

RISK
MANAGEMENT

HOW WE MANAGE OUR RISKS

CIEL operates in a risk environment of globally growing uncertainty which requires a strong risk management culture. To identify, assess, and mitigate potential risks, CIEL works towards an effective risk framework based on five distinct lines of defense: Board, Group Leadership, Business Clusters, Corporate Risk Management and Internal Audit. Through the development and implementation of risk policies, guidelines and review mechanisms, CIEL adequately ensures the strategic management of its risk profile.

CIEL'S RISK PROFILE

CIEL evaluates risks at the macro, strategic and operational levels, and from a three-dimensional perspective that includes customers, industries and geographies.



Macro Level

Risks likely to affect CIEL's growth opportunities

Strategic Level

Risks that may affect the validity of CIEL's strategy in the pursuit of growth opportunities

Operating Level

Risks that might affect key operations of CIEL in its strategy execution

RISK ASSESSMENT

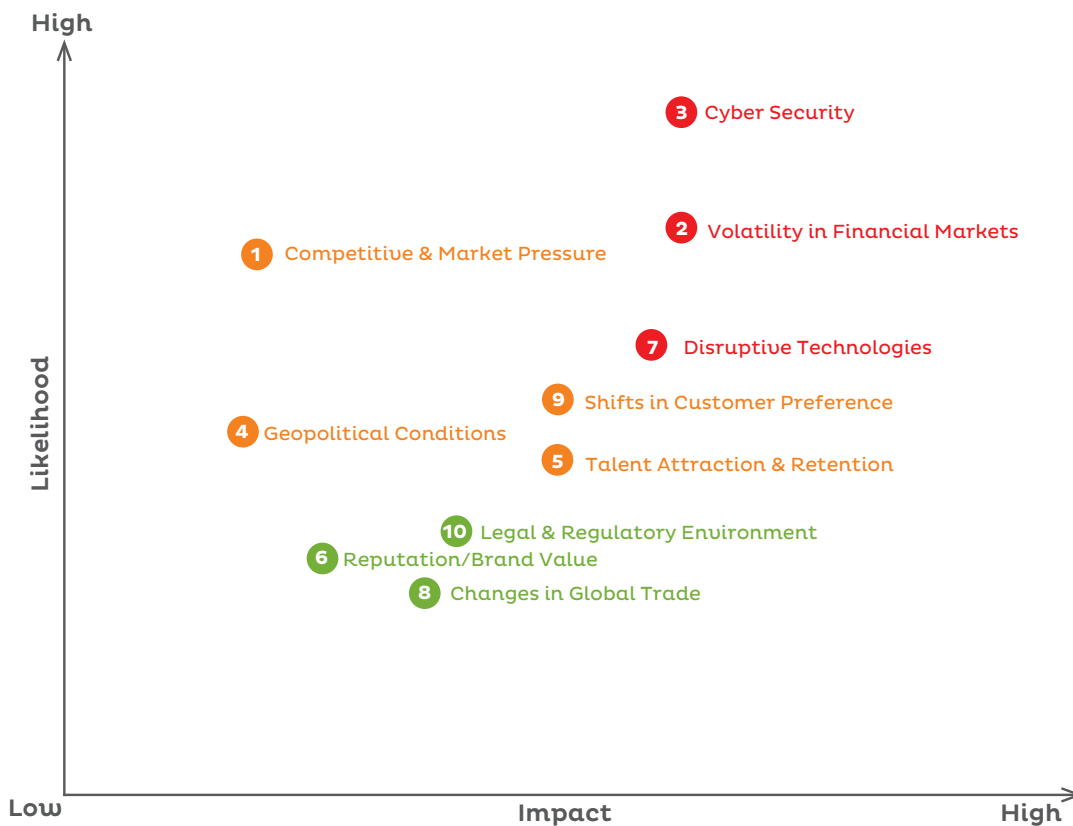
CIEL has identified its top ten risks based on likelihood, velocity and potential impact of each risk.

TOP 10 RISKS

OVERALL RANK RISK FACTORS

Overall Rank	Risk Factors
1	Competitive & Market Pressure
2	Volatility in Global financial markets
3	Cyber Security
4	Geopolitical conditions
5	Talent Attraction & Retention
6	Reputation Brand Value
7	Disruptive Technologies
8	Changes in Global Trade
9	Shift in Consumer Preference
10	Legal & Regulatory Environment

RISK ASSESSMENT HEAT MAP



TOP 10 RISKS - LIKELIHOOD, IMPACT & VELOCITY

HOW WE MANAGE OUR RISKS (CONT'D)

RISK MANAGEMENT & MITIGATION ACTION PLAN

Each risk is thoroughly and regularly assessed to implement preventive, detective or corrective measures as required.

Risk Factors

Planned Measures

1	Competitive & Market Pressure	Diversify our markets by identifying growth segments & opportunities from emerging markets, increase product and service differentiation and address cost inefficiencies
2	Volatility in Global financial markets	Manage our risk exposure in line with our risk appetite and financial performance targets and hedge our exposures accordingly and deploy adequate hedging policies
3	Cyber Security	Enhance our information security by assessing our information security technology and implement newer technologies to mitigate and monitor cyber security risks
4	Geopolitical Conditions	Increase our agility to anticipate and react to changes in the geopolitical environment through the development of ad-hoc resiliency, recovery and contingency planning,
5	Talent Attraction & Retention	Develop a talent management and succession planning structure to attract, inspire, motivate, manage, develop, retain and reward people and ensure long-term performance
6	Reputation Brand Value	Maintain & improve our crisis management plan to manage reputational risk in collaboration with Group corporate communications
7	Disruptive Technologies	Set up a technology innovation & intelligence team to focus and monitor on the development of new technologies that can impact our operations in the medium to long-term
8	Changes in Global Trade	Diversify our markets, manage price competition and defend our customer base with compelling value proposition
9	Shift in Consumer Preference	Review our consumer strategy through market intelligence to identify market requirement with constant creativity and innovation in products and services
10	Legal & Regulatory Environment	Set up a regulatory intelligence and reporting system to monitor compliance with all applicable legal & regulatory requirements

2016-17 ENTERPRISE RISK MANAGEMENT INITIATIVES

CIEL has launched an Enterprise Risk Management (“ERM”) initiative which aims at successfully implementing ERM within the Group. Key focus areas include:



1. Setting - up of a Group risk management function



2. Developing and approving the Group's risk management policy



3. Developing and approving the Group's ERM Framework including Information Technologies (“IT”), Governance, Risk & Compliance (“GRC”) Framework



4. Finalising the Group's Code of Ethics



5. Developing a compliance management program for the Group