



NODE4

NODE4 GROUP RISK MANAGEMENT POLICY

NODE4

INTERNAL

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PURPOSE

The purpose of this Group Risk Management Policy is to provide an overview of the operating framework for identifying, assessing, treating, monitoring, and communicating risks. This policy is aligned with the principles outlined in ISO 31000: 2018, Risk Management Guidelines and best practice guidance from the Orange Book of Risks.

OBJECTIVES

The effective identification and management of risks protects our people, clients, financial position, resources, and reputation.

The risk management objectives are to:

- Ensure that risk management is clearly and consistently applied.
- Ensure that risk management is embedded in the culture through ESaaS.
- Manage risk in accordance with best practice.
- Consider compliance with health and safety, insurance, and legal requirements as a minimum standard.
- Anticipate and respond to changing social, environmental, and legislative requirements.
- Inform policy and operational decisions by identifying risks and their impact.
- Prevent death, injury, damage, and losses, and reduce the cost of risk.

SCOPE

This policy applies to all aspects of operations across all legal entities that form the Node4 Group.

POLICY

The Node4 Group recognises the need to identify and understand its key business risks and is committed to ensuring that appropriate arrangements are in place to enable informed risk decision taking, recognising the need to optimise the balance between risk and reward.

Risk management is part of good management practice and is essential in supporting ESaaS culture, moving from a risk averse to a 'risk aware' approach. It is recognised that to be effective, the approach to managing risk needs to be structured, consistent and operate at both strategic and operational levels within the organisation. It is also recognised that risks should be aligned with key priorities and outcomes and that action taken must always be proportionate to the level of risk.

To ensure the effective management of key risks the organisation will:

- Identify and define the internal and external context of the organisation by considering the organisation's objectives, stakeholder, and regulatory environment.

- Regularly identify and document potential risks by encouraging input from all relevant stakeholders to ensure a comprehensive risk register that demonstrates risk is embedded in company culture.
- Evaluate the likelihood and impact of identified risks. Prioritise risks based on their significance and potential impact in the organisation.
- Develop and implement risk treatment plans to mitigate, transfer, accept, or avoid identified risks. Ensure that risk treatment plans align with the organisation's objectives and risk appetite.
- Promote a consistent and clear approach in terms of how risk should be treated and managed.
- Regularly monitor and review the effectiveness of implemented risk treatments. Review and update the risk management process based on changes in the internal and external environment.
- Foster a culture of open communication regarding risks within the organisation. Engage relevant stakeholders in the risk management process and keep them informed of significant developments.
- Clearly define the roles, responsibilities, and reporting lines for risk management.
- Support the business in terms of taking informed risk aware decisions.
- Demonstrate commitment to continuous improvement of its risks management process and reflect good practice which is aligned to the organisation's approach to corporate governance.

ROLES AND RESPONSIBILITIES

All staff

All staff have a responsibility for identifying, evaluating, and managing risk within their area of responsibility. They should assist with the implementation of risk mitigation strategies relevant to their role. All staff should escalate upwards any concerns regarding new or existing risks within their department/division.

Risk owners

Risk owners are responsible for ensuring specific owned risks are appropriately identified, assessed, and mitigated. Risk owners are responsible for ensuring updates are provided into the risk register and liaise with owners of specific controls and actions to ensure they are mitigated. The appointed risk owner will be a senior member of staff within the appropriate Division of Node4 group.

Quality & Compliance team – Internal auditors

The Quality and compliance team, specifically the Internal Auditors, serve as the frontline assessors of risk management and organisational compliance effectiveness. They conduct audits based on the internal audit plan, evaluating controls' adequacy, and identifying improvement areas. The Internal Auditors report their findings to the Head of Quality and Head of Compliance, providing valuable insights into the organisation's risk posture and opportunities for enhancing control mechanisms. This collaborative effort ensures that risks are continually assessed,

mitigated, and aligned with regulatory requirements, contributing to the overall integrity and resilience of the organisation.

Executive team

Executive teams are responsible for implementing this policy within their area of responsibility. They should ensure that processes are in place for the identification, evaluation, management and reporting of risk and that their staff have competence to deliver this. They ensure risk is managed in line with the Group's risk appetite. They share risk identification and management information with their Division and Head of Compliance.

Head of Compliance

The Head of Compliance oversees the development and implementation of risk management and compliance policies, ensuring alignment with regulatory standards. They collaborate with the Executive team to identify and mitigate risks, monitor regulatory changes, and promote a culture of compliance. The Head of Compliance liaises with internal audit, provides training on compliance, and communicates with stakeholders on compliance matters. They enforce compliance standards, investigate non-compliance, and promote ethical conduct throughout the organisation, playing a vital role in safeguarding the organisation's reputation and integrity.

Head of Group Governance

The Head of Group Governance is pivotal in overseeing the organisation's governance framework and ensuring alignment with strategic objectives. As a key executive leadership team member, the Head of Group Governance collaborates closely with the Head of Compliance to ensure that risk management and compliance efforts are integrated seamlessly into governance practices. The Head of Compliance reports directly to the Head of Group Governance, providing regular updates on compliance activities, risk assessments, and regulatory developments. This reporting structure fosters transparency, accountability, and effective decision-making at the highest levels of the organisation, contributing to its long-term sustainability and success.

Group Risk Committee

The Group Risk Committee comprises senior leaders, including the Group Managing Director, CEO, Head of Group Governance, and Head of Compliance. This committee convenes regularly to provide oversight and strategic direction on the organisation's risk management activities. Responsibilities of the Risk Committee include reviewing and approving the risk management framework, assessing the organisation's risk appetite, and evaluating significant business risks. The committee ensures that risk management practices are aligned with the organisation's objectives and regulatory requirements and provides guidance on key risk decisions and mitigation strategies. Additionally, the Risk Committee monitors the effectiveness of risk controls. It reviews reports from internal audit and compliance functions, fostering a proactive approach to risk management and enhancing the organisation's resilience in an ever-evolving business landscape.

TRAINING & COMMUNICATION

The Node4 Group will offer regular training sessions to all employees, focusing on understanding responsibilities and taking ownership, to empower them to effectively report risks.

The Node4 Group will ensure that all new employees, supervisors, and managers will receive induction on the policy and will provide refresher training to all members of staff so that they are aware of whistleblowing law and know how to use this policy.

COMPLIANCE

Committed to the highest standards, we conduct our business ethically and in full compliance with laws, regulations, and industry standards. Our risk management practices prioritise integrity, transparency, and the protection of sensitive information. We maintain robust internal policies, clear roles, and accountability, fostering continuous improvement. This commitment reflects our proactive approach to identifying, assessing, and mitigating risks, ensuring a resilient organisation trusted by stakeholders.

RELATED DOCUMENTS

Additional policies, procedures, and documents exist to support this Risk Management Policy.

- Risk Management Process.
- Risk Register.
- Business Continuity and Disaster Recovery Innovation Plan.
- Information Security Policy.
- Disciplinary Policy.
- Whistle Blowing Policy.

SIGNED BY THE RISK COMMITTEE

This Policy has been approved by all key members of the Risk Committee: Hannah Birch – Group MD, Jon Kay – CFO, Kate Lincoln – Head of Group Governance, Vicky Withey – Head of Risk and Compliance

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