

## Enterprise Risk Management

### Risk Factors in the Company’s Business Operations

From considering risks, the Company has 28 main risks in business operations as follows:

- Compliance Risks 5 items
- Strategic Risks 4 items
- Financial Risks 2 items
- Operational Risks 6 items
- Technological Risks 4 items
- Reputational Risks 2 items
- Environmental Risks 3 items
- Health and Safety Risks 2 items

To support comprehensive and effective risk management, the Company has divided risks into various categories to clearly define characteristics of risks with effects on the organization. These risks are also aligned with sustainability guidelines and emerging risk identification. In the table below, all 28 items of main risks are categorized as identified risk categories, relevance to sustainability risks, and emerging risk status as follows:

Significant Risks	Business Risk	Sustainability Risk	Emerging Risk
Changes in Laws and Introduction of New Regulations	Compliance	Governance	✓
Environmental Laws, Standards, and ESG Requirements	Compliance	Environment Social Governance	✓
Non-compliance with Laws and Operational Requirements	Compliance	Governance	

Significant Risks	Business Risk	Sustainability Risk	Emerging Risk
Non-compliance with Labor Laws and Human Rights Regulations	Compliance	Social	
Corruption and Conflicts of Interest in Operations	Compliance	Governance	
Competition, Economic Conditions, and Changes in Government Policies	Strategic		
Insufficient Qualifications for Bidding on Construction Projects	Strategic		
Lack of Clear Planning and Ineffective Operations in Certain Areas	Strategic		
Business Acquisitions and Post-merger Integration	Strategic	Governance	
Operating Costs and Economic Fluctuations	Financial		
Financial Liquidity Issues	Financial		
Shortage and Retention of Highly Skilled and Experienced Personnel	Operational	Social	
Inefficient Communication and Coordination	Operational		
Problems in Project Management and Budget Control	Operational	Governance	
Changes in Work Specifications and Ambiguity in Contracts Terms	Operational		
Delays in Site Handover and Employer Decision-Making	Operational		
Supplier and Procurement Process Management Issues	Operational	Governance	
Failure to Develop and Implement Technology	Technological	Governance	✓
IT System Management and Data Security Risks	Technological	Governance	✓
Lack of Technological Readiness and Work System Adaptability	Technological	Governance	

Significant Risks	Business Risk	Sustainability Risk	Emerging Risk
Shifts in Digital Investment Behavior and Assessment of Technology Adoption	Technological		
Reputation Management Regarding Work Quality and Corporate Image	Reputational	Governance	
Loss of Supplier Trust and Corporate Governance Breaches	Reputational	Governance	
Environmental and Community Impact from Construction and Manufacturing Activities	Environmental	Environmental Social	
Climate Change and Natural Disaster Risks	Environmental	Environmental	✓
Lack of Energy Management and Greenhouse Gas Emissions Reduction	Environmental	Environmental	✓
Workplace Accidents and Occupational Safety	Health and Safety	Social	
Emerging Disease Outbreaks in Construction Projects	Health and Safety	Social	✓

## 1. Compliance Risks

### 1.1 Changes in Laws and Introduction of New Regulations

The Company is exposed to risks arising from changes in laws and the introduction of new regulations, particularly those related to the construction industry, such as material specifications, construction processes, or operational standards. These changes may require the Company to adjust its work methods to comply with updated requirements. Such adjustments could lead to increased costs, including expenses related to process modifications or procurement of new materials. Additionally, certain projects may experience delays due to the time required to adapt processes in line with the revised standards.

Failure to comply with newly enacted regulations may result in legal penalties, which could adversely affect the Company's reputation, credibility, and overall competitiveness in the market.

#### Risk Management Measures

- Monitor legal and regulatory changes and assess potential impacts on the Company's operations.
- Provide training and disseminate information on new regulations to employees at all levels to enhance operational readiness.
- Develop compliance monitoring systems to ensure that the Company's processes and operations align with updated regulatory requirements.
- Communicate and raise awareness among suppliers and customers regarding necessary adjustments to minimize impacts on business relationships and operations.

### 1.2 Environmental Laws, Standards, and ESG Requirements

The Company is exposed to risks arising from the introduction of new environmental laws, standards, and sustainability requirements (ESG), such as carbon taxes, carbon accounting, and greenhouse gas emissions reporting obligations. These requirements may increase operational costs and add complexity to work processes. Failure to comply may result in additional expenses, such as costs associated with system adjustments, report preparation, and carbon emissions management.

Furthermore, the inability to achieve international ESG certifications, such as the FTSE ESG Rating, could adversely affect the Company's image, leading to a loss of confidence among stakeholders, including investors and suppliers. This, in turn, may impact the Company's competitiveness and hinder business expansion opportunities.

#### Risk Management Measures

- Provide training to employees on ESG-related laws and standards and allocate appropriate resources such as dedicated environmental teams and subject matter experts.

- Develop and disclose sustainability reports in accordance with international standards to enhance transparency and build stakeholder confidence.
- Collaborate with supply chain partners to ensure all processes align with ESG standards.
- Closely monitor legal developments and proactively adapt to new requirements to ensure timely compliance.

### **1.3 Non-compliance with Laws and Operational Requirements**

The Company faces risks related to non-compliance with applicable laws and operational requirements, such as failure to meet the conditions specified in Environmental Impact Assessment (EIA) reports or workplace safety regulations. These risks may arise from a lack of understanding of compliance responsibilities within departments or inadequate knowledge of relevant regulations, particularly among new employees.

Legal violations could result in lawsuits, fines, legal proceedings, or public complaints, leading to reputational damage and a loss of stakeholder confidence.

#### **Risk Management Measures**

- Provide training on applicable laws, regulations, and operational standards, including clear work procedures, to ensure employee understanding and compliance.
- Strengthen internal compliance monitoring and control systems to prevent regulatory breaches.
- Develop and distribute clear, accessible work manuals for employees at all levels, including new hires and local workers, to minimize operational errors.
- Conduct regular audits and inspections to ensure that all operations comply with relevant laws and standards.
- Establish communication channels between employees and regulatory authorities to enhance awareness and ensure timely compliance.

### **1.4 Non-compliance with Labor Laws and Human Rights Regulations**

The Company faces risks related to non-compliance with labor laws and human rights regulations, such as inadequate management of human rights complaints and the employment of migrant workers with incomplete or incorrect documentation, which may result in legal penalties. Additionally, if sub-contractors employ illegal migrant workers who reside on the Company's premises, this could negatively impact the Company's reputation.

Failure to comply with labor laws may lead to audits, lawsuits, or legal actions initiated by relevant authorities, potentially damaging the Company's image and eroding the trust of stakeholders such as investors and business partners.

#### **Risk Management Measures**

- Conduct thorough verification of documents and legal status checks for all employees, including those employed through sub-contractors, to ensure compliance with applicable regulations.
- Establish a robust internal audit system to prevent the employment of unauthorized workers and closely monitor the labor practices of sub-contractors.
- Provide training programs on human rights standards and labor laws to enhance employees' understanding and ensure proper legal compliance.
- Develop and periodically review employment policies to align with human rights and labor regulations, while clearly defining work standards for sub-contractors.

### **1.5 Corruption and Conflicts of Interest in Operations**

The Company recognizes the risk of corruption and conflicts of interest in its operations. Examples include falsifying work attendance records in the system, which may result in inaccurate work evaluations and improper wage calculations. Additionally, employees with vested interests in supplier businesses or those who accept bribes for improper advantages may compromise the Company's transparency and operational efficiency.

Such risks may lead to resource misallocation, such as excessive payroll expenses, damage to the Company's credibility, and a loss of stakeholder trust, particularly among investors and suppliers, which could negatively affect the Company's long-term reputation. Corruption and conflicts of interest may also result in financial difficulties and internal disputes within the organization.

#### **Risk Management Measures**

- Implement verification systems, including regular audits of employee attendance records, to prevent data falsification.
- Establish an independent and anonymous whistleblowing channel to encourage employees to report suspected misconduct.
- Conduct ethics and transparency training for employees at all levels to foster a culture of integrity.
- Develop clear policies regarding decision-making, benefit management, and operational procedures to ensure employee compliance.

- Perform audits of executive decision-making processes and high-risk operational activities to mitigate potential conflicts of interest.

## 2. Strategic Risks

### 2.1 Competition, Economic Conditions, and Changes in Government Policies

The construction industry is facing challenges from multiple factors, such as an economic slowdown that has reduced the volume of construction work from both government and private sector investments. Additionally, changes in government policies and regulations, such as tax adjustments, support for construction projects, or the introduction of new standards, may increase uncertainty in investment planning and the acquisition of new projects.

Industry competition has intensified, particularly from foreign contractors, such as Chinese firms with lower operating costs, placing pressure on the Company to lower prices or adjust its strategies to maintain market share. These risks may directly impact on the Company's revenue, reduce profitability due to price competition, and result in the loss of new project opportunities. Furthermore, delays, postpones, or cancellations of projects may disrupt the Company's business planning and hinder its growth potential.

#### Risk Management Measures

- Adopt modern technologies to improve work quality, reduce costs, and enhance competitiveness.
- Seek business opportunities in international markets or adjacent industries, such as renewable energy projects or infrastructure development in emerging regions.
- Develop new business lines or expand expertise into related sectors to reduce dependency on the construction sector.
- Establish partnerships with other industry players, such as local contractors or multinational companies, to alleviate competitive pressures.
- Monitor changes in government policies and regulations closely and adjust operational plans promptly to ensure timely compliance and adaptation.

### 2.2 Insufficient Qualifications for Bidding on Construction Projects

The Company faces risks arising from insufficient qualifications to participate in bidding for construction projects. These include a lack of experience in specialized projects or the absence of personnel with the necessary qualifications to meet project requirements.

This risk may result in the Company losing opportunities to secure major construction projects, leading to a decline in project volume and a reduction in market competitiveness over time.

#### **Risk Management Measures**

- Provide training and development programs to enhance employees' specialized skills related to construction projects.
- Invest in expert teams or engage external consultants to strengthen the Company's capability to handle complex projects.
- Analyze market trends and adjust business strategies to focus on projects where the Company has the highest potential to succeed.
- Establish partnerships or joint ventures with specialized partners to enhance bidding success rates and strengthen project execution capabilities.

### **2.3 Lack of Clear Planning and Ineffective Operations in Certain Areas**

The Company faces risks from a lack of clear planning in certain areas, such as public relations, community engagement, and investor relations. This may lead to misalignment between stakeholder communication strategies and the Company's organizational objectives. Additionally, investments in projects that are not aligned with the Company's strategic direction, coupled with complexities from changes in stock exchange regulations related to sustainability reporting, may adversely impact business operations.

An absence of clear planning may result in ineffective communication with stakeholders, including investors and local communities, which could harm the Company's image and credibility. Furthermore, investing in projects that do not align with strategic objectives could lead to inefficient resource utilization. Delays in adapting to evolving stock exchange regulations may result in non-compliance, affecting long-term business operations.

#### **Risk Management Measures**

- Set clear goals for public relations, community relations, and investor relations to improve communication effectiveness and foster stakeholder understanding.
- Establish evaluation processes and guidelines to ensure investment projects align with the Company's strategic objectives and prevent inefficient resource utilization.
- Monitor changes in stock exchange regulations and adjust internal processes accordingly to ensure compliance.
- Conduct training for employees to enhance their understanding of stock exchange regulations and the importance of sustainable business practices.



## 2.4 Business Acquisitions and Post-merger Integration

The Company faces risks associated with business acquisitions that may not deliver long-term investment returns, such as inaccurate revenue forecasts or inappropriate valuations. These issues could undermine the Company's financial stability and operational efficiency in the long term. In addition, post-merger integration poses significant challenges, including resistance from former executives or employees, operational misalignment, cultural incompatibility, and difficulties in adapting to a new organizational structure.

Ineffective post-merger integration may result in reduced operational efficiency, financial losses, and the loss of key resources. Moreover, corporate culture misalignment can lead to internal conflicts, decreased collaboration among teams, and hinder overall business performance.

### Risk Management Measures

- Conduct a thorough and comprehensive evaluation of acquisition targets, considering key factors such as financial position, growth potential, and potential risks.
- Develop and implement a systematic post-merger integration strategy to mitigate risks associated with organizational restructuring.
- Facilitate clear and effective communication with former executives and employees to ensure understanding and acceptance of the Company's new strategic direction.
- Closely monitor post-merger performance to evaluate outcomes and adjust integration processes to align with corporate objectives.
- Develop and implement processes to integrate corporate cultures, fostering collaboration and minimizing conflicts between teams.

## 3. Financial Risks

### 3.1 Operating Costs and Economic Fluctuations

The Company is exposed to risks arising from fluctuations in foreign exchange rates, increases in the costs of goods and services, including materials, labor, and fuel factors beyond the Company's control—as well as rising financial expenses due to interest rate hikes and tax adjustments. Additionally, procurement delays may result in cost overruns, potentially causing project cost management to deviate from planned targets.

These fluctuations could directly affect the Company's profitability and reduce its market competitiveness. Furthermore, changes in government policies, such as tax adjustments or interest rate increases, could create unforeseen financial burdens, impacting the Company's operational planning.

### Risk Management Measures

- Utilize financial instruments, such as foreign exchange hedging, to manage cost volatility resulting from currency fluctuations.
- Continuously monitor and control project costs to ensure expenses remain within budgeted targets.
- Develop contingency plans to mitigate potential cost increases resulting from procurement delays or rising raw material prices.
- Closely monitor economic trends and government policy changes to proactively adjust business strategies.
- Strengthen relationships with suppliers to negotiate favorable terms and reduce the impact of price fluctuations.

### **3.2 Financial Liquidity Issues**

The Company is exposed to liquidity risks arising from delayed payments by certain customers, including overdue receivables, which impact on the Company's cash flow and payments to suppliers. Furthermore, delays in submitting work test results may prevent the Company from collecting payments as planned, affecting overall cash flow and business operations.

Liquidity issues may result in delayed payments to suppliers, potentially damaging business relationships. The Company may also need to reallocate funds from other projects, leading to opportunity costs. Inefficient cash flow management could further affect the Company's reputation among key stakeholders, including investors and suppliers.

#### Risk Management Measures

- Strengthen debtor monitoring and management to mitigate the risk of overdue receivables.
- Adjust payment terms with suppliers, such as extending payment periods, to reduce cash flow pressure.
- Develop contingency plans, including securing additional credit lines or adjusting emergency spending plans.
- Minimize delays in submitting work test results or related processes to expedite installment payment approvals.

## **4. Operational Risks**

### **4.1 Shortage and Retention of Highly Skilled and Experienced Personnel**

The Company faces risks related to shortages of specialized and skilled personnel, who are crucial to ensuring project success and timely delivery. A shortage of such personnel may lead to project delays and an increased likelihood of errors in work processes. Furthermore, the inability to retain highly skilled and experienced employees, rising resignation

rates, and limitations in skills development and training may reduce the Company's competitiveness and increase operating costs, such as expenses related to recruitment and training of replacement staff.

The impacts of this risk may include a loss of customer trust due to delays or failure to meet quality standards, which could negatively affect the Company's reputation and credibility.

#### **Risk Management Measures**

- Offer competitive remuneration packages to attract and retain skilled and experienced personnel.
- Develop specialized training programs and establish clear career progression pathways to enhance employee capabilities and satisfaction.
- Foster a collaborative and supportive work environment to strengthen employee engagement and retention.
- Assess future workforce requirements and implement a strategic recruitment plan aligned with the Company's long-term objectives.

#### **4.2 Inefficient Communication and Coordination**

The Company faces risks related to delays, inaccuracies, and incomplete communication at both the executive and operational levels. These issues may result in task duplication, errors in project planning, data collection, and performance evaluation. Furthermore, inadequate knowledge transfer from experienced employees to new hires, generational differences, and cross-cultural communication challenges-especially with migrant workers who have limited Thai language proficiency-present additional obstacles.

The impacts of these risks may include budgeting errors, poor decision-making, and project delays, ultimately reducing the Company's operational efficiency and competitiveness. Moreover, unclear public relations strategies could affect the Company's image, while communication issues may lead to legal disputes or operational disruptions.

#### **Risk Management Measures**

- Implement modern communication and information management systems, such as project management software and online collaboration platforms, to reduce coordination errors.
- Provide training for employees at all levels to improve communication skills, teamwork, and generational management capabilities.
- Develop structured knowledge transfer programs to ensure that expertise is effectively passed from experienced employees to new hires, promoting operational continuity.

- Establish clear and comprehensive public relations strategies to strengthen the Company's image and enhance stakeholder understanding.
- Develop suitable instructional materials to support migrant workers in understanding their roles and responsibilities, facilitating effective teamwork.

#### **4.3 Problems in Project Management and Budgets Control**

The Company faces risks from ineffective project management and budget control, including unplanned resource allocation, lack of backup machinery in emergencies, unclear internal communications, errors in contract documentation, and inconsistent work quality inspections. These issues may lead to project delays, cost overruns, and deviations from performance objectives.

Potential consequences include the loss of opportunities for securing new projects due to a diminished reputation for quality, increased costs such as penalties for late deliveries, and unplanned repair expenses, all of which could affect the Company's profitability and customer trust.

##### **Risk Management Measures**

- Conduct regular project review meetings to monitor progress, anticipate potential issues, and ensure timely problem resolution.
- Establish a routine maintenance schedule for machinery and equipment to reduce the risk of emergency breakdowns.
- Thoroughly evaluate and plan project budgets, implement cost control measures, and adjust plans based on changing circumstances.
- Implement an effective document management and delivery tracking system to prevent errors and delays.
- Perform internal quality inspections to ensure all work meets contractual requirements and quality standards.
- Develop contingency plans to address project delays and operational challenges, ensuring business continuity.

#### **4.4 Changes in Work Specifications and Ambiguity in Contracts Terms**

Construction projects often involve uncertainties arising from changes in work specifications, design adjustments, or ambiguous interpretations of contract terms. These issues may result from coordination challenges among multiple stakeholders and delays in document approvals. Such uncertainties can impact cost estimation, budget planning, and overall project execution.

Potential consequences include increased costs due to budget adjustments and revised work plans, project handover delays, and dissatisfaction among clients and suppliers. These factors may lead to contractual disputes and reduced confidence in the Company's capability to execute projects according to plan.

#### **Risk Management Measures**

- Conduct a detailed review and assessment of contract terms at the project's outset, while preparing contingency plans to address uncertainties.
- Closely monitor project progress and maintain active coordination with stakeholders to promptly address arising issues.
- Establish clear and structured communication channels with clients, consultants, and suppliers to ensure that all parties receive accurate and timely information.
- Develop budget adjustment plans to accommodate potential changes in work specifications or project schedules.
- Maintain formal and detailed records of all contract term amendments to reduce dispute risks and enhance operational transparency.

#### **4.5 Delays in Site Handover and Employer Decision-Making**

In certain projects, delays in site handover or employer decisions regarding materials and design specifications may require the Company to revise work plans and expedite construction. Additionally, delays caused by external factors, such as government projects or interdependent projects, can further disrupt work continuity.

Potential impacts include increased costs due to work plan adjustments and accelerated operations, as well as delays in project handovers, which may undermine client confidence and damage the Company's reputation. These disruptions could also diminish the Company's chances of securing future projects, especially in highly competitive bidding environments.

#### **Risk Management Measures**

- Utilize project progress monitoring systems to detect and address issues at an early stage.
- Maintain ongoing communication and coordination with employers and relevant stakeholders to expedite critical decision-making processes.
- Develop contingency resource management plans, including standby personnel and backup equipment, to mitigate the impact of delays.

- Monitor the progress of interdependent projects, such as government initiatives, and prepare plans to manage any potential disruptions.
- Promote clear and timely communication to ensure employers understand the potential consequences of delays and the importance of swift decision-making.

#### **4.6 Supplier and Procurement Process Management Issues**

Inefficient supplier selection and management processes may expose the Company to various issues, such as engaging inappropriate suppliers, receiving incorrect or substandard materials, and experiencing delays in work processes. Additionally, a lack of competition in procurement or overreliance on a single supplier may weaken the Company's negotiating power, increase costs, and heighten the risk of financial instability if the supplier encounters difficulties.

Potential impacts include work delays, reduced bargaining power regarding financial terms, increased project costs, and operational disruptions, which may affect project success and damage the Company's credibility in the eyes of stakeholders.

##### **Risk Management Measures**

- Strengthen supplier selection and evaluation processes to comply with standards, emphasizing transparency and fairness in supplier competition.
- Diversify procurement sources to secure optimal terms and minimize reliance on a single supplier.
- Develop contingency plans to address supplier financial issues or non-performance, such as increasing the number of approved suppliers per project.
- Apply effective negotiation strategies to secure favorable financial and operational terms.
- Implement payment monitoring and tracking systems to minimize the risk of supplier payment delays that may affect operations.

## **5. Technological Risks**

### **5.1 Failure to Develop and Implement Technology**

The use of outdated machinery and technologies results in slow and inefficient production processes, preventing the Company from meeting customer demands in a timely manner. Outdated systems can lead to operational errors, data loss, and project delays, which affect the Company's competitiveness. Furthermore, a lack of employee skills and knowledge in using digital tools, such as project planning software and data storage systems, increases the

risk of errors and work disruptions. Additionally, insecure or inadequate data storage systems heighten the risk of critical data loss.

Potential impacts include delays in work processes, reduced customer satisfaction, and a disconnect between the Company's technological capabilities and customer expectations. Data loss or operational errors may also lead to financial losses and reduced trust from customers and suppliers.

#### **Risk Management Measures**

- Invest in modern machinery and technology to improve efficiency and reduce operational risks.
- Develop training programs to enhance employee proficiency in using digital tools and work-related software across all levels.
- Integrate artificial intelligence (AI) and automated systems into work processes to reduce human errors and improve operational speed.
- Upgrade data storage systems to ensure data security, reliability, and long-term operational support.
- Develop long-term technology enhancement plans to strengthen the Company's competitiveness in the market.
- Regularly review and assess existing technologies and establish improvement strategies in line with organizational goals.

## **5.2 IT System Management and Data Security Risks**

Effective management of IT systems and ensuring data security remain critical for the Company. Risks may arise from data breaches, unauthorized access, incomplete data backups, or inadequate oversight of external service providers, which could lead to the misuse of confidential information. Additionally, cyberattacks such as hacking, malware infections, and phishing attempts could damage or disable the Company's information systems.

Potential impacts include the loss of critical business information, operational disruptions, additional costs for data recovery, reputational damage, and diminished customer confidence. Failure to comply with data protection regulations could also result in legal penalties.

#### **Risk Management Measures**

- Deploy modern security technologies such as firewalls and intrusion detection and prevention systems (IDS/IPS) to safeguard unauthorized access.
- Establish and regularly test data backup and recovery plans to ensure business continuity during emergencies.
- Implement strict access control policies for employees and external service providers, with ongoing monitoring and periodic reviews.

- Regularly update software and antivirus programs to protect against emerging cyber threats.
- Provide cybersecurity training to employees, including guidance on identifying phishing attempts and using strong passwords.
- Conduct routine IT system audits to identify vulnerabilities and implement preventive measures promptly.

### **5.3 Lack of Technological Readiness and Work System Adaptability**

A lack of technological and system readiness may arise from outdated equipment that is inefficient or incapable of meeting current operational demands. In addition, rigid system structures that lack flexibility for future expansion can hinder business growth. Implementing new software or systems without adequate preparation may increase the risk of operational errors and disrupt continuity of workflow.

These risks can lead to delays in work processes, reduced operational efficiency, and dissatisfaction among customers and stakeholders. Furthermore, inflexible system infrastructure may create barriers to business growth and hinder the Company's ability to respond to future development needs. Errors in using newly implemented systems may result in financial losses and inefficient resource utilization.

#### **Risk Management Measures**

- Conduct regular inspections of equipment to ensure operational readiness and provide modern tools that meet business requirements.
- Develop a flexible system infrastructure capable of supporting future business expansion and adaptation to evolving needs.
- Provide training for employees to familiarize them with new systems and enhance technological proficiency, reducing the risk of operational errors.
- Establish robust backup and data recovery systems to ensure uninterrupted operations in the event of system failures.
- Continuously monitor software license usage to ensure compliance with relevant laws and regulations.

### **5.4 Shifts in Digital Investment Behavior and Assessment of Technology Adoption**

Employee resistance to changes in work processes and the adoption of digital platforms may cause delays in operations and lead to underutilization of technological investments. This reluctance to embrace digital transformation can hinder the successful implementation of new technologies within the organization. Furthermore, improper



evaluation of digital investments may result in inefficient budget allocation and the selection of ineffective platforms, leading to financial losses.

The effects of this risk include missed opportunities to enhance operational efficiency, reduce costs, and establish long-term competitive advantages. Moreover, investing in technology without proper analysis can affect the Company's financial stability and erode stakeholder confidence in the Company's resource management capabilities.

#### **Risk Management Measures**

- Provide training to employees on the advantages of digital platforms, supported by case studies demonstrating efficiency improvements and cost reductions.
- Promote acceptance of new technologies through active support from senior management to build employee confidence and drive organizational change.
- Conduct cost-benefit analyses to evaluate the potential returns and efficiency of digital platform investments.
- Continuously monitor and evaluate the performance of digital platforms to identify areas for improvement and ensure optimal utilization.
- Develop contingency plans to address underperforming digital platform investments, including strategy adjustments or investment reviews.

## **6. Reputational Risks**

### **6.1 Reputation Management Regarding Work Quality and Corporate Image**

The Company faces risks arising from the delivery of work that fail to meet specified quality standards, which may undermine the confidence of customers, investors, and stakeholders. Negative publicity, such as substandard service quality, unsuccessful investment announcements, or actions affecting local communities, can spread rapidly through social media, posing challenges for the Company in providing timely explanations and resolving issues. Reputational damage can reduce future business opportunities and have long-term effects on the Company's operations.

#### **Risk Management Measures**

- Review and improve quality inspection processes to ensure alignment with established standards and customer expectations.
- Monitor public opinion and social media platforms to identify potential issues early and implement timely solutions.
- Ensure transparent internal communication to ensure that all teams understand and comply with established operational guidelines.

- Develop dedicated communication channels to provide accurate and transparent information to investors and shareholders regarding the Company's investment and operational plans.
- Aligning public relations plans with the Company's core values and strategic objectives to strengthen customer and stakeholder confidence and safeguard the Company's image.

## 6.2 Loss of Supplier Trust and Corporate Governance Breaches

The Company faces risks related to a loss of supplier trust arising from issues such as late payments, unfair management practices, or breach of contractual agreement. These situations can undermine suppliers' confidence in the Company's reliability and management practices. Additionally, breaches of corporate governance principles can harm the Company's reputation in the eyes of stakeholders.

These risks may result in the loss of critical business relationships, difficulty in attracting new suppliers, and long-term damage to the Company's credibility. Furthermore, corporate governance violations may erode investor and stakeholder confidence, potentially resulting in missed business opportunities.

### Risk Management Measures

- Develop a transparent and auditable supplier management system to ensure fairness and accountability.
- Implement a robust payment monitoring system to prevent delays and sustain supplier confidence.
- Provide training on business ethics and corporate governance principles for employees at all levels.
- Strengthen internal audit procedures to mitigate the risk of non-transparent practices.
- Foster a corporate culture that emphasizes transparency, trustworthiness, and ethical business conduct.

## 7. Environmental Risks

### 7.1 Environmental and Community Impact from Construction and Manufacturing Activities

Construction and manufacturing activities may pose significant environmental and community risks if improperly managed. Examples include unsystematic waste disposal, inadequate pollution prevention measures, and insufficient environmental controls. These issues can result in PM2.5 emissions, excessive noise, or chemical leaks, which may harm local ecosystems, public health, and the quality of life in surrounding communities.

Environmental pollution, such as PM2.5 emissions and noise, can directly affect the health of nearby residents and disrupt local ecosystems. Complaints from affected communities or the spread of negative information through social media may lead to project suspensions, loss of customers and stakeholder confidence, and legal proceedings. These factors could lead to increased costs and long-term reputational damage.

#### **Risk Management Measures**

- Install advanced air filtration and noise reduction systems in project areas.
- Regularly monitor air, water, and noise quality around project sites to evaluate and mitigate potential impacts.
- Develop and implement a systematic waste management plan to prevent environmental contamination.
- Engage in proactive dialogue with local communities to address concerns promptly.
- Prepare emergency response plans to manage chemical leaks and other environmental incidents effectively.
- Prioritize the use of environmentally friendly materials and promote the adoption of low-impact technologies throughout the project lifecycle.

## **7.2 Climate Change and Natural Disaster Risks**

Climate change, including heavy rainfall, floods, droughts, and other natural disasters, poses significant risks to the Company's construction projects. Unpredictable weather conditions may cause project delays, disrupt material procurement and transportation, and increase health and safety risks for on-site workers.

These risks can lead to increased costs from project extensions, higher labor expenses, site restoration costs, and late delivery penalties. Adverse weather conditions can also reduce work efficiency, undermine customer confidence, harm the Company's reputation, and limit future business opportunities.

#### **Risk Management Measures**

- Utilize weather forecasting data and early warning systems to plan work schedules in advance and reduce the risk of disruptions.
- Develop adaptable work plans to accommodate project delays or weather-related issues.
- Strengthen emergency preparedness, including securing backup resources and identifying temporary relocation options for construction sites.

- Design construction site management practices to mitigate the impact of natural disasters.
- Continuously assess and improve resource management systems to ensure materials and equipment are available and responsive to rapidly changing conditions.

### **7.3 Lack of Energy Management and Greenhouse Gas Emissions Reduction**

Failure to implement effective energy management and greenhouse gas (GHG) emissions reduction measures may hinder the Company from achieving its ESG targets, including the goal of reducing GHG emissions by 20-25% by 2030, which is a key sustainability performance indicator. Continued reliance on outdated, inefficient, and environmentally harmful technologies may result in higher energy costs and reduce the Company's competitiveness.

These risks may lead to a loss of confidence from key stakeholders, including investors, customers, and local communities. Additionally, non-compliance with evolving sustainability standards may expose the Company to stricter legal requirements in the future and limit business opportunities in markets that prioritize sustainability.

#### **Risk Management Measures**

- Promote the use of renewable energy sources, such as solar and wind power, to reduce dependence on fossil fuels.
- Invest in energy-efficient technologies and systems that reduce GHG emissions, such as smart energy management systems.
- Provide training on energy conservation practices and cultivate a corporate culture that prioritizes efficient energy use.
- Allocate budgets to replace high-emission equipment with low-emission, energy-efficient alternatives.
- Develop monitoring and reporting systems to track progress toward ESG goals and adjust action plans as necessary.

## **8. Health and Safety Risk**

### **8.1 Workplace Accidents and Occupational Safety**

The Company may face risks from workplace accidents resulting from employee negligence, unclear communication between supervisors and workers, improper machine usage, and non-compliance with safety standards. Additionally, incomplete safety inspections or rushing construction processes may increase the likelihood of severe accidents, particularly in projects involving public areas. Inadequate safety measures may also pose risks to third parties, potentially affecting the Company's reputation and credibility.

Workplace accidents may lead to injuries or fatalities among employees and third parties, resulting in legal consequences such as lawsuits or compensation payments. Furthermore, project delays and additional costs associated with accident resolution may reduce business efficiency and hinder future business opportunities.

#### **Risk Management Measures**

- Provide comprehensive safety training programs for employees, covering machine operation and workplace safety procedures.
- Conduct regular safety inspections at workplaces and construction sites.
- Ensure clear and effective communication between supervisors and workers to prevent errors and misunderstandings.
- Implement physical barriers and safety control measures in projects that may affect public areas.
- Encourage employees at all levels to actively participate in workplace safety initiatives and foster a corporate culture that prioritizes safety.

### **8.2 Outbreaks of Emerging Diseases in Construction Projects**

Outbreaks of emerging infectious diseases at construction sites can have severe consequences due to the nature of construction work, where employees often work in proximity, increasing the risk of disease transmission. If an outbreak occurs, work may need to be suspended or restricted, leading to project delays and potential failures to meet delivery schedules. Additionally, impacts on employee health and increased expenses for protective equipment and healthcare provisions may create significant financial burdens for the Company.

These risks may lead to reduced work efficiency, additional costs due to project delays, procurement of protective equipment, and health screening expenses. Prolonged project delays may erode customer and stakeholder confidence, potentially affecting future business opportunities.

#### **Risk Management Measures**

- Develop and implement modern outbreak management plans, including designated isolation areas for at-risk employees and contingency work plans.
- Ensure the availability of essential protective equipment, such as face masks, hand sanitizers, protective clothing, and other necessary safety gear.
- Establish health screening procedures before work entry, including temperature checks, initial symptom assessments, and continuous employee health monitoring.

- Support remote work through digital systems where it is feasible to reduce the risk of workplace exposure.
- Adjust work schedules to increase flexibility, reduce congestion at construction sites, and promote social distancing.
- Clearly communicate workplace guidelines during outbreaks and provide employees with knowledge on personal protective measures against emerging diseases.