



Risk Management Policy

LLWR will practice risk management in accordance with the management principles outlined in the international standard for Risk Management – ISO 31000 Risk Management Guidelines.

As defined in ISO 31000, Risk Management should be: integrated; structured and comprehensive; customised; inclusive; dynamic; should continually improve; use best available information; and take account of human and cultural factors. The purpose of risk management is the protection and creation of value. It improves performance, encourages innovation and supports the achievement of objectives.

Risk Management will be supported by the Managing Director and the Leadership Team; they are responsible for providing an appropriate ‘tone from the top’.

LLWR Ltd. will practice ‘Enterprise Risk Management’ which means an integrated approach is required for managing risk across the whole organisation: tapping into existing governance frameworks and risk based processes; placing risk at the heart of setting strategy; formulating business plans and making decisions and managing performance.

There are several processes, disciplines and departments across LLWR whose main focus is the management of risk. It is not the sole responsibility or requirement of a single management process or methodology; it is an intrinsic part of many management processes and procedures and is supplemented at LLWR with a dedicated Risk Management department to provide oversight and support where required.

There are a number of key principles that are the foundation for Risk Management; these key principles, taken from ISO 31000, are described in more detail below, and LLWR Ltd. commits to these principles.

LLWR commits to:	We will achieve this by:
Ensuring the necessary resources are allocated to the management of risk and that authority, responsibility and accountability is clear	Committing the appropriate level of resources in departments that manage risk and continuing to ensure that all employees have ‘a responsibility to manage the risks within their scope of work in compliance with the company risk management procedures.’ Risk owners will be held to account for the risks they own.
Ensuring that the management of risk is customised and integrated across LLWR Ltd.	Tailoring the management of risk in each business area, based on the internal and external context, ensuring that existing governance frameworks are used and other functions managing risk are integrated where appropriate. Risks will be managed at the lowest level at which the manager has the authority, responsibility and resources to take effective action. Articulating in each area of the business how risk will be managed; plans will be owned by a member of the Management Team, ensuring ownership at the appropriate



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	<p>level.</p> <p>The Leadership Team will ensure risks are adequately considered when setting objectives and making key decisions and will act as risk champions across the organisation.</p>
Ensuring risk management is structured and comprehensive	<p>Establishing and maintaining company-wide processes and plans to ensure compliance with best practice standards and contractual provisions. Effective assurance will be in place to give the Board confidence that risk is being managed appropriately; the Audit and Risk Assurance Committee (ARAC) will provide this assurance as delegated by the Board in the Terms of Reference.</p> <p>Maintaining a current understanding of risk appetite and tolerance, communicating this appetite and tolerance across the company, and making decisions consistent with those statements. The SLC Board are responsible for maintaining the statements for risk appetite and tolerance.</p>
The timely involvement of stakeholders in the risk management process	Identifying the organisation and business area’s internal and external stakeholders and considering their knowledge, views and perceptions when identifying and analysing risk. This will lead to improved awareness and informed risk management.
Ensuring the management of risk is dynamic	Establishing an appropriate cycle of risk management activities to take account of the fact that risks emerge, change and expire as the organisation’s context changes.
Managing risks based on the best-available information	Ensuring that when risk management is tailored in each business area, any limitations and uncertainties associated with the information is taken account of, using historical performance data and learning, and the most current information.
Recognising that human and cultural factors influence risk management	Applying appropriate approaches to identifying, assessing and reporting on risks which will mitigate issues caused by peoples personal perceptions, motivations or agendas.
Continual improvement	Maintaining a core competency in risk management and a continuous improvement and learning culture that learns from internal and external experience and assesses performance against high standards and supports personnel growth and development.