

2018

MANAGEMENT OF RISK

 Accentuate

Accéntuate has identified issues that could have a material impact on the group within five risk categories, namely strategic, financial, operational, human resources and reputational. Management continually analyses the risks affecting the business and the control processes in place to mitigate against such risks.

The chief financial officer of Accéntuate Limited is responsible for the implementation and maintenance of the risk management function within the Accéntuate group and the board of Accéntuate and the group's audit and risk committee review and assess issues, together with the plans to reduce risk, on a regular basis.

Identified risk	Strategic	Compliance	Operational	Financial	Existing controls	Risk owner	Mitigation strategy / actions
Exchange rates/foreign currency exposure				X	- FEC for forex purchases/sales pricing	MD and FD of subsidiaries	- Monthly reviews - Hedging of exposure
Electrical energy – increases in costs/conservation			X		- Reduce usage - Manage cost	MD and FD of subsidiaries	- Constant monitoring - Efficiency enhancement programmes - Major reductions of peak demand despite and reductions in total energy consumption
Oil and fuel cost increases			X	X	- Efficient distribution - Claims management	MD and FD of subsidiaries	- Fuel cost managed and reviewed - Strategic inputs managed on a continuous basis
Fresh water supply	X			X	- Storage tanks	MD and FD of subsidiaries	- Responsible water usage programmes
Civil unrest (including external strike action)	X				- Diversify markets - Manage Union Relationships	MD and FD of subsidiaries	- New markets being developed
Reputational risk (shareholder activism)	X			X	- CEO communication with shareholders and media	CEO and non-executive directors	- Ongoing dialogue with regard to current performance and strategic agenda
Group ICT	X		X	X	- BCP and Off-site back-ups - Staff Empowerment	CEO and ICT director	- On-going development - IT governance model in place
Global warming and climate change	X			X	- Monitoring impact	CEO	- Continue monitoring impact
Limited government infrastructure spend	X			X	- Maintain and improve on Relationships and Diversify markets	MD and FD of subsidiaries	- Maintain and improve relationships
Reducing local demand for locally produced products	X			X	- Diversify markets	MD and FD of subsidiaries	- New export markets being investigated

Revised B-BBEE codes	X	X		X	- Advice from experts on implications in progress	MD and FD of subsidiaries	- Affects all suppliers - Building relationships with strategic BEE partners - Promotion from within is prioritised
Protracted load shedding and grid collapse	X		X	X	- Generators in place for most applications	MD and FD of subsidiaries	- Investigate all alternative power sources
Senior management fraud	X	X		X	- Control systems in place - Internal and external audit in place	CEO and CFO	- Review and enhancements of controls
Insufficient funding/loan covenants	X			X	- Existing facilities - Relationships with banks	CEO and CFO	- Property loans - Funds from capital markets - Monitoring and management of working capital
Riot risk	X		X	X	- Sasria cover	CEO and CFO	- Constant monitoring

Identified risk

