

BP8044 - Risk Management Policy

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| Policy Owner | General Counsel and Company Secretary |
| Policy Author | Manager Risk and Assurance |
| Supporting Legislation & Documents | ISO 31000:2009 <i>Risk Management – Principles and Guidelines</i> |
| Documents Directly Related | Northern SEQ Distributor-Retailer Authority Participation Agreement, Statement of Obligations (Part 4.6) Unitywater Risk Management Framework Unitywater Governance Policy |

1. Policy Statement

Unitywater will utilise a consistent enterprise-wide approach to manage risk in an integrated, systematic and practical manner based on AS/NZS ISO 31000:2009 *Risk Management – Principles and Guidelines* as outlined in the Enterprise Risk Management Procedure.

2. Purpose and Objectives

Unitywater recognises that risk management is an essential and integral part of good management and corporate governance, assisting it to achieve its business objectives by appropriately considering threats and opportunities to allow for informed decisions both during the development and execution of business plans.

Risk management will allow for balanced, prudent and transparent decision making recognising that risk management is dynamic, iterative and responsive to change.

In executing risk management, Unitywater will:

- a. Develop, implement and maintain an enterprise risk management framework that facilitates the effective and efficient management of risks across Unitywater;
- b. Encourage a culture of personal responsibility and accountability for risk management; this will include clearly defining and assigning accountabilities and responsibilities for the effective management of risks and compliance obligations at all levels of the organisation and ensuring that accountability for risk management remains with the risk owners;
- c. Ensure transparency in decision-making and ongoing risk management processes.
- d. Ensure risks are identified, assessed, captured and adequately monitored and managed and the effectiveness of controls systematically improved where necessary; and
- e. Manage risks in accordance with the Board approved risk appetite.

3. Policy Scope/Coverage

This Policy applies to all employees and contractors of Unitywater.

4. Roles and Responsibility

Responsibility for risk management is shared across the organisation. Key responsibilities include:

BP8044 - Risk Management Policy

1.1 The Board

The Board is accountable for ensuring the business has an effective risk management system; and determining the appropriate level of risk that Unitywater is willing to accept in the conduct of its business.

1.2 Audit and Risk Committee (ARC)

The Audit and Risk Committee (a committee of the Board) is accountable for overseeing the development, implementation and monitoring of Unitywater's risk management program and responsible for providing advice to the Board on the effectiveness of the program.

1.3 Chief Executive Officer and the Executive Leadership Team

The Chief Executive Officer and the Executive Leadership Team are accountable for the implementation and maintenance of sound risk management as per the Unitywater Risk Management Framework, receiving and reviewing risk management reports in preparation for reporting to the ARC and creating an environment where all individuals within Unitywater actively take responsibility for risk management.

1.4 Management

Managers at all levels are also responsible to identify, monitor and mitigate risks and create an environment where managing risk forms the basis of all activities and follow the enterprise processes and guidelines for the management of risk.

1.5 Corporate Governance Committee (CGC)

The CGC is responsible for making recommendations for any changes to the Risk Management Framework; monitoring of material changes to strategic and operational risk levels and proactive reporting of emerging risks; building a risk aware culture within the organisation through advocacy and leadership; and ensuring risk management activities are integrated, consistent and systematically managed on an enterprise-wide basis.

1.6 Individuals

All staff are responsible for and will practice sound risk management within their particular functional areas by identifying, monitoring and managing risks; sharing and escalating matters when activities are outside the agreed risk tolerance levels; creating a no-surprise culture and ensure decisions around business activities are made in a risk-aware manner.

1.7 Internal Audit

Internal auditing provides independent assurance of the effectiveness of internal controls and the Risk Management Framework.

1.8 Manager Risk and Assurance

The MRA is responsible for facilitating the development, review and continuous improvement of the risk management framework, and ensuring a consistent enterprise approach is taken in the management of risk across Unitywater. The MRA is also responsible for the quarterly reporting on risk management performance to the ELT and ARC.

BP8044 - Risk Management Policy

5. Definitions

| Term | Meaning |
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| Risk Management | The coordinated activities to direct and control Unitywater with regard to risk, which is the effect of uncertainty on objectives ¹ . |
| Risk Management Framework | <p>The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The Unitywater Risk Management Framework comprises:</p> <ul style="list-style-type: none"> • Risk Management Policy; • Risk Appetite; • Risk Management Procedure; • Risk Management Guidelines; • Risk Registers; and • Risk Reporting. |

¹ Adapted from definition in ISO 31000:2009 Risk Management – Principles and Guidelines