ECOSCIENCE INTERNATIONAL BERHAD

(Registration No.: 202001024633 (1380953-M)) (Incorporated in Malaysia)

RISK MANAGEMENT FRAMEWORK FOR ORGANIZATION POLICY

1. Purpose

a. This Policy is established to access the organization risks that will potentially bring threat to the company business.

2. Scope

a. It covers all general organization risk which directly affect product or work quality.

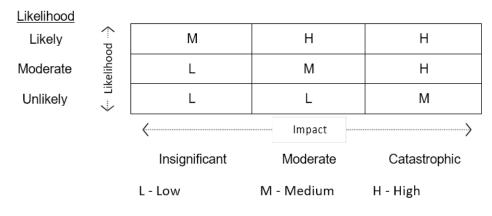
3. Responsibility

- a. Managing Director
- b. General Manager

4. Risk matrix

	Description	Extent and category of risk								
1.	Low	• Adverse impact of less than 10% of Group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest.								
		 Consequences can be absorbed under normal operating conditions. No material impact on market share and/or reputation of company. 								
2.	Medium	 Adverse impact of more than 10% but less than 30% of group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest. Potential impact on market share or reputation of company. 								
3.	High	 Adverse impact of more than 30% of group profit before tax, Group net revenue, net assets or shareholders' funds, whichever is the lowest. Market share, reputation or value of company will be affected in the short-term. 								

Risk rating matrix



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5. Risk management framework

		Risk measurement and assessment			Risk reporting and	Risk	
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
					To closely access the market environments and price. On-going efforts on cost management control. Continuous lookout for	Company performance forecast vs actual to be discussed by	
1	Market risk	Medium	High	High	opportunities to develop and penetrate new markets.	management on monthly basis	Risk reduction
	Construction risk	I. aut	Illah	Medium	Construction all risk (CAR) insurance is available	Any incident report to be presented to management immediately. Safety action to be taken immediately to avoid the similar incident	Risk
2		Low	High		Policies and procedures of company to be reviewed and updated periodically to ensure its effectiveness and in line with the new laws and regulations. To conduct intensive checks on requirements and licenses	Head of department to review the department policies annually in case of amendment of existing laws and regulations or introduction of new	sharing Risk
3	Regulatory risk	Low	High	Medium	to ensure compliance thereof.	laws and regulations.	avoidance

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		Risk measurement and assessment				Risk reporting and	Risk
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
	Legal risk (Corporate, contract, asset, intellectual property right				Professional 3rd party legal team are engaged to support and advise all legal related matters to ensure all company	Any legal related matter to be reported to management immediately before any	Risk
4	etc)	Low	High	Medium	rights are protected To close monitor the Government masterplan in respect of long term economic and development view and	action taken. Any updated government masterplan which will affect company business will be discussed by management before	avoidance
5	Political risk	Low	High	Medium	policy Any new business development plan must have a proper feasible study and risk assessment, and must be discussed and approved by the management to avoid making the poor business decision. R&D and explore of new technologies to ensure the abange in market will not	further action Any new business opportunity or new investment will be discussed by	Piele
6	Strategic risk	Low	High	Medium	change in market will not affect the business continuity.	management before making decision	Risk acceptance

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		Risk measurement and assessment					
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	Risk reporting and monitoring	Risk governance
					To ensure continuous business development and innovation in order to maintain and grow our standing in this industry. To maintain the highest	Company performance affected by competitor will be discussed by	
7	Competition risk	Medium	High	High	quality product, productivity, and services to the clients.	management on monthly basis	Risk reduction
					To ensure sustainability in the environmental aspect in which we operate, has minimal impact to	Any environmental issue will be reported by safety rep to the management on case basis. Action to be taken immediately if violation to the	Risk
8	Environmental risk	Low	Medium	Low	environment	regulation	avoidance
					To ensure fire-fighting system are in place, and the workers are trained to use. Fire insurance are made available to the fire protection	Any fire incident report to be presented to management immediately. Safety action to be taken immediately to avoid	Risk
9	Fire risk	Low	High	Medium	of the equipment and goods	the similar incident	sharing

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		Risk measurement and assessment					Dil
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	Risk reporting and monitoring	Risk governance
					Established workflow and	Any communication	
					procedure must be available	breakdown to be	
					and enforced to ensure proper	reported to	
	Coordination hurdle or				alignment and understanding	management in	Risk
10	miscommunication	Medium	Medium	Medium	is achieved	monthly basis	reduction
						Any theft incident	
						report to be presented	
						to management	
						immediately. Safety	
						action to be taken	
	Theft break-ins caused				Security supervision and	immediately to avoid	Risk
11	by insufficient security	Low	Medium	Low	CCTV is made available	the similar incident	reduction
					Employees who assigned for		
					project in Africa must get the		
					minimum required medical		
					prevention vaccine e.g.		
					yellow fever vaccine.		
					Employees who work in		
					Africa are advised to avoid		
					staying outdoor at night to	Any medical incident	
					avoid Malaria disease.	report to be presented	
					Employees who work in Africa who have the	to management	
						immediately. Safety	
					symptoms of Malaria must seek for medical treatment	action to be taken	Diala
10	Haalth wal	Madium	Law	Low		immediately to avoid	Risk
12	Health risk	Medium	Low	Low	immediately	the similar incident	reduction

		Risk measurement and assessment			Risk reporting and	Risk	
No	Risk identification	Likelihood	Impact	Severity	Risk mitigation	monitoring	governance
13	Loss of power supply	Low	Low	Low	Genset are available in case of failure or loss of power supply	Total power failure report to be presented to management on yearly basis in case of any	Risk acceptance
					Explore new market and business. Participate in more tender and bidding project. Diversify business nature. Penetrate into Oversea	Company performance forecast vs actual to be discussed by management on	Risk
14	Concentration risk	Medium	High	High	market.	monthly basis	reduction

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This Risk Management Framework for Organization Policy is adopted on 1st July 2020.