

Embracing Risks and Opportunities

Risk Management 360

Risk management plays a key role in enabling Link’s business strategy and planning discussions.

Our Risk Management 360 (RM360) framework outlines out how Link organises and applies risk management practices to ensure that all activities are conducted in line with the principles and limits mandated by the Group Risk Management Policy.

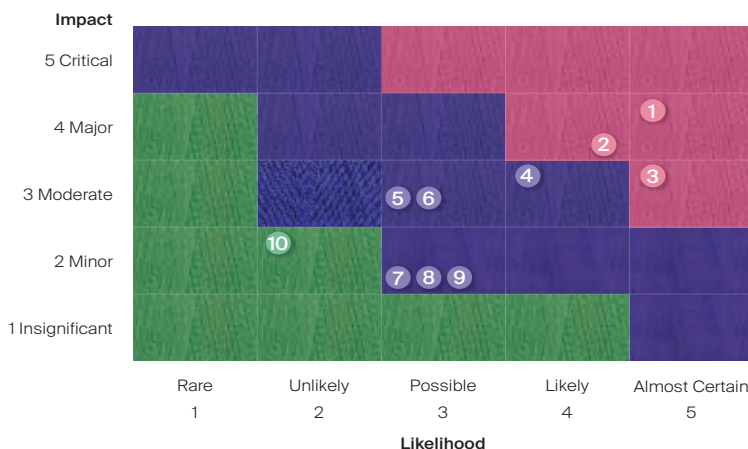
This comprehensive process is designed to identify key risks and to provide assurance that they are fully understood and managed within Management’s risk appetite. The management of risk is based on the balance between risk and reward, determined through a careful assessment of both the potential outcomes and impact as well as risk appetite. Consideration is given to both reputational and financial impact, recognising the significant commercial value of the Link’s brand. The risk management process is aligned to our strategy and each principal risk and uncertainty is considered in the context of how it relates to the achievement of the Group’s strategic objectives.

Risk assessment is performed from time-to-time and disclosures of any identified contingent liabilities are made when applicable. Details of contingent liabilities of Link are disclosed in note 12 Taxation in the Notes to the Consolidated Financial Statements on page 130 in the Governance, Disclosures and Financial Statements report.

RM 360 focuses on implementing an integrated approach to managing current and emerging risks and opportunities. It nurtures a culture of active risk ownership by mirroring Link’s target operating model and requiring each business and functional area to be responsible for the ongoing identification, assessment and management of their existing and emerging risks. This empowers business units and individual Linkers to monitor risk and execute defined mitigation strategies when needed.



Residual Risk Heat Map



- 1 - Economic and Political Turmoil
- 2 - Financial Stability
- 3 - Climate, Health and Well-being
- 4 - Information System and Technology
- 5 - Portfolio Management
- 6 - Talent
- 7 - Asset Maintenance and Enhancement
- 8 - Supply Chain and Procurement
- 9 - Corporate Reputation
- 10 - Business Integrity and Compliance

Principal Risks



Principal risks	Risk descriptions	Key mitigating measures
Asset Maintenance and Enhancement 	<p>Inadequate maintenance of plant, property and equipment or delay in enhancement projects may result in unnecessary downtime affecting tenant business operations or customer experience.</p>	<ul style="list-style-type: none"> Deploy predictive analytics of energy systems to anticipate, mitigate and minimise equipment down time.
Business Integrity and Compliance 	<p>Occurrences of fraud, non-compliance and unlawful activities may affect Link's ability to do business. As the business expands Link needs to be aware of geography-specific legal and regulatory requirements.</p>	<ul style="list-style-type: none"> Training on new or updated regulatory requirements. Annual review and update of standard operating procedures to ensure relevance and effectiveness.
Climate, Health and Well-being 	<p>There is greater awareness and focus on reducing carbon intensity to mitigate climate change. This will likely manifest itself in carbon pricing, trading and/or tariffs.</p> <p>With the onset of the pandemic, health and wellness rank among the top concerns of Link and its stakeholders.</p>	<ul style="list-style-type: none"> Asset level assessment of exposure to physical and transitional climate risks to prioritise mitigation strategy and measures. Ongoing monitoring of asset level health and wellness performance.
Corporate Reputation 	<p>Misalignment with stakeholder expectations of Link may result in negative impacts on Link's brand value, relationships with business partners, investor confidence and shoppers' experiences.</p>	<ul style="list-style-type: none"> Established stakeholder engagement policy to better understand stakeholders' expectations and the implications to Link's sustainable development. Developed Business as Mutual ethos to guide our operations and ensure we create value for those around us.
Economic and Political Turmoil 	<p>Macroeconomic and financial volatilities as well as change of political landscape create difficulties or uncertainties towards the operating environment of Link and its tenants.</p>	<ul style="list-style-type: none"> Continuous monitoring of key economic indicators and political agenda. Dedicated asset managers overseeing performance of assets. Maintaining direct and open dialogue to enhance transparency.
Financial Stability 	<p>Misalignment of existing strategies on leasing activities, capital management and cost control may not allow Link to achieve financial targets amid slumping global economy and challenging business operating environment.</p>	<ul style="list-style-type: none"> Finance and Investment Committee oversees key financial matters. Apply prudent capital management strategy and maintain diversified sources of financing. Tenant and trade mix strategies to cope with the needs of individual assets. Direct and on-going engagement with existing and potential tenants.
Information System and Technology 	<p>As Link continues to expand, there will be increased risk of business disruption due to inefficiencies in onboarding IT systems as well as monitoring and mitigating the ever-changing cyber-threats.</p>	<ul style="list-style-type: none"> Regular review and update of IT infrastructure. Periodic cybersecurity awareness trainings and exercises. Established policy or guidelines for the uses of information technology.
Portfolio Management 	<p>Fundamental assumptions and processes that underpin investment and divestment strategies are undermined which may hinder Link's ability to deliver on Vision 2025.</p>	<ul style="list-style-type: none"> Regular evaluation of investment strategies and decisions by Financial and Investment Committee. Annual Board retreat to review direction and strategy.
Supply Chain and Procurement 	<p>Unanticipated service/ good delivery lead times or over-reliance on a specific vendor, contractor or service provider may hinder operation and service quality.</p>	<ul style="list-style-type: none"> Established policy or guidelines for procurement. Ongoing monitoring of vendors' performance.
Talent 	<p>Failure to develop and retain an agile, aligned and high performing team of Linkers may impede Link's ability to grow.</p>	<ul style="list-style-type: none"> Remuneration and Nomination Committees oversees key talent and remuneration matters. Regular review of talent strategy including workforce planning, total reward programme and learning and development initiatives to ensure competitiveness.