



บริษัท วงศ์บัณฑิต จำกัด VON BUNDIT CO., LTD.

Risk Management Policy

The company has recognized the importance of risk management amid changing factors that impact the business, both internal and external. It views risk management as a crucial component of every process within the company's operations and believes that it must be interconnected at all levels. Therefore, the company has established an Enterprise Risk Management policy that all employees must adhere to. A Risk Management Committee (RMC) has been formed by the company's board of directors to oversee and ensure effective risk management across the organization. For organizational-level risks, systematic management is carried out through various committees, such as the IT Steering Committee, responsible for overseeing and managing information system risks.

Risk Factors

1. Risks from Business Operations

1.1. Sales and Production Cost Management

The company's business growth is driven by sales management and control of production costs. The company's operations face uncertainties from various business environments, such as economic fluctuations, unstable events, imbalances of supply and demand for rubber, fluctuations in raw material prices, which could impact the company's performance and investment returns may not meet expectations.

Therefore, the company has established a risk management policy to maintain production costs at an acceptable level and adjust product sales prices according to market trends to ensure consistent profitability. Quality standards for products are also maintained.

1.2. Financial Risk

1.2.1. Exchange Rate Volatility Risk

Fluctuations in the exchange rates between the Thai Baht (THB) and the United States Dollar (USD) as well as the Japanese Yen (JPY) have direct and indirect impacts on the company's major revenue sources. The selling prices are denominated in United States Dollar, causing the company's revenue to vary with changes in the Thai Baht's value. Nonetheless, the company closely monitors economic and financial situations, assesses risks, and evaluates the impact of exchange rate fluctuations. It establishes appropriate and timely response strategies to mitigate the risks. The company employs risk hedging measures to manage the impact of exchange rate volatility within acceptable levels. Additionally, the company maintains sufficient funds to facilitate transactions related to this risk.

1.2.2 Liquidity Risk

To mitigate liquidity risk, the company manages financial liquidity through Cash Pooling, maintaining reserved funds and an Overdraft (OD) facility for emergency use at an acceptable level.



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2.Risks Related to Health, Environment, and Safety

The company's business operations adhere to stringent laws and regulations regarding safety, environment, and health. To mitigate these risks, the company follows ISO standards such as ISO 14001, ISO 18001, and SA8000 in its operations.

3.Natural Disaster Risks

Considering the increasing severity of natural disasters based on past statistics, events like flooding in the southern region have had significant impacts, causing disruptions in supply chains and business operations. Therefore, the company implements production planning, anticipates risks, and maintains insurance coverage to safeguard its remaining inventory and assets.

4.Risks Related to Information Technology

The company faces various risks related to information technology, including:

- 4.1. Risk of Inadequate Technology Readiness
- 4.2. Risk of Data and System Inaccessibility
- 4.3. Risk of Inaccurate and Outdated Data
- 4.4. Risk of Incompatibility with Business Strategy

To manage and mitigate these risks, the company has established an IT Steering Committee responsible for supervising, planning, monitoring, and reporting on risk management processes to ensure alignment with the established plans and policies.

Additionally, the company has implemented a Business Continuity Management (BCM) process to prevent disruptions to business operations. The Risk Management Committee is tasked with overseeing and monitoring the natural disaster risks and regularly reporting to the board of directors

(This policy has been approved at 15th/2020 meeting of the Board of Directors of VON BUNDIT on 12 November 2017)

(Mr. Bundit Kerdvongbundit)

Chief Executive Officer

Update on 11 September 2023