Risk Appetite: Overview (1/2)

Risk Assessment	
Impact Criteria	**Likelihood Criteria**
• Net Profit • Property Damage • Credit Control • Project Management • Management Control • Customer/community Satisfaction • Regulatory or Compliance Breaches • Legal • Corporate Reputation • Business Continuity (Operations) • Business Continuity (IT) • Employee Health and Safety • Environment • Human Resources	• Frequency; or • Probability in the next 3 years

Risk Appetite

Risk Assessment Results
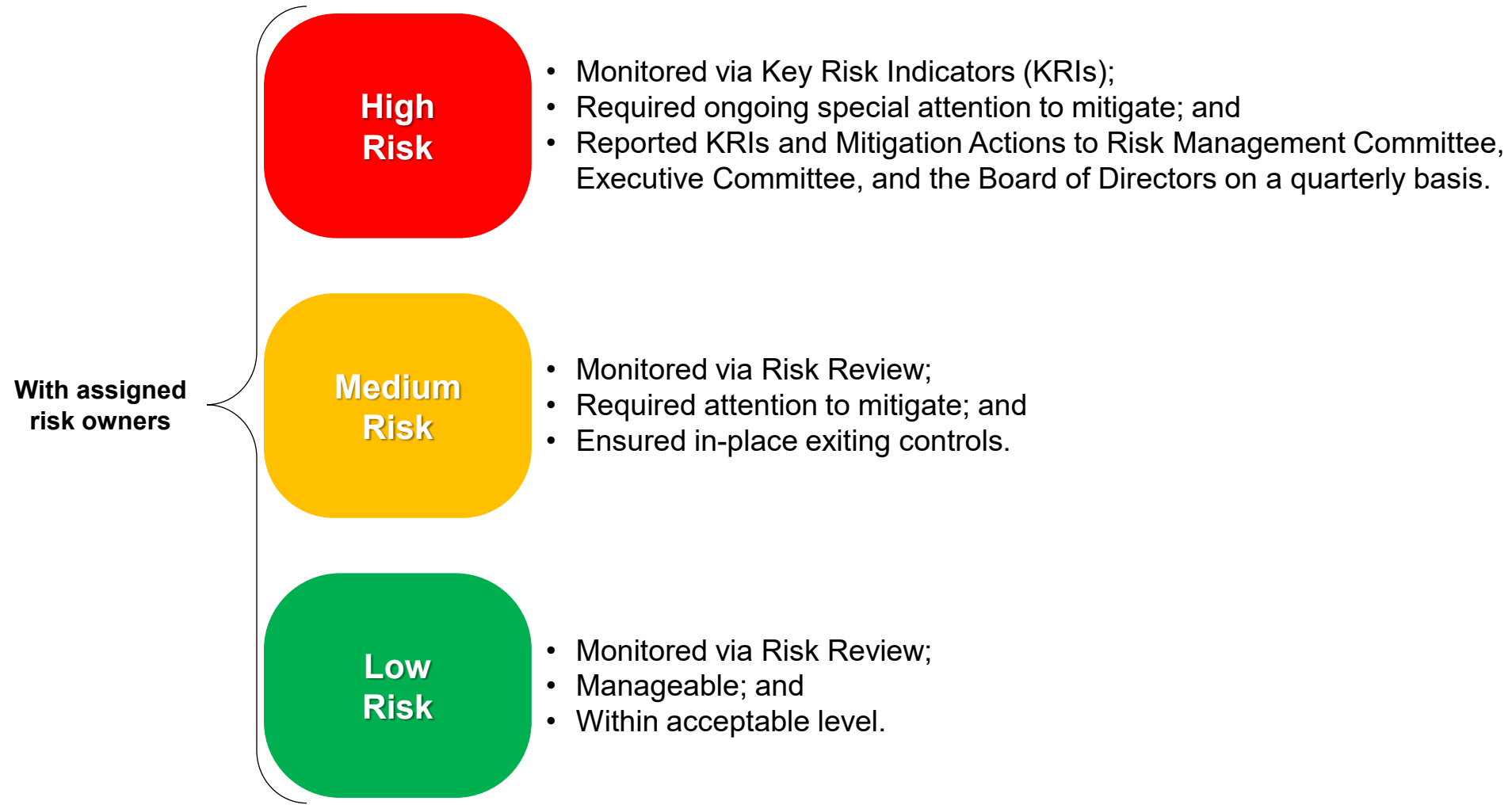
- **Low Risk**
- **Medium Risk**
- **High Risk**

Establishment of Key Risk Indicators (KRIs) for monitoring **High Risk** KRIs[1] are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise.

KRIs*

KRIs Thresholds
- **Below**
- **Within**
- **Exceed**

1/ Referred to Developing Key Risk Indicators to Strengthen Enterprise Risk Management, COSO.

TIPCO ASPHALT

Risk Appetite and Actions to be taken (2/2)

High Risk
- Monitored via Key Risk Indicators (KRIs);
- Required ongoing special attention to mitigate; and
- Reported KRIs and Mitigation Actions to Risk Management Committee, Executive Committee, and the Board of Directors on a quarterly basis.

With assigned risk owners

Medium Risk
- Monitored via Risk Review;
- Required attention to mitigate; and
- Ensured in-place exiting controls.

Low Risk
- Monitored via Risk Review;
- Manageable; and
- Within acceptable level.

TIPCO
ASPHALT

Top Corporate Risks (1/2)

Identified Risk	Uncertainty associated with Feedstock Supply Availability
Risk Description	Our asphalt production requires specific types of crude with relatively high sulfur content which can only be procured from a select few crude sources. The Group relies on a small handful of sources for heavy crude oil supply, which contributed to crude supply uncertainty. This potentially affects both our refinery operations and international trading businesses.
Risk Assessment Results	**Impact: Extreme and Likelihood: Very Likely >>High Risk**
Key Risk Indicators (Monitored monthly)	• Number of Cargoes, procured. • Estimated vs Actual Quantity, procured.
Mitigation Actions	• Source commercial-viable alternative crude/ feedstocks from oil producers and oil trading companies to ensure the non-interrupted operations of our refinery facility. • Procure asphalt cement directly from regional refineries to support our international trading activities.

TIPCO ASPHALT

Top Corporate Risks (2/2)

Identified Risk	Information Technology and Cybersecurity
Risk Description	The Group's increasing reliance on technology to support and enhance its operations may result in greater exposure to risks such as cyberattacks, and data breaches. These risks arise from the growing complexity of digital systems, the interconnectivity of networks, and the sophistication of cyber threats. Additionally, the need to comply with data privacy laws and regulations further underscores the importance of effectively managing and mitigating these vulnerabilities to safeguard sensitive information and maintain operational integrity.
Risk Assessment Results	**Impact: Extreme and Likelihood: Very Likely >>High Risk**
Key Risk Indicators (Monitored monthly)	• Number of PC With Virus Infected • Number of High Severity Incidents • Number of High/Urgent Priority Incidents, notified by users
Mitigation Actions	• Established IT system and policy to ensure proper information security and management. The policy is regularly reviewed by both internal and external audit teams for improvements to its efficiency and effectiveness. • Reviewed all activities related to information security to ensure all information technology users within the domain of the Group and its networks comply with information technology security policy and guidelines. • Conducted information security awareness program is one of the strategies we have developed and shared with all our information technology users to prevent and mitigate risk, and to help them understand the role they play in combatting information security breaches. • Aligned with ISO/IEC 27001 standards, the IT department has conducted a comprehensive Risk Assessment Process. This process not only identifies and analyzes all information security risks but also defines the implications of these risks. Our Risk Treatment Plan (RTP) has been meticulously designed to effectively control and mitigate these identified risks.

TIPCO
ASPHALT

Risk Management Process Audit

Risk Management Training for Board of Directors in 2024 (1/2)

Training Topics	Training Objectives	Provided by	Participant(s)
Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on Climate Risk Assessment	To respond to the growing pressure from stakeholders and peers for climate related ambitions and disclosures.	ERM Consulting	1. Mr. Chainoi Puankosoom (Chairman) 2. Mr. Koh Ban Heng 3. Mr. Phirasilp Subhapholsiri 4. Mr. Nopporn Thepsithar 5. Mr. Jacques Pastor 6. Mr. Somchit Sertthin 7. Mr. Jean-Marie Verbrugghe 8. Mr. Niphon Suthimai 9. Mr. Pongsatorn Buasup 10. Mr. Frederic Roussel 11. Mr. Chaiwat Srivalwat

TIPCO
ASPHALT

Risk Management Training for Employee in 2024 (2/2)

Risk Review and Training Topics

Provided by ERM Consulting

- Double Materiality Methodology with Impact & Risk/Opportunity Considerations

Provided by Risk Management Office

- Enterprise Risk Management Governance
- Roles and Responsibilities in lined with Enterprise Risk Management Policy
- Enterprise Risk Management Principles
- Risk Categories
- Key Considerations for Risk Review