The Board and senior management continue to invest significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk minimisation. The Group has formal risk assessment processes in place through which risks are identified and associated mitigating controls are evaluated. These processes are driven by local management, who are best placed to identify the significant ongoing and emerging risks facing the business. The outputs of these risk assessment processes are subject to various levels of review by Group management and Internal Audit, and a consolidated Risk Map denoting the potential frequency, severity and velocity of identified risks is reviewed by the Board of Directors on an annual basis. Risks identified, and associated mitigating controls, are also subject to audit as part of various operational, financial, health and safety audit programmes.

The key risks facing the Group include the following:  
1. As an international group with substantial operations and interests outside the eurozone, ARYZTA is subject to the risk of adverse movements in foreign currency exchange rates.
2. The Group faces business risks associated with cash, receivables and other financial instruments.
3. Operational risks facing the Group include product contamination and general food scares, which could impact relevant products or production and distribution processes.
4. Changing dietary trends and the increased emphasis on health and wellness among consumers present both opportunities and risks for the Group.
5. The Group faces increasing compliance requirements in areas such as health and safety, emissions and effluent control.
6. The loss of a significant manufacturing/operational site through natural catastrophe or act of vandalism could have a material impact on the Group.
7. A significant failure in the accounting, planning or internal financial controls and related systems could result in a material error or fraud.
8. A significant IT or security system failure could adversely impact operations.
10. The Group faces the risk of a decrease in consumer spending.
11. The Group faces the risk of impairment of its goodwill, brands and intangibles.
12. Having grown both organically and through acquisitions, the Group faces risks and challenges associated with managing growth and ensuring that processes around acquiring and integrating new businesses are robust.
13. The Group faces risks associated with the potential loss of key management personnel.
14. Were the Group to breach a financing covenant, it may be required to renegotiate its financing facilities at less favourable terms resulting in higher financing costs, and/or be unable to finance operations.
15. The loss of a significant supplier could adversely impact ongoing operations.
16. As the Group operates in a competitive industry, it is subject to the risk of the loss of a significant customer.
17. The implementation of a Group-wide ERP system requires substantial investment and ongoing monitoring.

1 These risks are not listed in order of importance.