

Sample Risk Appetite Statements

Risk Category	Risk Appetite Statement / Criteria Examples
Strategic	<ul style="list-style-type: none"> The entity has a low-risk appetite for risks that may affect the achievement of Key Result Areas.
Governance	<ul style="list-style-type: none"> The entity has a low-risk appetite for risks that affect the way the organisation is directed and controlled. Zero tolerance to unethical practices, corruption, fraud and unfair practices
Operational	<ul style="list-style-type: none"> The entity can accept service/process disruptions of XX hours/days per year.
Legal	<ul style="list-style-type: none"> The entity has zero risk appetite regarding breaches of law, regulations and policies.
Financial	<ul style="list-style-type: none"> Budgetary variations should not exceed XX% Zero tolerance to loss of entity's funds The organisation is willing to accept revenue under performance not exceeding XX % of the set target.
Technology	<ul style="list-style-type: none"> The entity has a high-risk appetite to invest in innovative solutions that increase efficiency in systems and processes in operations. We have low risk appetite that may lead to loss or breach of entity's stakeholder's data. The organisation can only accept a Recovery Time Objective (RTO) and Recovery Point Objective (RPO) for critical services within an average of XX minutes/hours/days.
Security	<ul style="list-style-type: none"> The organisation shall have zero tolerance on risks that may lead to unauthorised access and loss of assets.
Reputational	<ul style="list-style-type: none"> Zero tolerance to adverse media coverage The organisation has a low-risk appetite regarding any activity that puts its reputation in jeopardy.
ESG	<ul style="list-style-type: none"> The organisation has a low-risk appetite regarding any risks that relate to climate change, governance and sustainability.
Health and Safety	<ul style="list-style-type: none"> Zero fatalities in our premises

	<ul style="list-style-type: none"> • Zero tolerance for risks that could endanger the health and safety of our employees and clients.
Political	<ul style="list-style-type: none"> • The entity will not accept to be involved in any political activities. • The entity will have a low risk appetite for political activities that may affect achievement of our mandate. • The entity will have a moderate risk appetite for political activities that support achievement of our mandate.
Compliance	<ul style="list-style-type: none"> • Zero tolerance to noncompliance to the relevant regulatory requirements