



CPL

Board Risk Appetite Statement

May 2026



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Document Control

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1. Purpose

The Board recognizes that Risk is inherent in CPL's operations.

This statement defines the type and level of risk CPL is willing to accept in pursuit of its strategic objectives, while protecting staff, shareholders, store customers, patients and the communities it serves. It provides direction for:

- Strategic decision-making
- Capital allocation
- Operational management
- Risk monitoring and escalation

2. Risk Philosophy

CPL adopts a risk-aware, customer/patient-centered and compliance-led approach.

The Board will:

- Accept risk where it enables sustainable business growth and improved healthcare delivery.
- Maintain a conservative posture in relation to staff/customer/patient safety, clinical governance, legal compliance and reputation.
- Support innovation and operational improvement within defined limits-ensure risks taken are understood, measured and actively managed.

3. Risk Appetite Framework

CPL defines appetite across three levels:

- **Minimal:** Avoid risk wherever possible. Only accept exposure where necessary to operate safely and legally.
- **Moderate:** Accept controlled, measured risk where benefits are clear and risks are actively managed.
- **Open (Selective):** Consider broader options where this supports strategy, innovation, or long-term value creation.

Minimal Appetite <i>Avoid risk wherever possible. Only accept exposure where necessary to operate safely and legally.</i>	Moderate Appetite <i>Accept controlled, measured risk where benefits are clear and risks are actively managed.</i>	Open Appetite <i>Consider broader options where this supports strategy, innovation, or long-term value creation.</i>
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RISK CATEGORY	CONTEXT	RATING
Customer, Clinical Safety & Patient Care	CPL has no tolerance for risks that compromise patient safety, medication integrity, or clinical governance.	Minimal
People, Workforce & Culture	The Board prioritizes safe workplaces, ethical conduct, and fair treatment of staff, customers and patients.	
Governance, Compliance & Legal	Zero tolerance for fraud, corruption, deliberate breaches of law or regulation, or privacy breaches.	
Reputation & Community Trust	High importance is placed on public trust and ethical conduct.	
Financial Sustainability	Measured financial risk accepted to support growth and service delivery.	Moderate
Operations & Business Continuity	Continuity of healthcare and retail services is critical.	Minimal
Information Security & Digital Systems	Protection of patient and commercial data is essential.	
Infrastructure & Capital Investment	Investment supported where it contributes to business growth and improves healthcare access and long-term value.	Moderate
Environmental & Social Responsibility	Minimal to Moderate Appetite Commitment to positive community and environmental outcomes.	

4. Risk Tolerance & Measurement

Management is required to translate this appetite into measurable risk tolerances, key risk indicators (KRIs), escalation thresholds, and reporting dashboards.

5. Escalation

Immediate Board notification is required for sentinel clinical events, significant regulatory breaches, cyber incidents affecting patient data, material financial control failures, and major reputational incidents.

6. Accountability

The Board sets risk appetite. Management operates within it.
The Risk Committee monitors adherence, and the internal audit provides assurance.

7. Review

This statement will be reviewed annually and following major strategic, regulatory, or operating change.

