

# STRATEGICALLY MANAGING

## Our Risks and Opportunities

### OVERVIEW

Effective Enterprise Risk Management is fundamental to business sustainability and to creating value for our stakeholders. Currimjee Jeewanjee and Company Limited (CJ) has a well-established Enterprise Risk Management (ERM) process, which not only covers its operational and business (including strategic and financial) risks, but also its regulatory, societal, human capital, health and safety risks.

The purpose of the ERM process is to help CJ achieve its objectives by becoming more resilient in the actual business environment, thus ensuring growth across the Group by optimising its operations and securing its future. The external context and the internal environment, together, form the basis of our understanding of risks and our ability to leverage the opportunities that may arise from them.

CJ takes a balanced approach with regard to risk and return to ensure the achievement of its strategic objectives. The different types of risks which can adversely affect the business units are assessed, and adequate resources are then deployed to address those risks.

Our risk management framework, which follows the globally recognised COSO Framework, has been adopted across the Group and its subsidiaries through a rigorous system of governance, risk committees, policies and tools.

Underpinning our framework is a strong risk management culture, which we believe is crucial for maintaining growth and an essential element of the way we conduct our business. We endeavour to embed this risk management culture in our day-to-day operations to ensure the effective deployment of our framework, which is conducive to our strong commitment to ethical behaviour and to the Group's core values.

We are on a planned journey to grow and progress on our risk management capabilities, which reinforces our sustainable competitive advantage to reach our expected potential earnings, strengthen our brand reputation, generate shareholder returns and above all, remain resilient in this dynamic environment.

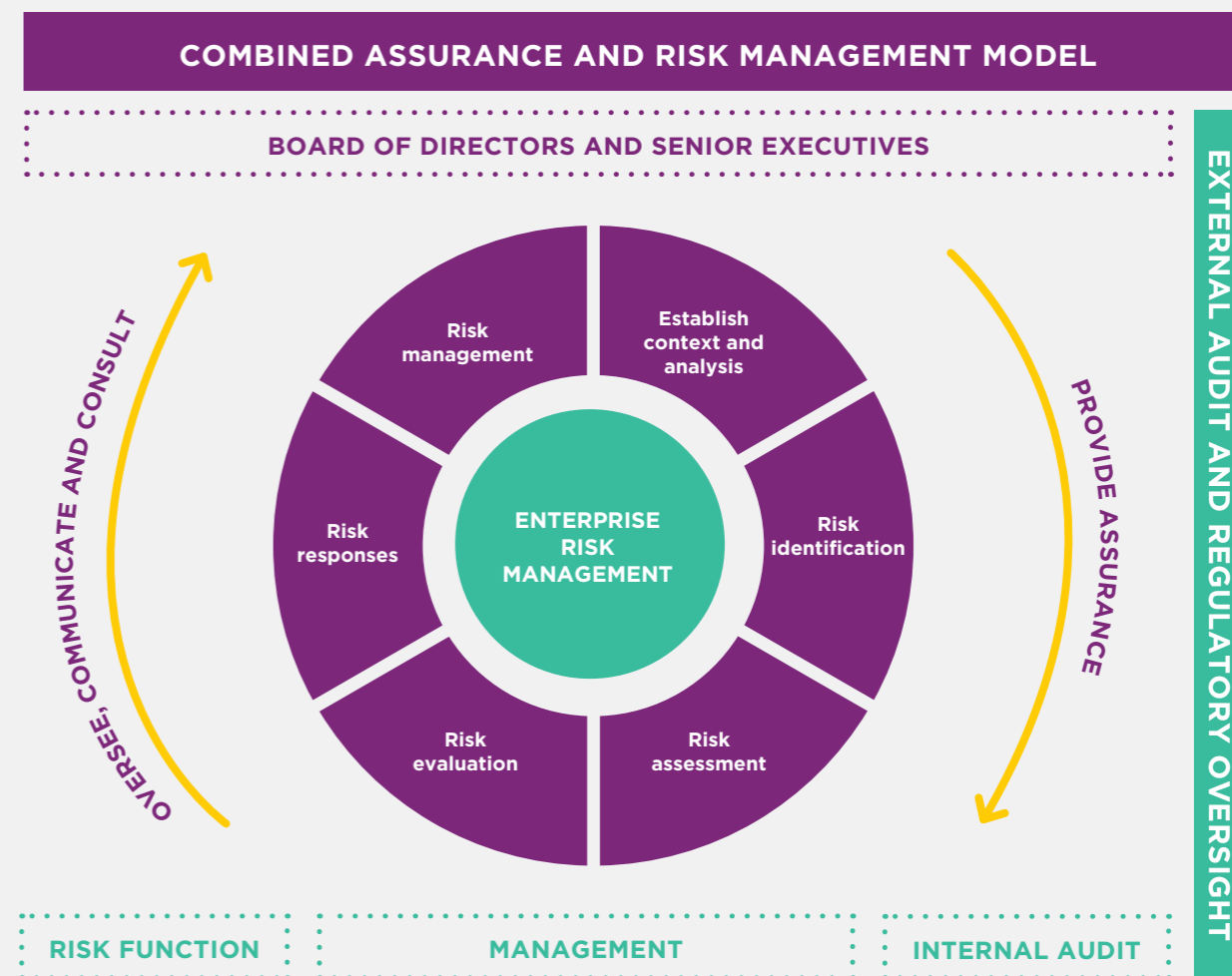
### RISK MANAGEMENT MODEL

Success in a challenging and dynamic external environment is largely dependent on an organisation's ability to respond to changes quickly and effectively. This forms the bedrock of CJ's risk management process, which is well geared to identify, assess, respond to and manage risks.

As the Group's businesses are diverse, its operations face a variety of significant risks. Accordingly, CJ has designed a dynamic process by adopting a systematic and collaborative approach across the organisation, whereby key players contribute by assessing risks in their areas of responsibility and expertise, and provide adequate responses to those risks.

One of the key deliverables of this process is the creation of a comprehensive Risk Register, which establishes the risk context and risk treatment plan for each key risk.

As a result, risk management remains a focus in the running of each entity, and operational managers are adequately prepared to react rapidly when circumstances change.



### GOVERNANCE

To enable the effective management of risks, we have adopted the "Three Lines of Defence" approach.

The Board of Directors is responsible for overall risk management and is at the top of the risk governance structure. It has constituted a sub-committee, the CJ Audit and Risk Committee, to ensure that the Group implements an effective plan for risk management, as well as a Risk Management function, which acts as an overseer on behalf of the sub-committee.

The business units have their respective Audit and Risk Sub-Committees, which report to their own Boards of Directors. These sub-committees, along with the CJ Risk Management function, are responsible for overseeing the implementation of the ERM Framework, monitoring risks and tracking the mitigation plans.

The management of each business ensures that:

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

Assurances are sought from independent service providers on the effectiveness of risk management and internal control systems.

# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

## Response to the Pandemic

COVID-19 has reminded everyone that the pandemic risk is real and can significantly change the company's risk profile almost instantly. It is clear that businesses must have an evolving and dynamic mitigation plan to be able to monitor all key risks and their developments, irrespective of how unlikely those risks may materialise.

The dynamic spread of COVID-19 and the uncertainty surrounding this pandemic are making it difficult to predict the short- to medium-term and decide on a clear way forward. In addition to the staggering human toll, the pandemic continues to disrupt businesses and consumer activities in the affected areas and beyond.

It has become critical to adapt to changes and pursue potential opportunities to eventually create value for all stakeholders despite the challenges.

The Group has, to a large extent, remained resilient over recent months owing to the diversity of products and services offered across its portfolio of businesses, though there are still major setbacks to be addressed, principally in the hospitality sector.

The key risks identified at the start of the pandemic in 2020 were addressed during the Annual Operating Plan exercise and at various committees across our business sectors, and re-assessed based on the current visibility. Whilst we have been reviewing costs and re-assessing investments, we are also maintaining a customer-focused approach, new product development and investment in our people. Our risk culture, agility level and risk appetite have enabled us to adjust our plans so as to fall in line, to the greatest extent possible, to our pre-COVID-19 strategic objectives.

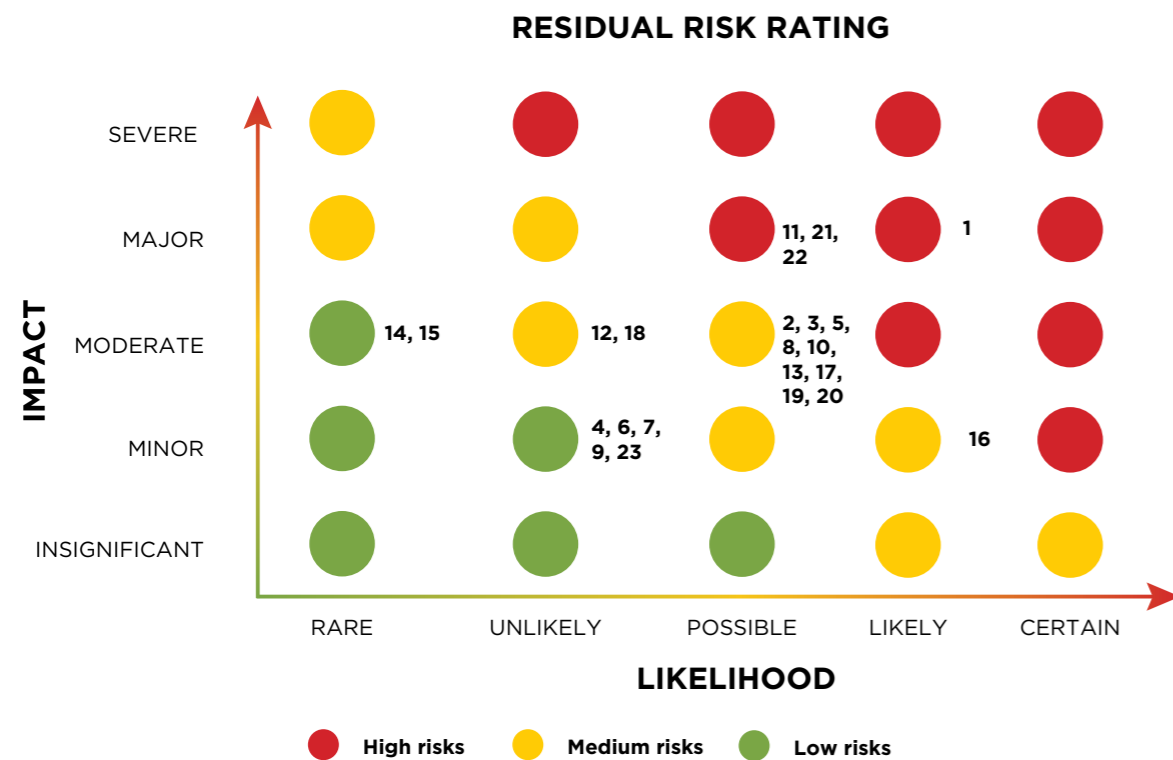
In responding to the pandemic, we have reinforced the following measures:

- More customer centricity through greater internal and external collaboration
- Remain aligned around a common vision, values and purpose
- Remain agile in navigating change
- Maintain a growth mindset and leverage our collective strengths as a Group
- Remember our duty to the nation













We remain on alert for any new level of preparedness within the new environment that is emerging.

## Managing Key Risks Relating to our Businesses and Industry





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

























# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<b>1 Economic recession and market situation</b>	<p>The consequences and the severity of the impact of a major cyclical economic recession and other unforeseen economic shocks such as a pandemic, terrorism or war situation, thereby resulting in a catastrophic market situation, affecting our ability to achieve set objectives and threatening survival of businesses.</p>	<ul style="list-style-type: none"> <li>• Close monitoring of key international and national economic indicators.</li> <li>• Regular review of strategic objectives at Strategic Committee level.</li> <li>• SWOT analysis and re-assessment of the environment.</li> <li>• Internal capacity to amend and adjust the business model.</li> <li>• Ensure our businesses are not excessively geared.</li> <li>• Business continuity protocols in place in case of a lockdown due to pandemic, and ensure appropriate policies and controls are in place for the new work environment.</li> <li>• Continuously assess the resilience of the businesses by focusing on the employees' health, safety and continuous engagement, customer retention measures, cost savings potential, review of existing debt repayment plans.</li> <li>• Identify any potential opportunities for rebound.</li> <li>• Review and introduce new products / services / ways to reach our customers. Improve customer experience so as to be stronger for rebound and unlock potential opportunities.</li> <li>• Now that there is more visibility into the impacts and consequences of the pandemic, businesses were re-assessed in the medium to long-term by considering more stringent measures, such as an in-depth review of the overall organisation and cost structure without affecting the agility of the companies, ensuring a stable supply chain and adapting the business model to the new situation.</li> <li>• Avail of government support and incentives for the given situation.</li> </ul>	  	High	   
<b>2 Innovation</b>	<p>It is imperative for us to remain relevant in an ever-evolving landscape by adapting our operating model to changing market dynamics.</p> <p>Innovations create greater opportunities and are critical for the survival, economic growth, and success of any company.</p> <p>To maintain a sustainable business, we consider the following challenges:</p> <ul style="list-style-type: none"> <li>• Lack of a targeted strategy on innovation.</li> <li>• Lack of skilled resources and our level of agility.</li> </ul>	<ul style="list-style-type: none"> <li>• Constantly aim to gain deeper insights into evolving customer behaviours and expectations, and implement resulting targeted strategies.</li> <li>• Innovation being critical to our survival, the Group has fostered a culture of innovation over time, and continues to reinforce it.</li> <li>• 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.</li> <li>• Investment in technologies, infrastructure and skills to support innovation.</li> <li>• Focus on the right organisation structure and policies to foster innovation.</li> </ul>	 	Medium	  





# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<p><b>3 Customer satisfaction and customer experience</b></p>	<p>In a competitive marketplace where businesses compete for customers, customer satisfaction and experience is seen as a key differentiator.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Lack of customer focus throughout the organisation.</li> <li>• Lack of skills, competencies and training of our personnel.</li> <li>• Lack of sound systems, policies and processes.</li> <li>• Lack of employee engagement.</li> <li>• Poor quality products and services.</li> <li>• Lack of support from suppliers.</li> <li>• Absence of formal customer feedback.</li> <li>• Service Level Agreement (SLA) not formalised with outsourced parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Constantly adjust our product offering to meet evolving customer expectations.</li> <li>• Improve the tracking and monitoring of our customer experience levels through regular surveys and a customer feedback system.</li> <li>• Carry out continuous training on product and service delivery in order to close the skills gap.</li> <li>• Focus on engagement of our human capital and culture.</li> <li>• Establish clear SLAs with key stakeholders for deliverables, ensuring successful and mutually beneficial relationships with all our providers.</li> <li>• Leverage data analytics.</li> <li>• Put in place skills, policies and structures that support improved customer experience with a focus on increased digitalisation of these processes.</li> </ul>		<p>Medium</p>	
<p><b>4 Reputation</b></p>	<p>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 risk.</p> <p>The protection of our reputation remains one of our top priorities as it reflects how our companies and brands are perceived by various stakeholders such as the media, customers, employees, competitors, regulators and providers of capital.</p> <p>Damage to our image could be the result of:</p> <ul style="list-style-type: none"> <li>• Non-compliance with applicable laws and regulations.</li> <li>• Non-conductive interaction with our stakeholders as a result of misrepresentation, unethical and fraudulent behaviour.</li> <li>• False promises on the delivery standard of products and services.</li> <li>• Lack of sound internal governance principles and risk management system.</li> <li>• Unfounded negative comments on social media.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group has a strong governance system in place.</li> <li>• The Group Code of Conduct is clearly defined and acknowledged by all employees and Board members yearly.</li> <li>• Constant reaffirmation and diffusion of our core values across the Group with clear behavioural guidelines.</li> <li>• A Whistleblowing Policy was deployed across the Group.</li> <li>• Assurance exercises are carried out by both internal and external auditors on compliance matters.</li> <li>• Presence of a dedicated Communication department at the corporate level.</li> <li>• Presence of a relevant Public Relations cell that intervenes as and when required.</li> <li>• Prompt response to unwarranted representations across all media.</li> <li>• Monitoring of press and media releases on a daily basis.</li> <li>• Adoption of an Environmental and Sustainability framework.</li> </ul>		<p>Low</p>	







# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<p><b>5 Cyber threats</b></p>	<p>Businesses continue to suffer from cyber threats with ever-more sophisticated cyber-attacks / crimes involving malware, phishing and others. This has placed the data and assets of corporations at risk.</p> <p>Systems technology failures may disrupt our businesses due to IT infrastructure breakdown, cybersecurity failure and technology governance failures.</p> <p>The main risks affecting our businesses are:</p> <ul style="list-style-type: none"> <li>Loss of data, including personal data, impacting our businesses and reputational risk.</li> <li>Lack of investment in cyber security architecture, which may result in an array of cyber risks.</li> <li>Disruption or halt in IT operations due to cyber threats.</li> <li>Unavailability of network due to major unforeseen event.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of a robust cybersecurity framework.</li> <li>Continuous monitoring and upgrade of our IT infrastructure &amp; cloud environment.</li> <li>Anti-virus software and firewalls are installed and updated regularly across all systems.</li> <li>Yearly drills and assessment of disaster recovery facilities.</li> <li>Secured and controlled access to IT resources.</li> <li>Regular awareness programmes carried out on information security issues.</li> <li>External and internal IT audit (including pen tests every 2 years).</li> <li>Network redundancy alternatives in place.</li> <li>Our disaster recovery is structured around a state-of-the-art data centre belonging to one of the subsidiaries of the Group.</li> <li>Training and upgrading skills of our team.</li> <li>Leveraging IT skills across the Group.</li> <li>Work towards obtaining the ISO 27001 certification on Information Security by the end of 2021.</li> </ul>	  	<p>Medium</p>	 
<p><b>6 Legal and regulatory compliance</b></p>	<p>On account of its diversified investment portfolio, the Group is subject to various laws and regulations in areas such as insurance, health and safety (including food security), tourism, telecommunications and media.</p> <p>Non-compliance with those laws and regulations may result in license issues, disputes, litigations, severe fines and penalties.</p>	<ul style="list-style-type: none"> <li>Strong governance structure in place that provides assurance on legal and regulatory compliance.</li> <li>The Group has in-house legal resources, and also works closely with reputable law firms and other professional firms.</li> <li>Strong corporate culture of respecting and complying with all legal and regulatory requirements.</li> </ul>	 	<p>Low</p>	  
<p><b>7 Societal</b></p>	<p>The world is faced with many disturbances of a settled and peaceful condition due to natural and man-made disasters and calamities.</p> <p>These are having serious effects on society at large, namely infectious diseases, social cohesion erosion, youth disillusionment, livelihood crisis and social security collapse.</p>	<p>The following measures are being considered:</p> <ul style="list-style-type: none"> <li>Assess the impact of those risks and plan on mitigating measures to address those risks.</li> <li>Regular monitoring of emergence of any event that could have a negative impact on society and take preventive measures required to avoid the risks.</li> <li>Collaboration with the government to work on a plan for sustainable solutions.</li> </ul>	 	<p>Low</p>	   
<p><b>8 Climate change risks</b></p>	<p>Climate change threatens lives as well as businesses.</p> <p>Climate change is affecting the performance of a business' operational, financial, environmental and social activities. Disruptions in global climatic conditions have resulted in more frequent natural disasters.</p> <p>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, cyclones and thunderstorms.</p> <p>This situation can seriously affect our business properties and interrupt our operations, thus resulting in potential significant costs and reduction in revenues.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>More generators at our stations over time.</li> <li>Increase fibre connectivity between towers, hence improving our network.</li> <li>Strengthen our towers.</li> <li>Educate our customers on managing their dishes by lowering them in case of deteriorating weather conditions.</li> <li>Enhance our product offers and increase Enterprise Connection, Home Broadband and content over Internet via OTT.</li> <li>Minimum stock level to replace damaged items.</li> <li>Provide relevant insurance covers.</li> </ul>	  	<p>Medium</p>	  

# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
Human Capital					
<p><b>9 Talent management and succession challenges</b></p>	<p>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 to secure backup resources for key positions as a result of:</p> <ul style="list-style-type: none"> <li>• Being an unattractive employer.</li> <li>• Not being able to generate, organise, develop and disseminate knowledge.</li> <li>• Inexistent or inadequately defined HR policies.</li> <li>• Poor talent management system.</li> <li>• Low employee engagement levels.</li> <li>• Lack of succession planning.</li> <li>• Lack of investment in talent development.</li> <li>• Wrong perception of the Group.</li> <li>• Risk of disruption of HR due to unforeseen events.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of a formal recruitment policy with clear guidelines.</li> <li>• A yearly employee engagement survey is carried out and actions arising therefrom are being closely monitored.</li> <li>• HR policies have been defined pertaining to, amongst others, flexible working arrangements, diversity and inclusion.</li> <li>• Creation and implementation of a formal Performance Management System.</li> <li>• Implementation of a formal Talent Development programme.</li> <li>• 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.</li> <li>• Salary benchmarking exercise conducted at regular intervals to ensure alignment with best market practices.</li> <li>• Implementation of leadership development initiatives through coaching plans and individual development plans.</li> <li>• Continuous investment to improve the work environment and therefore increase employee engagement.</li> <li>• Creation of an HR committee at the Board level, which meets at defined intervals. Clear HR strategy focusing on making us an employer of choice.</li> </ul>		Low	
Investment and Financial Risks					
<p><b>10 Financial stability</b></p>	<p>All Group companies operate independently without undue reliance on corporate support for financing. All companies within the Group are expected to be self-financed.</p> <p>Inability to secure financial stability may be due to:</p> <ul style="list-style-type: none"> <li>• Economic recession and unforeseen economic shock.</li> <li>• Poor governance principles and strategies.</li> <li>• Mismatch in the leveraging of debt between the Holding company and subsidiaries.</li> <li>• Absence of a dividend pay-out policy.</li> <li>• Erroneous financial reporting and breakdown of internal controls.</li> <li>• Change in the business environment impacting our product and services.</li> </ul>	<ul style="list-style-type: none"> <li>• The Board's Strategy and Finance Committee meets quarterly to address financial planning and strategies.</li> <li>• 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.</li> <li>• All projects are appraised through feasibility studies, which also include the assessment of proposed funding plans.</li> <li>• A dividend payout policy has been devised.</li> <li>• A Financial Internal Control framework has been designed and implemented within the Group, and regular assurance exercises are carried out to ensure compliance and effectiveness.</li> <li>• In the context of the COVID-19 pandemic, the Group, including CJ, continuously assesses its financial resilience and takes appropriate measures.</li> </ul>		Medium	

# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES






















Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<b>11 Portfolio mix</b>	<p>A balanced portfolio mix is critical for the Group to average its risk exposure.</p> <p>The inability to maintain an optimal mix of investment is due to:</p> <ul style="list-style-type: none"> <li>• A poor investment strategy.</li> <li>• Unbalanced weightage of specific business activities.</li> <li>• Risk appetite not conducive to growth and diversification.</li> <li>• Corporate culture not conducive for innovation and business incubators.</li> <li>• Long Time to Market .</li> <li>• Lack of foresight.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Measures are being taken to provide for new revenue streams within our existing Telecom and Media sector.</li> <li>• Deepen our investment in other sectors, such as real estate, to build businesses with scale and with greater strategic opportunities.</li> <li>• Maintain our competitive edge by investing massively in our core competencies.</li> <li>• Structured approach to allocate capitals and resources.</li> </ul>		High	
<b>Industry (Sector) Risks</b>					
<b>Telecom &amp; Media</b>					
<b>12 Technology</b>	<p>Technologies are evolving rapidly, giving rise to new consumption patterns, business models, competitors and an accelerating digitalisation process.</p> <p>CJ needs to ensure that it is sufficiently agile and innovative to respond to new customer expectations.</p> <p>CJ could potentially fail to adapt to these rapid changes and evolutions in technology due to:</p> <ul style="list-style-type: none"> <li>• Our inability to anticipate threats.</li> <li>• Our inadequate and/or limited knowledge of the evolving industry.</li> <li>• The emergence and presence of disruptive players.</li> <li>• Demographic shifts in our target customers and the new generation.</li> <li>• Our inability to attract the appropriate talent.</li> <li>• Our inability to leverage technological strengths to improve internal processes and customer interfaces.</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage our network of international strategic partners and experts' knowledge of the industry.</li> <li>• Adopt new technologies ahead of the curve and build future-ready network capabilities to offer innovative products and services.</li> <li>• Strong and resilient attitude of the management team.</li> <li>• The talent development programme, which is in place, supports our ability to attract and retain high-calibre talents across the Group.</li> <li>• Pursue the Group's digitalisation roadmap to enhance internal efficiencies and external interfaces.</li> <li>• There is a major move towards convergence of strategies between the companies in the telecom and media sector by leveraging synergies and remaining dynamic in the evolving market.</li> <li>• Appropriate organisational structure with inbuilt agility to enable transformation of businesses where required.</li> </ul>		Medium	
<b>13 Execution of strategic projects</b>	<p>Failure to monetise investments and generate more value to the Group by not adequately identifying opportunities through industry verticals (e.g. IOT, e-commerce etc).</p>	<ul style="list-style-type: none"> <li>• Dedicated team in place to address the evolving opportunities within the telecom and media sector, which is impacting all industries.</li> <li>• Regular monitoring of the implementation of the various strategic projects.</li> </ul>		Medium	

# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES






Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<b>14 Content rights</b>	<p>The commercial success of the business depends on how consumers respond to various forms of content.</p> <p>The risks associated with securing content rights are:</p> <ul style="list-style-type: none"> <li>Content providers are not able to renew their broadcasting rights.</li> <li>Unavailability of substitute content.</li> <li>Unfavourable pricing.</li> <li>Sudden discontinuation of transmission of certain channels.</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of the evolution of content rights internationally.</li> <li>Implementation of an adequate strategy for the management of rights.</li> <li>Support from and strong long-term agreements with our content providers.</li> <li>Seek potential alternate channels and forms of content as and when required.</li> <li>Secure rights across platforms.</li> </ul>		Low	
<b>15 Trend in content consumption</b>	<p>Risks associated with the shift in content consumption, from linear transmission to “catch up” and “video on demand”.</p>	<ul style="list-style-type: none"> <li>Respond to the shift in customer consumption patterns by providing innovative OTT products (On Demand Content - Play &amp; My Canal) and leverage broadband offerings.</li> <li>Position ourselves as a major content aggregator.</li> <li>Implementation of a technology strategy aimed at providing content anywhere, anytime and on any device.</li> <li>Targeted investment in people, as well as building skills and the required infrastructure.</li> </ul>		Low	
<b>16 Content Piracy</b>	<p>Technological advances and increased access to high-speed internet connections continue to enable computer, smartphone and tablet users to share content and facilitate piracy.</p> <p>The illegal provision of free or paid content in Mauritius is due to:</p> <ul style="list-style-type: none"> <li>Technical and economic opportunities to provide such content/ services.</li> <li>Lack of monitoring by regulatory authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and track illegal content providers.</li> <li>Actions by telecom operators to ban access to illegal broadcasters in Mauritius.</li> <li>Seek assistance from and request the intervention of regulatory authorities.</li> </ul>		Medium	
<b>Real Estate</b>					
<b>17 Attractiveness and competitiveness of our properties</b>	<p>It is likely that the current structure, age and limiting factors of our existing properties may affect their attractiveness and competitiveness in the market.</p> <p>As a result, we are faced with the following risks:</p> <ul style="list-style-type: none"> <li>Shift in customer preferences and behaviours (including migration).</li> <li>Evolution in competitors' offering.</li> <li>Poor accessibility to the property.</li> <li>Buildings are not technology-friendly.</li> <li>Change in the physical environment.</li> <li>Inability to comply with environment-friendly initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>Being a member of the Green Building Council Mauritius, management is kept abreast of the green and sustainability best practices in real estate development.</li> <li>Invest in new technologies and maintaining the attractiveness of our properties.</li> <li>Strengthen our facilities management team.</li> </ul>		Medium	



# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<b>18 Development strategy and implementation</b>	<p>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.</p> <p>The risks associated with this objective are:</p> <ul style="list-style-type: none"> <li>• Not-well-thought strategy.</li> <li>• Cost overruns.</li> <li>• Contractor and subcontractor failures.</li> <li>• Market changes and time-to-market.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the Group property assets is being planned in a phased manner, while ensuring attractive yields.</li> <li>• The management team has been reinforced and restructured in order to redefine and implement new strategies pertaining to the property assets of the Group.</li> <li>• Use of property management software to enhance reporting and bring in more efficiency in the management of operations.</li> </ul>	  	Medium	 
<b>Hospitality</b>					
<b>19 External factors affecting the attractiveness of our destination</b>	<p>The hotel industry is exposed to external factors that may impact our country's reputation as an attractive destination.</p> <p>The most significant risks are:</p> <ul style="list-style-type: none"> <li>• Political instability.</li> <li>• Extreme weather conditions and natural disasters.</li> <li>• Pandemic outbreaks and extended border lockdowns</li> <li>• Increased attractiveness and competitiveness of other destinations in the region.</li> <li>• Perception of being an expensive destination.</li> <li>• Restrictive policy on air access rights.</li> <li>• Human rights and environmental records.</li> <li>• Threat of terrorism.</li> </ul>	<p>Government measures to enhance the attractiveness and protection of our destination are mainly in the following areas:</p> <ul style="list-style-type: none"> <li>• A disaster and crisis management protocol in the event of natural calamities and pandemic outbreaks.</li> <li>• Firm policy on the reopening of borders due to the pandemic.</li> <li>• Enhance the marketing of our country to improve the visibility of our destination.</li> <li>• Threats of terrorism are taken seriously.</li> <li>• Road shows by the Tourism Authority.</li> <li>• Diversification of source market.</li> </ul> <p>Other initiatives in place are:</p> <ul style="list-style-type: none"> <li>• Insurance covers are in place to mitigate the losses associated with some of the aforementioned risks.</li> <li>• Make representations to the government to address the air access strategy.</li> <li>• Continuous interaction with the government on our response to the pandemic and changes affecting the industry.</li> </ul>	  	Medium	    
<b>20 Health and Safety risk</b>	<p>Our aim is to maintain the appropriate health and safety standards for our guests and employees.</p> <p>However, there is a risk that the outbreak of an epidemic occurs and seriously harms our guests and employees, leading to a possible halt in operations.</p>	<ul style="list-style-type: none"> <li>• Standards and procedures are established to enhance our health and safety level.</li> <li>• Compliance with health and safety regulations is emphasised regularly.</li> <li>• Regular health and safety training.</li> <li>• Business continuity protocol in place in case of crisis.</li> <li>• Vaccination programme adopted by the Government.</li> </ul>	  	Medium	    

# STRATEGICALLY MANAGING OUR RISKS AND OPPORTUNITIES

Risks Relating to our Businesses and Industry	Description & Risk Context	Response To Risks	Strategies Impacted*	Risk Rating	Capital(s) impacted
<p><b>21 Market changes and competition</b></p>	<p>Constant changes and evolutions in market conditions on the local and international front are affecting the industry.</p> <p>Being a new entrant to this industry, it will take us time to reach the level of visibility as other traditional players in the market.</p> <p>The most significant risks emerging from these changes are:</p> <ul style="list-style-type: none"> <li>• New customer expectations and behaviours resulting from the pandemic and other market changes.</li> <li>• Marketability and visibility of our hotel.</li> <li>• Presence of disruptive players such as Airbnb.</li> <li>• Traditional competing destinations are becoming more attractive.</li> <li>• Unavailability of direct flights from certain countries to our destination.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess and adjust our risk appetite in the context of the pandemic while awaiting the resumption of global travel.</li> <li>• Focus turned to the local market in the current context.</li> <li>• Leverage our hotel managers' expertise to carry out a sustainable marketing strategy and to remain competitive.</li> <li>• Leverage the Anantara brand as a reputed player in the wellness arena worldwide and strengthen our offer accordingly.</li> <li>• Leverage key local festivities and events at the hotel.</li> <li>• Review our offering in view of the pandemic to address the evolving market demand.</li> <li>• Constant focus on training and quality standards to remain aligned with international norms and the new normal.</li> </ul>		High	
<p><b>22 Estates (villas) project</b></p>	<p>Unfavourable market conditions resulting in lower demand for products.</p>	<ul style="list-style-type: none"> <li>• Strengthen our skills and expertise in real estate development by working with CJ's Real Estate cluster and strengthen hospitality management resources.</li> <li>• The first phase of villas are being marketed as part of the hotel's rental pool with other appealing benefits.</li> <li>• Development has been planned in a phased manner to reduce exposure to overall market risks.</li> <li>• Product positioning is based on extensive market analysis and being reviewed in the current pandemic situation.</li> <li>• Leverage all networks to speed up sales with focus on cash flow generation.</li> </ul>		High	
<p><b>23 Brand protection</b></p>	<ul style="list-style-type: none"> <li>• The way hotels respond to the pandemic crisis will have long-term implications on how their brands are perceived both by customers and employees.</li> <li>• Our brand may lose value over time if our handling of the crisis is not in line with the required norms and customers' exigencies and new expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• Protocol in place to handle the crisis.</li> <li>• Vigilant about customer service mishap.</li> <li>• Keep our employees engaged and ensure continuous awareness of new protocols to prevent reputational damage.</li> <li>• Mindful of ethical conduct.</li> <li>• Leverage the partner's experience and expertise in managing such crises.</li> </ul>		Low	