

Components of Our ERM Framework

Our ERM framework comprises the following four key components:

- i. Strategy & Objectives
- ii. Governance & Oversight
- iii. Risk Identification and Prioritisation
- iv. Risk Management and Monitoring

i. Strategy & Objectives

THKMC Executive Committee establishes **THKMC's** Mission, Vision and overarching Strategic Plan (review every 3 years) comprises key strategic thrusts, goals and performance indicators (KPIs) based upon the sector growth drivers. These goals are cascaded to the Services, promoting alignment across the organisation. Senior management is accountable for meeting these goals and KPIs. Services, business unit, function, and individual employee goals and KPIs are aligned to those of the strategic plan.

ERM supports **THKMC's** strategic plan and thrusts by:

Enhancing decision-making through informed risk insights.

Ensuring alignment with our mission to provide client-centric care.

Promoting resilience and adaptability in a dynamic environment.

Supporting compliance with regulatory and stakeholder expectations.

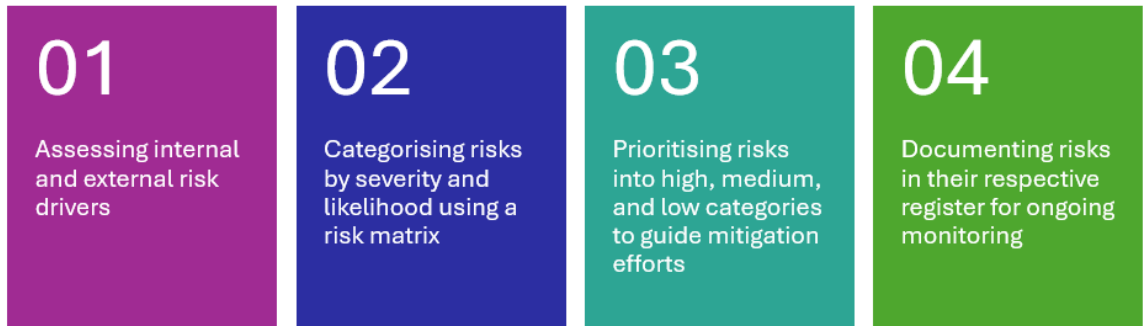
ii. Governance & Oversight

Our ERM governance structure ensures clear accountability:



iii. Risk Identification and Prioritisation

RCs identify and prioritise risks through a structured process:



iv. Risk Management and Monitoring

Risk management is an ongoing process that includes:



Implementing effective controls to reduce risk exposure



Communicating risks and mitigation plans to relevant stakeholders



Conducting regular reviews, audits, and updates to risk assessments



Ensuring continuous improvement through feedback and lessons learned



Tracking risk exposures against “early warning” indicators based on defined risk monitoring approach



Reporting regularly on status of risk exposure and implementation progress of mitigating actions to relevant stakeholders

To enhance our risk governance and organisational resilience, **THKMC** has undertaken several key initiatives:



A. Implementation of ERM 2.0 (April 2025) – Enhancement from ERM 1.0

Following endorsement by the Audit and Risk Committee and approval by the Board in February 2025, **THKMC** launched ERM 2.0 to strengthen our ERM framework. Key enhancements include:

- Integration of environmental risks into the overall risk landscape
- Refinement of risk appetite metrics and key risk indicators
- Alignment of risk management practices with **THKMC**'s Strategic Plan 2.0
- Compliance with updated regulatory guidelines and industry best practices



B. Control Self-Assessment (CSA) Project (2025)

This project empowers the departments to evaluate the effectiveness of their internal controls. It promotes ownership of risk management, enhances transparency, and supports early identification of control gaps for timely remediation.



C. Business Continuity Management (BCM) Initiative (2023)

This initiative aims to ensure operational continuity during disruptions. It includes scenario planning, recovery strategies, and staff training to build organisational resilience.



D. bizSafe Level 3 Certification (Since 2022)

Achieving this certification demonstrates our commitment to workplace safety and health. Ongoing efforts are in place to maintain and renew this certification, reinforcing our safety culture.