



## **RISK MANAGEMENT**

WHM recognizes the importance of risk management practices for the company's business growth and sustainability. The Company implemented systems and processes to facilitate proper risk identification, monitoring and control. Timely and accurate management and financial reporting systems, internal controls, and audits are also conducted.

The Board oversees company's implementation of risk management framework for identifying, monitoring and managing key risk areas. The Board of Directors reviews Management reports with due diligence to enable the company to anticipate, minimize, control and manage risks or possible threats to its operational and financial viability.

### **RISK MANAGEMENT**

WHM identifies, monitors, assesses and manages key business risks. The framework guides the Board in identifying level of risk exposures, as well as the effectiveness of risk management strategies.

The risk management approaches:

1. Internal and External Scanning - it involves the review of the overall prevailing risk profile of all the sections to determine how risks are viewed and addressed by the management. This is presented during the strategic planning.
2. Objective Setting - set the overall annual targets through strategic planning activities, in order to ensure that management has a process in place to set objectives that are aligned with the Company's goals.
3. Event Identification – it identifies both internal and external events affecting the company's set targets, distinguishing between risks and opportunities.



4. Risk Assessment - the identified risks are analyzed relative to the probability and severity of potential loss that serves as basis for determining how the risks will be managed. The risks are further assessed as to which risks are controllable and uncontrollable, risks that require management's action or monitoring, and risks that may affect company's assets.
5. Risk Response - the company ensures that action plan is executed to mitigate risks, either to avoid, reduce, transfer or share risk.
6. Control Activities - policies and procedures are established and approved by the Company's Board and implemented to ensure that the risk responses are effectively carried out.
7. Information and Communication - relevant risk management information is identified, captured and communicated to all personnel.
8. Monitoring – the company as well as Corporate Internal Audit shall closely monitor the management of risks through performance reviews.

## **RISK MANAGEMENT FUNCTIONS**

The risk management function involves the following activities, among others:

1. Defining a risk management strategy;
2. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives
3. Evaluating and categorizing each identified risk using the company's predefined risk categories and parameters;
4. Establishing a risk register with clearly defined, prioritized and residual risks;
5. Developing a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy:
6. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and regulatory risks), control issues and risk mitigation plan; and



7. Monitoring and evaluating the effectiveness of the organization's risk management processes.

**REVIEW**

This framework will be reviewed annually and any adjustments/revisions that may be required will be recommended to the Board for consideration and approval of the Board