

Key Sustainability and Business Risks

The Company faces a range of business risks that may impact its operations and competitiveness, including changes in government policies and regulations, rapid technological advancements, cybersecurity and personal data protection risks, as well as macroeconomic volatility and competition within the healthcare service industry. Internal factors such as human resource management and maintaining service quality are also critical and require ongoing attention and improvement. The Company continuously assesses these impacts and develops risk management plans and mitigation measures to adapt to change and ensure stable and sustainable business operations.



Economic Dimension

Potential risks

- Emerging infectious disease risks
- Climate change risks



Social Dimension

Business operational risks

- Social and community risks
- Litigation risks
- Risk of reliance on a few suppliers in the importation of pharmaceuticals and/or medical supplies



Environmental Dimension

Business operational risks

- Risks from the government's health policies
- Competitive risks in the private hospital business
- Personnel shortage risks
- Litigation risks
- Corruption risks
- Risks of personal data breaches
- Investment risks of securities holders
- Investment risks of foreign securities
- Risk of non-compliance with laws, regulations, standards related to business operations, and environmental laws

Financial risks

- Credit risks
- Liquidity risks
- Interest rate volatility risks
- Foreign exchange rate volatility risks

Potential risks

- Information technology system change risks
- Information Technology Security Risks
- Risks Arising from False or Inaccurate Public Health Communications

Strategic and Business Operational Risks

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Risks from the government's health policies	Effect on income due to the social security service	Executives closely monitor the change and actively participate in the policy-setting discussion.
Competitive risks in a private hospital business	Effect on income due to a loss of competitiveness	BCH has improved service quality and opened a new specialized medical center to care for patients comprehensively.

Business Operational Risks

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Personnel shortage risks	Effect on continuation of business operation	BCH provides competitive remuneration package and appropriate welfare. Additionally, BCH provides employees with the opportunity to participate in management discussions.
Corruption risks	Affect the image and business operation	BCH establishes and communicates Anti-Corruption policy to the employee within the organization to acknowledge and practice.
Risk of reliance on a few suppliers in the importation of pharmaceuticals and/ or medical supplies.	Impact on the The Company's business operations	The Company regularly conducts auctions for medicines and/or medical supplies used within hospitals every year to enhance communication channels with suppliers and to ensure adequate inventory planning for ongoing usage.
Risks of personal data breaches	Affect the image and business operation	BCH establishes a privacy policy and requests permission to collect and use the data, appointing a working group to be responsible for protecting personal data.



Regulatory and Legal Risk

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Litigation risks	Effect on the image and reputation of the BCH and the cost of damage from litigation	BCH complies with the quality and standards of medical care, including Hospital Accreditation (HA) and Joint Commission International (JCI).
Social and community risks	Effect on the image and reputation of the BCH and the cost of damage from litigation	BCH establishes the Environment of Care Committee (ECC) to ensure that environmental and safety operations are conducted efficiently and effectively. The committee must assess problems that impact the environment and safety of hospital staff, clients, and nearby communities, and plan an environmental risk management program that may arise from the hospital's business operations.
Regulatory and Legal Risk Litigation risks Social and community risks Risk of non-compliance with laws, regulations, standards related to business operations and environmental laws	Impact on the Company's business operations, reputation, and damages from litigation	The Company operates hospitals and various specialty clinics, requiring permits from relevant authorities. It must comply with laws, regulations, and various provisions, including obtaining permits to operate healthcare facilities and conducting Environmental Impact Assessments (EIAs) for large hospital buildings.

Financial Risks

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Credit risks	Effect on operating cash flow	BCH reviews the ability of debt repayment for the client and issuer.
Financial liquidity risks	Effect on business operation	BCH takes measures to maintain the business's cash flow appropriately.
Exchange Rate Volatility Risk	Effect on Foreign Exchange Rate Fluctuations	Aligns foreign currency income with related expenses and loan repayments to reduce exposure to exchange rate fluctuations (natural hedge).
Risk from Interest Rate Volatility	Impact on the Company's Financial Costs	Assessing future economic conditions to secure loans at appropriate interest rates.
Risk arising from fluctuations in securities prices	Price volatility of securities	Risk management measures in corporate governance include adhering to sound governance principles and sustainable business practices.
Risk from investment in foreign bonds	Financial cost impact Impact on the Company's performance	Measures to manage foreign currency revenues and expenses in alignment (Natural Hedge).

Investment risks of securities holders

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Interest rate volatility risks	Impact on the financial cost of the Company	BCH evaluates the future economic situation to determine a suitable interest rate for a loan.

Investment risks of foreign securities

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Foreign investment risk from debenture	Effect on financial cost Effect on financial performance	BCH set a financial measure by matching incomes and expenses in foreign currency (Natural Hedge).

Emerging Risks

Risk Description	Business Impact	Risk Mitigation Measures / Risk Management Plan
Risk from information technology systems security	Effect on business continuity	BCH has continually improved its technology security system and raised the awareness of technology systems security.
Risk of changes in information technology systems	Advancements in information technology systems have led to increased risks of cybersecurity threats.	Continuously study and enhance the Company's technology security systems to prevent threats to the Company's information technology infrastructure, and consistently raise awareness among employees about safe technology use.
Risks are associated with the dissemination of false or inaccurate information regarding public health.	False or inaccurate public health information may cause panic due to misunderstandings or the spread of misinformation.	The Company conducts public awareness campaigns and promotes health education to ensure that the public receives accurate information. Additionally, it monitors and regulates the information disseminated on online media platforms.
Risk from emerging infectious diseases	Positive impacts include revenue generation; however, it may simultaneously pose management challenges when severe health risks lead to patient demand exceeding the hospital's capacity.	The Company manages risks by leveraging experience and expertise gained from handling the COVID-19 pandemic. For example, it has established a network of hotels that can be converted into temporary medical facilities in the event of an emerging infectious disease. The Company also has experience providing telemedicine services and is preparing to implement new technologies to enhance patient convenience in medical care.
Climate change risks	The effect on the operations of the hospital caused by a higher number of patients	Increase the capacity of the patient admission by adapting hotels into the hospitals and provide telemedicine service.