



RISK MANAGEMENT POLICY

MILLENNIUM GROUP CORPORATION (ASIA) PUBLIC COMPANY LIMITED

Amendment No.: 1

Effective Date: February 25, 2025

Approved by: Board of Directors Meeting No. 1/2025

Risk Management Policy

1. Introduction

Risk management is an essential and crucial management process that enables an organization to achieve its objectives, particularly in today's rapidly changing and highly competitive business environment. An effective risk management system is also a key component of good corporate governance, ultimately enhancing corporate value

Millennium Group Corporation (Asia) Public Company Limited (the "**Company**") recognizes this importance and is committed to adopting a risk management system as a strategic tool to support the Company's objectives and operational success. The Company has established the Risk Governance and Sustainability Development Committee to define risk management directions, design an appropriate risk management structure, oversee the effectiveness of the risk management system, and ensure proper actions are taken so that the overall risks of the Company and its subsidiaries remain within acceptable levels. The Company also aims to communicate risk management information broadly across the organization to ensure consistent understanding and implementation.

2. Objectives

- 2.1 To establish a consistent framework for the Company's and subsidiaries' risk management processes for organization-wide implementation.
- 2.2 To ensure that responsibilities for controlling identified risks are appropriately assigned.

3. Scope

This policy shall apply to all operations, including all executives and employees of the Company and its subsidiaries.

4. Definition of Risk

- 4.1 **Risk** means the possibility/uncertainty of events or factors that may cause current plans or operations to fail to achieve specified objectives/targets, resulting in adverse impacts on the organization, whether in monetary terms or in relation to image and reputation.
- 4.2 **Enterprise Risk Management (ERM)** means a process carried out by the Board of Directors, management, and all personnel, designed to identify events that may affect the organization and to manage risk within the level acceptable to the organization in order to achieve its objectives.

5. Risk Implementation Guidelines

- 5.1 The Company adopts the international standard COSO ERM 2017, which comprises five core components: (1) Governance & Culture; (2) Strategy & Objective-Setting; (3) Performance; (4) Review and Revision; and (5) Information, Communication and Reporting.
- 5.2 The Company's strategies, operating plans, and execution shall balance Risk, Return, and Sustainability to achieve corporate objectives and business targets, and meet stakeholder expectations, within the Risk Appetite.
- 5.3 Risk management is integral to strategy selection and screening, and business strategies shall align with the defined Risk Appetite.

- 5.4 Risk management forms part of the Company's Core Values. Executives and employees must recognize that risk management is integral to day-to-day work and a critical factor for sustainable, resilient growth in a rapidly changing environment. To foster an enterprise-wide Risk Culture, the Company shall:
- Provide risk management training to the Board, executives, and employees through various channels to build understanding and practical capability.
 - Communicate and publicize risk management knowledge and updates through internal communication channels.
 - Establish risk management outcomes as KPIs of the organization and/or Risk Owners (beyond the central risk management function).
 - Include risk considerations among the criteria for developing or approving new products/services.
 - Ensure coordinated operations between Risk Owners and the Company's risk management function.
- 5.5 The Company shall establish enterprise-wide risk management systems and processes—covering the Company and its subsidiaries—that align with strategy and business goals and meet international standards.
- 5.6 The Company and its subsidiaries shall set Risk Limits and manage risks within the Risk Appetite, allowing deviations no greater than the Risk Tolerance.
- 5.7 The Risk Governance and Sustainability Development Committee shall oversee the Company's and subsidiaries' risk management in accordance with this Policy, including challenging, advising, recommending, and monitoring to ensure effectiveness and efficiency.
- 5.8 Management shall manage the Company's and subsidiaries' overall risks and supervise risk management for specific risks within their responsibilities or as assigned by the Risk Governance and Sustainability Development Committee. Management shall regularly, or as appropriate, report risk management performance to the Committee for endorsement or recommendations.
- 5.9 All executives of the Company and its subsidiaries shall be responsible for managing risks at the enterprise, functional, and operational levels under their charge or as assigned by management, reporting results in the format and manner prescribed by the Risk Governance and Sustainability Development Committee or management, and promoting risk awareness among employees.
- 5.10 The Risk Governance and Sustainability Development Committee shall provide advice, comments, recommendations, and practices on risk management to all units. Each unit shall prepare organizational risk management reports for submission to management, which will in turn report to the Committee regularly or as appropriate.
- 5.11 All employees must comply with the risk management systems and processes at the enterprise, functional, and operational levels as prescribed by the Risk Governance and Sustainability Development Committee or management.
- 5.12 The Risk Governance and Sustainability Development Committee shall report organizational risk management results to the Audit Committee within the timeframe or as otherwise deemed appropriate by the Committee.

6. Roles and Responsibilities

- 6.1 **Board of Directors:** Overall responsibility for overseeing the Company's risk management.
- 6.2 **Audit Committee:** Responsible for reviewing, considering, and monitoring risk management results, and for evaluating risk management effectiveness based on reports from the Risk Governance and Sustainability Development Committee.
- 6.3 **Executive Committee:** Support the Board of Directors in risk management oversight by reviewing and ensuring that the risk management system is appropriate and effective.
- 6.4 **Risk Governance and Sustainability Development Committee:** Ensures that key business risks are regularly identified and assessed and that effective risk treatments are established. Responsibilities include:
- Preparing and reviewing the risk management policy, strategies, and criteria for submission to the Board for consideration and approval.
 - Reviewing risks and risk treatment plans as assessed by Risk Owners and providing recommendations for improvement.
 - Providing guidance, monitoring, and evaluating risk management performance for management action.
 - Overseeing the effectiveness and adequacy of the Company's risk management processes through ongoing monitoring and review.
 - Reporting High and Very High risks to the Group Chief Executive Officer, Executive Committee, Audit Committee, and Board of Directors as appropriate.
 - Coordinating and reporting risk management results to the Audit Committee and regularly reviewing this Policy.
- 6.5 **Risk Management Working Team :** Implements risk management activities per plan and assignments from the Risk Governance and Sustainability Development Committee, including risk identification, control identification, risk assessment under Company criteria, development of risk mitigation measures to keep risks within acceptable levels, and monitoring implementation for reporting to the Committee.
- 6.6 **Executives:** Review the performance of their respective departments, including the results of risk identification, analysis, assessment, and prioritization, and ensure the implementation of risk management measures as determined by the Risk Governance and Sustainability Development Committee.
- 6.7 **The Internal Audit Department:** Responsible for reviewing the effectiveness the of internal controls through the annual internal audit program, which examines key business processes based on risk factors, and follows up on remediation of identified deficiencies.
- 6.8 **All Executives and Employees:** Responsible for identifying, analyzing, assessing, and prioritizing the risks within their areas of responsibility, as well as proposing appropriate risk management measures to mitigate those risks.

7. Risk Management Methodology

The Company and its subsidiaries have adopted a risk management methodology that that stipulates procedures for each step of the risk management process and have applied it to enhance the Company's and subsidiaries' risk management processes.

8. Risk Management Process

The Company's risk management process comprises four main steps:

- 8.1 Risk Identification — comprehensive and timely identification of risks, considering both external and internal factors that may affect achievement of the Company's objectives, good corporate governance, and sustainability.
- 8.2 Risk Assessment — assessing the Likelihood of occurrence and the Impact if the risk materializes.
- 8.3 Risk Treatment — managing risks to be within the Risk Appetite, taking into account the appropriateness of cost versus expected outcomes.
- 8.4 Monitoring, Reporting, and Evaluation — ongoing follow-up to ensure that the Company's risk management remains appropriate and timely.

Risk assessment shall comprehensively cover the following risk categories:

- (1) Strategic Risk
- (2) Finance Risk
- (3) Compliance Risk
- (4) Operations Risk
- (5) ESG Risk

9. Policy Review

The Risk Governance and Sustainability Development Committee shall review this Policy annually and submit any changes to the Board of Directors for approval.

Risk Management has been approved by the Board of Directors' Meeting No. 1/2568 on February 25, 2025, and shall be effective from February 25, 2025, onwards.

- Sign -

(Mr. Pachara Yutidhamdamrong)
Chairman of the Board of Directors