

Procedures for conducting a risk assessment

1. Risk Identification:

In order to identify any risks of adverse impacts which your business may cause, contribute to, or be associated with, you may consider a variety of factors, including:

- a. Sources of risk;
- b. Causes of risks;
- c. Consequences of the risks;
- d. Indicators of emerging risks;
- e. Assumptions involved.

Tools such as risk identification matrices and heat maps can be used to compare and prioritise the risks. These tools allow you to categorise based on the likelihood and severity of a potential impact.

2. Risk Analysis:

Based on the information gathered from the risk identification phase, you can now analyse the risk levels based on their severity and likelihood to occur, and thus prioritise actions needed in order to mitigate and address existing or potential risks. Risk analysis entails conducting a detailed consideration of the risks, consequences, likelihood, scenarios, controls and the effectiveness of such controls.

3. Risk Evaluation:

When doing a risk evaluation, you should thoroughly examine the results of the risk analysis and compare them to established risk criteria in order to determine where additional controls may be required and what these controls could be.

4. Risk Communication:

You should communicate the risks identified during the assessment to employees and stakeholders. The communication of risks can be done through training, emails, newsletters, and sustainability reports among other methods of communication. When communicating the risk assessment, it is important to ensure that the employees and stakeholders understand the risks identified as well as control and mitigation measures in place.

5. Monitoring and reviewing:

You should review risk assessments at regular intervals to ensure that they remain up to date. It is a good practice for businesses to review risk assessments regularly, for example, once a year.