

Report of the Risk Management Committee

Dear Shareholders,

In 2023, Global Green Chemicals Plc (GGC) defined mitigation measures and closely monitored management outcomes across the organization for risks concerning internal operation and external ones arising from economic volatility (domestic and international) together with challenges posed by dynamic circumstances. Resulting from these challenges were economic slowdowns and rising market competition, which significantly affected GGC's performance. Still, other factors gave GGC business opportunities, including domestic and international economic stimulus measures, requirements and promotion of green businesses resulting from global greenhouse gas (GHG) reduction measures, and demand for green products. These issues have attracted GGC's attention to enable it to survive these challenging times as well as business transition to clean energy and low-carbon products, pursue business opportunities, and enhance its competitiveness and foster sustainable growth. This year the Risk Management Committee continually monitored and commented on GGC's approaches and advice concerning risk management and mitigation measures for various crises, embracing key issues and short-term as well as long-term goals. The committee also advocated integrated Governance, Risk, and Compliance (GRC) actions so that these systematically linked elements may form one process. These moves prepared GGC for such risks in a timely manner. With cooperation from all executives and employees, GGC overcame obstacles and cope with various challenges efficiently, which fostered confidence that GGC had a robust risk management process that was continually evolved in line with the prevailing business environment.

GGC values risk management, cultivation of a risk management culture across the organization, supervision of corporate risk management at an appropriate level under the corporate governance code, and implementation of an efficient risk management process to enable the organization to achieve its business goals and foster confidence among shareholders. In place are assessment of risks arising from external factors or incidents that might affect GGC's operations and a review of risk mitigation measures as well as a prudent and efficient risk management framework.

The Risk Management Committee performed its duties within the scope of authority, duties, and responsibility as assigned by the Board, as fully defined in the Risk Management Committee Charter. In 2023 there were seven meetings, with perfect attendance each time, summarized as follows:

1. The committee constantly steered, monitored, provided opinions, and made recommendations on corporate risk and crisis management for 2023, embracing risks arising from external and internal factors. It also valued risk factors and opportunities concerning sustainable business to ensure that GGC commanded adequate measures for risk factors and crises efficiently and promptly. This enabled it to maintain its risk appetite. The committee also commented on the mitigation measures for emerging risks. Its performance outcomes were reported to the Board on a quarterly basis or whenever risks arose from various factors that could significantly affect short-term corporate goals (corporate indicators) and long-term corporate goals (corporate business plans).
2. The committee considered and commented on the improvement and review of the risk management framework in various aspects for alignment with situations, namely risk management of the volatility of feedstock and product prices, inventory management amid volatile feedstock prices, and risk management of foreign exchange rates amid volatile global financial markets.
3. The committee provided comments and suggestions on the risk management of product markets, prices, and margins and followed up closely on the implementation of the inventory risk management framework to mitigate the impacts of stock losses and exchange rate movements. Leveraged were financial tools of commercial banks to keep rates at no less than the exchange rate of the budget (Budget Rate) or defined targets to ensure that such measures were flexible, appropriate to the situation, and able to reduce impacts on GGC's performance. Moreover, the committee made suggestions on risk management and the pursuit of business opportunities for key projects as well as risk management for affiliates' performances, cyberthreats, and sustainable development.
4. The committee commented on the development and investigation of project investment models, risk management, risk management measures of major projects, and long-term corporate strategies for alignment with the world's megatrends and GGC's business growth strategies. Also, it reviewed risk factors impacting financial strategies for GGC's business transformation.
5. The committee commented on the implemented risk assessment and internal-control self-assessment project (RCSA) as a tool to improve the assessment of the adequacy of internal control at the process level to enable it to achieve the objectives of internal control, namely Operation, Reporting, and Compliance. In 2023, GGC achieved RCSA maturity, attested by a third-party expert, which embraced governance, people and culture, RCSA process, tools and technology, and performance insights and data.
6. The committee scrutinized and approved the risk factors and the corporate risk management measures for 2024 and suggested guidelines for the preparation of mitigation measures in line with economic conditions, industrial trends, uncertainty, and approaches to sustainable business development to ensure that GGC can achieve its strategic and business goals. The committee also followed up on the progress of the remaining corporate risk management for 2023 to ensure efficient management against the defined plans.

7. The committee reviewed the risk management policy and the Risk Management Committee Charter for consistency with the guidelines for risk management (COSO ERM 2017 "Enterprise Risk Management") and reported the evaluation results to the Board for acknowledgment and disclosure in Form 56-1 and the annual report.

For 2024, GGC will continue to face challenges and uncertainty caused by the global economy that should begin to pick up at various paces. Some economies recover well, whereas others do so more slowly. One expects the global economy to register a slower pace in recovery while inflation in key economies would begin to slow down, albeit at relatively high rates. In addition, one expects foreign exchange rates to remain volatile and interest rates to remain high, thus calling for prudent financial management due to their effect on financial costs. Besides, geopolitical risks could produce unrest, which could hurt the supply chain and rattle prices of agricultural produce, world oil prices, and safe havens. One also needs to examine the policy impacts and business opportunities as well as accelerated measures promoting low-carbon economy businesses and industries, which could support and lend a competitive edge to GGC in the future. These factors would affect the demand for GGC's products, feedstock prices, product prices, and product-feedstock price spreads as well as the drive for strategic goals for business sustainability in the future. The committee will closely monitor the situation and risk mitigation measures, and will provide comments and recommendations that are appropriate and sufficient to manage such risks.

In summary, for the performance of 2023, the Risk Management Committee fully performed its duties in managing key corporate risks against the duties assigned in its charter. GGC's risk management and internal-control systems were developed and improved in line with standards, economic conditions, industrial competition, and dynamic future trends. Note that the committee revised the management scope for key risks for timely actions, with due regard for the establishment of the risk management culture at every level. It also monitored and commented on GGC's constant pursuit of business opportunities and risk management approaches covering all issues critical to its strategic goals, both short-term and long-term, as well as emerging risk factors that could affect its future operations. The committee strived to ensure that GGC had managed risks efficiently with appropriate standards and control at an acceptable level, which would enable itself to achieve goals and create long-term, sustainable value to business.

On behalf of the Risk Management Committee



(MRS. Kannika Ngamsopee)

Chairperson