



Risk	Impacts and opportunities	Mitigation
<b>2. Conflicts, wars and natural disasters (External)</b> A conflict, war and/or natural disaster may have significant impacts on our operations. The duration and the severity of the resulting effects could be uncertain.	<b>Potential impacts</b> <ul style="list-style-type: none"> <li>Shortages of resources and supply chain delays for essential supplies including raw and packaging materials, energy, spare parts, services etc.</li> <li>Mismatch between costs and revenues.</li> <li>Increased inflation and taxes, and depreciation of the Mauritian Rupee.</li> <li>Shortages of foreign currencies to pay suppliers.</li> <li>Effect on worldwide economy.</li> </ul> <b>Associated opportunities</b> <ul style="list-style-type: none"> <li>Win new regional and international markets through our flexibility and unique value proposition.</li> <li>Develop and promote new/ alternative products.</li> </ul>	<ul style="list-style-type: none"> <li>Execution of our business continuity plan.</li> <li>Rigorous demand planning for materials with increased stock levels.</li> <li>Develop back-up suppliers for raw and packaging materials with a specific focus on geographic risks.</li> <li>Our product range provides cost-effective options and packaging that suit customers and consumers.</li> <li>Strict focus on cost controls, reducing discretionary operating and capital expenditure.</li> <li>Closely monitor cash flows, receivables and regular forecasting.</li> <li>Regular engagements with authorities, review and renegotiation of contracts, costs and pricing.</li> </ul>

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<b>3. Geographical constraints (External)</b> Socio-economic challenges due to the small size and population of our country of operation (1.3 million), its remoteness and ensuing insularity, resulting in heavy dependence on imports of raw materials and manufactured goods.	<b>Potential impacts</b> <ul style="list-style-type: none"> <li>Difficulty in expanding regionally and growing to achieve economies of scale.</li> <li>Challenging to sustain our international competitive edge in a tough trading environment.</li> <li>Difficulty in increasing our market base.</li> <li>Increased fees/additional charges when sourcing raw materials.</li> </ul> <b>Associated opportunities</b> <ul style="list-style-type: none"> <li>Win new regional and international markets through our flexibility and unique value proposition.</li> <li>Regional growth by emphasising our unique position in the Indian Ocean region and how our products represent the Island Spirit.</li> </ul>	<ul style="list-style-type: none"> <li>We produce a wide range of beverages for all occasions and lifestyles, which increases local value creation.</li> <li>Enlarging our market potential and international competitiveness through our strategy to become the commercial beverages leader in the Indian Ocean region.</li> <li>Intensifying our efforts to improve overall performance through our Operational Excellence approach.</li> <li>Helping to position Mauritius as a destination of international standard by developing a portfolio of strong local brands and international reference brands.</li> <li>Explore opportunities to expand into other markets.</li> </ul>

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<b>4. Constraining regulatory and policy environment (External)</b> There are numerous current and planned regulations that apply to and affect our business or our customers.	<b>Potential impacts</b> <ul style="list-style-type: none"> <li>Numerous direct taxes apply to our operations.</li> <li>Unpredictable policy changes make planning difficult.</li> <li>Targeting of our products for discriminatory taxes and regulations on consumer health, packaging and waste recovery.</li> </ul> <b>Associated opportunities</b> <ul style="list-style-type: none"> <li>Strengthen PhoenixBev's stance as a responsible player in the local and regional beverages market by contributing to the development of a legal framework that creates a level playing field, without prejudicing consumers and citizens.</li> <li>Increase product reputation by demonstrating compliance with consumer health regulations and offering reduced calorie and non-alcohol products.</li> <li>Collaborate with partners and NGOs through PhoenixEarth to demonstrate our commitment to addressing environmental and social challenges in our markets.</li> <li>Unique value proposition.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing proactive dialogue with policy makers on proposed regulatory changes to ensure fair and equal treatment for all parties.</li> <li>Focus on unlocking further value from our base businesses to build resilience to withstand the increasing regulatory burden.</li> <li>Maintain our significant contributions to recycling and ongoing engagements with government, communities and other industry players to ensure responsible waste management.</li> </ul>

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