

RISK MANAGEMENT POLICY

Policy Aims

The objectives of the group are reliant upon effective risk management. Key risks should be identified at an early stage and mitigating controls implemented to prevent their occurrence or at least reduce the impact and likelihood to a level that is 'acceptable' to the Audit and Risk Committee. 'Acceptable' is defined as within or aligned with an approved Risk Appetite. Risk management culture is embedded throughout the Group at all levels and forms an essential element of day-to-day activity. This assists management in the identification and understanding of risks facing the business activities and the status of the key controls in place for managing those risks.

Roles and responsibilities

The risk management policy is the responsibility of the Audit and Risk Committee ("the Committee"), as delegated by the Main Board. The Committee is responsible for setting the risk appetite of the Group through the management and approval of the Approvals and Authorisation Mandate, which is reviewed by the Committee annually in March.

Risk management process

Individual business units Managing Directors are responsible for the identification of risks within their areas of operation. Each risk must be assessed within the business unit taking into account the likelihood of manifestation and the potential impact on the Group should the risk occur. When considering the impact, the following areas must be taken into account:

- Environmental
- Financial
- Operational
- Compliance
- Reputational

Each identified risk must be recorded in a Business Unit risk register along with the relevant assessment noted above. The business must review any mitigating controls that are currently in place and document them within the risk register. Consideration must also be given to any areas of control weakness that is identified within the review. Each risk is allocated a specific risk owner, who is responsible for ensuring that controls are appropriate for the risk in question and any rectification is followed up.

After taking into account the impact of mitigating controls or circumstances, the Business Unit must reassess the likelihood of the risk coming to pass. Should any control gaps be identified, they must be recorded on the risk register along with a plan for rectification or a justification as to why the remaining risk is acceptable to the Business unit.

Business Unit risk registers are continually monitored for changing and emerging risks, throughout all levels of the organisation. Formal risk register reviews are completed on a quarterly basis by Business Unit MDs, with Internal Audit helping facilitate.

The risk registers, once completed by the Business Units, are passed to the Internal Audit function for review and challenge, before material risks identified are compiled into a Corporate Risk Register. The Corporate Risk Register is then reviewed and challenged by the Committee four times a year, particular consideration is given to the remaining level of risk in each identified area and a decision made on whether the risk is of an acceptable level to the Committee.

Internal control

The Groups internal controls are designed to minimise the risks that the Group is exposed to by its operations. The key way in which this is managed by the Committee is through the Approval and Authorisation Mandate, which dictates what areas of decision making are retained by the Main

Board and what is within the control of the executive management team. This document is approved and distributed with reference to the Group Risk Registers.

The Group Internal Audit function, which reports to the Committee, uses the Business Unit risk registers as a framework for targeting controls and process reviews to ensure that management's assessment of control effectiveness is appropriate. Internal Audit maintain an Audit Universe, which highlights the key controls in operation across the business, ensuring that appropriate coverage is obtained over a three year cycle.

This policy will be reviewed annually by the Committee.

Approved by the member of the Audit and Risk Committee on 25 March 2026

Nigel Halkes