

Risk Management Policy

Sri Trang Agro-Industry Public Company Limited (STA) recognizes the importance of a good governance which would contribute to sustainable success of the organization which is the mandatory for business's stable growth and increase the opportunity for seeking the rewards, including the preparedness of the company to respond to the ever-changing internal and external factors which could have a possible impact on its ability to achieve goals and core missions. As a result, the organization has a stable financial position and creating the sustainable and appropriate returns for shareholders, respectively.

In the complicated and ever-changing business environment, STA Group adopts a risk management system in developing its strategies, management and improvement of operations to enhance potentials, business opportunities and added value of the organization, and to achieve its objectives. To be a concrete driving force for operations at all levels in order to manage risks to an acceptable level, all levels of employees are required to be responsible for observing risk management as the corporate culture.

Risk management vision

STA Group will strive to an organization with integrated risk management which will be used in supporting the management and the creation of add value for the organization.

Definition of risks and risk management

Risk means 'uncertain circumstances which may, upon becoming materialized, cause adverse impact on the company's objective or target according to the vision and mission framework resulting in the company not achieving its objectives'

Risk management means 'processes in which risks are identified, assessed and managed to be at the level that is acceptable to the organization based on the risk management framework defined by the company to ensure that it can achieve its defined objectives or strategies and create business opportunities for the company itself and affiliates.'

Objectives of risk management

1. To adopt a unified risk management practice throughout the organization and to include risk management as part of decision making, strategizing, business plan laying and business operations of the company.





2. To determine guidelines on managing the risks to be at the level that is acceptable to the organization taking into consideration measures to efficiently reduce possibilities and/or impacts of risks to allow the company to achieve the defined objectives both at the level of organization and work unit.
3. To allow executives and risk management committee access to information on material risks, tendencies of risks and overall risks including to efficiently and effectively manage risks of the company.
4. To ensure that all work units regularly identify, assess and manage material risks taking into consideration the acceptable level of risks and practicability at appropriate cost.
5. To promote regular communication and education on risk management for employees and to promote understanding and ownership of risk management for employees as well as to promote joint management of risks under their scope of work.

Risk management policy

1. The company considers risks is the main factor on business operations, from strategic planning and business plans as well as daily operation. The aim is to manage risks to an acceptable level which effectively consume resource with the most-effectiveness.
2. The company requires all levels of employees to be aware of possible risks associated with the performance of work within their work unit and within the organization, by participating and involved in the integrated risk management in every step to keep risks at acceptable level under the systematic internal control system.
3. The company promotes and encourages the use of risk management as an important management tool of the company. All levels of personnel within the company are required to understand and collaborate the use of risk management to create a good image of the company and to promote the good corporate governance and excellent management while promoting trusts among shareholders or stakeholders of the company.
4. The company puts in place a risk management system that is efficient and integrated in accordance with the principle of good corporate governance. Risk management matters will be efficiently reported to the Risk Management Committee to reduce possibility of risks and their impacts including uncertainties associated with the overall operations and to improve chances of success.



Sri Trang Agro-Industry Public Company Limited (Bangkok Branch)

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5. The company has established a risk management policy to cover various risks in the operation as well as pushing them to be a part of the organization's culture through raising awareness of the importance of risk management in all levels of employees.
6. All employees have the duties to comply with risk management system and procedures at the level of the organization, work units and at operational level in accordance with the direction given by the Risk Management Committee.
7. The Risk Management Committee and executives monitor, follow up and evaluate the appropriate implementation of risk management system of the company through the written evidence of corporate risk management.

All employees are responsible for complying with this Risk Management Policy in order to avoid failure to achieve the business's objectives of the employee's performance. This may lead to the failure of the business's core mission. A good risk management will establish a good corporate performance, respectively.

The Board of Directors considered, reviewed and approved this Risk Management Policy in the Board of Directors' meeting No. 8/2022, which was held on 8 November 2022. The Risk Management Policy shall come into force as from 8 November 2022.