

EMERGING RISKS

Thai Union anticipates some emerging risks, which are currently immaterial, involving external environment.

Name	Description	Company's management
1. Politics	<p>1.1 Political risks from new US government's policy especially risk from tariff and non-tariff trade barrier. Possible Risk factors:</p> <ul style="list-style-type: none"> • Downgrade in U.S. – China Relations • Negotiate Tough and Smart Trade for the U.S. • Regulatory Changes <p>1.2 Political risks from BREXIT Possible risk factor:</p> <ul style="list-style-type: none"> • UK trade condition after leave EU • GBP exchange rate situation • New fishery Policy under consideration <p>With an unpredictable US policy and BREXIT which may impact to the Company especially business in US and UK.</p>	<ol style="list-style-type: none"> 1. The company has been closely monitoring the situation and the status of political risks, especially on the Monetary Policy / Fiscal Policy of US government and possible changes on international trade regulation and tariff of both US and Europe. 2. The monitoring and risk impact assessment process has been performed through management evolution and 3rd party expert. The assessment results are regularly reported to the company BOD in order to prepare for prompt decision-making.
2. Customer concentration	<p>The company canned tuna business in France and United Kingdom where are company's key markets in Europe facing customer concentration due to sales are majority from few large customers' accounts. Moreover, with the development of market, there is the trend that customers will be more likely consolidated from M&A or alliance and increase purchasing advantage.</p> <p>The risk could resulting in potential loss of significant sales revenue if the company loss a customer or lower of profitability from tariff alignment after the consolidation.</p>	<p>To manage risk of customer concentration, the company monitor sales performance as well as customer extension of trade concentration in the market, following new alliances or merger and acquisition.</p> <p>Moreover, the company also develop and build market share in new markets for example; export, discounters, convenient stores and online.</p>