

ECOSCIENCE INTERNATIONAL BERHAD

(Registration No.: 202001024633 (1380953-M))

(Incorporated in Malaysia)

RISK MANAGEMENT FRAMEWORK FOR HUMAN RESOURCES DEPARTMENT POLICY

1. Purpose

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

2. Scope

- a. It covers all human resources risk which directly affect product or work quality.

3. Responsibility

- a. Human Resources Executive

4. Risk matrix

	Description	Extent and category of risk
1.	Low	<ul style="list-style-type: none">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	<ul style="list-style-type: none">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	<ul style="list-style-type: none">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

Likelihood

Likely

Moderate

Unlikely

↑
Likelihood
↓

M	H	H
L	M	H
L	L	M

←

Impact

→

Insignificant

Moderate

Catastrophic

L - Low

M - Medium

H - High

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5. Risk management framework

No	Risk identification	Risk measurement and assessment			Risk mitigation	Risk reporting and monitoring	Risk governance
		Likelihood	Impact	Severity			
1	Executive fail to support project due to lack of quality of the personnel	Low	High	Medium	A proper mentoring system is available to ensure the executives received sufficient coaching during project execution stage for 3 to 6 months. Performance of the executives will be evaluated by the HOD. In the case of failure to support due to lack of quality, the executive will be terminated from Company service. The successful executives will continue with on-job training.	Performance management system (PMS) is used to monitor the deliverables of every executives in the company. Any gap found will be discussed between the direct superior and management on the career development plan to close the gap. Consequence management will be executed on the executives that been given several chances yet failed to fulfil his/her duties.	Risk reduction
2	Executives become disengaged with project	Low	High	Medium	Regular meeting with the consultant and clients is organised to keep track of each project and the progress report was prepared	Consequence management will be executed on the executives that been given several chances yet failed to fulfil his/her duties.	Risk reduction

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3	Key executive leaves company, resulting disruption to project	Low	Medium	Low	The superior is accountable in each project to ensure the information is retained in the company in case of any departure	Succession plan is made to ensure the skill and technical knowledge shared and kept in the company. The information of every assigned task must be made transparent and shared to the respective department	Risk acceptance
4	Skill and technical knowledge of the executives	Medium	Low	Low	Training and development for each executive is made available	Any low performers due to low skill or technical knowledge will be captured in the employee yearly performance management system (PMS). Specify technical training will be given to the executives to close the gap. Said executive will be engaged to a mentor from the workplace, on a job mentoring system	Risk avoidance

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		Likelihood	Impact	Severity			
5	Resources shortfall	Low	High	Medium	Attractive offers, hiring process are in place to ensure the resources who decided to leave the company can be replaced in time. Employee appreciation through increment, job appraisal, acknowledgement etc to ensure the employee retains in the company	Attrition rate is monitored and reported to management annually	Risk reduction
6	Low team motivation	Low	High	Medium	Team building, annual dinner, lucky draw, bonus, company trip was organised to appreciate the efforts of all employees who contributed to the company performance	Any low performers due to low motivation will be captured in the employee yearly performance management system (PMS)	Risk reduction
7	Information is leaked by the executives	Low	High	Medium	Executives are to sign the consent to compliance process and to observe the agreement made. Failure to do so will be terminated by company. Executives who access to project information were to sign non disclose secrecy agreement.	In the case of violation of compliance of leak information, report to be made to management and disciplinary action to be taken immediately	Risk reduction

This Risk Management Framework for Human Resources Department Policy is adopted on 1st July 2020.