

Investor relations / Corporate governance

Hedging policy

Risk Management

Leoben, 9 August 2022 - This document sets out the policy of Promercium in relation to hedging activity undertaken by Promercium in relation to business with its clients.

Definition:

The Group is exposed to various financial risks because of its activities. These risks comprise market risk, credit risk, currency risk and liquidity risk. The Group's general risk management program is focused on the volatility of financial markets, and minimizing the impact of probable negative developments on the Group's financial performance.

Purpose:

Creating a framework where the scope, limit and liability related to the impact of rapid changes in the commodity market on our group companies and the activities of Promercium can be determined in addition to assuming foreign exchange liability, sharing this framework with the stakeholders in a transparent manner, reducing uncertainty finally, and minimizing probable damages.

Scope:

Market Risk: price volatility related to main ingredients
Credit Risk: Observing credit/equity ratio
Currency Risk: The exchange rate volatility related to capital and interest
Liquidity Risk: Keeping the current ratio within acceptable limits

Methods to be Used:

Forward, Option-Based Instruments, Option Instruments with Premium Payment, Natural Methods of Hedging, Derivatives, Market Surveillance and Follow-up, etc.

ENDS

Further information

You can find further information in our Resource Centre "Publications" which is available online at promercium.com/publications.

Promercium is an independent commodity trading and logistics house. Every day, we source and supply commodities that enable the world's growth because access to energy underpins economic prosperity.

Find out more at promercium.com



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