Bangkok Chain Hospital Public Company Limited

Enterprise Risk Management Policy

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1. Introduction

Bangkok Chain Hospital Public Company Limited ("the Company") and its subsidiaries operate their business with a strong emphasis on effective enterprise risk management, taking into account both opportunities and challenges that may arise throughout business operations. The Company ensures that its business strategies can be adapted promptly and appropriately in both proactive and reactive manners according to changing circumstances, enabling the achievement of its mission and vision. Simultaneously, the Company focuses on monitoring and mitigating potential impacts to maintain risks at an acceptable level, grounded in consideration for all stakeholders, a fundamental element for promoting sustainable business growth.

The Company has established its risk management framework by adopting the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management Framework, applying it to internal risk management to ensure the Company maintains a standardized and effective risk control system.

2. Objectives

Objectives of the Enterprise Risk Management Policy

1. To ensure that executives and employees clearly understand the roles and responsibilities of the Sustainability, Corporate Governance, and Risk Management Committee.
2. To communicate and promote awareness and understanding among executives and employees regarding key risk information, risk trends, and to encourage their participation in managing risks consistently and in alignment across the entire organization.
3. To manage the organization's risks at an acceptable level by controlling impacts, reducing the likelihood of risks or potential losses, and mitigating the effects on business operations.

3. Definitions

Risk refers to the possibility of errors, damage, leakage, loss, or adverse events that may occur under uncertain circumstances, which could result in impacts or harm in terms of financial loss and/or reputational and image damage to the organization. It also includes situations that may prevent the organization from achieving its business objectives.

Risk Management refers to the process of identifying, assessing, managing, and evaluating risks, as well as implementing preventive and corrective actions to minimize potential losses or damages. It is a process jointly performed by the Board of Directors, management, and all personnel within the organization to establish strategies and manage risks to remain within an acceptable level for the organization.

Risk Types refer to categories of risks that may occur and impact the organization through its business activities, resulting in either financial or non-financial effects. The Company assesses and classifies risks into 5 main categories as follows:

1. **Strategic Risk** refers to the risk arising from the Company's inability to execute its business plan or strategy as intended, or from a lack of alignment with the changing business environment. Key related risks include:
    - Risk from government healthcare policies
    - Risk from competition in the private hospital industry
    - Risk from economic recession
2. **Operational Risk** refers to the risk arising from day-to-day operations due to insufficient supervision or ineffective internal controls. This includes factors related to processes, information technology systems, human resources, and asset security. Key related risks include:
    - Risk of litigation
    - Risk of manpower shortage
    - Risk of corruption or fraud
    - Risk of personal data breach
3. **Financial Risk** refers to the risks that may impact the Company's financial position, including:
    - Credit risk default on debt repayment and medical service payments
    - Liquidity risk insufficient financial liquidity
    - Interest rate risk fluctuations in interest rates
    - Foreign exchange risk fluctuations in currency exchange rates
4. **Emerging Risk** refers to risks that may affect the Company's operations, either in financial or non-financial terms, or have an impact on the Company's reputation and image. These are risks that have not previously occurred, including:
    - Risk from changes in information technology systems
    - Health risks arising from climate change
    - Risks associated with emerging infectious diseases

5. Business Continuity Risk refers to the risk arising from events that may disrupt or interrupt the Company's operations, potentially preventing the Company from providing normal services to its customers. These include:

- Risk from cybersecurity threats that compromise the safety of the Company's IT and network systems (Cyber Insecurity)
- Risk from supply chain disruptions, such as delays in the transportation of medical equipment, drugs, and medical supplies from overseas

4. Scope of enforcement

The Enterprise Risk Management Policy applies to all directors, executives, and employees of the Company and its subsidiaries. This ensures that risk management practices are implemented consistently and in alignment throughout the entire organization.

5. Enterprise Risk Management Policy

The Company recognizes the importance of sound corporate governance in driving sustainable growth and business expansion, maintaining financial stability, and generating appropriate returns for shareholders. The Company considers risk factors across Environmental, Social, and Governance (ESG) dimensions and has therefore established a structured Enterprise Risk Management Policy and procedures as a framework to ensure that risk management processes are conducted efficiently, systematically, and in alignment with good corporate governance principles.

The implementation of this policy is overseen by the Sustainability, Corporate Governance, and Risk Management Committee, which is responsible for ensuring that all operations adhere to principles of good governance, transparency, and fairness across all relevant functions.

(1) The Company considers risk as a key factor in business operations, encompassing the entire process from strategic planning to execution. This approach ensures that all risks are managed within acceptable levels, enabling the Company to operate with maximum efficiency.

(2) The Company assigns the Sustainability, Corporate Governance, and Risk Management Committee to oversee, monitor, and evaluate performance to ensure that organizational risks are appropriately managed.

(3) The Company requires all employees, at every level, to be aware of and give importance to potential risks within their respective areas of responsibility that may impact the organization across economic, social, and environmental dimensions. Employees are expected to assess such risks and implement systematic risk management measures to maintain risks at an acceptable level.

(4) The Company mandates that any risks with potential impact on the organization covering economic, social, and environmental aspects must be reported to the Sustainability, Corporate Governance, and Risk Management Committee and the Board of Directors for acknowledgment and timely management actions.

(5) The Company requires that risks with potential impacts on the organization encompassing economic, social, and environmental dimensions be reported to the Sustainability, Corporate Governance, and Risk Management Committee and the Board of Directors for acknowledgment, along with timely and appropriate risk management measures.

6. Risk Management Structure and Responsibilities

The Company has established a risk management framework and assigned clear responsibilities to ensure that risk management is implemented systematically and effectively across all levels of the organization, as follows:

Chairman of the Executive Committee

The Chairman of the Executive Committee plays a key role in overseeing and promoting risk management across all departments. The Chairman ensures that risk management policies are integrated into business operations and that all significant risks are properly identified and managed.

Sustainability, Corporate Governance, and Risk Management Committee

The Committee was established to oversee sustainability, corporate governance, and enterprise risk management. It is responsible for developing and implementing risk management policies and frameworks, including monitoring and evaluating key risks that may significantly affect the Company's operations. The Committee also reviews the adequacy and effectiveness of risk management processes and ensures alignment with the Company's objectives. The Committee consists of 1 Chairman and 8 members.

Board of Directors

The Board of Directors provides guidance and oversight to ensure that risk management processes are implemented effectively across the organization. The Board also reviews and approves risk management policies and plans proposed by the Sustainability, Corporate Governance, and Risk Management Committee.

Department Directors

Department Directors are responsible for approving risk management methods and assessing risks within their respective areas of responsibility. They monitor and evaluate the effectiveness of risk management practices within their departments and escalate any significant risks that cannot be effectively managed to the Sustainability, Corporate Governance, and Risk Management Committee for further consideration.

7. Risk Management Process

Risk Identification and Assessment

The Company identifies both existing and emerging risks that may arise within the organization by classifying and categorizing risks into relevant types. This includes assessing current risks associated with ongoing operations and new risks that may emerge in the future.

Risk Evaluation and Prioritization

The Company evaluates and prioritizes risks by developing a risk assessment framework that considers both the likelihood of occurrence and the potential impact. The assessment covers internal and external risks that could affect the organization.

Risk Reporting

The Company establishes a clear framework for risk reporting to ensure the accuracy, timeliness, and consistency of information. This process supports effective monitoring and enhances the overall efficiency of the risk management system.

Risk Monitoring and Mitigation

The Company implements continuous monitoring and mitigation measures by analyzing the root causes of risks to ensure that corrective and preventive actions are taken appropriately. The Company uses diverse techniques to manage risks within acceptable tolerance levels (Risk Tolerance) and ensures that all departments operate within those limits. Risk management outcomes are reported to management and relevant committees for review and used to enhance the Company's risk management framework continuously.

8. Review of the Enterprise Risk Management Policy

The Company requires all departments, including subsidiaries, to conduct regular risk assessments at least once a year to ensure continuous monitoring and management of potential risks.

This Enterprise Risk Management Policy has been effective since January 14, 2026, following the approval by the Sustainability, Corporate Governance, and Risk Management Committee at its Meeting No. 1/2026 held on the same date.