

TANACHIRA

Enhancing the organizational risk culture of the Company

Tanachira Retail Corporation Public Company Limited (“the Company”) places great importance on fostering a risk culture across the entire organization. This begins with integrating risk management principles as part of the Company’s core values—values that all executives and employees are expected to embrace. This enables the Company to anticipate potential changes in the future and prepare appropriate responses to mitigate negative impacts on the business, thereby ensuring continued capability to deliver unique lifestyle experiences to customers and create value for all stakeholders. Furthermore, the Company incorporates risk management into all levels of its operations, encouraging executives and employees to participate in identifying and managing risks. It also promotes continuous learning and development, enabling the Company to effectively address emerging risks and maintain its competitive edge and sustainable growth.

The Company has established practices that promote a risk management culture throughout the organization as follows:

1. Integrating Risk Management into Decision-Making and Operations

To embed risk management as a core element of business operations, the Company follows these guidelines:

- Allowing independent directors to freely express opinions.

The Company encourages independent directors to freely express their views and provide input on risk management to ensure the Company receives comprehensive information for sound business decision-making.

- Currency exchange risk management in importing products.

The Company continuously assesses and manages foreign exchange risks associated with importing goods. Cost structures and profit margins are reviewed in accordance with the Company’s policies, and currency trends are closely monitored to adjust strategies promptly and appropriately.

- Assessing risks when introducing new brands.

Brand Committee evaluates the risks and opportunities of introducing new brands by considering market conditions, competition, and consumer behavior. They develop suitable action plans for presenting to brand owners. Thoughtful and strategic planning has enabled the Company to gain the trust of international brands to serve as their official distributor in Thailand.

- Monitoring Project Performance.

The Company consistently monitors the performance of various projects every six months to assess progress and adjust strategies according to the circumstances. In case of urgent situations, plans are revised appropriately and promptly to respond to changes.

- Producing and Distributing Products Appropriately.

The Company sets appropriate production and import quantities and plans for distribution in alignment with market demand. This minimizes the risk of excess inventory and reduces unnecessary holding costs associated with overstocking.

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2. Promoting Risk Culture through Learning and Development

The Company emphasizes the importance of enhancing risk management knowledge among executives and employees at all levels through various training programs and activities, such as:

- Training on ESG Risk Management.

The Company encourages its Board of Directors, executives, and employees to participate in the “ESG Risk Management” course offered by the Stock Exchange of Thailand. This training helps participants understand environmental, social, and governance (ESG) risks, which in turn enables them to effectively prevent and manage such risks.

Details regarding the number of directors, executives, and employees who have completed the ESG Risk Management training course are provided accordingly.

	Number of participants
Directors	1
Executives	2
Employees	27

- Instilling a risk-aware mindset in work processes for executives and employees.

The Company provides communication and training to help employees understand the importance of identifying and managing risks in all work processes — whether in merchandise management, customer service, or internal operations.

- Establishing a risk alert system and whistleblower channel.

The Company has implemented an early risk alert system and provides channels for employees to report any identified risks without fear of consequences.

3. Adapting to Change and Future Trends

To ensure long-term competitiveness and sustainable growth, the Company has adopted measures to adapt to evolving trends, including:

- Selecting brands that emphasize environmental and sustainable practices.

In response to changing consumer behavior that favors products and brands committed to sustainability, the Company considers the materials used, their sources, and the production processes of the brands it imports and distributes. This helps minimize environmental impact and align with customer expectations.

- Supply chain risk management.

The Company prepares for potential risks in transportation processes, such as delays caused by natural disasters, raw material shortages, or changes in regulations from the countries of origin. Contingency measures are in place to ensure continuous and uninterrupted operations.

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- Adjusting Business Strategies in Response to Market Changes.

The Company continuously monitors market trends and consumer behavior in order to adapt its sales and marketing strategies to meet customer needs effectively.

The Company is committed to fostering a risk-aware organizational culture (Risk Culture) by integrating risk management principles into all levels of its operations. It encourages the participation of executives and employees in identifying and managing risks, while also supporting ongoing learning and development. These efforts enable the Company to effectively navigate uncertainty and achieve stable and sustainable growth.