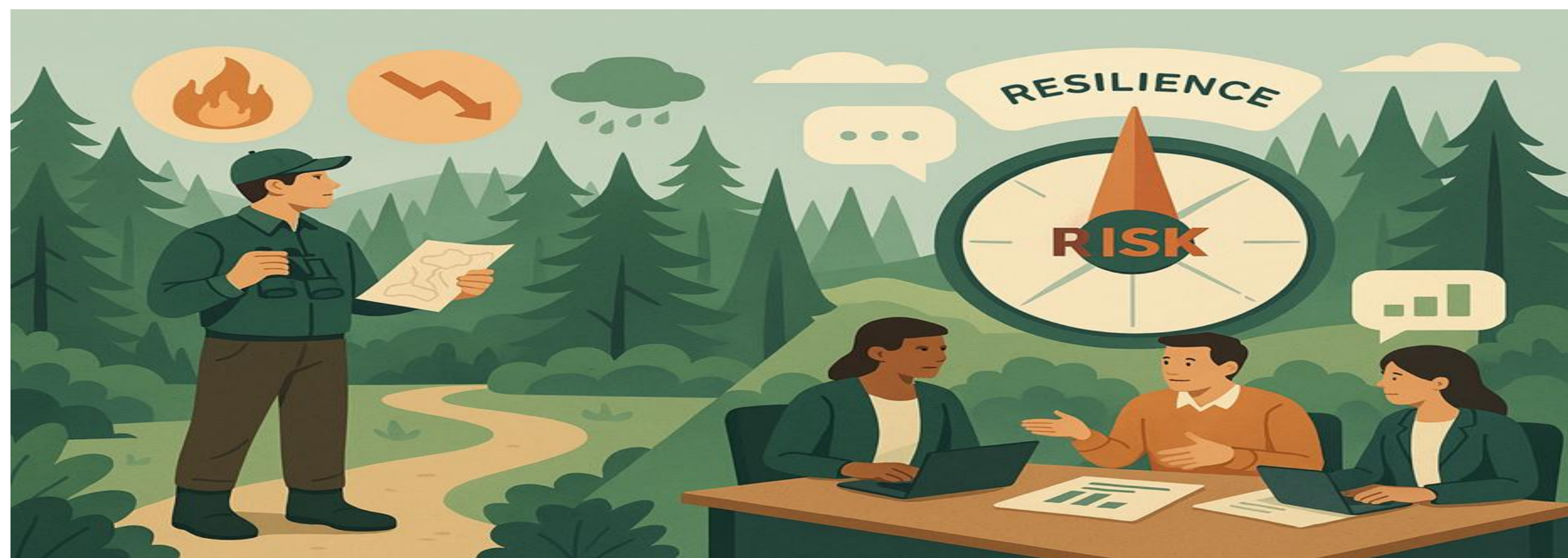




## Risk as a Compass: Navigating Decision-Making in Forestry

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# **Risk as a Compass:** Navigating Decision-Making in Forestry

**Why are we here?**

- To explore the role of risk in forestry decision-making

**How to get most out of the next 20 minutes?**

- Share your experiences and perspectives.

# Navigating Uncertainty: Risk Part of the Decision DNA

ISO 31000: 2018 Risk Management Standard reminds us:

“Risk is the **effect** of **uncertainty** on **objectives**”



# Uncertainty and Sirex Wasps

## *Ontological uncertainty*

*Could the wasp affect different types of trees?  
We don't know what we don't know*

UNCERTAINTY

## *Epistemic uncertainty*

*Sirex damage intensifies in areas previously  
considered low-threat.  
We know what we don't know...*

## *Aleatory uncertainty*

*A forest manager monitors annual Sirex wasp activity in commercial pine plantations.  
We know what we know...*



**We're  
in  
trouble  
here...**

*"But in all my experience, I have never been in any accident...of any sort worth speaking about. I have seen but one vessel in distress in all my years at sea. I never saw a wreck and never have been wrecked nor was I ever in any predicament that threatened to end in disaster of any sort"*

**S.S. INDU**

I see Black Swans...



**Wanna bet?**



# Navigating Uncertainty: Risk Appetite part of the Decision DNA

ISO 31000: 2018 Risk Management Standard reminds us:

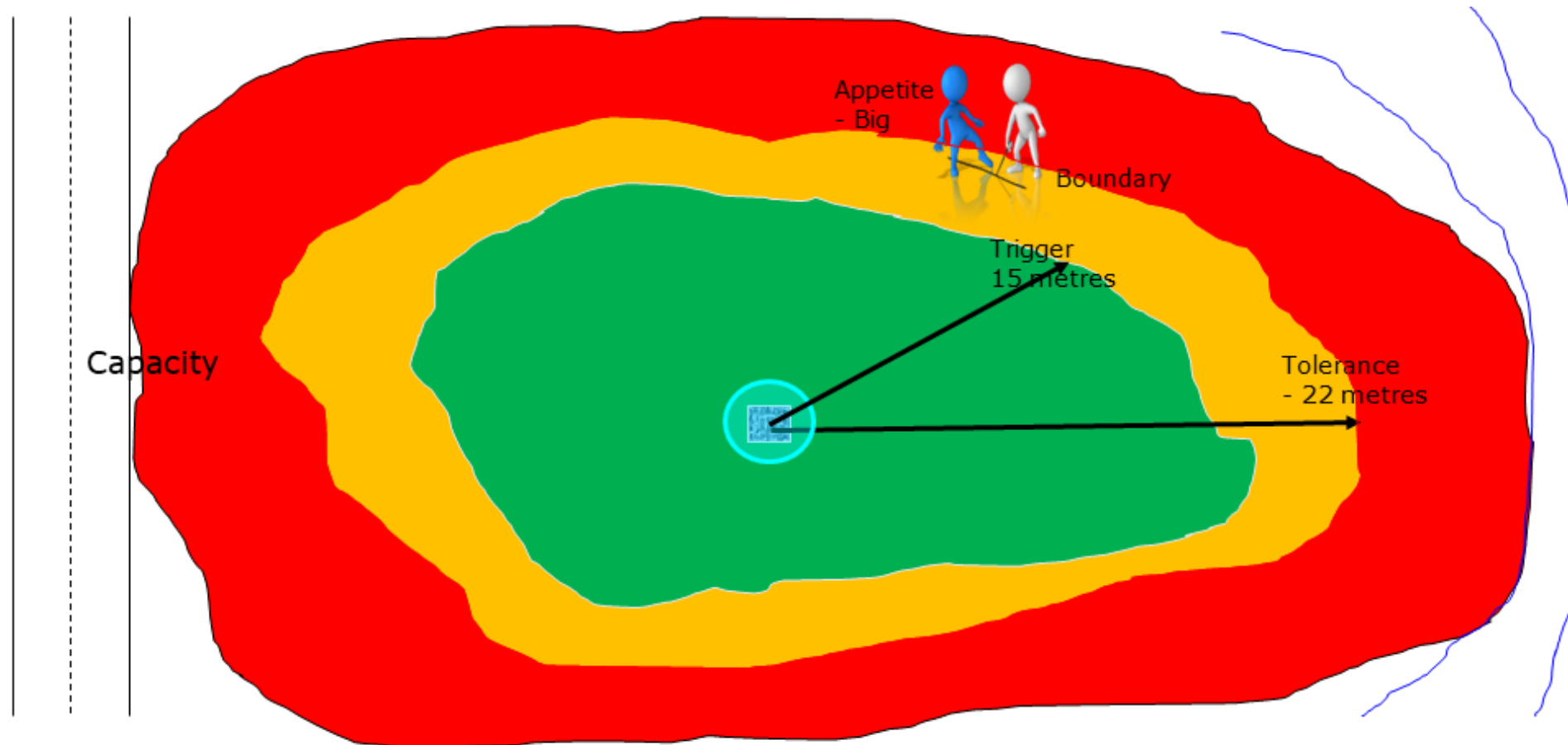
“Risk is the **effect** of **uncertainty** on **objectives**”



# What is Risk Appetite? Freedom Within Boundaries

**Risk Appetite Statement** provides insight into the degree of risk a business is willing to accept in pursuit of **objectives**.

**Guide decision making** by specifying **how & where you can take risk, &** the parameters in which you must conduct activities.



## Freedom to:

- Take Risks
- Make Decisions
- Pursue Activities
- Fail

## Setting Risk Appetite: Prevailing Attitude to Taking Risk

- Everyone has their own personal appetite for risk, which can lead to variations in day-to-day decision making across the business.
- This why business guidance on Risk Appetite is important in providing a consistent understanding of risk-taking boundaries.



# Example: OneFortyOne Risk Appetite Statement



| Risk Area                  | Risk Appetite                                                                                                                                                                                                                                                                                      | Risk Appetite Summary |     |          |      |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----|----------|------|
|                            |                                                                                                                                                                                                                                                                                                    | No Appetite           | Low | Moderate | High |
| Health, Safety & Wellbeing | OneFortyOne is committed to the health, safety, and wellbeing of employees, contractors and visitors. We embrace our responsibility to provide a safe working environment, actively preventing work related serious or permanent injury and fatalities.                                            |                       |     |          |      |
|                            | <ul style="list-style-type: none"> <li>We have <b>no appetite</b> for any work-related serious or permanent injuries or fatalities.</li> </ul>                                                                                                                                                     | ●                     |     |          |      |
|                            | <ul style="list-style-type: none"> <li>We have a <b>high appetite</b> for actions, measures and activities that manage all health and safety risks to the lowest level reasonably practicable.</li> </ul>                                                                                          |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li>We have a <b>high appetite</b> for activities that support employee and contractor wellbeing, fostering a thriving and positive workplace environment.</li> </ul>                                                                                           |                       |     |          | ●    |
| Operational                | OneFortyOne is committed to continuous development, maintenance and upgrade of buildings, facilities and our technology environment to ensure and protect business operations.                                                                                                                     |                       |     |          |      |
|                            | <ul style="list-style-type: none"> <li><b>Disruption:</b> We prioritise actions that strengthen our resilience and have a <b>high appetite</b> to enhancing our ability to adapt to operational disruptions and recover quickly.</li> </ul>                                                        |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Supply Chain Resilience:</b> We have a <b>high appetite</b> to actively manage supply chain disruptions and risks by seeking diversification and establishing contingencies across critical supply chain elements.</li> </ul>                            |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Cyber Resilience:</b> We safeguard the security, confidentiality, integrity and continued availability of our technology environment, data and services, with <b>no appetite</b> for compromise.</li> </ul>                                              | ●                     |     |          |      |
| Environment                | OneFortyOne is committed to maintaining forest management systems that are certified to one of the two internationally recognised forest certification standards. Maintaining certification requires a commitment to continuous improvement in how we manage our estates.                          |                       |     |          |      |
|                            | OneFortyOne carefully considers the impact on the environment, people and community, including those we choose to do business with, when making and carrying out decisions.                                                                                                                        |                       |     |          |      |
|                            | <ul style="list-style-type: none"> <li><b>Forestry Management:</b> We have a <b>high appetite</b> for ensuring the sustainability of our timber resources and the health of our forests by prioritising responsible practices and productivity.</li> </ul>                                         |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Environmental Impact:</b> We have a <b>low appetite</b> for actions and activities that compromise the environmental health and sustainability of land, water, air and other natural resources.</li> </ul>                                               |                       | ●   |          |      |
|                            | <ul style="list-style-type: none"> <li><b>Maximising Fibre:</b> We have a <b>high appetite</b> for <u>maximising</u> wood fibre usage to minimise waste and reduce our environmental footprint.</li> </ul>                                                                                         |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Chemical Management:</b> We have a <b>high appetite</b> for understanding and mitigating the impact of chemical usage across our business and the environments in which we operate.</li> </ul>                                                           |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Biodiversity Conservation:</b> We have a <b>high appetite</b> for protecting biodiversity and threatened species and activities that enhance biodiversity conservation.</li> </ul>                                                                       |                       |     |          | ●    |
|                            | <ul style="list-style-type: none"> <li><b>Neighbours and Community:</b> We have a <b>high appetite</b> for building strong relationships, understanding operational impacts, and support initiatives that benefit our <u>neighbours</u>, local communities and cultural heritage sites.</li> </ul> |                       |     |          | ●    |

## Thank You

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