

Effective date: August 2015
Recommended by: Chief Financial Officer
Authorised by: Board of Directors (Audit & Risk Committee)

Purpose

This policy is a statement of overall intentions and direction of Spicers Limited ('the Company') related to the management of risk.

Rationale for managing risk

Risk is defined as "the effect of uncertainty on objectives". An effect is a deviation from the expected outcome of a (strategic, tactical or operational) business objective, and may be positive ('upside') or negative ('downside').

The rationale for managing risk in the business is to create and protect value. This is achieved by identifying and addressing uncertainties, in order to maximise 'upside' opportunities and minimise 'downside' risk impacts.

Approach

The risk management approach adopted by the Company is consistent with the guidance in, and requirements of, AS/NZS ISO 31000:2009, "Risk management – principles and guidelines".

The approach consists of risk assessment, treatment and monitoring / reporting activities within an established governance framework.

Further information and detail on the approach is contained in the Company's risk management framework documentation.

Link to objectives and policies

The risk management approach within the Company is designed to assess and manage uncertainties associated with the Company's strategies and other business objectives.

Company Policies are an important element in addressing and managing key risk areas identified within the business.

Accountabilities and responsibilities

Everyone in the business has a responsibility to consider and manage risks relevant to the duties and activities of their role.

The following groups and positions have key roles in the risk management process:

- Board of Directors – Ultimately responsible (via the Audit & Risk Committee) for the risk management process, particularly oversight of the risk management policy framework established & overall risk management activities.
- Executive Team – Responsible for direct oversight of the Company's risk management activities, particularly the framework and approach adopted, group level risk assessment & treatment and review of group level risk reporting.
- Country and Functional Heads – Responsible for the ongoing assessment and treatment of risks applicable to their Country or Function, using processes consistent with the Company's Risk Management framework and appropriate to their Country or Function.
- Risk Owners – Responsible for the assessment of risks & related existing controls, and development & actioning of risk treatment plans (as required to improve controls).

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While all of the above groups have key risk management related roles, each individual remains the risk owner for the business processes and activities they are responsible for and should implement appropriate controls and procedures to manage any associated risks.

The Risk Manager (or another suitable position) may assist these responsible groups in maintaining the risk management framework, facilitating risk assessment and treatment activities, and preparing reporting to the Audit & Risk Committee and the Executive Team.

Commitment to resourcing

The Company is committed to the effective management of risk and will allocate appropriate effort and resources to complete these activities.

Measurement and reporting risk management performance

The performance of the business in managing risk will be the subject of reporting to the Executive Team and then at a higher level of aggregation to the Audit & Risk Committee.

The nature and extent of reporting will be defined by these groups; they will review risk management reporting and performance at least annually.

Monitoring and review processes

The risk management policy will be reviewed by the Executive Team and Audit & Risk Committee on an annual basis.

The associated risk management framework will be reviewed by the Executive Team at the same intervals, or as required.

Definitions

Risk

Effect of uncertainty on objectives.

Risk management

Coordinated activities to direct and control an organisation with regard to risk.

Risk management framework

Set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

Risk owner

Person or entity with the accountability and authority to manage a risk.

Related documents

Group risk management framework documentation.

AS/NZS ISO 31000:2009, 'Risk management – principles and guidelines' (available from the Group Manager Risk & Internal Audit).