Sector	Risk category	Risks	Implication/consequences of not addressing the identified related risk	Risk control measures/ Risk mitigation actions
Healthcare	Regulatory and compliance risk	Delay in registration of products or import licenses	Unavailability of products leading to loss of market share and product loyalty	Comply with all regulations relating to the product and develop close relationships with the regulator while continuously following up on the process
		Price control of pharmaceutical drugs and medical devices	Margin contraction. Increase in demand leading to out of stock situation	Streamlined ordering process. Adjusting to the market environment as quickly as possible. Negotiating prices of drugs and medical devices with principals to maintain margins
	Supply chain risk	Physical disruptions, environmental and industrial disruptions or loss of key suppliers	Non-availability of adequate inventory levels resulting in loss of credibility while competitor brands capture the market share	Improving demand planning function and establishing strong relationships with principals while being up to date with detailed information on competitor products
		Disruptions to logistics	Damage to inventory/ storage facilities from natural disasters such as floods or fire which could result in losses	Ensuring that all safety measures are being taken according to the International Standards Insurance cover
	Product risk	Risk of product failures and declining demand for existing products	Loosing the market share of the individual product and entire product range linked to it	Continuous monitoring and communication with business partners for identifying the best product for the market
	Attrition	Shortages in qualified staff	Affecting the long-term sustainability of the Organisation	Matching the overall expectations of the employees with the market standards or above. Continuous employee engagement and development

Sector	Risk category	Risks	Implication/consequences of not addressing the identified related risk	Risk control measures/ Risk mitigation actions
	Exchange rate	Depreciation of the Sri Lankan Rupee	Decrease in margin due to higher input costs Exchange loss relating to payables	Forward contacts and renegotiations with principals for better rates Price increase of non-price controlled molecules and negotiations with NMRA to increase the prices of price controlled molecules
	Interest rate	Increase in interest rates on borrowings	Higher finance cost on working capital and drop in net profitability	Renegotiations with the banks for favourable terms and consider multiple financing options. Better working capital management
FMCG	Commodity price risk	Increase in input costs	Reduction in margins until the price adjustments are effected	Effecting price increases based on market dynamics Tea purchasing strategy – based on the last four years' price trend, purchasing will be done at an optimal price
	Supply chain risk	Reduction in brand loyalty due to unavailability of products on shelf	Reduction in sales coupled with decrease in market share while competitive brands capture the market share	Stronger engagement with distributors and retailers. Inventory optimisation for finished goods. Continuous monitoring of market demand
	Stiff competition	Loss of market share	Reduction in revenue and profitability in the short term and losing business sustainability in the long term	Aggressive marketing and promotions above the competition
	Capital and finance	Liquidity and credit risk	Payment delays by debtors will pressurise the working capital cycle and increase collection risk	Continuous follow up on debtors settlement and improved working capital management. Consider multiple financing options with favourable rates

Sector	Risk category	Risks	Implication/consequences of not addressing the identified related risk	Risk control measures/ Risk mitigation actions
	Product quality	Quality risk	Deterioration in the brand equity	Management of stringent quality control activities at manufacturing plant. Promptly responding to customer inquiries while implementing total quality control measurements
Agribusiness	Weather and climate	Unpredictable extreme weather unfavourable to agriculture	Drop in quantity and deterioration in quality of crop leading to reduced revenue	Follow sustainable agricultural practices including RSPO recommendations. Conservation of environment and water resources
	Commodity price risk	Volatility in prices due to demand and supply dynamics	Decrease in prices could lead to contraction in margins	Forward contracts to sell Palm oil, tea swaps derivative instruments to hedge tea prices. Value addition and branding of tea by the Consumer Goods segment
	Energy cost	Increase in energy cost	High costs leading to contracting margins	Use of cheaper energy sources, use of internal hydropower, briquettes and solar power and use of green building concepts
	Regulations on agrochemicals	Non-availability of agrochemicals without proper alternatives	Higher costs incurred for manual weeding and alternative agrochemicals	Move to alternative agrochemicals
	Labour shortage	Operational disruptions	Reduction in quantity and quality	Process automation and usage of third party labour
	Land availability	Limitations in planning for revenue growth	Decrease in revenue growth in the medium to long term	Actively looking for suitable land outside the RPC with proper agroclimatic conditions and scientifically increasing the yield per hectare

Sector	Risk category	Risks	Implication/consequences of not addressing the identified related risk	Risk control measures/ Risk mitigation actions
	Feed costs	Increase in feed purchase prices due to seasonality of crops	Increase in cost leading to contracting margins	Scientifically identifying the best feed mix. Close relationship and engagement with out-grower farmers to increase their efficiency and reduce cost
	Quality of milk	Decrease in milk quality	Lower retail prices for milk and lower revenue	Use of good quality feeding ration/industry practices/ staff training, state-of-the-art milking parlour with no room for contamination and obtaining competitive prices from different buyers
Energy	Interest rate risk	Increase in interest rates leading to increase in finance cost	Reduction in profits and stress on cash flows	Re-finance of long-term debt with preferential terms and equity investors
	Machine breakdowns	Inability of supplying electricity to the grid	Reduction in revenue and profits	Continuous maintenance and keeping all machinery agreements up to date
	Weather and climate	Reduction of power generation	Reduction in profits and stress on cash flows	Maintenance of sufficient cash reserves to cover debt service payments. Diversification in to other forms of renewable energy