

## AECI Enterprise Risk Management Policy Statement

The effective management of risk is central to the achievement of our vision which we've defined as follows: AECI is a leading South African based Company with an extensive international footprint, delivering solutions for a better world through innovation, sustainability and excellence founded on "good chemistry".

This Policy underpins management's commitment to Group-wide risk behaviour that reflects the interests of all stakeholders. This requires that every employee of AECI have the highest regard for risk management processes and practices in the context of their area of responsibility.

Our Enterprise Risk Management (ERM) Framework is designed to identify, assess and manage both potential risks and opportunities, thereby assisting management in making informed business decisions in the interests of all stakeholders.

We have adopted a structured approach to risk management, with consistency in the assessment and treatment of all types of risk, at all levels and for all activities in the Group. Risk management is embedded into our critical business processes so that before events occur that could impact negatively on the achievement of our objectives, risks are identified and managed consistently and proactively.

The ERM Framework assists in informed decision making, thereby:

- *improving performance in decision making and planning*
- *promoting an innovative culture where taking calculated risks in pursuit of opportunities to benefit AECI, and in line with the Company's risk appetite, is encouraged, and*
- *providing a sound basis for integrated risk management and internal control as components of good corporate governance.*

The benefits an effective ERM process provides are:

- *the enhanced likelihood that we will realise our growth strategy*
- *the prioritised allocation of resources*
- *protecting AECI's reputation and strengthening it further*
- *giving an early warning of potential problems, and*
- *providing employees with the skills to be confident risk takers.*

The AECI Executive Committee monitors and reviews the Company's risk management system and performance and reports on these to the Risk Committee and, via that Committee, to the AECI Board.

A handwritten signature in black ink, appearing to read "M. Dytor".

**Mark Dytor**

Chief Executive

3 December 2020