

To: Chief finance officer  
From: Risk manager  
Date: September 20X3  
Subject: Principal risk review

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Good day

As you know, our principal risks continue to evolve in such a fast-moving industry. Therefore, we must continually adapt our risk response activities. In our latest review, the risk and assurance team has concluded that the level of risk associated with the following principal risk areas has increased:

Principal risk	Explanation	Causes
<b>External attack on or failure of critical technology</b>	<ul style="list-style-type: none"><li>– The increasing sophistication of organised crime groups means vulnerability regarding availability, confidentiality, and integrity of data.</li><li>– Corjetz increasingly relies on its critical technologies which are key to the delivery of essential business processes.</li></ul>	<ul style="list-style-type: none"><li>– Cyber attack</li><li>– Hardware failure</li><li>– Data centre outage</li><li>– User error</li></ul>
<b>Significant safety/security event</b>	<ul style="list-style-type: none"><li>– Delivering a safe and secure service which meets the needs and expectations of our stakeholders is critical to our success. This includes ensuring the safety of customers and staff both in the air and on the ground.</li><li>– Customer concerns and expectations continue to increase in this area.</li></ul>	<ul style="list-style-type: none"><li>– Flight safety incident</li><li>– Health and safety incident</li><li>– Airport security breach</li></ul>
<b>Climate change and eco-policies and regulations</b>	<ul style="list-style-type: none"><li>– Weather patterns including storms and extreme temperatures are increasingly difficult to predict and are becoming significantly disruptive to flight schedules and punctuality.</li><li>– Policies and regulation to tackle impacts of airlines' activities on climate change are increasingly affecting our business.</li></ul>	<ul style="list-style-type: none"><li>– Increase in CO<sub>2</sub> emissions</li><li>– Weather patterns changing</li><li>– Political change</li><li>– External pressure groups</li></ul>

I am due to meet with the chair of the audit committee next week and I would appreciate your input, particularly in relation to the dynamic nature of these risks and their consequences for Corjetz. This will assist in the audit committee's assessment of the adequacy of our mitigation responses to these risks.

Regards