



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 1 of 6

SUBJECT:

RISK MANAGEMENT POLICY

1. PURPOSE

Risk management is an integral part of RBCT's business processes. It is fundamental to good management practice and corporate governance. It is the responsibility of the Board, all executives, managers, employees and other stakeholders. Based on the ISO 31000:2018 standard, it is integrated into all RBCT business activities and systems.

The purpose of the risk management policy is to provide guidance regarding the management of risks to support the achievement of corporate objectives, protect staff and business assets, and ensure financial sustainability.

2. SCOPE

This policy applies to all RBCT activities. It forms part of RBCT's governance framework and applies to all employees, contractors and all stakeholders.

3. COMMITMENT TO RISK MANAGEMENT

The Board and management of RBCT are committed to the implementation and maintenance of a formal risk management system, including the integration of risk management throughout the organisation, which is fundamental to achieving RBCT's strategic and operational objectives.

3.1 RISK MANAGEMENT FRAMEWORK

The ISO 31000:2018 Risk Management Standard forms the basis of the Policy. The Policy provides the foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout RBCT. *(Refer to Risk Management Framework document).*



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 2 of 6

SUBJECT:

RISK MANAGEMENT POLICY

4. RISK GOVERNANCE

4.1 The Board of Directors

The Board governs risk in a way that supports the organisation in setting and achieving its strategic objectives.

- The Board assumes responsibility for the governance of risk by setting the direction for how risk should be approached and addressed at RBCT, and exercise ongoing oversight of risk management.
- The Board evaluates and agrees the nature and extent of the risks that the organisation is willing to take in pursuit of its strategic objectives.
- The Board delegates to management the responsibility to implement and execute effective risk management.
- The Board receives periodic independent assurance on the effectiveness of risk management.

4.2 Board Committees

The Board has formally appointed the following board subcommittees to monitor the relevant affairs of RBCT on behalf of the Board:

- Audit and Risk Management Committee (FINCO)
- Operations Committee (OPCO)
- Remuneration Committee (REMCO)
- Social and Ethics Committee
- Projects Committee (PROCOM)



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 3 of 6

SUBJECT:

RISK MANAGEMENT POLICY

4.3 Risk Committee

The CEO, CFO, GM HSEC, Internal Auditor Manager and Risk Specialist are standing members of this committee. The Risk Committee is responsible for the following:

- Evaluate and monitor the effectiveness of risk management
- Oversee that the risk management plan is widely disseminated throughout RBCT and integrated in the day to day activities
- Ensure frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Monitors the day-to-day risk issues of RBCT through bi-monthly meetings

4.4 Chief Executive Officer

The CEO is responsible for the development and implementation of business strategies, budgets, setting performance benchmarks and creating a corporate culture compatible with the business objectives, risk appetite and risk tolerance of RBCT.

4.5 General Manager HSEC

The General Manager HSEC reports directly to the CEO on the implementation, operations and effectiveness of the risk management systems. The General Manager HSEC is the Chief Risk Officer and is responsible for the development and implementation of all risk management processes and methodologies.

4.6 Management

Management concerns itself with issues relating to the general operation of RBCT as a whole and specifically with the operation and performance of activities under their direct control.



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 4 of 6

SUBJECT:

RISK MANAGEMENT POLICY

Management has a mandate to ensure risks are contained within the approved risk tolerance levels and managed in accordance with RBCT's Risk Management Policy and Framework.

4.7 Employees, Contractors and other Stakeholders

It is the responsibility of all RBCT employees, contractors and other stakeholders to:

- be aware of those aspects of the risk management system that are immediately relevant to their jobs. In particular, to be aware of and act in accordance with all policies, procedures, guidelines and work practices related to risk within their area of responsibility.
- comply with all legislative, regulatory, policies, procedures and communicate any breaches promptly and accurately to the appropriate supervisor or manager.
- report to their immediate supervisor or manager any real or perceived risks to the health, safety and working environment of themselves, their peers or the general public.
- report to their immediate supervisor or manager any real or perceived risks that may significantly affect the performance or reputation of RBCT or that may leave RBCT exposed to legal or regulatory action.
- look for opportunities to improve operational efficiencies, optimise outcomes and minimise risk.

All employees are responsible for the ownership of, and for undertaking their part in, the actions and requirements of risk action and mitigation plans.

5. DEALING WITH CONFLICT OF INTEREST

Conflict of interests for RBCT Executive Managers is dealt with through the Conflict Of Interest Declaration process that is managed by the Risk Department.



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 5 of 6

SUBJECT:

RISK MANAGEMENT POLICY

6. RISK REPORTING

Risk is reported in the following ways:

6.1 Board Reporting

Board meetings convene quarterly. One function of quarterly Board meetings is for the Board to be informed by management of current events, new developments and potential exposures to losses, as identified through the risk management system. In particular, the Board has a special role in reviewing, and when necessary, deciding on actions related to material business risks.

6.2 Assessment of Effectiveness

On an annual basis, the Board will, on the advice of FINCO, receive the assessment of effectiveness in all material respects of the risk management and internal control system in relation to material business risks as provided by the CEO.

6.3 Assurance Reporting

Internal Audits provides the RBCT Management with a report after completion of their work program as per the scope of work agreed between the internal and appointed by the Board / Finance Committee and RBCT.

The report describes the review undertaken and tests performed, conclusions reached, recommendation and action plan, personnel responsible to take corrective action and completion dates.

Preparation of the report includes management's review to confirm accuracy of facts.

Copies of the report are provided to the RBCT Executive Management. Relevant sections of the report are also provided to managers responsible for areas reviewed.



HEALTH, SAFETY, ENVIRONMENT AND COMPLIANCE

NO : SR001
REV : 02
DATE : 12/12/23
PAGE: 6 of 6

SUBJECT:

RISK MANAGEMENT POLICY

6.4 Risk Mitigation Action Plans

Actions to improve risk mitigation are documented in the Risk Register. The General Manager HSEC is to monitor the progress of implementing mitigating initiatives and reporting progress to the Risk Committee.

7. COMMUNICATION OF THE POLICY

RBCT is committed to ensuring that all staff, particularly General Managers and Divisional Management teams are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively at RBCT.

8. REVIEW OF THE POLICY

This policy will be reviewed after 3 years, when business process change and as and when required and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the organisation.

02	12/12/2023	<u> </u> P Mjadu Risk Specialist	<u> </u> Z.M. Mthiyane GM HSEC	<u> </u> A.J. Waller CEO	General review
01	01/10/2020	<u> </u> P Mjadu Risk Specialist	<u> </u> Z.M. Mthiyane GM HSEC	<u> </u> A.J. Waller CEO	Revised the following: • Replaced ISO 31000:2009 with ISO 31000:2018 • Risk Officer with Risk Specialist
0	01/07/2016	<u> </u> P Mjadu Risk Officer	<u> </u> Z.M. Mthiyane GM HSEC	<u> </u> A.J. Waller CEO	ORIGINAL
Rev. No.	Rev. Date	Prepared By	<u>Name / Signature</u> Approved By	<u>Name / Signature</u> Approved By	<u>REVISION SUMMARY</u>