Supplier Risk Identification and Assessment

The Company has established criteria for identifying and assessing supplier risks, covering economic, social, and environmental aspects, with the objective of enhancing and developing its suppliers' sustainability performance.

The risk assessment process involves identifying, analyzing, and prioritizing potential risks by evaluating the **likelihood** of occurrence and the **impact** of such events.

1) **Supplier Risk Identification**

The Company identifies supplier risks by considering various risk factors, referencing information obtained from the *Supplier Self-Assessment*. The identified risks are categorized into four key areas as follows:

- Product and Service Risk
- Business Operation Risk
- Environmental Risk
- Social Risk

2) **Determining the Vendor Risk Level**

Criteria for Assessing the Likelihood of Occurrence

Level	Description	Frequency
Very High (5)	The event is certain to occur or happens regularly in normal business operations.	More than 6 times per year
High (4)	The event is highly likely to occur or commonly happens in most business operations.	4-6 times per year
Moderate (3)	The event is likely to occur or may happen occasionally in business operations.	2-3 times per year
Low (2)	The event is unlikely to occur or occurs rarely in business operations.	Once per year
Very Low (1)	The event has a very low probability of occurring in business operations.	Once every 2-3 years

Criteria for Assessing the Severity of Impact

No	Aspect	Severity Level	Assessment Criteria	Score
1	Commercial Opportunity / Financial Loss	Very High	Financial loss exceeding 10 million Baht	5
		High	Financial loss greater than 5 million but not exceeding 10 million Baht	4
		Moderate	Financial loss greater than 3 million but not exceeding 5 million Baht	3
		Low	Financial loss greater than 1 million but not exceeding 3 million Baht	2
		Very Low	Financial loss not exceeding 1 million Baht	1
2	Environment	Very High	Severe or widespread impact that cannot be restored; may result in contract termination or business license revocation	5
		High	Serious or widespread impact requiring long recovery time; government agencies conduct investigations or impose penalties related to environmental violations	4
		Moderate	Noticeable environmental impact requiring lengthy restoration; company may need to provide evidence or clarification if investigated by authorities	3
		Low	Limited environmental impact within a controllable area that can be restored in a short time; may result in warnings or minor fines without material significance	2
		Very Low	Negligible or no observable impact on the public, nearby communities, or the environment	1
3	Image and Reputation	Very High	Significant negative impact on the organization as a whole	5
		High	Negative impact across multiple departments or divisions	4
		Moderate	Negative impact confined within a specific department	3
		Low	Negative impact limited to an individual	2
		Very Low	No noticeable impact	1
4	Safety and Occupational Health	Very High	May cause loss of life among employees or nearby residents	5
		High	Accidents causing lost work time, permanent disability, or long-term health impacts; serious public health complaints requiring extended recovery	4
		Moderate	Serious injury or accident leading to temporary work time loss; health-related complaints requiring some recovery time	3

No	Aspect	Severity Level	Assessment Criteria	Score
		Low	Minor injuries or illnesses among employees or nearby residents without lost work time	2
		Very Low	Negligible or no identifiable impact on employees or surrounding communities	1

Risk Assessment Matrix

Consequence	likelihood				
	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Very High (5)	5	10	15	20	25
High (4)	4	8	12	16	20
Moderate (3)	3	6	9	12	15
Low (2)	2	4	6	8	10
Very Low (1)	1	2	3	4	5

Risk Level Classification

Risk Score	Risk Level	Description
17 - 25	Very High Risk	Requires close monitoring and strict management controls.
10 - 16	High Risk	Requires ongoing monitoring and active risk mitigation.
6 - 9	Moderate Risk	Acceptable with normal control measures in place.
1 - 5	Low Risk	Acceptable; minimal or basic control measures may be applied.

Risk Level = Likelihood of Occurrence × Severity of Impact

The resulting **risk score** reflects the **significance and priority** of risk management for each aspect of the vendor's operations. The level of risk is then evaluated and managed according to the **defined risk classification criteria**.