



## **CP ALL Public Company Limited Risk**

### **Management Policy Announcement**

**Doc. No. CPA-RISK-B-68-00001/2025**

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CP ALL Public Company Limited and its group companies recognize the risks arising from changes in the business environment. Therefore, an enterprise-wide risk management system has been established in accordance with international standards. This system is implemented in an integrated manner and aligned with the company's sustainability management processes, covering the dimensions of Environmental, Social, and Governance (ESG). The risk management framework is driven by the 3A risk management culture, which consists of Alert staying vigilant to changes Analysis assessing potential impacts Alarm notifying relevant parties and Timely responding promptly. The company regularly reviews its risk management policies and manuals to ensure they remain current and responsive to evolving circumstances or significant changes. In addition, information technology systems are utilized to continuously enhance the efficiency and sustainability of risk management processes.

#### **1) Scope of the Announcement**

This announcement shall be applicable to CP All Public Company Limited and the companies within the Marketing and Distribution Business Group of Charoen Pokphand Group (excluding CP Aextra Public Company Limited and its group companies).





## 2) Objectives

2.1) To establish a standardized enterprise-wide risk management framework, and to integrate risk management as part of the decision-making process in formulating strategies, plans, and the organization's various operations.

2.2) To define risk management guidelines that maintain risks at an acceptable level by considering effective measures to reduce the likelihood and/or impact of potential risks.

2.3) To ensure that the Board of Directors, executives, and the Risk Management Committee are informed of risk information and can oversee risk management efficiently and effectively.

## 3) Risk Management Framework

The Board of Directors, executives, and all employees are responsible for being aware of risks and are accountable for studying, analyzing, and assessing the likelihood and severity of potential impacts that may affect the company's business operations. This includes determining measures for risk avoidance, prevention, and mitigation, to ensure that risks remain within acceptable levels and are consistent with the company's objectives, goals, and strategies. The scope of responsibility for the Board of Directors, executives, and employees involved in risk management is defined as follows.

### 3.1) Board of Directors

3.1.1) Oversees the organization's integrated management in the areas of corporate governance, risk management, and regulatory compliance (Governance, Risk, and Compliance).

3.1.2) Establishes risk management policies and considers potential significant risk factors that may arise, including defining guidelines for risk mitigation and monitoring the implementation of those risk prevention measures.





### **3.2) Executive Committee**

3.2.1) Regularly reviews monthly risk management reports and the management of both existing and emerging risks, including Business Risk, Sustainability Risk, Emerging Risk, and Black Swan Risk. Enhances crisis management operations by conducting Business Impact Analysis, tracking and monitoring through the Crisis Management Plan before presenting to the Board of Directors for acknowledgment on a semi-annual basis.

3.2.2) Supports the operations of all departments to ensure that the organization's risk management and internal control systems are efficient, adequate, and appropriate.

### **3.3) Risk Management Committee**

3.3.1) Considers and identifies the key risks associated with the Company's business operations, such as strategic risk, financial risk, operational risk, regulatory risk, market risk, as well as risks that may impact the Company's reputation. Provides recommendations on preventive measures and risk management approaches to maintain risks at an acceptable level by establishing policies and proposing appropriate and effective risk management guidelines for the Company's business operations, including providing advice to the Board of Directors and management on risk management matters.

3.3.2) Establishes risk management plans and processes that are adequate to achieve the Company's business objectives and goals.

3.3.3) Oversees and supports the successful implementation of risk management practices by monitoring and evaluating the Company's risk management framework implementation, regularly reviewing the adequacy of risk management policies and systems, and continuously improving action plans to mitigate risks appropriately in accordance with the Company's business conditions.





3.3.4) Communicates with the Audit Committee regarding significant risks in order to consider the adequacy of the Company's internal control system.

3.3.5) Reports the results of risk assessments and risk mitigation performance to the Board of Directors at least twice a year. In cases where significant matters arise that materially affect the Company's financial position and operational performance, such matters must be promptly reported to the Board of Directors.

3.3.6) Performs any other duties as assigned by the Chairman of the Executive Committee.

### **3.4) Chief Risk Officer**

3.4.1) Develops strategies and tactics for managing and controlling the Company's risks to remain at an acceptable level, in alignment with the policies set by the Risk Management Committee.

3.4.2) Reviews the Company's risk management system and reports to the Board of Directors and the Executive Committee.

3.4.3) Promotes and encourages employee awareness of risk management and internal control, fostering it as part of the organizational culture.

3.4.4) In cases where significant matters arise that materially affect the Company's financial position and operational performance, such matters must be promptly reported to the Board of Directors and the Executive Committee.

### **3.5) Risk Assessment Team**

3.5.1) Consists of a team of risk assessors comprising experts from various fields, such as corporate communications and image, store operations communications, legal, human resources, building and premises management, cybersecurity and data privacy, government relations, occupational health and safety, and environmental management.





3.5.2) Monitors changes in both internal and external factors on a daily, ongoing basis to assess and manage significant risks, as well as other impacts that may disrupt business continuity. In addition, communicates key risk issues to the Risk Management Committee and relevant executives for acknowledgment on a weekly basis during the Monday Performance Review (MPR) meeting.

### **3.6 Risk Manager**

3.6.1) Formulates strategies and controls risks within the department to remain at an acceptable level (Risk Appetite), and develops appropriate risk response strategies and plans for before, during, and after incidents, in accordance with the policies established by the Risk Management Committee.

3.6.2) Identifies and assesses risks within the department and the organization, including evaluating the impact and likelihood of each type of risk (Business Risk, Emerging Risk, ESG Risk, and Black Swan Risk).

3.6.3) Continuously monitors risks and updates response plans as situations change, as well as reports risk management results to management (Risk Score).

3.6.4) Raises awareness and understanding of risk management among all employees in the department, encouraging participation and problem-solving related to Black Swan Risks.

3.6.5) Appoints a departmental Risk Champion to coordinate risk management activities with the organizational risk management team to achieve the established policies.

### **3.7) Risk champion**

3.7.1) Manages the identification, review, analysis, and reporting of risk management results of the responsible office or department (Risk Score) to the Risk Manager for consideration, and submits to the Risk Management Committee.

3.7.2) Supports the implementation of the department/office's BCM System in alignment with the organization's and business group's BCM System.





3.7.3) Coordinates with the Risk Management Committee to achieve the established risk management policies.

3.7.4) Carries out risk management tasks as assigned by the Risk Manager.

### **3.8) Internal Audit**

3.8.1) Monitors and reviews audit operations based on risk (Risk-Based Audit) and ensures that the organization has appropriate risk management in place.

3.8.2) Reviews the efficiency and effectiveness of the risk management process, covering areas such as strategic risk, operational risk, financial risk, regulatory compliance risk, social, environmental, and economic risks, tax risks, and fraud risks.

### **3.9) Risk Management Unit**

3.9.1) Establishes guidelines, processes, and risk management manuals in alignment with the company's policies, objectives, and strategies, including business continuity management across all business activities, to enable all departments to implement them effectively.

3.9.2) Communicates operational guidelines and essential risk information, as well as fosters a risk management culture (3A) within the group of Risk Champions and Risk Managers.

3.9.3) Builds awareness, understanding, and develops risk management skills and capabilities, as well as provides advice and consultation on risk management matters to relevant departments.

3.9.4) Develops mechanisms, tools, and procedures to enhance the efficiency of risk management processes in alignment with international standards, and ensures timely responses to crises to maintain sustainable business continuity.

3.9.5) Implements, monitors, and evaluates success through the department's risk management performance assessment system (Risk Score).





3.9.6) Prepares and submits risk management performance reports to the Board of Directors, Executive Committee, and Audit Committee.

3.9.7) Organizes activities and builds a network of risk management professionals capable of effectively handling new challenges and driving the organization toward sustainable growth.

### **3.10) Risk Owner**

3.10.1) Reviews and analyzes risks within their responsible department or project.

3.10.2) Establishes preventive measures and impact mitigation actions to keep risks within an acceptable risk appetite, including managing crises before, during, and after incidents to ensure continuous business operations.

3.10.3) Regularly monitors the progress of risk management plans and makes timely adjustments in response to changing circumstances.

3.10.4) Reports risk status and communicates relevant information to executives and concerned parties.

### **3.11) Risk Management Unit**

3.11.1) Participate in identifying, assessing, and controlling risks related to their areas of responsibility.

3.11.2) Take part in risk-related activities organized by their department/unit, such as identifying Black Swan, Gray Rhino, and Tail Risks, as well as participating in crisis response plan drills.





The company shall regularly report the results of risk management operations on significant risk issues that may impact its financial position, performance, corporate governance, reputation, and image which could undermine the confidence of customers, investors, and stakeholders to the Board of Directors. In addition, the company will continuously seek ways to improve the effectiveness of its risk management operations.

In the event of any significant and urgent changes, the Risk Management Unit shall conduct a risk review to establish key control measures and promptly report the matter as a special agenda to the Executive Committee for acknowledgment.

Effective on March 1<sup>st</sup>, 2025

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