

Appetite expressed as escalation thresholds a person can actually apply

Clause 6.3.4 asks you to define risk criteria before assessment, not after — the step most organisations skip, which leaves "acceptable" to be argued case by case. The escalation columns are the operative part: they turn an appetite statement from a paragraph in a policy into a decision rule.

CATEGORY	APPETITE POSITION	APPETITE STATEMENT	ACCEPTABLE (TOLERATE)	ESCALATE TO EXECUTIVE	ESCALATE TO BOARD	NEVER ACCEPTABLE	KEY RISK INDICATOR	KRI THRESHOLD
People and safety	Averse	We accept no avoidable risk to the safety of our people or the public. Cost is not a reason to defer a safety control.	Score 1-2 with controls verified effective	Score 3 or any lost-time injury	Score 4-5 or any notifiable incident	Any known unmitigated hazard capable of causing serious injury	Lost-time injury frequency rate	Above 2.0 per million hours worked
Regulatory and legal	Averse	We comply with the conditions of our licences without exception. We do not trade compliance for commercial advantage.	Score 1-2 technical deviations corrected internally	Score 3 or any self-reported breach	Score 4-5 or any formal enforcement action	Deliberate non-compliance or concealment of a breach	Open compliance obligations past their review date	More than 5 overdue
Financial	Balanced	We accept financial risk where the return is understood and the downside is survivable within a single reporting period.	Score 1-6 within divisional budget authority	Score 7-12 or exposure above \$500k	Score 13+ or exposure above \$1.5m or any covenant impact	Exposure that could breach a banking covenant without board approval	Covenant headroom	Below 15%
Service delivery	Balanced	We accept short disruptions to non-critical services. Critical services must recover within contracted times.	Score 1-6 on non-critical services	Score 7-12 or any SLA breach	Score 13+ or any critical service outage beyond the maximum tolerable period	Operating a critical service with no tested recovery capability	Critical service availability	Below 99.9% in any month
Reputation	Averse	We protect the trust of clients and regulators. We would rather lose revenue than lose standing.	Score 1-4 handled by account management	Score 5-9 or any trade media coverage	Score 10+ or any national coverage	Misleading a client or a regulator	Client complaints escalated beyond account management	More than 3 per quarter
Strategic	Seeking	We accept considered risk in pursuing new markets and services, provided exposure is capped and staged.	Score 1-9 within an approved strategic initiative	Score 10-16 or investment above \$250k	Score 17+ or investment above \$1m	Unbudgeted commitment to a new market without a board-approved business case	Strategic initiatives past their stage gate	More than 2 overdue
Technology and cyber	Averse	We accept no unmanaged risk to client data or to systems supporting critical services.	Score 1-4 with compensating controls documented	Score 5-9 or any control assessed ineffective	Score 10+ or any incident involving client personal information	Storing client personal information without encryption or access control	Critical and high vulnerabilities past remediation SLA	Any critical past 14 days
Supply chain	Balanced	We accept dependence on third parties where the dependency is known, contracted and substitutable.	Score 1-6 with a qualified alternative supplier	Score 7-12 or any single-source critical dependency	Score 13+ or the failure of a critical supplier	A critical dependency with no contract and no alternative	Critical suppliers that are single-sourced	More than 2
Project	Balanced	We accept delivery risk on change programs where governance is stage-gated and reporting is honest.	Score 1-6 within project contingency	Score 7-12 or a forecast overrun above 10%	Score 13+ or a forecast overrun above 25% or a statutory reporting impact	Continuing a project past a failed stage gate without re-approval	Projects forecasting overrun above 10%	More than 1

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