

Risk Assessment - Current Status -

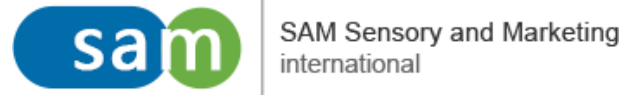
MARC SCHAEDELI, CEO

THE CONSULTING GROUP AG

6 – 17 MARCH 2017

SINGAPORE/JAKARTA/MANILA/KUALA LUMPUR

The 'Schädeli' story




1986

1991

1998

2001

2015

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

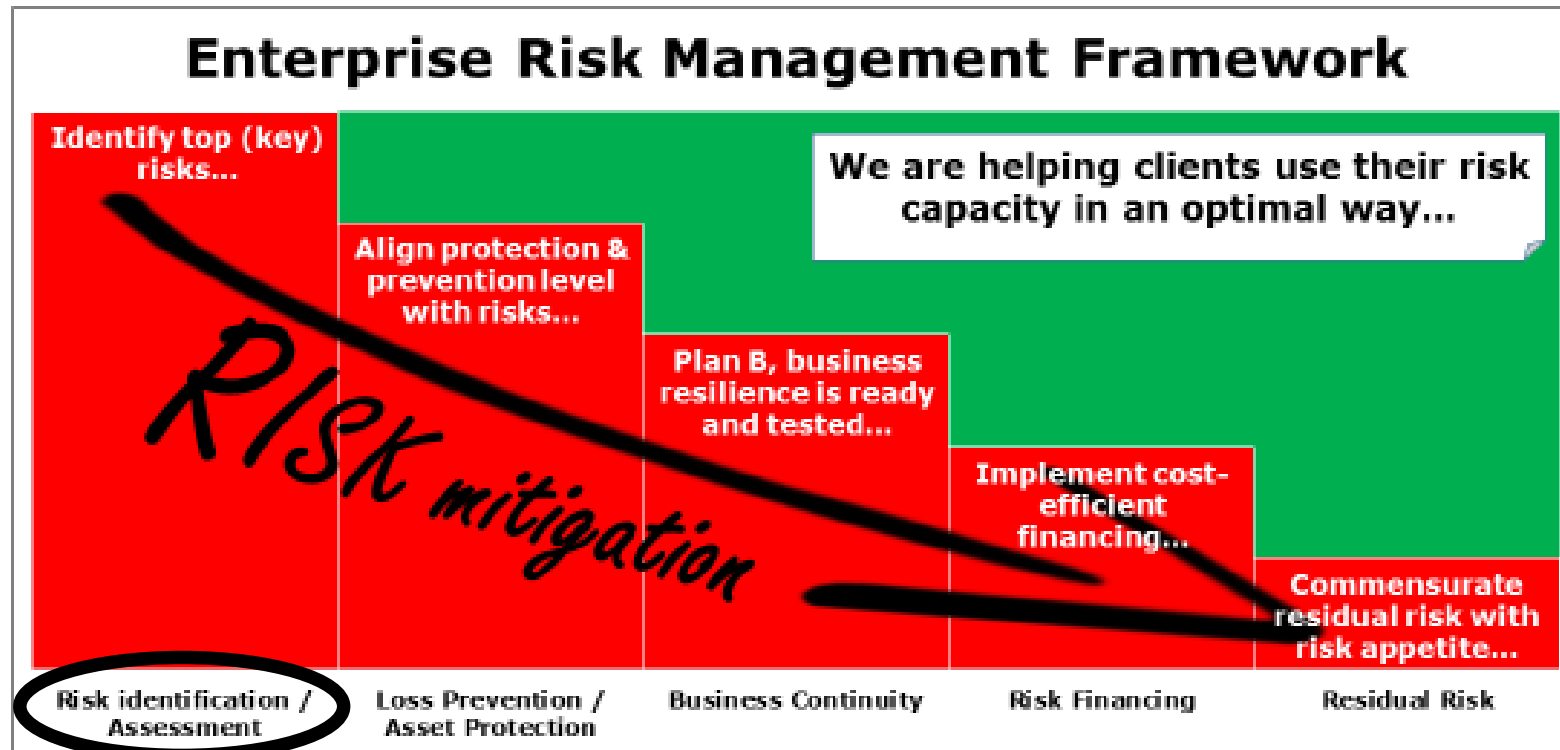
Swiss Confederation

Federal Department
of Economic Affairs DEA
Agroscope Liebefeld-Posieux
Research Station ALP



Our vision..

...is to assist you in achieving your objectives and protect your assets.



2017 @ The Consulting Group AG (TCG)

Facilitated Workshop A Brief Introduction

- ✓ Self-assessment process;
- ✓ Simple and flexible;
- ✓ Multi-functional team;
- ✓ Unexpected / unplanned deviation;
- ✓ Risks owned by line management.



Aligned with ISO 31000 / COSO: IC framework can use the same methodology for the risk-based approach to assess processes.

Risk Assessment (example)

Name	Function	Present
M. Bonjour	General Management	yes
H. Müller	Finance Manager	yes
T. Hauser	Business Manager	yes
L. Parra	HR Manager	yes
M. Beta	IT/IS Manager	yes
A. Gamma	Legal / Compliance / Corporate Affairs	yes
S. Sanchi	Marketing / Sales Manager	yes
T. Terra	Supply Chain Manager	yes
P. Omega	Technical Manager	yes

Likelihood / Impact definitions (example)

Occurrence	Likelihood of occurrence (% to occur during the time frame)
Timeframe	<months/years>
A: Almost Certain	95 - 100%
B: Highly Probable	80 - 95%
C: Probable	50 - 80%
D: Fairly Likely	20 - 50%
E: Unlikely	5 - 20%
F: Almost Impossible	0-5%

Financial statements	Turnover (in mCHF)	Profit (%)
	50	12%

Impact	Unexpected financial impact considering all known controls / action in place (mCHF or %)	Brand / Reputation / Image
-4: Exceptional opportunity	To be defined for each Business/Project (deviation could lead to the next milestone) Example: > +10 mio CHF (> +50%)	Improves / enhances company's global image / reputation / credibility, longstanding positive impact on labour union, governmental, investor, customer activities
-3: Significant opportunity	To be defined for each Business/Project (deviation discussed with GM) Example: +5 to +10 mio CHF (+20 to +50%)	Improves / enhances company image / reputation, has not only local impact (e.g. labour union, governmental, investor, customer activities or wide media coverage), relevant impact on company credibility
-2: Moderate opportunity	To be defined for each Business/Project (deviation discussed with CFO) Example: +1 to +5 mio CHF (+5 to +20%)	Minor positive impact on local company image / reputation
-1: Negligible opportunity	To be defined for each Business/Project (deviation manageable within budget) Example: < +1 mio CHF (< +5%)	Generally unnoticed positive impact on local company image / reputation
1: Negligible threat	To be defined for each Business/Project (deviation manageable within budget) Example: < -1 mio CHF (< -5%)	Generally unnoticed negative impact on local company image / reputation
2: Moderate threat	To be defined for each Business/Project (deviation discussed with CFO) Example: -1 to -5 mio CHF (-5 to -20%)	Minor negative impact on local company image / reputation
3: Significant threat	To be defined for each Business/Project (deviation discussed with GM) Example: -5 to -10 mio CHF (-20 to -50%)	Major negative impact on company image / reputation, cannot be managed locally, impact on labour union, governmental, investor, customer activities or wide media coverage, almost impact on company credibility
4: Major threat	To be defined for each Business/Project (deviation could put in danger the company) Example: > -10 mio CHF (> -50%)	Major global negative impact on company image / reputation / credibility, longstanding labour union, governmental, investor, customer activities

Risk Assessment Catalogue (example)

No.	Category	Sub-Category	Risk / Opportunity	Trigger (non exhaustive examples included)	Effect	Controls in place	Level of confidence (controls)	Notes / Comments	Impact	Likelihood	Impact	Likelihood	Add. Actions required	Responsible	Due Date
#1	Compliance & Governance	Human Rights (HRs)	Risk that an international NGO publicly reports on Market non-compliance with (or performance on) international human rights standards	All human rights risks except those related to Community, Fair Treatment, Non-Discrimination, Suppliers or Trade Unions specifically. International organization detecting non-compliance with human rights such as Association and collective bargaining; Non-existent Employee grievance; Discrimination of non-permanent workers; related to Suppliers (tier1 - upstream) or to Community Impacts. Organization publishing these allegations outside of your Market.	Impact on Corporate reputation		N/A		3	E	3	E			
#2	Compliance & Governance	Non-food Compliance	Non-food related compliance issue	All non-food related compliance issue except fiscal, legal & human rights (addressed separately) such as: Corruption. Non-respect of internal policies, etc.	Impact on reputation		N/A		4	F	4	F			
#3	Compliance & Governance	Royalties	Issue with Royalties agreement (GLA) impacting the business	Challenge by authorities, e.g. related to license fees, etc.	Financial impact		N/A		1	F	1	F			
#4	External	Fiscal	Fiscal issues impacting the business	New tax regime, scrutiny of fiscal authorities, etc.	Financial impact		N/A		2	C	2	C			
#5	External	Food Laws	Food laws development impacting the business	Safety limits, consumer communication, international trade, etc.	Financial impact		N/A		3	B	2	E	Action AAA	Technical	30/09/2015
#6	External	Legal	Legal issues impacting the business	Claims, law suits, litigations, IP infringement, etc.	Financial impact		N/A		4	C	4	D	Action BBB	Legal	31/12/2017

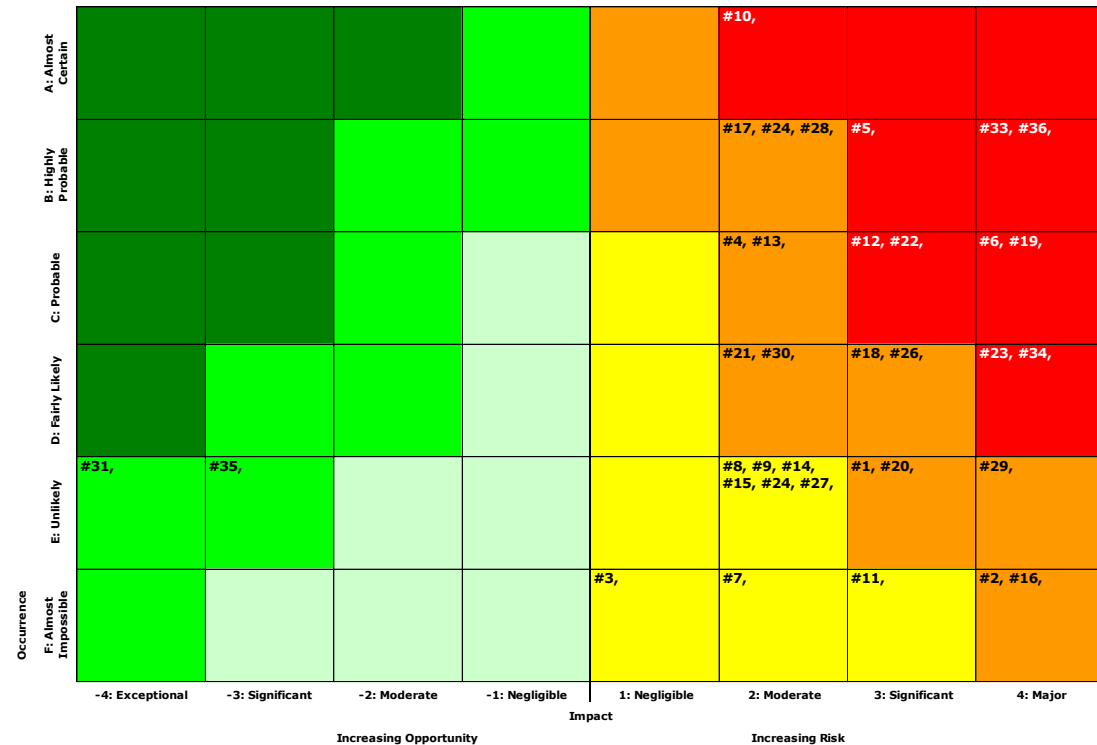
Current / Target Risk Profile (example)

Risk Assessment - Current Profile

- Action to be taken
- No action / to be monitored
- No action within tolerance



Company XYZ	Analysis Date: 08/09/2015
Business Risk Assessment	Last Updated: 08/09/2015

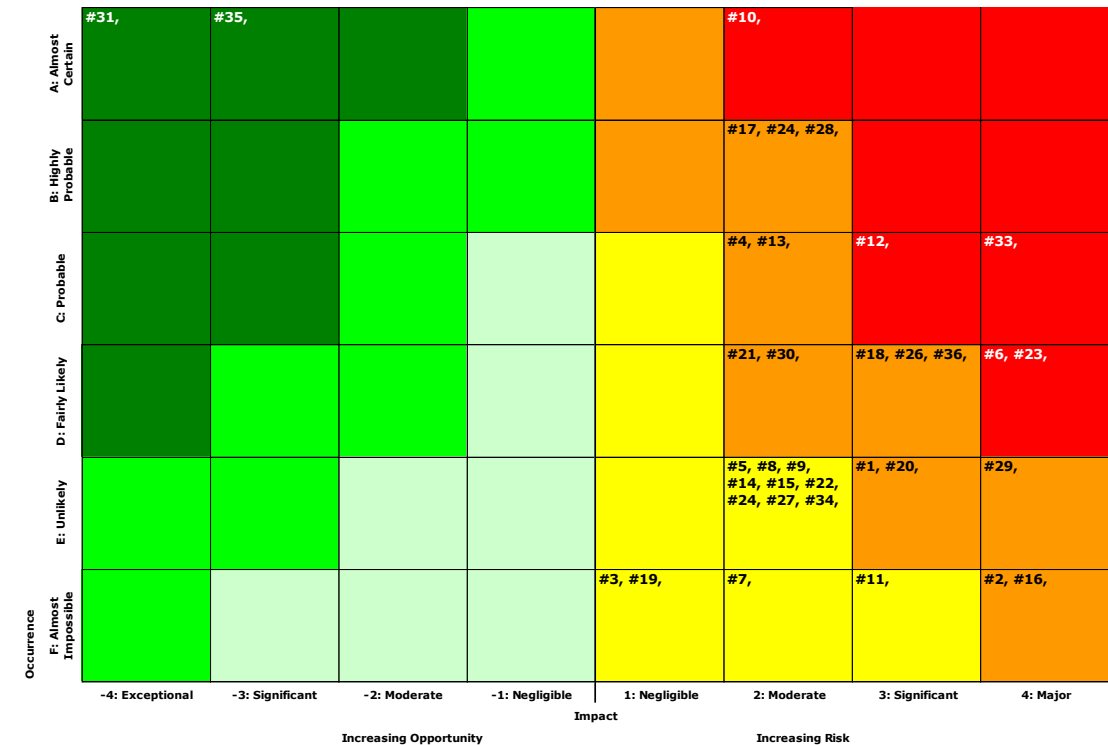


Risk Assessment - Target Profile

- Action to be taken
- No action / to be monitored
- No action within tolerance



Company XYZ	Analysis Date: 08/09/2015
Business Risk Assessment	Last Updated: 08/09/2015



‘Strategic Planning 2017-2022’ - The Food Company XYZ -

- Brainstorming
- Quantification (Likelihood/Impact)
- Current Risk Profile
- Prioritization (High – Medium – Low)
- Mitigation Action (Action Plan - Responsible – Due Date)
- Target Risk Profile
- Excel Template



Conclusion

Risk Assessment

- Top 3 learning
- Next steps
- Keep it simple...!

