

# Risk Management Policy

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## 1. Purpose

The purpose of this Policy is to confirm Avivo's commitment and approach to managing risks and set out responsibilities for implementation.

## 2. Introduction

Avivo is committed to developing and maintaining contemporary and effective risk management principles and practices to assist in safeguarding the organisation, its people and resources from situations or events that could jeopardise the sustainable delivery of high quality services to customers and stakeholders.

## 3. Scope

This Policy applies across Avivo.

## 4. Policy

Avivo will seek to protect the organisation, people and assets from risk and harm by implementing a Risk Management Framework for identifying, assessing, monitoring and managing material risk. To meet this commitment, risk should be considered as an integral part of the decision making process throughout the organisation. All teams across Avivo should integrate planning and management processes with sound risk management principles by thinking ahead and seeking advice on risk matters where required.

Avivo recognises that opportunities to achieve strategic objectives involve varying degrees of risk. Avivo does not seek to avoid risk entirely but to exploit opportunities while managing risks in accordance with the Boards Risk Appetite.

## 5. Responsibilities

### 5.1 General

The Board is responsible for setting the Risk Appetite and oversight of the Risk Management Framework and will consider risk when selecting strategies to support achievement of Avivo's Vision and Purpose.

The Audit & Risk Committee assists and advises the Board in the effective discharge of its responsibilities for financial reporting, the audit process, the internal controls in the organisation, and compliance with statutory and regulatory requirements and the code of conduct and organisational risk management.

The Chief Executive Officer has overall responsibility for Risk Management and is accountable to the Board for ensuring there is an effective risk management system in place. The Executive are responsible for the overarching Operational Risk management process and ongoing management of risk.

All employees, directly or indirectly employed, are responsible for the effective identification, management and reporting of risks.

## 5.2 Governance

The Board will consider Risk Appetite and Material Risks and review the Risk Management Policy and Framework on an annual basis.

The Audit & Risk Committee will monitor Material Risks on a quarterly basis.

The Executive Management Group will monitor Material Risks on a quarterly basis.

## 6. References

None.

## 7. Related Documents

Risk Assessment Matrix

Risk Register

Risk Management Framework

Risk Treatment Action Plan Template

## 8. Definitions

**Risk** is the effect of uncertainty on outcomes. It is measured in terms of consequences and likelihood and commonly categorised as strategic risk, operational risk or financial risk.

**Material Risk** is a risk which if realised would have a significant impact on the ability of the organisation to achieve its strategic objectives or potentially its ability to continue operations.

**Operational Risk** the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

**Risk Appetite** is the amount and type of risk that an organisation is willing to pursue or retain.

**Risk Assessment** is a proactive and systematic way of identifying risks.

**Risk Management** is the process for assessing and managing risk.