Risk
MANAGEMENT REPORT

OVERVIEW

The proactive and effective management of risk is crucial to the execution of Currimjee Jeewanjee and Company Limited (CJ Group)'s strategy.

Enterprise Risk Management (ERM) consists of the systems, policies and practices put in place to manage a variety of business risks, as well as capitalise on opportunities. ERM is an essential component of how business is conducted at CJ and within its business units.

Our ERM framework, which is based on the globally recognised COSO framework, acts as a foundation and guidance for setting out the plans and methodologies to strategically manage risks in an effective manner. It includes a rigorous system of governance, risk committees, policies, processes and tools to help CJ Group in the management and reporting of risks to internal and external stakeholders. The framework also serves as a tool to enable our businesses to effectively deliver on their strategic objectives.

In 2022, the uncertainties and risks faced by our businesses required us to be more vigilant. We further strengthened our risk management framework by introducing a risk appetite statement.

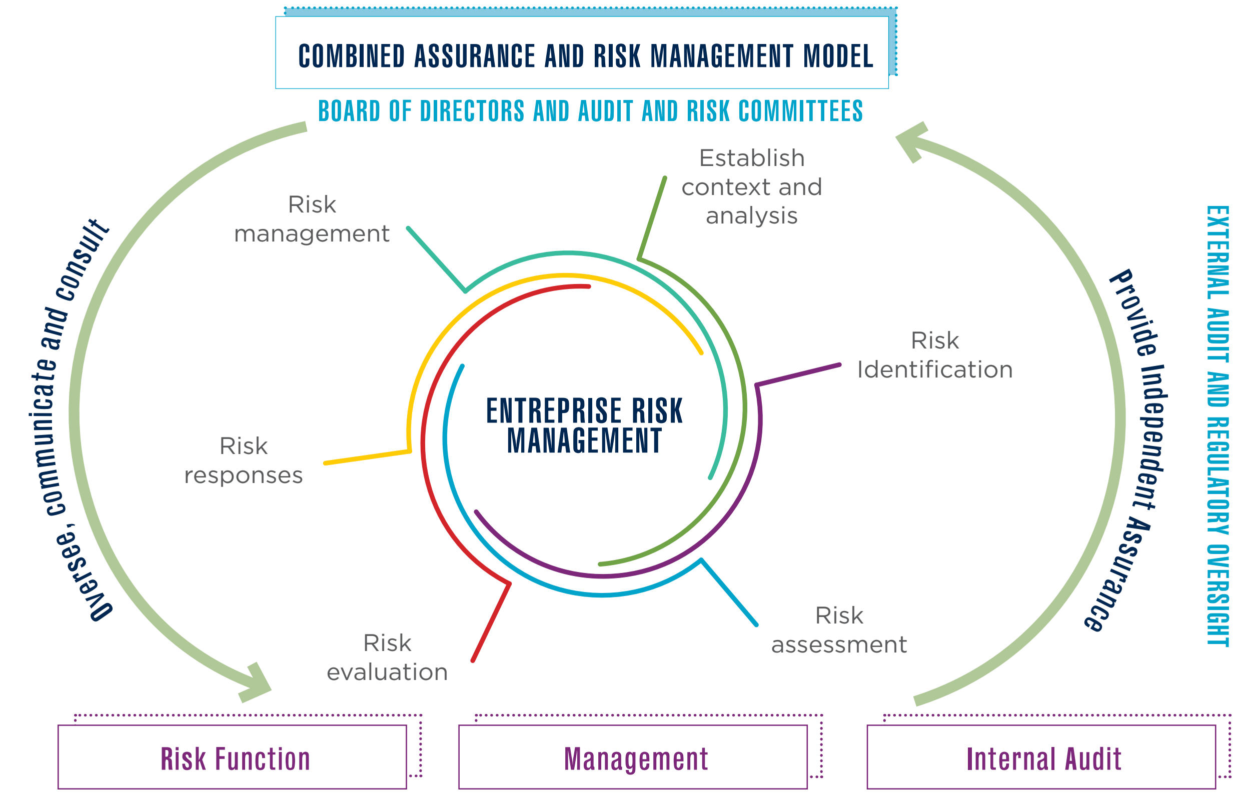
The continuous improvement of our risk practices, and effective management of risks within CJ Group, have ensured collaboration, consistency and alignment in terms of reporting across our businesses and committees.

RISK MANAGEMENT MODEL

We have an established risk management model which is fully integrated within our business processes. The deployment of the risk management model has contributed to each one of our businesses, irrespective of the size and industry in which they operate.

Our risk management methodology is designed to analyse, identify, assess, evaluate, respond to and manage risks. This process also facilitates good decision-making, efficiency in operations, as well as enhanced monitoring and reporting.

The internal audit function is outsourced to Ernst & Young, who provides independent assurance on our risk management function and internal control systems.



FIRST

Heads of business units and Risk Officers who own, manage and report on risks.

SECOND

The Corporate Risk Management function, which oversees the effectiveness of the development, implementation and maintenance of risk management

THIRD

Independent assurance providers, such as internal and external auditors

Three Lines of Defence

We maintained the "Three Lines of Defence" approach to appropriately allocate the ownership of risks and controls. The mechanism has been properly established and contributed to effective governance across businesses within the Group.

Lines of Defence

GOVERNANCE

Good corporate governance has a significant importance in CJ Group. It enables our people to work towards the best interests of our businesses and their stakeholders, whilst ensuring a robust risk management system.

Given the exceptionally challenging environment, more time was dedicated to discussions around emerging risks and their implications for our businesses.

Risk Appetite Statement

CJ is working towards implementing a Risk Appetite Statement (RAS), which will be used as a guiding principle in terms of the level and types of risks CJ is willing to accept, in order to determine its strategic directions.

Board of Directors

The Board of Directors is ultimately responsible for the company's risk management. It determines the company's risk strategies and appetite.

Audit and Risk Committee

The Board of Directors has delegated the above responsibilities to the Audit and Risk Committee to assist in the effective implementation of the plans, policies and processes for risk management.

The Audit and Risk Committee reviews the effectiveness of the deployment and maintenance of the risk management framework.

The chairman of the Audit and Risk Committee regularly reports to the Board of Directors for risk-related matters.

Corporate Risk Management Function

The Corporate Risk Management function reports to the Audit and Risk Committee. Its role is to oversee the effectiveness of the deployment and maintenance of the risk management framework.

The Corporate Risk Management function interacts closely with the business units to ensure that the ERM Framework is effectively in place. It also works closely with the outsourced internal audit function on the effectiveness of risk management to continuously strengthen the ERM process.

Business Units

The business units have their own Audit and Risk Committees, which report to their respective Boards of Directors. The Corporate Risk Management function works closely with the Management team of the business units, through regular meetings and their Audit and Risk Committees, to ensure the implementation of and compliance with the Group's ERM Framework.

All business units are responsible for managing their own risks, as well as continuously updating their risk registers, whilst ensuring that:

- the main objectives (strategic, financial, operational, compliance, environmental, social and human capital) are communicated and understood across the businesses;
- a robust risk management system is in place to enable the achievement of those objectives;
- policies and procedures are effectively complied with.

External Service Providers

External service providers, such as internal auditors and external auditors, are appointed to provide independent assurance services on the Group's risk management effectiveness.

GLOBAL CONTEXT

The profile of risks facing the world is evolving constantly. Events like the invasion of Ukraine have sent shockwaves through the global geopolitical and economic system, radically shifting perceptions of what the biggest risks facing humanity are.

Geo-economic confrontation has become more prominent since last year. This will give rise to sanctions, trade wars, investment screening, and other actions that have the intent of weakening the countries on the receiving end.

As a consequence, the world is facing significant challenges that are impacting communities at large, such as food security, the rising cost of living and inflation. The rising cost of basic necessities like food and energy has the potential to fuel social unrest and political instability, particularly in countries that are already suffering from social tensions.

Climate change is causing harmful and extensive changes in the environment, disturbing the lives of many people around the world, particularly with respect to food security. Despite the aggregated efforts put in by a large number of countries, the world is struggling in its efforts to establish food security. In the Food and Agriculture Organization (FAO)'s annual report (The State of Food Security and Nutrition in the World 2022 – SOFI), it is stated that as many as 828 million people around the world are facing hunger.

RISK MANAGEMENT REPORT

The global increase in inflation is having a significant adverse impact on businesses, as well as on people. This will, in turn, affect low-income households that spend a much larger share of their income on food items. Over and above inflation, developing countries have amassed high levels of debt that could be difficult to repay as the global economy slows down and interest rates rise. The World Bank's International Debt Statistics 2022 reveals that the external debt stock of low and middle-income countries in 2021 rose to $9.3 trillion (an increase of 7.8% compared to 2020) – more than double a decade ago in 2010. For many countries, the increase was by double digit percentages, severely compromising their chances of sustainable development.

In recent years, cybersecurity risk management has become a struggle for many organisations, and security teams are struggling to keep up with the threat landscape as it evolves. Cyberattacks are growing more sophisticated and frequent. On a global scale, companies are adopting new technologies facilitating their moves towards digitalisation, which also increase the risk of cyber-attacks. Businesses are aware that the escalation in geopolitical tensions in most regions could also change the targets of cyber attackers.

There is currently a major attrition in the labour force worldwide, due to societal issues namely, post-Covid-19 stress, mental health deterioration and the increased cost of living. Large number of employees are leaving their jobs, and companies are struggling to retain their workforce. Additionally, technological companies are laying off employees in scores, partly due to the fear of a possible recession in the short term.

LOCAL CONTEXT

Whilst Mauritius was in recovery phase from the pandemic, new challenges emerged due to the war in Ukraine.

Mauritius has not been spared from the effects of these global issues. In fact, the island has been severely impacted in terms of rising inflation and interest rates, the depreciation of the Mauritian Rupee and the volatility in exchange rates. In 2022, the inflation rate reached nearly the 11% mark. A higher attrition in the labour force has also been felt locally, particularly in the hospitality sector.

Following the reopening of the borders in October 2021, we noted a much-needed boom in the travel industry, helping the recovery of the tourism and hospitality sector in 2022. This was facilitated by the relaxation of Covid-19 health protocols, as well as an increase in air traffic.

Economic trends indicate that price pressures will remain high, although a stabilisation of the inflation rate is expected in 2023. Economic pressures have also led to an increase in interest rates and coupled with high inflation, has resulted in higher cost of living for Mauritians. These factors will force consumers to pull back on discretionary spending and focus on essentials and basic necessities.

In addition to the above-mentioned risks, we are still facing major challenges, such as the rising costs of fuel, high costs of freight, supply chain challenges, volatility in exchange rates, adverse effects of climate change and growing cyber threats.

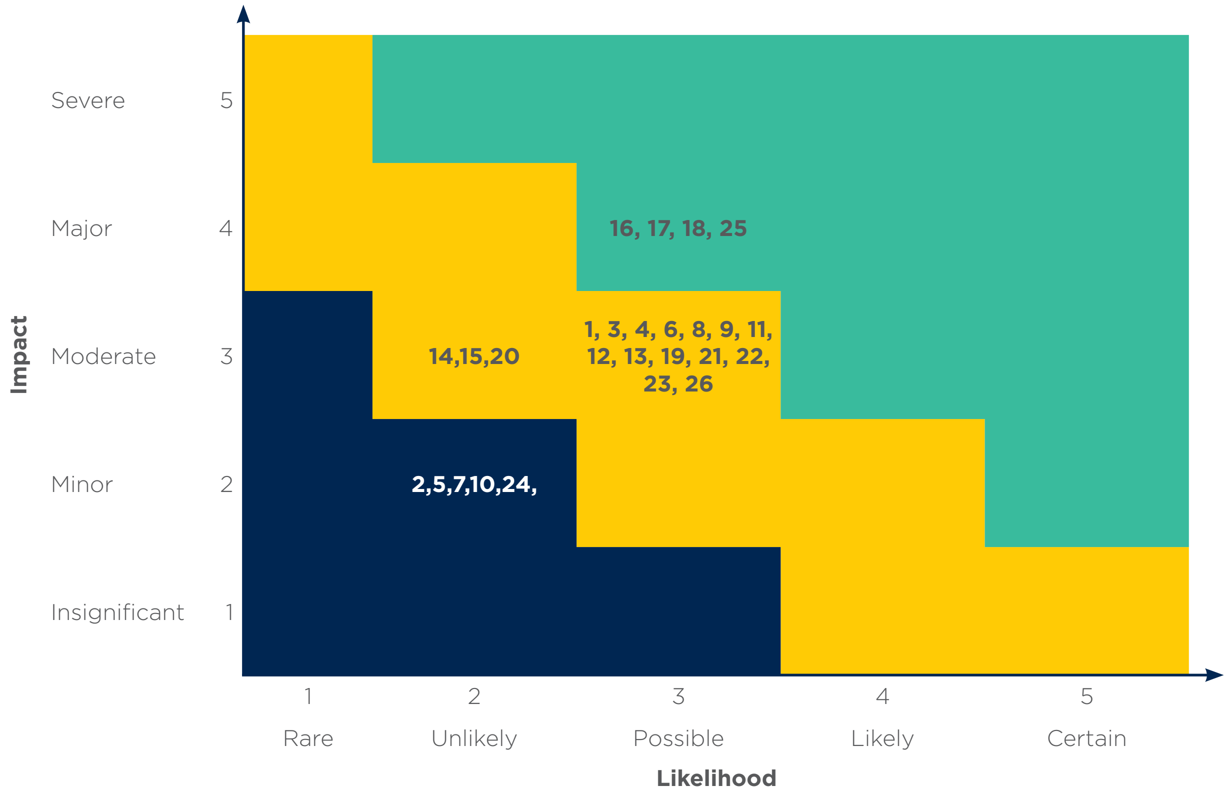
Although our organisational objectives were influenced by both the existing and emerging risks, our businesses have shown resilience and were able to pursue their strategic objectives.

During 2022, the TMIT cluster launched its FinTech App and 5G, which will open up opportunities for other services. In our Hospitality and Tourism cluster, Anantara Iko Hotel had its full year of operations, and the Real Estate Cluster was restructured to build scale.

MANAGING KEY RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The potential risks affecting CJ and its businesses have been identified and analysed to form a basis for determining how they should be managed. The risks are assessed on both an inherent and a residual basis, and are measured based on their likelihood and impact.

The Group risk map and table below provide an overview of the key residual risks and mitigating measures.



RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
1. Economic Downturn and Changing Market Conditions	The global economy has been facing a slowdown mainly due to the prolonged effects of Covid-19 and its impacts, both on the international and local market conditions. The business environment remains volatile. The Russia / Ukraine war has aggravated the impacts resulting from global inflation, the energy crisis, supply chain disruptions, unemployment, social tensions and poverty. Locally, the hospitality and tourism industry, which is one of the pillars of the economy, is picking up. In 2022, an upturn in the tourism industry was fuelled by the phenomenon of 'revenge travel', although the visibility is uncertain. Businesses still need to be resilient. Our businesses run the risk of: • Disruptions in operations with consequences such as financial loss, increased costs, etc. • Being exposed to an adverse economic environment, impacting the ability to achieve set objectives. • Reduced demand for our products and services due to the erosion of the purchasing power of Mauritians.	• Close monitoring of key international and national economic indicators. • SWOT analysis and re-assessment of the environment. • Regular review of strategic objectives at the Strategic Committee level. • Identification of potential opportunities for rebound. • Tighter controls on our businesses and better cash flow management. • Internal capacity to amend and adjust the business model. • Review and introduction of new products and services to make them more accessible to our customers. • Continuous assessment of the resilience of the businesses by focusing on employee health, safety and continuous engagement, customer retention measures and potential cost savings, without affecting the agility of the companies. • Adaptation of the business model to new situations and scenarios which may arise. • Deployment of business continuity protocols in case of a lockdown due to a pandemic or any other crisis, and appropriate policies and controls are in place for the new work environment. • Capitalise on positive disruptions in some areas of our businesses. • Synergies across business units, with a focus on major projects such as digitisation and customer centricity. • Leverage knowledge and experiences gained from the global pandemic to build on organisational strengths for managing future exposures and selectively see where we can gain market share.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	

Financial Human Intellectual Relationship Manufactured Social & Natural

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
2. Corporate Culture	A good corporate culture provides important benefits to organisations. The leadership style, as well as shared beliefs, attitudes, common behaviours and actions taken, have become major contributors to the effective management of businesses. The influence of a good corporate culture is extensive on businesses. The main causes of an inadequate corporate culture are: a non-alignment of core values, non-adherence to the code of conduct, inappropriate leadership style, poor communication, and high staff turnover and these would bring the following risks: • No appropriate tone and direction from top management. • No consistent commitment to ethical and moral principles. • No common acceptance of the organisation's values. • No alignment between the organisation's values and actions taken. • No transparent and timely flow of information across the organisation. • No encouragement of learning from mistakes. • Good behaviour not encouraged. • Inappropriate behaviours not challenged and sanctioned. • Unpleasant workplace, leading to a less motivated and engaged workforce.	• Collaborative efforts from both the leadership and team members to work towards maintaining a corporate culture which reflects the values of CJ. • Convenient and pleasant work environment and work benefits that are appreciated by team members across various age groups, and which contribute significantly to employee engagement. • Aim at having a diverse group of passionate people trusted by all stakeholders, through the implementation of gender diversity and inclusion initiatives. • Promote ethical behaviour as part of day-to-day activities, adherence to corporate values across all levels of the organisation and foster a sense of responsibility and accountability towards all stakeholders. • Ensure the right tone and direction at the top, consistent leadership style and clear communication flow across the organisation. • Encourage sharing of knowledge and learning from mistakes. • Ensure that customer centricity remains our focus. • Have an engaged workforce, with a view to increase their wellbeing and strengthen our corporate culture.	Operational Efficiency Sustainability Focus	Low	

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
3. Innovation	Innovations provide great opportunities and are critical for the survival, economic growth and success of any company. It is imperative for us to remain agile in an ever-evolving landscape by adapting our operating model to changing market dynamics. To maintain a sustainable business, we must overcome the following challenges: • Lack of a targeted strategy on innovation. • Lack of skilled resources and our level of agility. • Not having a continuous improvement culture to ensure ongoing innovation. • Unable to find the right integrated solutions to effectively address the future requirements of our businesses.	Right enablers in place to ensure focus on innovation: Policy and Processes • Implementation of the right policies and processes across the organisation to foster innovation. • Digitisation of internal processes in key areas of business. System • Constantly aim to gain deeper insights into evolving customer behaviours and expectations, and implement resulting targeted strategies. • Invest in technologies, infrastructure and skills to support innovation. Structure • Innovation being critical to our survival, the Group has fostered a culture of innovation over time, and continues to reinforce it. • Leverage our relationship with our international strategic partners to be able to keep pace with the evolution in technologies and offer innovative products and services. • A Group Cross Functional Digitisation Team was established to study the possibility of leveraging best practices across the Group and make further improvements through a coordinated approach. • Extend our support to societal activities via Trampoline, a social enterprise accelerator specifically designed to help passionate entrepreneurs grow sustainable-impact businesses.	Operational Efficiency Business Portfolio Management	Medium	

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Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
4. Customer Satisfaction and Experience	In a competitive market place where businesses compete for customers, the satisfaction and experience of customers are seen as key differentiators. Businesses that succeed in these cut-throat environments are the ones that make customer satisfaction an integral element of their business strategy. Some of our businesses may not be able to sustain a customer-centric culture due to: • Lack of customer focus throughout the organisation. • Lack of skills, competencies and training of our personnel. • Lack of sound systems, policies and processes. • Lack of employee engagement. • Poor quality products and services. • Lack of support from suppliers. • Absence of formal customer feedback. • Service Level Agreement (SLA) not formalised with outsourced parties.	• Focus on the engagement of our human capital and culture. • Enhance the customer journey to improve clients' satisfaction and unlock potential opportunities. • Constantly adjust our product offering to meet evolving customer expectations. • Improve the tracking and monitoring of our customer experience levels through regular surveys and a customer feedback system. • Carry out continuous training on product and service delivery in order to close the skills gap. • Ongoing monitoring of customer interfacing and touch points. • Establish clear SLAs with key stakeholders for deliverables, ensuring successful and mutually beneficial relationships with all our providers. • Leverage data analytics for effective decision making. • Put in place skills, policies and structures that support improved customer experience with a focus on increased digitalisation of these processes. • The Customer Centricity Strategic Initiative put in place has continued to support the business units in their journeys towards enhancing customer satisfaction.	Business Portfolio Management Operational Efficiency	Medium	

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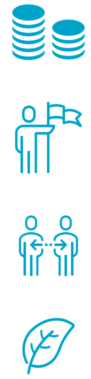
Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
5. Reputation and Brand Value	The Group operates in a number of sectors through various companies and brands that are well known nationwide, thus resulting in an exposure to reputational and brand value risks. The protection of our reputation and brands remains one of our top priorities as it reflects how our companies and brands are perceived by various stakeholders such as the customers, media, employees, competitors, regulators and providers of capital. Damage to our image and brands could be the result of: • Not adhering to our values. • Lack of sound governance. • Non-compliance with applicable laws and regulations. • Non-conducive interaction with our stakeholders as a result of misrepresentation, unethical and fraudulent behaviour. • False promises on the delivery standard of products and services. • Lack of sound internal governance principles and risk management system. • Unfounded negative comments on social media.	• The Group has a strong governance system in place. • The Group Code of Conduct is clearly defined and acknowledged by all employees and Board members yearly. • Constant reaffirmation and diffusion of our core values across the Group with clear behavioural guidelines. • Deployment of a Whistleblowing Policy across the Group. • Assurance exercises are carried out by both internal and external auditors on compliance matters. • Presence of a dedicated Communication department at the corporate level. • Presence of a relevant Public Relations cell that intervenes as and when required. • Prompt response to unwarranted representations across all media. • Monitoring of press and media releases on a daily basis. • Adoption of an Environmental and Sustainability framework. • Focus on the quality of products and services offered, as well as on the expectations of our customers, to avoid distorting the perceived brand value. • Maintenance of our brand value by building a strong bond of loyalty with customers. • Company website and presence on social media for an enhanced effective interaction with our stakeholders.	Operational Efficiency Business Portfolio Management Financial Risk Management Sustainability Focus	Low	

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
6. Cyber Threats	Businesses continue to suffer from cyber threats, with ever more sophisticated cyber attacks / crimes in the form of internal attacks, viruses, theft of data, ransomware, phishing and others. This has placed the data and assets of corporations at risk. Systems and technology failures may disrupt our businesses due to IT infrastructure breakdown, cybersecurity failure and technology governance failures. The main risks affecting our businesses are: • Loss of data, including personal data, impacting our businesses and reputational risk. There is also the risk of non-compliance with law governing Data Protection. • Lack of investment in cyber security architecture, which may result in an array of cyber risks. • Disruption or halt in IT operations due to cyber threats. • Unavailability of network due to major unforeseen event. • Social media platform being pirated or wrongly used.	• Implementation of a robust cybersecurity framework. • Continuous monitoring and upgrade of our IT activities, infrastructure & cloud environment. • Installation of reliable anti-virus software and firewalls, which are updated regularly across all systems. • Yearly drills and assessment of disaster recovery facilities. • Set up of an Information Security Management System committee reporting to the Audit and Risk Committee on the IT security posture of CJ and its subsidiaries. • Secured and controlled access to IT resources. • Regular awareness programmes carried out on information security issues. • External and internal IT audit (including pen tests every year). • Network redundancy alternatives in place. • Our disaster recovery is structured around a state-of-heart data centre belonging to one of the subsidiaries of the Group. • Training and upgrading skills of our team. • Leveraging IT skills across the Group.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	

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RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
7. Regulatory Compliance	On account of its diversified investment portfolio, the Group is subject to various laws and regulations in areas such as insurance, health and safety, tourism and hospitality, telecommunications and media. Non-compliance with those laws and regulations may result in licence issues, disputes, litigations, severe fines and penalties.	• The process of complying with regulatory requirements is embedded in the internal control systems. • The Group has in-house legal resources, and also works closely with reputable law firms and other professional firms. • Strong corporate culture of respecting and complying with all legal and regulatory requirements. • Strong governance structure in place that provides assurance on legal and regulatory compliance.	Business Portfolio Management Financial Risk Management	Low	
8. Societal	The world is faced with many social disturbances in the form of: • Diseases and calamities • Food supply crisis • Social cohesion erosion • Youth disillusionment • Mental health deterioration • Social inequality • Livelihood crisis Increased cost of living / Eroding purchasing power: • Debt crises / Increase in interest rates • Social security collapse • Forced migration These social issues may heavily impact our businesses and cause major disruptions to our operations.	The following measures are being considered: • Assessment of the impact of those risks, with implementation of mitigation measures to address those risks. • Regular monitoring of the emergence of any event that could have a negative impact on society and on businesses, and the implementation of preventive measures required to avoid the risks. • Collaboration with governmental institutions for sustainable solutions. • Societal impacts are addressed as part of our business objectives. • Direct support to vulnerable groups in the society. • Encourage employees to participate in our sustainability efforts.	Business Portfolio Management Sustainability Focus	Medium	

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9. Climate Change	Climate change has direct negative impacts on businesses and lives of people. Climate change may affect the performance of a business' operational, financial, environmental and social activities. As a result of climate change and its geographical location, Mauritius is more exposed to flash floods, droughts, increases in temperature, erosion in coastal areas and more so, severe tropical storm, intense cyclones, and thunderstorms. This situation can seriously affect our business properties and interrupt our operations, thus resulting in potential significant costs and reduction in revenues. More particularly, our businesses in the telecom and media sector will suffer the most as there could be damage to antennas and towers for TV broadcasting and telecommunication. Changes in the climatic conditions in the Indian Ocean are constantly affecting the weather in Mauritius. This could affect the attractiveness of Mauritius as a tourism destination.	• More generators at our stations over time. • Increase fibre connectivity between towers, hence improving our network. • Strengthen our towers. • Enhance our product offers and increase Enterprise Connection, Home Broadband and content over Internet via OTT. • Educate our customers on managing their dishes by lowering them in case of deteriorating weather conditions. • Minimum stock level to replace damaged items. • Set up of a cyclone process with an emergency team. • Provision of relevant insurance covers.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium 	  

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
10. Talent Management and Succession Challenges	Our people are fundamental to driving our business performance. We may face a talent shortage, coupled with an inability to attract and retain key personnel and secure backup resources for key positions as a result of: • Being an unattractive employer. • Not being able to generate, organise, develop and disseminate knowledge. • Inexistent or inadequately defined HR policies. • Poor talent management system. • Low employee engagement levels. • Lack of succession planning. • Lack of investment in talent development. • Wrong perception of the Group. • Brain drain and unavailability of skilled labour.	• A formal recruitment and onboarding policy is in place, with clear guidelines. • An annual employee engagement survey is carried out and actions arising therefrom are implemented and closely monitored. • HR policies have been defined pertaining to, amongst others, flexible working arrangements, diversity and inclusion, parental benefits, employee wellness and wellbeing. • Implementation of a formal Performance Management System. • Implementation of a formal Talent Development programme. • Implementation of a Business Continuity Plan (BCP) approved by the Boards, with clearly defined roles and actions to support the BCP and implementation of a succession planning system. • Salary benchmarking exercise conducted at regular intervals to ensure alignment with the market practices. • Implementation of leadership development initiatives through coaching plans and individual development plans. • Continuous investment to improve the work environment and therefore increase employee engagement. • A HR committee at the Board level is in place, which meets at defined intervals. Clear HR strategy focusing on making us an employer of choice. • A succession planning process is in place.	Operational Efficiency Business Portfolio Management Financial Risk Management	Low	

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RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
11. Financial Stability	A sound financial system is necessary to ensure financial stability. Our group companies operate independently without undue reliance on corporate support for financing. As such, the business units within the Group are expected to be self-financed. However, the inability to secure financial stability may be due to: • Economic recession and unforeseen economic shock. • Poor governance principles and strategies. • Mismatch in the leveraging of debt between the Holding company and its subsidiaries. • Absence of a dividend pay-out policy. • Erroneous financial reporting and breakdown of internal controls. • Change in the business environment impacting our product and services. • Foreign currency fluctuations. • Rising inflation and interest rates.	• Quarterly meetings between the Board's Strategy and Finance Committee to address financial planning and strategies. • Issues pertaining to financial matters are addressed at different forums such as management meetings, Board meetings, committee meetings and also during the Annual Operating Plan exercise. • Appraisal of all projects through feasibility studies, which also include the assessment of proposed funding plans. • Implementation of a dividend payout policy. • Design and implementation of a Financial Internal Control framework within the Group, and regular assurance exercises are carried out to ensure compliance and effectiveness. • In the context of the economic challenges, the Group continuously assesses its financial resilience and takes appropriate measures. • Adoption of hedging techniques, as far as possible, to mitigate the volatility of foreign exchange movements. • Recourse made to government support, where available.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	

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12. Portfolio Mix	In the uncertain and volatile business environment, a broad mix of investments is necessary to ensure business sustainability. A balanced portfolio mix is critical for the Group to average its risk exposure. The inability to maintain an optimal mix of investment is due to: • A poor investment strategy. • Unbalanced weightage of specific business activities. • Risk appetite not conducive to growth and diversification. • Corporate culture is not favourable for innovation. • Lack of foresight.	• Diversification of investment is one of the Group's major strategic considerations and is subject to review on a regular basis at the Board's Strategy and Finance Committee. • Implementation of measures to provide for new revenue streams within our existing Telecom and Media sector. • Deepening of our investment in other sectors, such as real estate, to build businesses with scale and with greater strategic opportunities. • Maintenance of our competitive edge by investing massively in our core competencies. • Structured approach to allocate capitals and resources.	Business Portfolio Management Financial Risk Management	Medium	
Industry (Sector) Risks					
Telecom & Media					
13. Technology	Technologies are evolving rapidly, giving rise to new consumption patterns, business models, competitors and an accelerating digitalisation process. CJ needs to ensure that the Group is agile and innovative to respond to new customer expectations. The potential risks are: • Adoption of new technologies by competitors ahead of our businesses. • Inability to anticipate and adopt new technologies. • Inadequate and/or limited knowledge of the evolving industry. • The emergence and presence of disruptive players. • Change in the consumption patterns leading to obsolescence of our existing technologies. • Our inability to attract the appropriate talent and to provide competent service. • Reluctant and delay in adopting new technologies to improve internal processes and customer interfaces.	• Leverage our network of international strategic partners and experts' knowledge of the industry. • Adoption of new technologies ahead of the curve and build future-ready network capabilities to offer innovative products and services. • Launch of a FinTech mobile app and 5G, which will open up opportunities for other services. • The talent development programme, which is in place, supports our ability to attract and retain high-calibre talents across the Group. • Continuation of the Group's digitalisation roadmap to enhance internal efficiencies and external interfaces. • Major move towards the convergence of strategies between our companies in the telecom and media sectors, by leveraging synergies and remaining dynamic in the evolving market. • Appropriate organisational structure with inbuilt agility to enable the transformation of businesses where required.	Operational Efficiency Business Portfolio Management Sustainability focus	Medium	

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14. Execution of Strategic Projects	Successful completion of strategic projects is key for business growth and attaining strategic objectives. As such, we may face the risks of: • No effective execution of projects for strategic growth. • Inability to monetise investments and generate more value to the Group.	• Comprehensive assessment of the financial returns of projects prior to the execution of the projects. • Close monitoring of the effective implementation of strategic projects. • Development of new strategies and implementation of appropriate action on a timely basis to ensure increase in market share. • Continuous monitoring of competitors and their offerings, and effective response to market trends. • Continuous enhancement of the FinTech app and 5G deployment, to improve customer engagement as well as retention. • Investments in long-term objectives with a strong focus on business performance, the efficient monitoring of key KPIs and an efficient governance. • Regular exercise undertaken with the aim of optimising network/connectivity in regions with high numbers of complaints by evaluating network status and implementing recommendations.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	
15. Loss of Competitiveness and Market Share Dilution	Risk of losing market share due to the inability to maintain/improve our competitive advantage. We could be facing the following challenges: • Inability to sustain the market share due to aggressive competitive pricing strategies. • Failure to achieve equilibrium between short term growth & long-term value creation strategies, by lack of investment. • Inconsistent network quality, resulting in negative customer experience, increased complaints & reputational loss.	• Development of new strategies and implementation of appropriate action on a timely basis to ensure increase in market share. • Continuous monitoring of competitors and their offerings, and effective response to market trends. • Continuous enhancement of the FinTech app and 5G deployment, to improve customer engagement as well as retention. • Investments in long-term objectives with a strong focus on business performance, the efficient monitoring of key KPIs and an efficient governance. • Regular exercise undertaken with the aim of optimising network/connectivity in regions with high numbers of complaints by evaluating network status and implementing recommendations.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	

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16. Content Rights	The commercial success of the business depends on how consumers subscribe to various forms of content and the ability of the company to propose premium and exclusive contents. The risks associated with securing content rights are: • Content providers are not able to renew their broadcasting rights. • Unavailability of substitute content. • Unfavourable pricing. • Sudden discontinuation of transmission of certain channels.	• Close monitoring of the evolution of content rights internationally. • Implementation of an adequate strategy for the management of rights. • Support from and strong long-term agreements with our content providers. • Seek potential alternate channels and forms of content as and when required. • Secure rights across platforms. • Communication to subscribers on changes to line-up.	Business Portfolio Management Financial Risk Management	High	
17. Consumption Pattern	Risks associated with the shift in content consumption, from linear transmission to "catch up" and "video on demand".	• Prompt and effective response to the shift in customer consumption patterns by providing innovative OTT products (On Demand Content – Play & My Canal) and leverage broadband offerings. • Positioning of the business as a major content aggregator. • Targeted investment in people, as well as building skills and the required infrastructure.	Operational Efficiency Business Portfolio Management Financial Risk Management	High	
18. Content Piracy	Technological advances and increased access to high-speed internet connections continue to enable computer, smartphone and tablet users to share content and facilitate piracy. The illegal provision of free or paid content in Mauritius is due to: • Access to technology to provide such content. • Lack of monitoring by regulatory authorities.	• Monitoring and tracking of illegal content providers. • Actions by telecom operators to ban access to illegal broadcasters in Mauritius. • Seek assistance from and request the intervention of regulatory authorities.	Business Portfolio Management Financial Risk Management	High	

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RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
Real Estate					
19. Property Competitiveness	In a Real Estate market which is highly competitive, it is more likely that tenants would have various alternatives / options from which they can consider. Our properties may be impacted in terms of their attractiveness and competitiveness in the market due to the structure, age, location, urban development and any other limiting factor. As a result, we are faced with the following risks: • Shift in customer preferences and behaviours. Many businesses are encouraging their employees to work from home rather than come to the office. This is causing a fall in the demand for office space. This trend can be noted both internationally and locally. • Evolution in competitors' offerings. • Poor accessibility to the property. • Buildings are not technology-friendly. • Adverse changes in the surrounding / neighbourhood. • Inability to comply with environment-friendly initiatives. • Failure to generate expected yield on existing asset value.	• Strategic review of the property assets and the environment are carried out regularly. Any change required to adapt to the prevailing market conditions is considered. • Our facilities management unit embraces Green Building initiatives. One of the Group's properties is listed on the Stock Exchange of Mauritius Sustainability Index (SEMSI). • Being a member of the Green Building Council Mauritius, management is kept abreast of the green and sustainability best practices in real estate development. • Investment in new technologies and implementations of measures to maintain the attractiveness of our properties. • Strengthening of our facilities management team. • Continuous market assessment and customer needs. • Upgrading of the facilities to meet evolving customer expectations. • Renovations work undertaken at Arcades Currimjee and availability of new parking facilities. • Property maintenance plans in place and being implemented. • Keeping abreast of new developments and other factors that could impact our properties. • Improvement in the tenant mix and quality of tenancy. • Use of a dedicated platform for the management of properties in the cluster.	Operational Efficiency Business Portfolio Management Financial Risk Management Sustainability Focus	Medium ↔	

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RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
20. Development Strategy	Our development strategy should ensure that it meets customer demands and the expected sustainable long-term returns. It is therefore essential that we build the right products that meet both their current and future needs. The implementation should be timely, cost-effective and of good standard to promote attractiveness. The risks associated with this objective are: • Not-well-thought strategy. • Market changes and time-to-market.	• The development of the Group's property assets is being planned in a phased manner, while ensuring attractive yields. • Reinforcement and restructuring of the management team to redefine and implement new strategies pertaining to the property assets of the Group. • Use of property management software to enhance reporting and bring in more efficiency in the management of operations. • Management of projects using sound project management techniques. • Close monitoring of costs, deliverables from consultants and contractors through regular meetings and regular project update reporting.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	

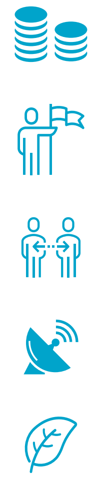
Financial Human Intellectual Relationship Manufactured Social & Natural

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
Hospitality					
21. Macroeconomic Factors	**Global Pandemic and War** The Covid-19 pandemic has heavily impacted the hospitality and tourism sector over the last three years. In addition, the war in Ukraine is still impacting the price of fuel (affecting air fares) and global security concerns. **Increasing cost of living** Global inflation will have an impact on travel businesses, which may, in turn, have a significant effect on the hotel and tourism industry. **Changing Customer Patterns** The global issues are impacting the behaviour of travellers regarding their travelling patterns such as the following: • Travellers shifting from long-distance to shorter distance travel. • Traditional holiday destinations are competing with new ones. • Increased attractiveness and competitiveness of other destinations in the region. • Perception of being an expensive destination. In addition to the above, other risks impacting the hospitality and tourism sector are: • Extreme weather conditions and natural disasters. • Restrictive policy on air access rights. • Threat of terrorism.	Government measures to enhance the attractiveness and protection of our destination is mainly in the following areas: • A disaster and crisis management protocol is in place in the event of natural calamities and pandemic outbreaks. • Threats of terrorism are taken seriously. • Road shows by the Tourism Authority. • Diversification of source market. Close interaction with the Government on two main issues: • Revision of the air access policy. • Position Mauritius as an attractive destination. Other initiatives in place are: • Insurance covers are in place to mitigate the losses associated with some of the aforementioned risks. • Continuous interaction with the government on our response to the challenges affecting the industry.	Business Portfolio Management Financial Risk Management Sustainability Focus	Medium	

Financial | Human | Intellectual | Relationship | Manufactured | Social & Natural

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
22. Health and Safety	Our aim is to maintain the appropriate health and safety standards for our guests and employees. The risk of an outbreak of another epidemic is still present. This will lead to serious repercussions on hotel operations.	• Establishment of standards and procedures to enhance our health and safety levels. • Regular emphasis on compliance with health and safety regulations. • Regular health and safety training. • Business continuity protocol in place in case of crisis. • Adoption of a vaccination programme by the Government.	Operational Efficiency Business Portfolio Management Financial Risk Management	Medium	
23. Competition	Constant changes and evolutions in market conditions on the local and international front are affecting the industry. Being a new entrant to this industry, it may still take us time to reach the level of visibility as other traditional players have in the market. The most significant risks emerging from these changes are: • New customer expectations and behaviours resulting from the pandemic and other market changes. • Marketability and visibility of our hotel. • Presence of disruptive players such as Airbnb. • Unavailability of direct flights from certain countries to our destination.	• Assessment and adjustment of our risk appetite in the context of the global challenges while expecting the full resumption of global travel. • Efforts made to attract travellers from Europe. • Leverage our hotel management expertise to carry out a sustainable marketing strategy and remain competitive. • Leverage the Anantara brand and network as a reputed player in the wellness arena in some specific markets, and strengthen our offer accordingly. • Review of our product offering to meet market demand. • Constant focus on training and quality standards to remain aligned with international norms and the new normal.	Business Portfolio Management Financial Risk Management	Medium	

RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
24. Brand Protection	• The way hotels respond to the global challenges have long-term implications on how their brands are perceived both by customers and employees. • With regard to Anantara, our brand may lose value over time if the handling of any crisis is not in line with the required norms and customers' exigencies and expectations.	• Protocol in place to handle any crisis. • Constant vigilance about any customer service mishap. • Efforts to keep employees engaged and ensure continuous awareness of new protocols to prevent reputational damage. • Strong emphasis on ethical conduct and behaviours. • Leverage the partner's experience and expertise in managing crises.	Business Portfolio Management Financial Risk Management	Low ↓	
Financial Services					
25. Solvency	Maintaining solvency is one of the top priorities for businesses in the financial services sector. A life insurance provider with a favourable solvency ratio is more likely to be financially stable and therefore, more equipped to pay out the insurance claims and stay in business over the long term. Hence, an insurer's solvency ratio is a direct indication of its ability to pay out claims. The potential challenges are: • The business objectives are not being met and as a consequence, the company becomes bankrupt. • Inability to meet financial obligations when they fall due. • Non-compliance to regulations and actions taken by the regulatory authorities. • Inability to restore the financial position of the business due to major mismatch between assets and liabilities. • Capital injection required to cover the shortage of funds, which can be a major cost to shareholders. • Adverse effect on reputation.	• Constant monitoring of key parameters / causes affecting solvency. • Life actuary valuation conducted by the independent Certified Actuary on an annual basis. • Implementation of recommendations made by the independent Certified Actuary. • Formal investment committee in place, which meets regularly to review performance of investments. • Reassessment of premium rates and profitability of products on a yearly basis by the Actuary. • Annual monitoring of the three-year business plan and projected solvency position. • Compliance with regulations is ensured.	Business Portfolio Management Financial Risk Management	High ↑	

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RISK MANAGEMENT REPORT

Risks relating to our Businesses and Industries	Risk Context & Description	Response to Risks	Strategies Impacted	Residual Risk Rating	Capital (s) Impacted
26. Investment	All investments carry some degree of risk. Whether it is investment in shares, bonds, mutual funds and physical assets; these investments can lose value over time or may not generate enough returns, if market conditions turn sour. The main challenges faced by the company are: • Investment in non-performing assets. • Investments being inadmissible or above allowable concentration limits as per the regulatory authority. • Inability to have adequate returns on investments to meet policyholder liabilities.	• Regular review of investment portfolio mix. • Formal investment committee in place, which meets regularly to review performance of investments. • Dedicated function in place for the management of investments. • Focus on fixed income investments to match capital-intensive products and annuity products. • Asset and liability modelling exercise conducted every three years. • Independent monitoring of investments, portfolio mix and assessment of compliance with regulations by the appointed Investment Consultant on a quarterly basis. • Dedicated Investment Manager in place to manage local investments, for generating the expected returns. • Compliance with regulations is ensured.	Business Portfolio Management Financial Risk Management	Medium	

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