



Board Statement on Risk Management For the Year Ended 31 December 2019

The Finance & Investment Committee (FIC) of the Executive Board (EB) of the Crop Trust shall be responsible for all matters relating to the financial affairs of the organization encompassing the areas of strategic financial planning, resource management, treasury management, investment and financial risk management, financial monitoring and policy related issues, and to provide timely advice to the Executive Board on areas within its remit. The specific role of FIC, as outlined in the FIC Charter, is to review the institutional risk management strategy and report to the Executive Board.

The Crop Trust's Executive Board has the overall responsibility for ensuring an appropriate risk management process is in place to identify and manage high and significant risks to the Crop Trust. The Executive Board adopted an approach for the Crop Trust whereby the review and monitoring of key risks is a standing item at each Fall Executive Board meeting using a framework of identifying, assessing, managing and monitoring risks over the following eight categories – strategy, performance, governance, environment, finance and investment, operations, programs, fundraising and communication. This assessment calculates the probability that the risk will occur and, identifies the estimated magnitude of the potential loss, or “estimated risk value”. A specific role of the Finance & Investment Committee of the Executive Board of the Crop Trust is to review the institutional risk management matrix ahead of the Executive Board Fall meeting and report to the Executive Board.

The Executive Board reviews the risks during the year to ensure that adequate attention is being paid to high risks and management has put in place adequate risk mitigation strategies. The Crop Trust's institutional risk management matrix was updated in October 2019 for 2020 following an analysis of risks, the potential severity of their impact on the Crop Trust and the likelihood of occurrence before and after considering mitigating factors currently in place.

The Executive Board notes that the effectiveness of risk management depends not only on identification of risks but also on the implementation of effective mitigation plans and the overall governance of the risk management system.

The Executive Board is satisfied with the attention paid by management to risk management and is comfortable that the Executive Board's risk governance is sufficient to identify, manage and monitor key risks to the Crop Trust's operations.

Sir Peter Crane FRS
Chair of the Executive Board
Global Crop Diversity Trust