

# AOT Emerging Risk 2022

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AOT Public Company Limited



# Emerging Risk 1 - Changes in Consumer Behavior: New Normal Travel after COVID-19



## Emerging Risk 1 - Changes in Consumer Behavior: New Normal Travel after COVID-19

Category	Societal
Duration	3 years
Description	A change in travel behaviors due to the New Normal after COVID-19 is the changing perspectives and behaviors of passengers on air travel, such as the service standard of not too crowded and the disease control standards. In addition, macroeconomic slowdowns and measures to control travel in some countries to control diseases may result in slow recovery of tourism. Any uncontrollable factors that could gradually change the customer behavior as mentioned are the potential external risk to AOT in doing the business as usual. AOT has been recognizing on this issue and addressing an unforeseen changing of customer to deliver the highest quality against the significance changed.
Impact	Passengers' concern on the spread of COVID-19 greatly affected the recovery of the aviation industry in terms of revenue and economic growth. Additionally, passengers have been expecting the preventive measures of COVID-19 and services that accommodate New Normal lifestyle that could reflect the level of airport users' satisfaction. The impact regarding any changes by customer behavior has deemed to be the impact that matter to AOT in finding the suitable approach for new changing. Any new law, regulation, and measures can be the huge barrier to AOT in operating the business as usual, which AOT has to put the effort and adapt the business to change accordingly.
Mitigating actions	<ul style="list-style-type: none"> <li>• Cleaning operational areas in the airports to ensure the highest quality of service area.</li> <li>• Adopting technologies in the business and operation to transform the traditional operation which could mostly meet the expectation of new customer need.</li> <li>• Catching up the state of art of global trend to apply with the AOT's operation in accomplishing the new transitions and changes of customer in the global level.</li> <li>• Leveraging the valuable feedback from the customer to proactively integrate with the business of AOT.</li> </ul>

### Emerging Risk 2 - Supply Chain Interruption

Category	Societal
Duration	5 years
Description	<p>One of the crucial impacts to AOT regarding the importance stakeholder that directly involve with the AOT's business and operation has represented by the supply chain interruption. This issue can be the potential risk to a large part of the company's operations in term of unforeseen situation, such as pandemic, geopolitics related to the global circumstance, and macroeconomic changed, which have become considered topic to AOT in preventing the supply chain interruption. Supply chain interruption is a vulnerability topic that needs to be solved to serve the necessary product and service to the customer of the company. Although many aid measurements were offered to the affected parties, the impact occurred has been long and unceasing, causing non resumable status in some businesses.</p>
Impact	<p>The supply chain interruption has caused by uncontrollable factor, e.g., pandemic, geopolitics related to the global circumstance, and macroeconomic changed, that affected the liquidity of supplier in long-term and caused them to not be able to operate their business due to bankrupt and rehabilitation plan. This turned out to be the interruption of AOT's supply chain for the product/ service throughout the infrastructure facilities in serving the massive passenger for the post-pandemic. Besides, the macroeconomic has become the considerable factor regarding the supply chain disruption because the inflation rate based on economic stimulus measure is causing high inflation rate. This directly affects the business of AOT's supplier that is the core capability of AOT's business. AOT has confronted with the delay in delivering the work, not be able to provide the certain service, lacking supply to serve customer's demand, unable to facilitate the proper service to customer as normal</p>
Mitigating actions	<ul style="list-style-type: none"> <li>• AOT has set the policy for its associated companies to handle the necessary activities for business continuity.</li> <li>• The risk management system has also been applied as a tool to monitor the activities that may affect AOT's operation to ensure that the risks of business can be managed continually for further sustainable growth.</li> <li>• Preparing and sourcing any necessary sources of product/ service to sever customer's demand.</li> <li>• Continuous planning of business is considered as vital to develop processes and systems to prevent an uncertainty.</li> <li>• Allocating the slot for flight schedule, parking, ground service throughout the compliance and governance regarding the contract for airline who is in the rehabilitation plan.</li> </ul>