

The word "Ciel" is written in a white, sans-serif font, centered on a blue background. A large white arc is positioned above the text, and a smaller white arc is positioned below it, both spanning across the width of the page.

Ciel

Our Risk Appetite Statements

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Our Risk Appetite Statements set the level of risks that we are willing to accept in the pursuit of our strategic objectives.

The Group’s Investment Guidelines & Risk Appetite Statements (RAS) were revised during the reporting year and approved by the Board on 30 June 2023. The main approach was to factor in systemic risks inherent to countries and industries where we operate and adjust for top risks identified for CIEL and its Clusters.

Our Clusters are expected to develop their own risk appetite statements and key performance indicators (KPIs), based, at a minimum, on the following statements:

<p>Strategic Assertions</p>	<p>We invest responsibly and sustainably in order to create lasting value, outstanding returns and shared outcomes for our stakeholders. We have a preference to invest in industries where we have proven skills and competence, and primarily target Sub-Saharan African markets and Indian subcontinent markets for international expansion.</p>
<p>Sustainability</p>	<p>We recognise the importance of sustainability in meeting long-term business objectives and contributing to a healthier planet. As such we are committed to integrating the consideration of relevant environmental, social, and governance (“ESG”) factors in our investment decisions and throughout our operations and supply chain with a view to improving our overall footprint and maximizing positive environmental, social and economic outcomes.</p> <p>We have no appetite for investments that conflict with our Sustainable Investment Policy, which is aligned with the EDFI Exclusion List and IFC performance standards.</p>
<p>Presence in selective industries & regional markets</p>	<p>We have high appetite for investments in those industries and businesses in which we have proven skills and competence, but we may consider investments in other industries that will fuel innovation and drive growth across the different clusters, substantiated by a robust business case. We primarily target Sub-Saharan African and Indian subcontinent markets for international expansion and where appropriate, we seek strategic partnerships with industry leaders and with the right cultural fit.</p>
<p>Controlling stake in Tier 1 Companies</p>	<p>We have high appetite for investments with controlling stakes in companies that are amongst the leaders in their respective markets (“Tier 1 Companies”). We may consider investments in niche markets with growth potential and substantiated by a robust business case.</p>
<p>Performance Review and Asset Allocation</p>	<p>We determine asset allocation and portfolio balance based on the performance of each cluster according to a set of financial and non-financial targets, which are reviewed on annual basis.</p>
<p>Financial Assertions</p>	<p>We invest for reward and minimise the possibility of financial loss by managing the risks and bringing them to a tolerable level. Value and benefits are considered, whilst resources are allocated in order to capitalise on potential opportunities.</p>

Return Expectations	We have set minimum financial and return KPIs for each Cluster, taking into account its risk profile, to maintain performance at target levels.
Business Plan Projects & Sensitivity Analysis	For every business plan, we seek a sensitivity analysis on the key financial metrics, and we have low tolerance to actual values falling outside the lower or upper bound (as applicable) of our projections. We expect a new business plan every 3 to 5 years, which needs to be revisited annually to provide a rolling forecast.
Target Debt Rating	We endeavour to maintain a long-term CARE debt rating of “AA” for CIEL and to ensure our clusters achieve a rating of “A” or better.
Operational Assertions	We embrace a culture of operational excellence, based on innovation, aiming at enhancing in a sustainable way, customer experience, employee engagement and organisational efficiency in order to deliver a consistently superior performance in revenue growth, profitability and EBITDA levels.
Business Continuity	We are committed to maintaining the continuity of our critical business operations in the face of disruptive events. We recognize that no organisation is completely immune to disruptions, but we are committed to identifying and managing risks that could impact our critical functions by ensuring that all our subsidiaries have implemented a robust business continuity program that includes regular risk assessments, contingency planning, and testing response capabilities.
Talent Management	We recognise that our talent is central to our ability to create value for all our stakeholders. As such we are committed to attracting, nurturing, and retaining the best people to deliver sustainable growth by implementing a comprehensive talent management program that includes regular assessments of our talent needs, bespoke and tailor-made development opportunities, and a compelling employee value proposition
Innovation	We recognise innovation and digitalisation as key drivers of operational excellence, growth and competitive advantage, and we are committed to fostering a culture of learning, creativity and experimentation to drive innovation and digitalisation initiatives forward.
Data Management	We recognise data as a valuable and strategic asset but also understand that there are risks associated with it. We are committed to maintaining a balanced approach to data management that allows us to reap the benefits of data whilst ensuring that it is managed securely and ethically in compliance with data protection laws.
Reputation	<p>We recognise that our reputation is a critical asset that is central to our success and ability to maintain the trust of our stakeholders.</p> <p>We have no appetite for situations and actions which may negatively impact our brand and reputation. As such we are committed to protecting our reputation through high operational excellence together with strict adherence to legal and ethical standards, and maintaining open and transparent communication with our stakeholders, including customers, employees, shareholders, regulatory authorities and communities.</p>

<p>Cyber Threats</p>	<p>We recognise that cyber threats pose a significant risk to our operations, reputation, and financial stability, and we are committed to implementing a comprehensive cyber security program that includes regular vulnerability assessments and penetration testing, employee awareness and training programs, and an adequate response plan in the event of cyber security incidents.</p>
<p>Fraud</p>	<p>We recognise that fraud is a significant risk that can have serious financial, legal, and reputational consequences for our Group and our stakeholders.</p> <p>We have zero tolerance for fraud, and we are committed to implementing strong prevention and detection measures across all our operations.</p>
<p>Compliance Assertions</p>	<p>We have zero tolerance for non-compliance with applicable laws, regulations and ethical standards.</p>
<p>Laws, regulations & ethics</p>	<p>We recognise that compliance with laws, regulations, and ethical standards is critical to our business success and reputation.</p> <p>We endeavour to maintaining a strong culture of compliance across all our operations through robust compliance programmes and controls, and employee awareness and education to promote ethical behaviour.</p>