

Frequency (Yearly)			Frequency of Consequence			BC Hydro Corporate Risk Matrix									
f ≥ 100			At least 100 times every year			L9			10	11	12	13	14	15	16
10 ≤ f < 100			At least 10 times every year			L8			9	10	11	12	13	14	15
1 ≤ f < 10			At least once every year			L7			8	9	10	11	12	13	14
1/10 ≤ f < 1			At least once every 10 years			L6			7	8	9	10	11	12	13
1/100 ≤ f < 1/10			At least once every 100 years			L5			6	7	8	9	10	11	12
1/1,000 ≤ f < 1/100			At least once every 1,000 years			L4			5	6	7	8	9	10	11
1/10K ≤ f < 1/1,000			At least once every 10,000 years			L3			4	5	6	7	8	9	10
1/100K ≤ f < 1/10K			At least once every 100,000 years			L2			3	4	5	6	7	8	9
1/1M ≤ f < 1/100K			At least once every 1,000,000 years			L1			2	3	4	5	6	7	8
Consequence Type						Consequence Severity									
						S1	S2	S3	S4	S5	S6	S7			
Safety	Worker					First Aid	Treatment by Medical Professional	Temporary Disability	Permanent Disability	Fatality	Multiple Fatalities				
	Public					Near Miss	First Aid	Treatment by Medical Professional	Temporary Disability	Permanent Disability	Fatality	Multiple Fatalities			
Environmental *						Minor	Low	Moderate	High	Extreme	Catastrophic				
Financial Loss						\$10K to \$100K	\$100K to \$1M	\$1M to \$10M	\$10M to \$100M	\$100M to \$1B	\$1B to \$10B	> \$10B			
Reputational *						Limited complaints to company or shareholder	Negative local profile	Small but vocal minority of customers critical	Many customers critical	Loss of trust- strategic change imposed by regulator and/or shareholder	Loss of consent to operate				
Reliability	Supply					N/A	N/A	Require voluntary load reduction	Localized load shedding	Significant load shedding required	BC load shedding spreads to WECC				
	Customer (hours lost per event)					< 5K	5K to 50K	50K to 500K	500K to 5M	5M to 50M	50M to 500M	> 500M			

Risk Zone	Risk Communication Guidelines
3) Executive	Detailed analysis and discussion within business group at EVP or SVP level. Input from Executive Team generally should be sought.
2) Senior Managers	Analysis and discussion within business unit, with decision making at Senior Manager level. Consider seeking input from EVP or SVP.
1) Managers	Risk generally analysed and discussed within business group, with decision making at Manager level.

Purpose of the Risk Matrix

- To provide a standard representation of the results of risk analyses for use in the evaluation and communication of risks.
- As a risk governance tool. The Risk Zone relates to the level of management discussion to aid in decision-making.
- Not used to describe risk tolerance.
- A comparison of differing risks may also be conducted based on the Risk Levels.

To use the Risk Matrix

- Select the Consequence Type.
- Select the highest appropriate Consequence Severity.
- Select the Frequency level of the Consequence Type and Severity.
- Plot the Consequence severity and Frequency level pair to determine the Risk Level and associated Risk Zone.
- Based on the Risk Zone, review Risk Communication Guidelines to determine action.

NOTE: The rigour of analysis in analyzing consequence and frequency should be commensurate with the Risk Zone. This may be an iterative process.

Detailed descriptors (Dimensions) for Reputational Consequence are included below to assist in determining consequence severity. To identify the severity, first review and select the Reputational consequence for each dimension, and then select the highest severity dimension.

CONSEQUENCE TYPE	DIMENSION	CONSEQUENCE SEVERITY					
		S1	S2	S3	S4	S5	S6
Reputational	Public response	Complaints to company shareholders, regulator	Small minority of public critical	Small but vocal minority of customers critical	Many customers critical	Majority of customers critical	Customers nearly unanimous in public criticism
	Media/Opinion Leaders' Response	No coverage	Brief negative or mixed local media coverage	Possible isolated "one-off" major media coverage	Some negative media coverage at provincial level.	Widespread and sustained negative media coverage.	Opinion leaders nearly unanimous in public criticism. Sustained very negative media coverage. National media coverage.
	Response of Public Officials	None	Issue brought to attention of public officials	Questions raised by MLAs and/or municipal officials	Conduct questioned in legislature	BC Hydro subject of sustained criticism of government in legislature	Public inquiry/criminal investigation
	Impact	None	Short-term delays to projects or minor modifications to work plan(s)	Medium-term delays in project or major modifications to plan. Significant dedication of resources to move forward	Cancellation of a major project or program, regulatory authority or shareholder imposed operating changes	Strategic change imposed by regulator or shareholder	Loss of shareholder support leading to massive organizational change.

Environmental consequence severities are determined by a combination of rankings for event sensitivity (the importance of the effected habitat/species), magnitude (the degree of impact on the habitat/species), spatial extent and recovery duration. To identify the severity, select the ranking for each of these criteria and follow the appropriate pathway in the Consequence Severity Decision Tree (below). Directions on selecting criteria rankings are provided at [Environmental Consequence Severity Scale – Application Guide](#).

