

EMERGING RISKS

The Company has considered the risk factors and risk management guidelines as follows:

Name	Description	Company's operational guidelines
1. Cybersecurity Threat	<p>Cyber threat is another emerging risk that Thai Union has been aware and preparing for.</p> <p>Several formats of cybersecurity threats can be for example; network or enterprise resources planning (ERP) software be attacked, and unauthorize person destroy or misused the company information.</p> <p>This threat could potentially impact to company business or reputation from:</p> <ol style="list-style-type: none"> 1. Loss of revenue due to unavailability of service 2. Loss of intellectual, competitive or proprietary information 3. Loss of future profits resulting from an inability to demonstrate a strong security process to clients, vendors and partners 4. Cost of legal and privacy compliance violation fines 	<p>To combat this challenge, in 2017-2018 the company has made many actions to protect and reduce consequences.</p> <p>Highlights are:</p> <ul style="list-style-type: none"> - To mitigate risk of network failure, the company implements high availability program to avoid Single Point of Failure by redundancy component (Server, Network, etc.) to enable a system continuous operation with very minimal unplanned downtime - To mitigate unauthorize person destroy network and ERP or misused the company information, the company implements many security controls for example; firewall, scheduled authorization review, backup and recovery design from unplanned outage or disaster as well as will implement intrusion and detection for detect unauthorize person access to the network - To limit consequences of ERP failure, the company implements the business continuity plan.

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<p>2. Geopolitical risk</p>	<p>2.1 Political uncertainty from US Trump government's policy especially risk from change in fiscal policy; trade; and the economy</p> <p>Possible Risk factors:</p> <ul style="list-style-type: none"> • Trade agreement • Downgrade in U.S. – China Relations • Negotiate Tough and Smart Trade for the U.S. • Regulatory Changes <p>2.2 Political uncertainty in European market from BREXIT and national elections</p> <p>Possible risk factor:</p> <ul style="list-style-type: none"> • Change Trade Duties, Fluctuation in Exchange Rates, Inflation <p>With unpredictable changes in U.S. and Europe, the Company performance may be impacted especially the companies in U.S. and Europe.</p>	<ol style="list-style-type: none"> 1. The company has been closely monitoring the situation and the status of political risks, especially on the Monetary Policy / Fiscal Policy of US government and possible changes on international trade regulation and tariff of both US and Europe. 2. The monitoring and risk impact assessment process has been performed through management evolution and 3rd party expert. The assessment results are regularly reported to the company BOD in order to prepare for prompt decision-making.