provides an annual risk report.
- Promote regular reporting of key risks to support effective decision-making and provide recommendations on appropriate responses and action plans.
- Approve the company's risk report and Key Risk Indicators (KRI) status.

2. Audit Committee

- Assess the adequacy of the risk management policy, internal control system, and internal audit framework.
- Advocate for integrating risk management into corporate governance by ensuring risk considerations are discussed at least annually.
- Review internal audit reports to enhance the effectiveness and reliability of internal controls.
- Provide recommendations on the corporate risk management policy and framework, internal audit plan, audit findings, fraud risks, and control deficiencies for submission to the Board of Directors.
- Support continuous improvement of risk management processes in response to evolving challenges.
- Review risk management performance reports from the Executive Committee and question management's risk assessments as appropriate.

3. Executive Committee (EXCOM)

3.1. Governance and Culture

- Establish a Risk Management Working Team comprising executives and risk coordinators from all departments to enhance risk management effectiveness and ensure alignment with corporate objectives.
- Oversee and monitor corporate risk management efforts to ensure compliance with established standards.
- Foster and sustain a risk-aware culture across the organization.
- Regularly review and update risk management policies and practices in accordance with international standards such as COSO ERM.

- Approve and review the corporate risk management manual.

3.2. Strategic and Objective-Setting

- Establish guidelines for integrating risk considerations into strategic planning and business objective-setting.
- Ensure management takes responsibility for identifying and mitigating risks that may affect business objectives.
- Evaluate the company's risk appetite and tolerance in achieving business objectives.

3.3. Risk Assessment

- Supervise the corporate risk management framework, risk assessment, and risk management structure.

3.4. Review and Revision

- Review and revise risk assessments in response to emerging significant risks to maintain alignment with corporate policies.
- Monitor progress on risk mitigation plans and key risk indicators (KRIs).

3.5. Risk Information Communication and Reporting

- Provide risk management reports to the Board of Directors and Audit Committee at least once a year.
- Promptly report critical risks to the Board of Directors and Audit Committee.
- Regularly communicate enterprise risk-related issues to the Audit Committee.
- Review risk disclosures in the annual report (56-1 One Report).

4. **Internal Audit Department**

    - Develop an internal audit plan considering enterprise risks and fraud risks.

    - Conduct internal audits to assess the adequacy and effectiveness of risk management processes and mitigation strategies, providing recommendations to management and risk owners.

    - Collaborate with the Risk Management Working Team to evaluate and monitor enterprise risks continuously.

5. **Risk Management Working Team**

    Comprising representatives from various departments relevant to business operations.

5.1. **Governance and Culture**

    - Develop, refine, and propose risk management frameworks, policies, procedures, and manuals for approval by the Board of Directors, Executive Committee, and Chief Executive Officer (CEO), ensuring alignment with risk owners and management.

5.2. **Strategic and Objective-Setting**

    - Provide guidance and support in implementing risk management policies in strategic planning and business objectives.

5.3. **Risk Assessment**

    - Implement risk management activities according to the approved framework.
    - Facilitate and advise management and risk owners on the risk assessment process.

5.4. **Review and Revision**

    - Ensure that risk assessments are reviewed and updated in response to significant changes or emerging risks.
    - Monitor the progress of risk mitigation plans.
    - Enhance and refine existing risk management processes to improve efficiency and effectiveness.

5.5. Risk Information Communication and Reporting

- Report risk management results and key risk indicators (KRIs) to the Board of Directors quarterly and to the Executive Committee and Audit Committee annually.
- Coordinate with internal audit and relevant departments for enterprise risk communication and monitoring.
- Review and update risk management disclosures in the annual report (56-1 One Report).

6. Management and Risk Owners

Comprising operational heads, executives, and employees responsible for various business processes.

6.1. Governance and Culture

- Promote and support a risk-aware culture within the organization.
- Participate in risk identification and assessment.
- Comply with corporate risk management policies and guidelines.

6.2. Strategic and Objective-Setting

- Define business strategies and objectives aligned with the corporate mission, vision, and strategy.
- Establish acceptable risk boundaries in line with business strategies and objectives.

6.3. Risk Assessment

- Identify internal and external risk events impacting both operational and corporate levels and maintain comprehensive risk data, including emerging risks.
- Assess and prioritize risks.
- Select and implement appropriate risk responses to ensure alignment with acceptable risk levels.

6.4. Review and Revision

- Monitor, evaluate, and update internal and external risks impacting operational and corporate levels, including significant risk developments.
- Execute risk mitigation plans and report performance outcomes.
- Continuously improve risk management processes.
- Assess the severity of risk-related updates.

6.5. Risk Information Communication and Reporting

- Regularly update and track KRIs for the Risk Management Working Team on a quarterly basis.
- Utilize appropriate tools and methodologies to support the enterprise risk management (ERM) process.

Risk Reporting	Responsible Person	Frequency	Report to
1. Regular Risk Report includes Risk Management results and progress status	– Risk Management Working Team – EXCOM	At least Once a Quarter Annually	EXCOM AC / BOD
2. Key Risk Indicators (KRIs) Monitoring Report	– Risk Management Working Team – EXCOM	Quarterly Annually	EXCOM AC / BOD
3. Regular Risk Report includes Risk Management results and progress status	– Management and Risk Owners	Quarterly	Risk Management Working Team
4. Risk and Control Self-Assessment (RCSA) Report	– Management and Risk Owners	Quarterly	Internal Audit / Risk Management Working Team
5. Business Continuity Management Report	– Management and Risk Owners	Quarterly	Internal Audit / Risk Management Working Team

Risk Appetite

The Company determines the acceptable risk level to show the level of risk or the level of damage that the Company allows happening. The risk appetite is compiled by Management and Risk Owners, reviewed by Risk Management Working Team, assessed by EXCOM, and approved by BoD.

Tools and Methodologies of Risk Management

The tools and methodologies of risk management are designed and established for the efficiency and effectiveness of risk identification, assessment, monitoring, controlling, and reporting. The details are as below.

1. **Risk and Control Self-Assessment (RCSA)**

    RCSA is prepared for risk identification, assessment, and internal control efficiency to ensure the effectiveness of risk and control management.

2. **Key Risk Indicators (KRIs)**

    KRI is an early warning tool used as an indicator, monitoring the trend of the Company's risk. In addition, it helps to remind the management regarding the key risk level changes for detective control.

3. **Business Continuity Management**

    The Business Continuity Management Structure of the Company comprises roles, responsibilities, framework, and processes to ensure that, in case of business disruption, the Company's activities can be operated and timely returned to normal.

(MR. Keeree Kanjanapas)
Chairman of Board of Directors
Rabbit Holdings Public Company Limited