



## 2. Risk Management

### 2.1 Internal Control and Risk Management Policy

I.C.C. International Public Company Limited realizes the importance of effective and efficient risk management that has enabled The Company towards sustainable growth amidst the changes of external factors; such as, risks from domestic and global economic conditions, politics, financial volatility, laws and regulations, e.g. Personal Data Protection Act, B.E.2562 (2019) (PDPA), epidemics, more intense competitions, rapid changes of key information technologies, and climate changes, e.g. flood and air pollution. The Company not only has to cope with the changes of the external factors, but of the internal factors; such as, operational risk management, internal information management, and cybersecurity risks, as well.

The Company believes that enterprise risk management is a process that builds confidence in achieving goals amidst changes, prevents and mitigates obstacles and the impact of risks, responds to the needs of all stakeholders, and is able to create business value. The Board of Directors, therefore, appointed an Internal Control and Risk Management Policy.

1. To constantly identify present as well as for foreseeable business risk, operation risks, logistics risks, financial risks (including returns as well as justifications on investments), technologies risks as well as Human Resources risks.
2. To recommend to the Board of Directors available optimum short term and long term solutions.
3. To recommend to the Board of Directors to recruit a small number of permanent staffs internally or externally dedicated to this Risk Evaluation Support Unit as needed to conduct useful and constant evaluations of all assets. This unit is subject to oversight by the Risk Management Committee.
4. The Risk Management Committee meets at least once a month. The Committee Chairman may meet as often as needed time the Risk Evaluation Support Unit, he may request any member of the committee and or other senior executive to attend relevant meetings.
5. The Risk Management Committee submit report to the Board of Directors on quarterly basis.

### 2.2 Risk factors on business operation

#### 1. Production Risks

In terms of the potential risk factors which may impact on business operation, the Company recognizes the importance of closely monitoring and systematically formulating and implementing risk management plans to cover the following aspects:

Risks relating to production to ensure the quality of products and production timeline, as well as due management of the cost of products as set by the Company.

##### - Preventive Measures

Develop and incorporate innovations into products, such as adding special features to merchandise and using ingredients that respond to beauty trends. Create brand differentiation by emphasizing uniqueness, such as international-quality standards at accessible prices. Additionally, increase investment in digital marketing channels and collaborate with influencers to reach new target customer groups and the Company selects suppliers with operation management which have attained ISO 9001 accreditation to be confident that our business partners have the required management systems, capabilities and ability to comply with the production policy set by the Company to ensure that the manufactured goods achieve all set targets. These companies were all established with the objective to mutually support one another under the umbrella of the Saha Group, thereby strengthening each other's business operations and enhancing their potential and competitiveness, as well as collaborating immediately to resolve any problems or challenges which may arise.

#### 2. Product Management Risks in Stores

These are risks pertaining to the imbalance of stock management not being in line with the demand of customers such as the condition of either overstocking or shortage of stock or fluctuation of purchasing power affected by the economic recession and the war situation in Europe that result in the product management and subsequently the effects on sales targets and market opportunity, exacerbated by the rapid change in online marketing, has required the production planning to be more flexible so as to always be prepared to meet the variant challenges both in terms of fashion and production volume.

##### - Preventive Measures

1. The Company introduced the Quick Response Management System or QRMS to enhance its potential in stock management efficiency, resulting in more effective monitoring and management of stocks on a daily basis in every store and rendering effective data analysis, more precise picture of market demand and product movement in order to mitigate opportunity loss. It also helped with the preparation and the update of the latest news to make sure that only the most accurate and up-to-date information was used for analysis with the product management plan, in order to ensure availability of products in market demand, as well as the ability to modify production plan for optimum efficiency.