

TANACHIRA

Emerging Risks

Emerging risks refer to risks that have not yet manifested but may arise in the future due to changes in the business environment. These changes include political, economic, legal, social, technological, and physical environmental factors, as well as climate change and the outbreak of new diseases.

The Risk Management Committee has collaboratively considered approaches to assess and manage emerging risks (Emerging Risk Management) . This encompasses the identification, assessment, analysis, and determination of countermeasures to reduce the likelihood and impact of such risks. Additionally, it aims to build confidence among all stakeholders.

| Emerging Risk Topic | Description | Risk Mitigation Plan for Emerging Risk |
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| 1. Risk from Trade Barriers | The emergence of a trade war may lead to increased import tariffs on goods from Thailand or on imported goods from other countries, which could negatively impact the company's revenue. | 1. Monitor the situation from news sources. 2. A business continuity management plan in place in case of riots/rallies/unrest. |
| 2. Risk from increasingly stringent ESG regulatory changes due to climate change and natural disasters | Climate change may lead to more frequent and severe natural disasters, primarily caused by greenhouse gas emissions. In response, many countries have implemented measures such as carbon reduction policies and carbon taxes, which could increase the cost of imported goods if suppliers do not adopt environmentally friendly production processes. Additionally, the enforcement of new standards for eco-friendly materials may require the company to adjust its strategy for selecting new product brands. | 1. Assess the potential impact of environmental regulations on the business and prepare action plans to comply with new requirements. 2. Prioritize selecting brands with strong sustainability standards and eco-conscious production processes. 3. Adjust logistics operations to be more environmentally friendly, such as choosing low-emission transportation methods and using clean energy in warehouses. |

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| 3. Risk from Volatility in Tourism and the Tourism Industry | The majority of customers in the beauty and wellness business segment are international tourists. If the government introduces tourism-related policies that negatively impact the industry, this may lead to a decline in revenue. | <ol style="list-style-type: none">1. Increase the proportion of domestic customers.2. Monitor government announcements and tourism policies to enable timely and appropriate business planning. |