



Material Risks

as at 30 June 2021

30 June 2021

Material risk disclosure

- ✘ Risk of significant deterioration of economic environment in South Africa affecting business confidence and consumer spending and accordingly each of the group's segments - Property, Branded Product Distribution and Manufacturing.
- ✘ Acquisition and disposal risks. Acquisitions to be considered on an ongoing basis. Group to divest from companies where appropriate which have no realistic prospect of meeting return on capital hurdles.
- ✘ Specific Risks relating to COVID-19
 - ✘ Uncertainty with regard to the time it will take to complete the vaccination roll-out and whether and the extent to which the vaccines available in South Africa will be effective against COVID-19 variants.
 - ✘ Policy uncertainty with regard to the duration of the government imposed lockdown to contain the spread of COVID-19.
- ✘ General Business and Compliance Risks
 - ✘ Employee performance and retention. Appropriate remuneration policies strive to reward employees in a fair and responsible way, which ensures a culture of high performance to deliver returns to shareholders through employees who are motivated, engaged and committed.
 - ✘ Treasury risks
 - ✘ Liquidity risk. Adherence to banking covenants per facilities.
 - ✘ Foreign exchange risk. Mitigating impact of exchange rate fluctuations through taking out foreign exchange contracts as appropriate.
 - ✘ Customer credit default risks to be mitigated by credit control policies and credit insurance as appropriate.
 - ✘ Asset protection. Material risks to be insured as appropriate subject to limits and deductibles.
 - ✘ Business interruption / IT risks (cyber-attacks / loss of data) to be mitigated as appropriate including compliance with the Protection of Personal Information Act, 2013.
 - ✘ Compliance and Sustainability
 - ✘ Compliance with Occupational Health and Safety standards, including in respect of COVID-19.
 - ✘ Environmental and Sustainability risks. Compliance with environmental legislation and reducing carbon and water footprint.
 - ✘ Legal compliance and litigation risks to be mitigated via obtaining independent expert advice as appropriate.
 - ✘ Fraud risks to be mitigated as appropriate and with the support of independently administered Ethics Hotline.