

RSB – ROUNDTABLE ON SUSTAINABLE BIOMATERIALS
RSB Risk Management

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Approved

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Introduction

This procedure describes a risk management system based on the international standard ISO 31000 (Risk management – Principles and guidelines). The generic guidelines provided by ISO 31000 have been used as a framework for the design of the overall risk management, whereas the specifics of the RSB as an organisation, its particular objectives, context, structure, operations, processes and services were considered in order to adapt the generic risk management framework for the specific needs of the RSB and hence to develop a risk management plan that effectively controls risks throughout the entire organisation.

Main changes from the previous version (Version 1.1)

- a) Guidance on system review added in section 7.1.2.4

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A. The aim of this Procedure

This procedure aims at describing a risk management system through which the RSB Secretariat is able to adequately and effectively identify, analyse, evaluate risks, define risk mitigation measures and establish a risk monitoring system. The risk management system adopted by the RSB is an integral part of its organizational processes and is therefore designed to form the basis for strategic decision-making and operational control. The risk management creates and protects value as it helps to limit the likelihood and impacts of risks which could lead to a loss of reputation, credibility or operational effectiveness.

B. Scope of this Procedure

This procedure covers the activities to be taken by the RSB Secretariat to implement and maintain a risk management system.

C. Status and effective Date

Version 1.1 of this procedure is effective as of June 1st 2017.

D. Terms and Definitions

For the purpose of this procedure, the terms and definitions given in RSB-STD-10-001 (RSB Glossary of Terms) and in ISO 31000 (Risk management – Principles and guidelines) apply.

E. Requirements

1. General Requirements

- 1.1. The RSB Risk Management Procedure shall include the following steps: risk identification; risk analysis; risk evaluation; risk management and risk monitoring. Their functions are described below:
 - 1.1.1. Risk identification: Risk identification is the stage in the risk management process at which all risks that could compromise the ability of the organisation to reach its objectives are identified and documented.
 - 1.1.2. Risk analysis: Risk analysis is the stage at which an understanding of the risk is developed. It provides an input to decisions about whether risks need to be treated or not. Risk analysis consists of determining the consequences and their probabilities for identified risk events.
 - 1.1.3. Risk evaluation: At the risk evaluation stage, the results of the risk analysis are used to make decisions about future actions. Such decisions may include whether a risk needs treatment and the priorities for treatment.
 - 1.1.4. Risk treatment: Risk treatment is the stage in the risk management process at which management strategies and activities are developed, implemented and documented to address and minimize the risk associated with each risk factor.
 - 1.1.5. Risk monitoring: Risk monitoring is the stage at which all risks and risk treatment strategies are continuously monitored to ensure effectiveness and efficiency of the overall risk management system.
- 1.2. The overall responsibility for implementing and maintaining the RSB risk management system lies with the Executive Director.
- 1.3. Staff responsible for implementing the RSB risk management system shall be properly trained and qualified, knowledgeable of all aspects of the operation and have access to all details of the operations.
- 1.4. The RSB Secretariat shall maintain complete and up-to-date records. The implementation of the risk management shall be documented by using the template in Annex 1. Records shall be retained for at least 5 years.
- 1.5. The RSB Secretariat shall consult members, assurance providers and certified operators to gather input for all stages of the risk management process.

2. Risk identification

- 2.1. The RSB Secretariat shall identify relevant risks associated with its particular operation. This shall include the identification of potential root causes of the risk and how the risk affects the achievement of RSB's objectives.
- 2.2. The identified risks shall be classified according to the following categories:
 - Financial stability
 - Operational efficiency

- Legal Compliance
- Reputation and credibility (including assurance)

3. Risk analysis

- 3.1. After identifying the risks, the RSB Secretariat shall conduct the risk analysis. The risk analysis involves articulating and understanding the risk.
- 3.2. The risk analysis shall be examination of the likelihood/probability and the consequences/impacts of each risk in order to establish its magnitude.

4. Risk evaluation

- 4.1. During the risk evaluation stage, the understanding of the risk obtained during the risk analysis shall be used to make a decision about future actions, i.e., if it has to be treated and the priority of the treatment.
- 4.2. The risk matrix in table 1 is used to identify the magnitude of the risk and obtain the risk rating which is divided into low, medium, high and extremely high.

Table 1: Risk rating

		Probability of Occurrence				
		Almost Certain	Likely	Possible	Unlikely	Rare
Consequences		A	B	C	D	E
Critical	1	Extremely high	Extremely high	Extremely high	High	High
Major	2	Extremely high	Extremely high	High	High	Medium
Moderate	3	Extremely high	High	High	Medium	Low
Minor	4	High	High	Medium	Low	Low
Negligible	5	High	Medium	Low	Low	Low

5. Risk treatment

- 5.1. Depending on the risk rating, the RSB Secretariat shall determine if and how to act to institute the control measures.
 - 5.1.1. If the risk rating is major (extreme or high), the risk shall be regarded as intolerable regardless of the benefits or opportunities it may bring, and risk treatment is essential whatever the cost;
 - 5.1.2. If the risk rating is medium, costs and benefits shall be taken into account and opportunities balanced against potential consequences;
 - 5.1.3. If the risk rating is low, it may be regarded as negligible, or so minimal that risk treatment measures are not needed.
- 5.2. The RSB Secretariat shall develop strategic or operational activities in order to minimize each identified risk at its (root-)cause.
- 5.3. Risk treatment measures include, but are not limited to, the following options:
 - Avoiding the risk by deciding not to start or continue with the activity giving rise to the risk;
 - Taking the risk in order to pursue an opportunity;

- Removing the risk source;
- Changing the likelihood;
- Changing the consequences;
- Sharing the risk with another party;
- Retaining the risk by informed decision.

5.4. The RSB Secretariat shall prioritize risk treatment activities and develop a comprehensive risk treatment plan including timelines, reporting requirements and allocated responsibilities.

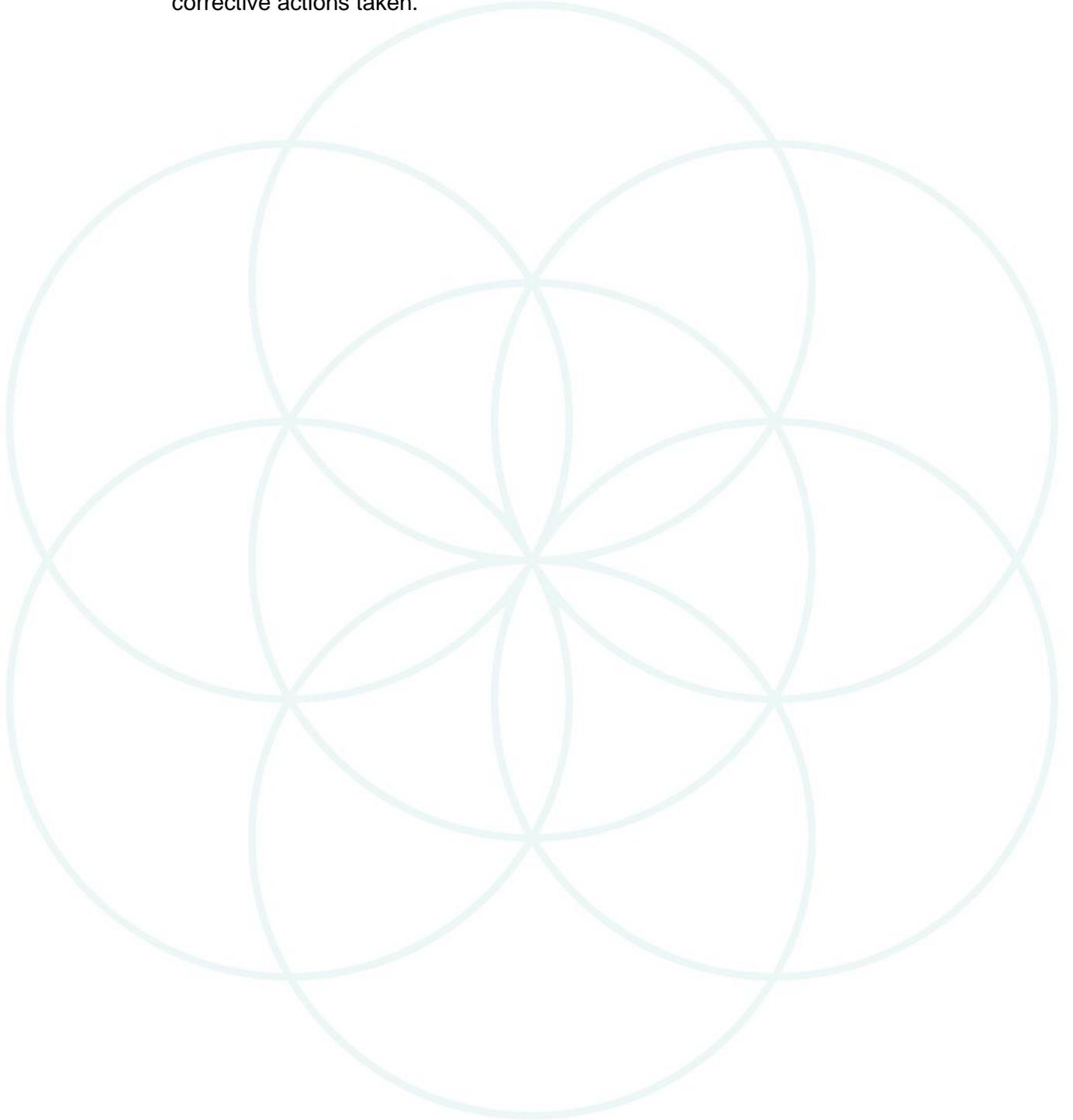
6. Review and Monitoring

- 6.1. The RSB Secretariat shall review the risk analysis results and mitigation measures every 6 months in order to:
- 6.1.1. Detect changes in the context, including changes to the risk itself, which can require revision of risk treatments and priorities;
 - 6.1.2. Identify emerging risks;
 - 6.1.3. Ensure that controls are effective and efficient in both design and operation.
- 6.2. The RSB Secretariat shall update and optimize the risk management plan according to the results of the risk monitoring.

7. System Review

- 7.1. The RSB Secretariat shall review the assurance system to ensure its continuing integrity, adequacy, and effectiveness:
- 7.1.1. The review shall take place every 6 months and in the event of significant changes to the assurance system.
 - 7.1.2. The review shall include
 - 7.1.2.1. An internal system audit of the assurance system including the activities and results of the accreditation body;
 - 7.1.2.2. The systematic review of certification audit reports including review to identify and document cases of conflict of interest. As a minimum the square root of all audit reports shall be reviewed;
 - 7.1.2.3. Review of certified operators` feedback to systematic surveys.
 - 7.1.2.4. Any other perceived conflicts of interest that may occur within the organisation and assurance system. By way of example, a member of the Secretariat who was previously employed by a stakeholder or certification body conducting a witness audit on that entity would be considered a potential conflict of interest and that person should be excluded from carrying out such an activity.
 - 7.1.3. Onsite witness audits onsite should be conducted, if possible
- 7.2. The RSB Secretariat shall use the results of the review to
- 7.2.1. revise the RSB assurance programme where indicated, and
 - 7.2.2. update the risk management plan if necessary

- 7.3. The RSB Secretariat shall maintain records of the system review and any corrective actions taken.



Annex: Risk Management Plan Template

Risk Identification				Risk Analysis			Evaluation	Treatment Plan				Review
Description of Risk	Risk Category	(Root) Cause	How does it affect the achievement of the RSB objectives	Probability	Consequence	Rating	Priority	Treatments	What are we doing to manage the risk?	Responsibilities	Schedule	Effectiveness
