



# **Material Risks**

as at 1 July 2022

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**Material risk disclosure**

- ✘ Risk of significant deterioration of economic environment in South Africa including electricity supply / loadshedding 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, where appropriate, from companies which have no realistic prospect of meeting return on capital hurdles.
- ✘ **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.
  - ✘ **Compliance and Sustainability**
    - ✘ Compliance with Occupational Health and Safety standards.
    - ✘ 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.