



ABOUT THE REPORT

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REPORT PROFILE

The John Keells Holdings Sustainability report provides information on the Group's sustainability performance for the period beginning 1st April 2010 and ending 31 March 2011. Our most recent Sustainability Report was published on 31st May 2010, incidentally becoming Sri Lanka's first to achieve a “GRI check” by the Global Reporting Initiative Organisation. This year's report is the third annual stand alone report on the sustainable performance of the John Keells Group. As in previous years, we have engaged Det Norske Veritas AS (DNV) for verification and assurance of this report. Their assurance statement is available on pages 128 to 129 of this report.

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REPORT SCOPE AND BOUNDARY

This year's report is at the GRI Application level “B”, the same level of application as maintained last year. For reporting purposes we have selected 22 GRI performance indicators on the basis of materiality. These indicators cover our Economic, Environmental and Social performance during the year under review. A systematic stakeholder engagement process enabled us to select our most significant stakeholder groups and prioritise the issues of most concern to these groups. We have determined the relative materiality of these issues of concern by utilising a definition of materiality that balances stakeholder interests and other external factors, with organisational strategies and objectives. The process of determining materiality

is fully described in the section of this report titled “Stakeholder Engagement”.

The John Keells Holdings Sustainability report provides an account of our performance on the most critical issues determined on the basis of materiality. Stakeholders who would use this report include our investors, employees, customers, government, legal and regulatory bodies, and society at large.

The boundary of this report extends to 76 companies that come under the sphere of influence of the John Keells Group. They are chosen on the basis that they are legal entities for which the group remains accountable for, and over which the group exercises direct control. With last year's report covering 73 companies, a year on year comparison of performance is possible subject to the explanations provided in respect of the mergers, divestments and acquisitions that have occurred during the year.

The data measurement techniques and the bases of calculations including assumptions and techniques underlying estimations applied in the compilation of the indicators and other information in the report are in accordance with standard industry practices, established rules and the indicator protocols provided under the GRI(G3) Sustainability Reporting Guidelines. Where applicable, justification for any deviations in any particular case is clearly stated in the report.

In terms of restatements, in comparison to the previous year 2009/2010, previous year's and phrases have been re-arranged, wherever necessary, to conform to the current year's presentation; namely in the Economic value statement for 2009/2010 carried as Annex 1 on pages 86 and 87 for the John Keells Holdings PLC Sustainability Report 2009/2010.

PRECAUTIONARY PRINCIPLE ADDRESSED

We are influenced by the precautionary principle in our decision making with regard to mitigating the effects of pollution, environmental degradation and global warming. The precautionary approach is acknowledged in the success of our initiatives to reduce our energy consumption and emissions. We strive to incorporate the precautionary principle through our risk management processes and internal control systems.

Triple Bottom Line principles and initiatives endorsed by the Group

The Group sustainability policy endorses the triple bottom line principles, which are incorporated in our practices and performance as a sustainable organisation. We are also a participant in the UNGC Initiative and support Sri Lanka's efforts to achieve of the Millennium Development Goals. Several of our employee policies and practices are modelled on the standards of the International Labour Organisation and our group advertising policy follows the principles laid down by the ICC Code of Advertising and Marketing Communication Practice. A number of companies in our leisure sector have obtained ISO 14001, OHSAS 18001 and ISO 22000 certification, while several other companies in the Group are ISO certified in their respective categories. We also follow the GRI framework to report on our sustainability performance.

From a corporate governance perspective, we ensure that we meet our regulatory requirements and are compliant with external rules and codes that include the listing rules of the Colombo Stock Exchange, the recommendations of the Combined Code (to the extent practicable in the context of our diverse businesses and business unit risk profiles) and all provisions of the Code of Governance of the Institute of Chartered Accountants of Sri Lanka.

STAKEHOLDER ENGAGEMENT AT THE JOHN KEELLS GROUP

Conducting operations in seven industry sectors in different geographical markets necessitates developing and sustaining relationships with diverse stakeholder groups both internal and external to the organisation. Our engagement with stakeholders encompasses a range of activities and interactions that include communication, consultations and information disclosures. Through stakeholder engagement, we are able to identify our most significant stakeholder groups and their specific interests, and determine the issues that are most material to our group from an economic, environmental and social sustainability perspective. By integrating the outcomes of stakeholder engagement with the group's well established risk management processes we are able to assess and address potential risks and align the management of sustainable issues with our business processes and strategies.

Our formal and informal mechanisms of interaction with stakeholders provide opportunity to forge relationships, build mutual trust and understanding, and provide accountability to people and institutions that are affected by or impact our operations. Our most common methods of stakeholder engagement include formal and informal consultations, participation, negotiations, communication, mandatory and voluntary disclosures, certification, and accreditation.

Stakeholders are persons or groups that have an interest in the organisation, the ability to influence its outcomes or be substantially impacted by the operations of the organisation. They may also have a substantial impact on the organisation. Our stakeholders are customers, employees, surrounding communities, investors, government, legal and regulatory bodies, business partners or

principals, society, pressure groups and media, and industry peers or competitors.

Customers

Engaging with customers is an opportunity to broaden our understanding of our customers' needs and expectations. By evaluating ourselves from a customer perspective, we are able to continually improve our goods and services, and meet if not exceed our customers' expectations.

Employees

Each employee of the John Keells Group contributes uniquely towards the achievement of the group's strategic objectives. Our engagement with our employees has helped maintain a work environment characterised by high performance standards, professional development opportunities and rewards, and an organisational culture shaped by respect, honesty and fairness.

Community around us

Doing the right thing always and building strong relationships based on openness and trust are corporate values that are embedded in our business strategies. Our responsibility towards the people and communities that exist side by side with our businesses extends beyond strict compliance with the laws and regulations that govern operations. By monitoring and managing our impacts on surrounding communities, we are able to mitigate the negative effects of our operations while maximising positive impacts. The John Keells Foundation, our corporate social responsibility arm further strengthens our community commitment by managing and implementing our social and philanthropic programmes to the benefit of surrounding communities.

Investors

Our investors' expectations extend beyond an adequate return on investment. Investors expect sustainable growth, transparency, accountability and the highest standards of corporate governance. Through statutory reporting, periodic disclosures, and regular contact with investors we provide timely and accurate information that assists investors in their decision making.

Government

As the country's leading conglomerate with operations in seven industry sectors, we are conscious of our leadership role in reviving the economy in Sri Lanka's post war era. As a corporate partner committed towards the economic development of our country, communication and engagement with the Government is viewed as an opportunity to comment on government policies and deepen our own understanding of the economic and development strategies of the government. Our participation in policy consultations with the government helps shape economic policies that are beneficial to private sector development.

Legal and Regulatory bodies

While ensuring compliance with laws and regulations, we also actively engage with legal and regulatory bodies to improve understanding of complex regulations and minimise the risk of non-compliance and potential litigation.

Business partners / Principals

Building strong relationships based on fairness and mutual trust with our business partners and principals is crucial to our success. By engaging with our partners and principals, we are not only able

to guarantee continuous and stable sources of supply but also communicate our ethical and legal requirements and expectations with regard to sustainable policies and practices throughout the supply chain.

Society/Pressure Groups/Media

Engaging with societal groups, civil society organisations, opinion leaders and the media helps us understand a wide range of societal interests and concerns that arise as a result of our operations. Our engagement with these groups is particularly useful in building relationships with the less visible sections of society that may still

be impacted by our businesses. The information gleaned from our interactions with these groups, helps us to assess and manage our impacts in a responsible and transparent manner.

Industry peers/Competitors

By interacting with industry peers and competitors at various forums and through chambers of commerce, we are able to better understand, evaluate and respond to opportunities and challenges that arise in a constantly changing and competitive environment.

| Stakeholder | Stakeholder sub-category | Current Level of Engagement and Frequency |
|---------------------|--|---|
| Customers | Individual and Corporate (B2B) | <p>Current level of engagement: Personal meetings, discussion forums, surveys, field visits, conference calls, progress reviews, information dissemination through printed reports, telephone, SMS and corporate websites, workshops, business development activities, road shows and trade fairs.</p> <p>Frequency of engagement:</p> <ul style="list-style-type: none"> • Quarterly through Customer Satisfaction Surveys, • On-going basis through information dissemination through printed reports, telephone, SMS and corporate website • Bi-Annually through personal meetings • Annually through road shows and trade fairs |
| Employees | Executives, Non-Executives, Directors | <p>Current level of engagement: Direct reporting, intranet communication, employee satisfaction surveys, collective bargaining, open door policy at all management levels, annual events, professional training and development activities, team building activities.</p> <p>Frequency of engagement:</p> <ul style="list-style-type: none"> • Intranet communications through JK Connect & My Portal on a daily basis • Employee Satisfactions survey such as GPTW (Great Places to Work) conducted annually • Professional training, development activities and team building through internal as well as external sources conducted quarterly |
| Community around us | Neighbours, Local Communities, Community Leaders | <p>Current level of engagement: Corporate Social Responsibility programmes and activities, community educational and information dissemination programmes, one-to-one meetings, workshops, forums.</p> <p>Frequency of engagement: Engagement with the community is carried out prior to entry into the community area. After which engagement is carried out on a monthly basis while operating. Community engagement is also carried out on exit.</p> |
| Investors | Shareholders, Institutional Investors, Fund Managers and Analysts, Lending Institutions, Multilateral Finance Agencies | <p>Current level of engagement: Periodic disclosures through annual reviews and quarterly reports, one-to-one meetings, investor road shows, phone calls and corporate websites.</p> <p>Frequency of engagement: Engagement with the investors is carried out as follows,</p> <ul style="list-style-type: none"> • Periodic disclosures are carried out annually, • Quarterly reports are carried out on a quarterly basis, • Investor road shows are carried out prior to every undertaken IPO launch • On-going through phone calls and websites |
| Government | Government of Sri Lanka, Government Departments and Institutions | <p>Current level of engagement: Meetings, discussions, phone calls, newsletters and circulars, presentations and briefings, advisory meetings, membership on national committees, lobbying activities via chambers of commerce.</p> <p>Frequency of engagement: Engagement with the Government is carried out on an on-going basis through newsletters and circulars. The Senior Management are members of Bodies such as the Chamber of Commerce who meet on a monthly basis.</p> |



| Stakeholder | Stakeholder sub-category | Current Level of Engagement and Frequency |
|-----------------------------------|--|---|
| Legal & Regulatory Bodies | Local Authorities, Municipal Councils, Bribery Commission, Consumer Affairs Authority, Inland Revenue, Customs Department, Securities and Exchange Commission, Colombo Stock Exchange, Tourist Board | <p>Current level of engagement: Regular meetings, periodic disclosures, correspondence, representation through chambers of commerce and trade associations.</p> <p>Frequency of engagement: Engagement with the Legal & Regulatory Bodies is carried out on an on-going basis as the Senior Management are members of Regulatory Bodies such as the Tourist Board and Colombo Stock Exchange who meet on a monthly basis.</p> |
| Business Partners / Principals | Business Partners, Joint Venture Partners, Principals | <p>Current level of engagement: Regular meetings, distributor conferences, correspondence, monthly market reports, conference calls and e-mails, circulars, membership in industry associations.</p> <p>Frequency of engagement: Engagement with the Business Partners / Principals is carried on,</p> <ul style="list-style-type: none"> • Monthly basis through monthly market reports, • Annually through distributor conferences, • On-going through conference calls, e-mails and circulars |
| Society / Pressure Groups / Media | Opinion Leaders, Media, Environmental Groups, NGOs, Voluntary Organisations | <p>Current level of engagement: Correspondence, website, press releases, media briefings, discussions, participation at NGO forums, media coverage, certification and accreditation.</p> <p>Frequency of engagement: Engagement with the Society / Pressure Groups / Media is carried out on an on-going basis through website, press releases and media briefings.</p> |
| Industry Peers / Competitors | Members of Chambers of Commerce and Trade Associations, Competitors | <p>Current level of engagement: Communication through membership of chambers of commerce and trade associations, conferences, discussion forums.</p> <p>Frequency of engagement: Engagement with the Industry Peers /Competitors is carried out on a monthly basis as the Senior Management who are members of the Chamber of Commerce attends the monthly meetings.</p> |

STAKEHOLDER ENGAGEMENT PROCESS

The process of identifying and selecting the stakeholders of each of our business units has required a two pronged approach. We have utilised both internal and external processes including third party validation mechanisms to prioritise stakeholder groups and determine stakeholder interests and concerns. Through stakeholder

engagement and analysis, we have been able to determine our most significant stakeholders, understand our economic, environmental and social impacts and stakeholder influences on our organisation, and develop responses to issues that are material to our businesses from a sustainability perspective.

In 2009, we undertook an internal stakeholder analysis. We required all operational business units to identify their key stakeholders by prioritising the issues relevant to each stakeholder group on the basis of materiality. Following the guidelines articulated in the AA 1000 Stakeholder Engagement Standard, we determined the materiality of issues on the basis of impact on short term financial performance and legal compliance, links to corporate policies and commitments, stakeholder concerns, and relevance to best practices and norms established by peers and society. For prioritisation purposes, the issues identified through this process were ranked according to impact and probability of occurrence. The exercise enabled business units to determine material issues critical to their businesses and analyse these issues from a triple bottom line perspective. The process also required business units to document their current level of engagement with key stakeholders, establish risk control or mitigation strategies and plan for future engagement.

We also engaged independent consultants to determine and prioritise stakeholder groups for each business unit through an

extensive consultation process. The independent consultants also conducted an external stakeholder analysis to identify and prioritise the issues and concerns articulated by stakeholders on the basis of materiality.

The outcomes of both these processes were aligned to sustainability by linking the most material issues and stakeholder groups to the sustainability performance indicators established under the Global Reporting Initiative framework. A mechanism was also established to monitor, manage and mitigate these issues or risks on a periodic basis by incorporating these issues into the risk grids of the relevant business units. Utilising the risk management process to manage material issues also meant that issues not linked to sustainability performance indicators would continue to be managed within the scope of a business unit's risk grid.

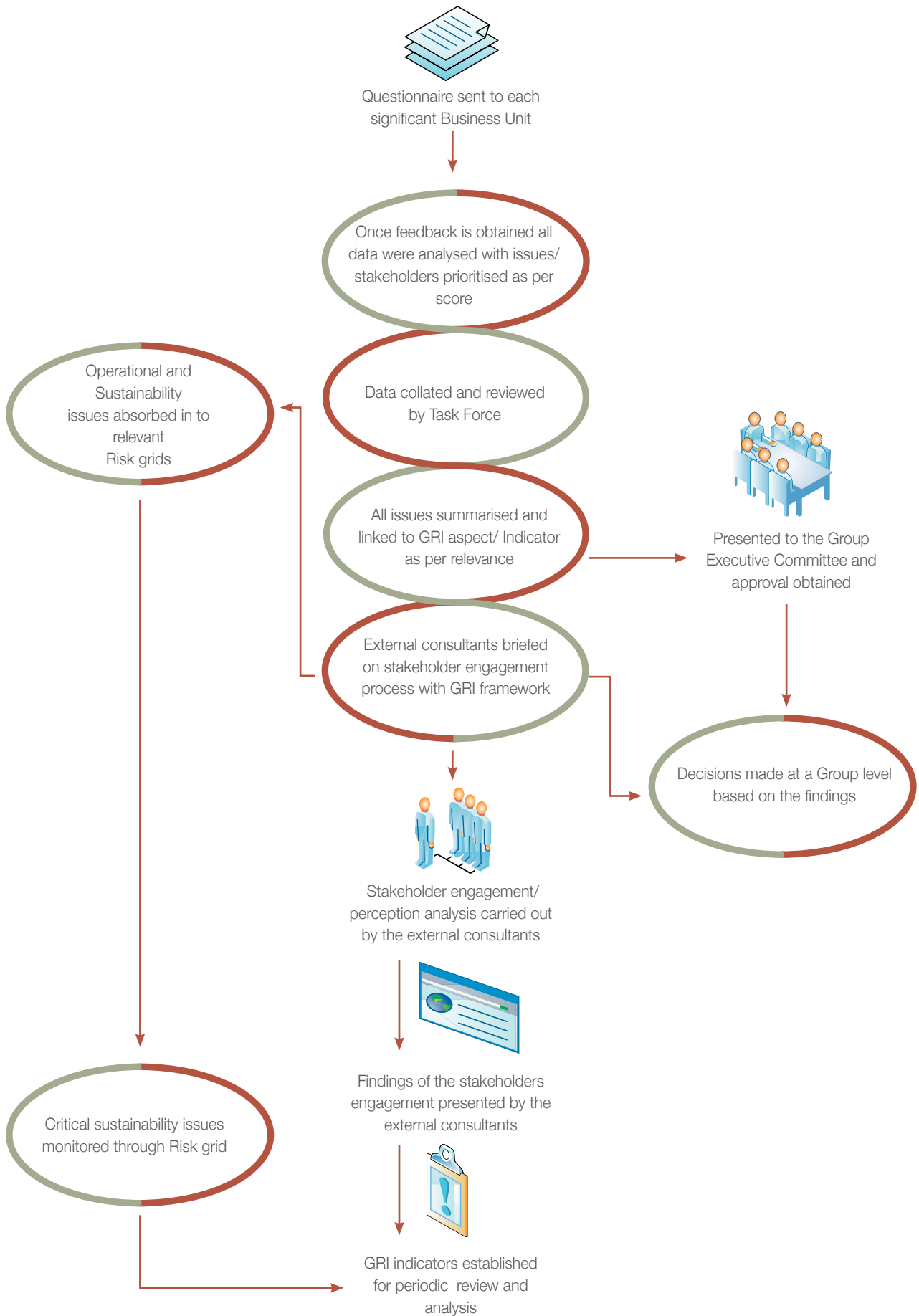


While continuing to engage with our stakeholders on a regular basis using normal channels of engagement, the emphasis this year has been on the management and review of material issues and risks identified through internal analysis and external stakeholder engagement processes. Through our risk management processes we have been able to monitor material issues and focus on the implementation and effectiveness of risk mitigation strategies. As

noted elsewhere in the report, the risk management process is documented throughout.

The flow chart on the facing page depicts the process of stakeholder engagement that the John Keells Group used last year to identify and select stakeholders and determine issues that are material to the Group.

STAKEHOLDER ENGAGEMENT PROCESS



EMPLOYEE STAKEHOLDER ENGAGEMENT

We consider receiving constant feedback from our employees a vital process in realising our people vision, *"More than just a work place"*. In January this year we conducted a groupwide employee survey, with the exception of Union Assurance PLC, for executive and above staff of the entire Group and for non executive employees in certain businesses where the head count is high in January 2010. The response rate received was at a remarkable 90% and this in itself gave credence to the effectiveness of employee engagement strategies used in the group.

"The Great Place to Work – Trust Index" as the tool was used keeping in mind the global benchmarks it provided and the fact that the same survey tool was used in the Group in 2003 and 2005. This intervention involved a survey based on a question and answer methodology and focus group discussions, which were conducted by the survey provider, Great place to work Institute – India.

The GPTW model measures strengths and development areas of an organisation based on five dimensions: Credibility, Respect, Fairness, Pride and Camaraderie. The survey, which was independently administered, resulted in 90 per cent of our employees participating in the survey, a remarkable achievement, which augurs well for the company in that our people consider themselves as partners with one another in making John Keells more than just a work place.

The survey identified Pride for the organisation and management competence and integrity as key strengths and identified as key development areas, equity in compensation, recognition and equal treatment. Post survey several focus group meetings have been held with employees at different levels and in different businesses to understand the reasons for these findings and those findings will now form the basis for action planning to build on the sense of pride and provide opportunities for recognition, bring fairness/equity aspects into focus. The results and findings have been shared with our employees and action planning is currently underway.

The GPTW survey was also undertaken in several businesses where there is a high non executive population such as John Keells Office Automation, Ceylon Cold Stores sales staff, Hotels (Sri Lankan Resorts and City Hotels), DHL and Jaykay Marketing Services (Pvt.) Limited. The key themes that emerged were that the employees take pride in John Keells and their jobs, team work and training they receive whilst improvement is necessary in equity and fair pay and non-restrictive work environment amongst others. Whilst it is noted that the processes that touch the non executive staff, unlike the executive staff, differ from business to business, action planning in these areas will occur at the business level.

Based on the results, currently action planning is underway to build on the strengths and take appropriate steps to address concerns and these plans will be implemented during the year 2011/2012.

KEY TOPICS AND CONCERNS RAISED THROUGH STAKEHOLDER ENGAGEMENT

For the current year, the number of sustainability performance indicators selected on the basis of materiality through stakeholder engagement and internal and external analysis stands at 22 indicators. The indicators reported this year are effectively the same as reported in the previous year. Our regular interactions with stakeholders throughout the year and our internal risk reviews and analyses have not yielded any information, which would require

significant changes to the material issues that were identified and linked to GRI (G3) performance indicators during the previous reporting year. The indicators selected for the current year on the basis of materiality are summarised in the table on the facing page.

GRI INDICATORS REPORTED FOR 2010/11

| GRI Performance Indicator | Description |
|--|---|
| Economic performance indicators | |
| EC 1 | Economic value generated and distributed |
| EC 3 | Coverage of the organisation's defined benefit plan obligations |
| EC 8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. |
| Environmental performance indicators | |
| EN 3 | Direct energy consumption by primary energy source |
| EN 4 | Indirect energy consumption by primary source |
| EN 11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas |
| EN 16 | Total direct and indirect greenhouse gas emissions by weight |
| EN 28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations |
| Labour practices and decent work performance indicators | |
| LA 1 | Breakdown of total workforce by employment type, contract and region |
| LA 2 | Total number and rate of employee turnover by age group, gender and region |
| LA 4 | Percentage of employees covered by collective bargaining agreements |
| LA 7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities |
| LA 8 | Education, training, counselling, prevention and risk control programs in place to assist workforce members, their families or community members regarding serious diseases |
| LA 10 | Average hours of training per year per employee by employee category |
| LA 12 | Percentage of employees receiving regular performance and career development reviews |
| Human rights performance indicators | |
| HR 6 | Operations identified as having significant risk for incidents of child labour, and measures taken to eliminate child labour |
| HR 7 | Incidents of forced or compulsory labour |
| Society performance indicators | |
| SO 1 | Nature, scope and effectiveness of programmes and practices that assess and manage the impacts of operations on communities including entering, operating and exiting. |
| SO 2 | Percentage and total number of business units analysed for risk related to corruption |
| Product Responsibility performance indicators | |
| PR 3 | Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements |
| PR 6 | Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship |
| PR 9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services |

Performance indicators EN 17, EN 21 and EN 22, which were identified as material in the course of stakeholder engagement exercises and analyses conducted in 2009 are not included within the scope of this report. Performance with regard to these indicators

may be included in future reporting cycles once the necessary management, data collection and reporting systems are in place to enable the organisation to meet reporting requirements.

| Triple bottom line | Challenges | Opportunities | Risks |
|--------------------|--|---|--|
| Economic | <ul style="list-style-type: none"> Increasing cost push inflationary pressures on the economy / Group businesses. Institutional investors and large investment funds are evaluating their investments through a sustainability lens, driving key lending decisions. Regulatory framework does not compliment the expected pace envisaged for business growth. Intense competition arising out of globalisation and increasing FDIs into Sri Lanka. Lack of Infrastructural developments to support thrust business sectors. | <ul style="list-style-type: none"> Exploring other sustainable sources and leaner production methods to maintain production/service costs. Improved business climate after the end of the war. To be a player in the infrastructural development projects. Improved FDIs into the country will drive large scale infrastructure development and provide a platform for improved business activities. | <ul style="list-style-type: none"> Cost pressures may result in businesses being unable to manage the set targets with regard to the sustainability initiatives |
| Environment | <ul style="list-style-type: none"> Managing the objectives of maximising business returns whilst conforming to growing pressures prompting the adoption of sustainability-driven management practices. Increasing legislation and public policy on businesses regarding sustainable use of resources, emissions and waste reduction. Increasing customer demands for green products are also proving a powerful force in shaping our business landscape. Managing the increasing demand on existing resources with the improving business climate. Managing and ensuring that the links in the Groups supply chain conform to laid down sustainability practices. | <ul style="list-style-type: none"> Greater access to more mature markets in the region. Improving and consolidating brand equity. Explore opportunities to improve all product and service related processes with a view to embracing cleaner and efficient production and service delivery methodology. Improving the energy cost base and consumption by eliciting employee behavioural change and adopting greener technologies. Leveraging on the accreditation bodies such as LEEDS, Green Globe to enhance the Group competitiveness in the global business landscape. | <ul style="list-style-type: none"> Increased risk of environmental degradation due the increased consumption of energy and greater waste emissions. Lack of waste recycling infrastructure resulting in greater environmental pollution. |
| Social | <ul style="list-style-type: none"> Employee retention with growing economy resulting in more employment opportunities. Improved business climate would increase the opportunities for possible corruption | <ul style="list-style-type: none"> Impacting the community through the development of rural communities to participate in sustainable sourcing projects and thereby improving their livelihoods. Improving employment opportunities for the rural communities, such as computer literacy of rural youth, through the setting up of BPO operations in those areas. Improving employment opportunities through structured training Participating in community building projects through the John Keells Foundation, thereby providing opportunities of sustainable livelihood development | <ul style="list-style-type: none"> The improved business climate would have a negative impact on the community; especially in social and cultural aspects, hence increasing the societal risk. |

SUSTAINABILITY INTEGRATION

The organisational structure

Moving towards sustainability integration through the value chain requires ownership, responsibility and commitment from every business in the John Keells Group. Under the overall guidance and direction of the Group's Sustainability Committee, sustainability issues are managed by specialised Task Forces with representation from each industry sector. These small but dedicated groups identify the sustainability issues faced by the John Keells Group, articulate responses through appropriate strategies and policies, and drive implementation in regard to the six sustainability initiatives down to every business unit within the Group's seven industry sectors. The Task Forces are primarily charged with integrating the group's sustainability initiatives across each industry sector and business unit. They have responsibility for selecting the sustainability performance indicators on the basis of materiality under the Global Reporting Initiative framework and for designing, improving and implementing processes for sustainability data collection and disclosure. The

sector representatives within each Task Force represent the relevant business units belonging to the seven industry sectors of the group. They coordinate the setting of sustainability goals and key performance indicators (KPIs) under each sustainability initiative at the business unit level and act as conduits for communication between the Task Forces and the managers of business units. Sector representatives on each Task Force are responsible for planning, implementing and monitoring the action plans and processes required to achieve sustainability goals and KPIs. Sector representatives are also charged with the continuous review and management of sustainability related risks identified through the risk management process.

The Group sustainability integration unit provides continuous guidance and assistance to the Task Forces and monitors progress with regard to the integration activities described above. The unit is also responsible for aligning sustainability reporting and auditing requirements within the integration process.

Integrating Sustainability within the Group's Value Chain

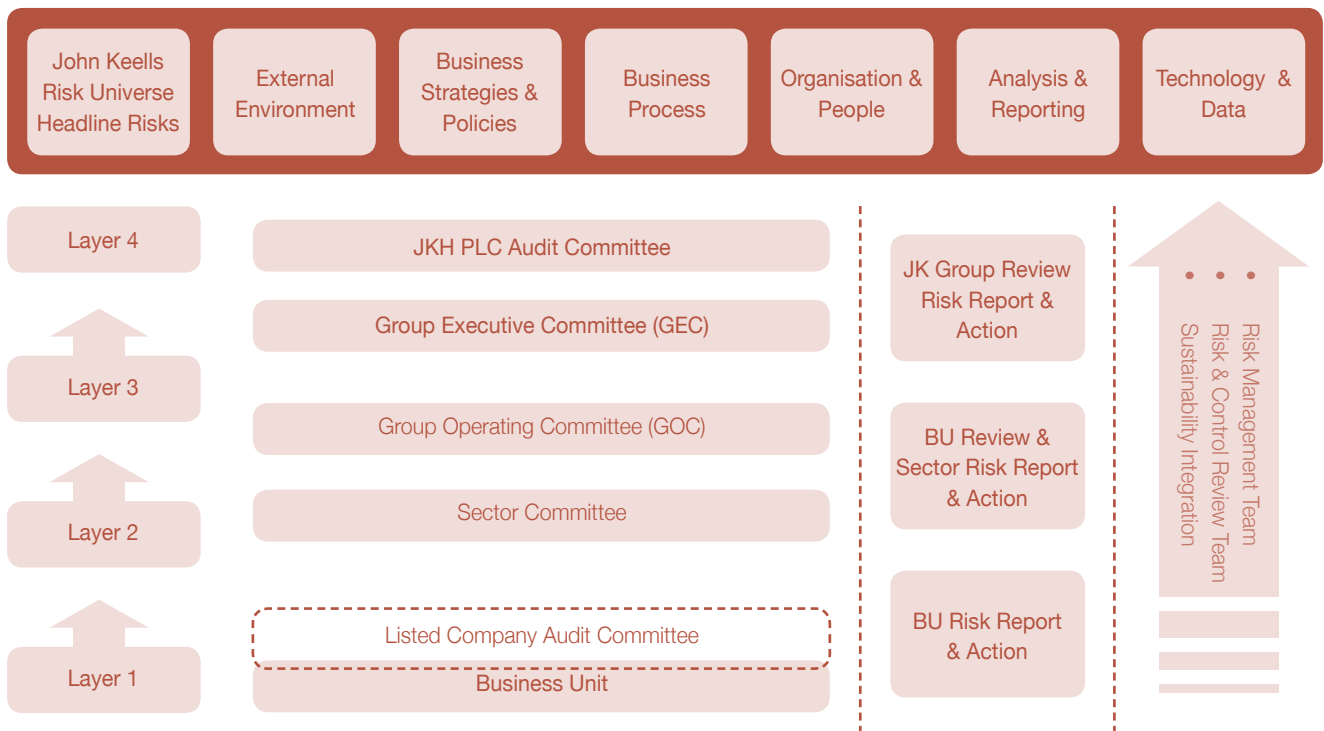


RISK MANAGEMENT

Risk management is integral to shaping strategies that ensure the group’s sustainable growth and success. The risk management programme at John Keells ensures that the risks arising from the group’s diverse operations are identified and effectively managed with a view to ultimately protecting and enhancing stakeholder value. Significant operational, strategic and financial risks, which could potentially undermine the achievement of the Group’s objectives, are identified, analysed, assessed and monitored with mitigation actions established and risk owners appointed as a part of a comprehensive, well structured and integrated enterprise-wide risk management programme.

Business units within the Group identify risk events, which could impact the achievement of strategic objectives using a universal risk register unique to the John Keells Group. Risks are measured according to a formula that requires each risk event to be assessed

in terms of its potential severity and likelihood of occurrence. The management of risks is a continuous process requiring control measures and plans to be in place to either eliminate or minimise exposure to identified risks. Accountability is established through the nomination of risk owners, who assume responsibility for managing and monitoring control measures and plans. Control measures include risk mitigation, transfer, avoidance or acceptance strategies, which are based on the risk appetite of the business unit. The risk matrices of all business units are reviewed quarterly and the process is documented throughout. The Group Executive Committee reviews a business unit’s most significant risks on a biannual basis while audit committees appointed by holding and listed companies review the effectiveness of the risk management programmes of such companies on a regular basis. The risk management process and information flow is depicted below.



SUSTAINABLE RISK MANAGEMENT

Sustainable risk management has now become a part of the DNA of all business units in the Group. It had enabled the group to identify and manage risks, harness opportunities, adapt to the changing environment and implement long and short term strategies which links with the overall Group objective.

Through integration of the internal risk management process with the group wide stakeholder engagement process, risk management now forms a fundamental aspect of Sustainability. Risk issues identified during Stakeholder engagement process are considered

and addressed through the selection of a relevant indicator found in the Global Reporting Initiative (GRI) framework. Some of the issues which are not directly addressed by the indicators are monitored through the relevant risk matrices. This year all operational business units have established goals and targets with regard to key issues relating to their economic, environmental and social performance. The process of setting goals and targets has also helped establish the underlying implementation strategies, time lines and data collection as well as monitoring mechanisms to report on progress.