



EA Risk Review Report 2024

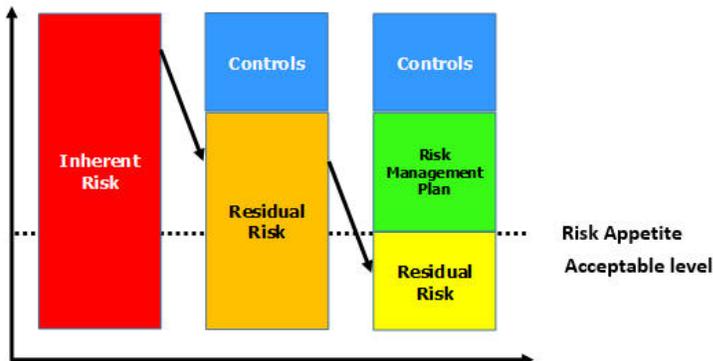
Our Vision: To become a leader in the alternative energy business

EA Risk Management Policy : Energy Absolute Public Company Limited (“the Company”) recognizes the importance of risk management as a part of good corporate governance and a significant foundation to bring the Company toward the achievements of expected objectives. Proper risk identification and management will support good decision making and enable the Company to perceive opportunities and be aware of any possible impacts on its operation.

EA Risk Review Report in the year 2024 is the Company’s risk assessment report. It highlights two main categories of risks by considering likelihood and impact (magnitude), there are Social Risk and Financial Risk. The report also clearly identifies risk descriptions, risk assessment, risk level, risk responses, mitigating actions and responsible persons. In summary, Risk Review Report demonstrates EA’ s commitment to identifying, assessing, and managing risks critical to its business operations. This is achieved through the implementation of various policies, measures, and tools to mitigate risk levels to an acceptable level.

Process to determine the Risk Appetite : The Company defines risk appetite as the level of residual risk it is willing to accept after considering existing control measures. The determination of risk appetite begins with the assessment of inherent risks and existing controls, using the equation: Residual Risk = Inherent Risk - Control Measures. The evaluation helps identify whether the current risk level exceeds control effectiveness. The defined risk appetite is reviewed on an annual basis and must be acknowledged by Executive Management as part of the organization’s risk management planning process. Risk Appetite is carried out in alignment with the COSO ERM Framework. Risk Management Functions shall report risk appetite to the Risk Management Committee on a regular basis as the responsible body to determine and review measures and follow-up to prevent risks from being acceptable risk levels.

The diagram shows the relationship between inherent risk, control measures, and residual risk



Reference : EA Risk Management Manual



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Risk Assessment Matrix

Risk Assessment Matrix			Likelihood				
			Very Low	Low	Medium	High	Very High
			1	2	3	4	5
Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Very Low	1	1	2	3	4	5

Reference : EA Risk Management Manual

Description table of risk management according to the level of the company's risk.

Risk Level	Colour Represent	Risk Description
Very High		<ul style="list-style-type: none"> Risk level exceeding the risk level that the organization can accept significantly. To consider taking actions as first priority to reduce the risk level before starting the process / procedure.
High		<ul style="list-style-type: none"> The level of risk that cannot be accepted requires managing the risk to an acceptable level. Must be controlled and a risk reduction plan must be developed, taking into account appropriateness in terms of budget, technology, personnel, etc.
Medium		<ul style="list-style-type: none"> An acceptable level, but there must be vigilance and potential improvements in internal controls for greater efficiency. Consider monitoring existing measures, and establish additional measures or control methods.
Low – Very Low		<ul style="list-style-type: none"> Acceptable level, no need to manage the risk. It is necessary to maintain the level within this group, conduct regular inspections, monitoring, vigilance, and strictly adhere to procedures/work documents to prevent any increase or escalation of risks.

Reference : EA Risk Management Manual



No.	Risks			Risk Assessment						Risk Management			Remark
	Types of Risks	Risk Descriptions	Impact of Risks	Risk			Residual Risk			Risk Responses	Mitigating Actions	Responsible Persons	
				Likelihood	Impact	Risk level	Likelihood	Impact	Risk level				
1	Social and Environmental Risk	Risks from Operations that Impact to Environment - Pollution which affect nearby Community, including air, water and industrial waste.	The Company's operations that may impact the environment could pose economic risks due to costs related to environmental restoration and negatively affect the organization's image, potentially reducing consumer and business partner confidence.	4	5	20	3	1	3	Treat : Risk Reduction/ Risk Control	ISO 14001 The Company places importance on establishing an environmental management system (ISO 14001: 2015) to ensure sustainable business operations in harmony with the community, society, and the environment. The focus is on preventing pollution that affects nearby communities, including air pollution, water pollution, industrial waste, as well as the impacts of climate change and water scarcity. The Company has set up an ISO working group of quality, safety, and environmental management. Set up Guidelines for operation and monitoring of environmental management both inside and outside the factory to ensure that the Company's activities do not harm or destroy the environment and community resources. According to audits by the certifying agency for ISO standards, the Company's operations comply with standards, laws, and relevant management system requirements without negatively impacting the environment and community resources.	ISO Department	
Risks from disputes with Social/ Communities - The company being sued / complained		The group of companies operates projects in various areas surrounded by communities, society, and stakeholders. A dispute with the community can affect the Company in several ways, such as its image and credibility, financial impacts from lawsuits and compensation, and strained relations between the organization and the community.						3R concept (Reuse, Reduce and Recycle) The Company follows the 3R concept: Reduce, Reuse, and Recycle, which helps reduce waste during production, decrease material waste disposal, and lower waste management costs.	Operation Department				
								Installation of solar rooftop the Company has implemented the Solar Rooftop project and reducing electricity consumption within buildings to lower greenhouse gas emissions	Operation Department				
								Creating a community relations It places great importance on creating a community relations to ensure smooth business management and maintain good relationships with the surrounding communities. The Company has designated community relations officers to communicate, coordinate, and address concerns regarding the Company's operations. These officers also participate in community activities, provide a channel for complaints, and have installed a complaint box at the project site. In addition, community relations officers and project staff continue to actively assist and develop the community.	Corporate Social Responsibility Department				



Company name : Energy Absolute PCL.
 Risk Assessment Report 2024
 Description of mitigating actions for 2 risks identified
 Risk Management Department

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				Likelihood	Impact	Risk level	Likelihood	Impact	Risk level				
2	Financial Risk	<p>The risk of investment value and returns that may not meet expectations</p> <p>- The investment costs influenced by the prices of imported equipment, which may be affected by exchange rate fluctuations, uncertainty in supply and demand, and additional unforeseen costs or expenses beyond initial projections.</p>	<p>The Company may be impacted by rising investment costs, which could lead to lower project returns and a longer payback period.</p> <p>Additionally, if demand and supply do not meet expectations, project revenue may decline, affecting the Company's profitability.</p> <p>Unexpected hidden costs and increased expenses could create financial burdens and impact the company's liquidity.</p> <p>Furthermore, interest rate fluctuations may increase interest expenses, affecting cash flow and overall financial performance.</p>	3	5	15	2	1	2	<p>Transfer : Risk Sharing/ Risk Transfer</p>	<p><u>Entering in to FX Forward Contracts</u></p> <p>- The Company has risk management tools for exchange rate risk such as entering in to Foreign Exchange Forward Contracts – FX Forward to mitigate risk of changes in exchange rate to maintain financial stability.</p> <p><u>Financial instrument as Interest Rate Swap</u></p> <p>- It also has a policy to manage loan interest rate risk by employing such a financial instrument as Interest Rate Swap Agreements to convert floating interest rates to fixed rates.</p>	Finance Department	