

Versions Issued

Version No.	Date	Description of Amendment	Approved by:
1.0	22 June 2023	Creation of policy	SEG Board
1.1	15 October 2023	Named Board member responsible for Risk Management portfolio	Andrew Kerr, Chairman

This document is the property of the Sustainable Eel Group. It is effective from the date above.

1. Purpose and scope

This describes general approach to managing risk. It will initially cover risk to assurance of the SEG Standard system and will expand to cover full organisational risk.

2. Objectives

The objective of SEG's Risk Policy is to minimise risk to SEG's objectives and values.

3. Overall statement of risk policy

- 3.1 SEG experiences diverse threats to its values, and its ability to reach its objectives. The risk policy will manage these threats, and ensure all stakeholder values are adequately taken into account.
- 3.2 In many ways risk management is about achieving balance. For example, a balance has to be struck between reducing risk and increasing the scale and spread of achievements. There is also a balance to be struck between cost and confidence in certification. Reducing risk to zero is thus not SEG's aim, even if it were achievable.
- 3.3 SEG's risk policy therefore aims to ensure that SEG can:
 - determine *optimum* risk for each significant threat it faces, and
 - manage risk in a balanced, monitored way, consistent with SEG's values and achieving SEG's mission.
- 3.4 To achieve these aims:
 - 3.4.1 threats will be identified, even if they may remain outside SEG's control, and
 - 3.4.2 risk will be managed to
 - a) lower vulnerability
 - b) lower the overall impact on SEG's objectives and values, and
 - c) optimise SEG's response to challenges and opportunities.

4. Definitions

- 4.1 In this policy, a 'threat' is any event, action, potential action, or inaction that could impede SEG achieving its objectives. Threats may be reputational (e.g. fraudulent claims, financial organisational (e.g. unclear requirements) or external (e.g. climate change, or competition).
- 4.2 Threats have associated 'risks', which are a combination of the likelihood of a threat actually happening and the impact it has if it happens. So, a risk may be high or low.
- 4.3 'Vulnerability' exists where risk management does not adequately reduce a threat to an acceptable risk level.

5. Whose risk?

- 5.1 In many ways SEG is implicitly designed to manage threats to the environment and to the livelihoods and health and safety of those who produce process and trade eels, those who depend on them, and those who choose to purchase certified products.
- 5.2 SEG's ongoing employment of quality staff, governance systems, stakeholder consultations, requirement of certification bodies, and ISEAL membership, are all part of this risk management.
- 5.3 SEG is therefore managing risk for a very wide range of stakeholders. It is therefore important for SEG to consider:
 - where does the impact fall if a threat is not adequately responded to, and
 - how its stakeholders perceive risk, and their tolerance of risk.
- 5.4 Given SEG's existing systems it might be concluded that no further risk management is required (really – we haven't really looked at risk). In an ever-changing operating environment this would be an error. Moreover, a good risk management system can help SEG maximise opportunities, target resources effectively, and engage stakeholders effectively. Furthermore, good risk management is cheaper than crisis management. It also facilitates identification and wise responses to external and organisational threats that may be difficult to determine from within.

6. Responsibilities

- 6.1 Responsibility for implementing SEG's risk policy is shared across all parts of SEG.
- 6.2 Oversight of the policy, guidance on risk targets and annual review of risk management is a Board responsibility, with Willem Dekker responsible for reporting to the Board on implementation, including on revisions to the Risk Register and Management Plan.
- 6.3 Individuals and teams are responsible for regularly reviewing the Risk Register, implementing appropriate parts of the Risk Management Plan and reporting on progress, challenges and opportunities.
- 6.4 Co-ordination of the Risk Register and Risk Management is the responsibility of Willem Dekker
- 6.5 Oct, who is also responsible for ensuring sufficient inclusion and consideration of organisational and external threats.

7. Risk management tools

- 7.1 SEG will use the following tools as part of implementing this Risk Policy:
- 7.2 A co-ordinated, annually-reviewed Threat Register,

- 7.3 A co-ordinated, annually-reviewed Risk Management Plan that categorises the identified threats, assigns each a risk rating and target risk rating, and sets out mitigation and monitoring responsibilities and schedules.
- 7.4 A root cause analysis of threats to inform the Risk Management Plan.
- 7.5 An annual Board review of the Risk Register and Management Plan.