

MATERIAL RISKS

FOR THE YEAR ENDING 31 MARCH 2023

A high-level description of all immediately identifiable material risks which are specific to the group and the industries in which it operates are listed below:

- Risk of deterioration in economic environment in South Africa, including:
 - electricity supply constraints and load-shedding with the increased risk of grid collapse which is:
 - affecting business confidence and resulting in additional costs of business for subsidiary companies; and
 - resulting in insurers placing exclusions on policies in respect of damages and losses directly or indirectly relating to the failure of the grid;
 - the negative effects of South Africa having been placed on the grey list of countries by The Financial Action Task Force (“FATF”) due to its structural deficiencies in combating money laundering, terrorism financing and illicit financial flows; and
 - political tension with the United States of America and European Union countries relating to the war between Russia and Ukraine:
 - the risk of secondary or indirect sanctions being imposed on South Africa as highlighted by the South African Reserve Bank; and
 - the risk of reduction of trade by customers from the United States of America and European Union, coupled with the risk of the removal of access to preferential trading benefits under the African Growth and Opportunity Act (“AGOA”), for companies operating in the motor manufacturing sector.
- Policy uncertainty/regulatory changes, including with regard to:
 - compliance with changing B-BBEE and Employment Equity regulations;
 - compliance with beneficial ownership disclosure regulations in relation to Anti-Money Laundering and Combating Terrorism Financing legislation;
 - finalisation of digital terrestrial television migration;
 - changes in tobacco legislation impacting the casino industry; and
 - oil and gas exploration rights in South Africa.
- Societal and business risks relevant to the group:
 - political and social unrest in South Africa;
 - robberies and assaults on buses;
 - unrest affecting mining operations and bus transport;
 - unreliable and costly utilities due to load-shedding and water shortages;
 - commodity price risk for coal, oil and palladium; and
 - cyber and information-related risk.