Risk management framework

The risk framework supports and informs business activity and decisions, managing risk through a set of integrated processes.

BOARD

Approves strategy, investment decisions and risk appetite

Assessment, management and reporting of principal risk categories

STRATEGIC
- Board reviews investment pool strategies and asset allocation

INVESTMENT
- Investment Committee reviews and approves individual investments

MARKET
- Risks and sensitivities reviewed regularly
- Market and portfolio volatility reviews

LIQUIDITY
- Detailed cash forecasting supported by scenario analysis
- Revolving credit facility in place

OPERATIONAL
- Oversight by Operational Risk Committee
- Robust systems and controls in place

ESG/CLIMATE CHANGE
- Implemented through RI/RC Working Group

THE RISK FRAMEWORK ALIGNS WITH AND SUPPORTS BUSINESS ACTIVITIES

INTERNAL CONTROL ASSURANCE

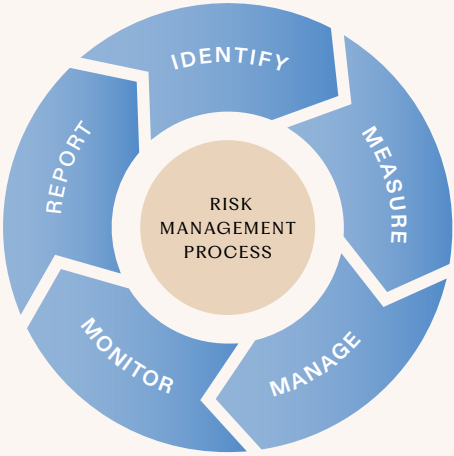
RISK ANALYSIS & REPORTING

IDENTIFY

the range of risks we need to manage that are relevant to our business activities and strategy. The top-down risks that Caledonia is exposed to form our principal risks

REPORT

key risk exposures, control assessments and actions for risks outside appetite. Detailed reporting to the Operational Risk Committee with aggregate dashboards to the Audit and Risk Committee and the board



MEASURE

and assess the materiality and magnitude of the risks identified, and assign risk ratings to articulate both our risk profile and appetite position

MONITOR

the risk exposures, through regular risk reviews, analysis of incidents and scenario exercises, all of which could trigger a reassessment of the original rating

MANAGE

the risks according to our rating and control assessments. The risk may not be accepted as assessed and need remedial actions to bring it back within appetite