



## Risk Management Policy

Australian Agricultural Company Limited

ABN 15 010 892 270

# Risk Management Policy

## 1. Introduction

As one of Australia's oldest companies, Australian Agricultural Company Limited (AACo) has been, and will continue to be, exposed to a range of multiple and interrelated risks.

AACo recognises that the effective understanding and management of risk ensures that AACo can achieve its growth, profitability, sustainability, and stakeholder objectives. We believe that effective risk management is a strategic strength of the Company, allowing it to sustain and create value for the organisation.

## 2. Policy Principles

Everyone at AACo is committed to maintaining a strong culture of risk awareness, consistent with AACo's values. At AACo, "risk management is everybody's business".

Effective risk management is an integral part of supporting decision making of AACo. Risk management is concerned with understanding the effect that uncertainty has on AACo achieving its strategy and business objectives. To support effective decision making, AACo must understand the risk issues that are part of its business activities.

It is incorporated into the strategic and operational planning and management processes at all levels within the organisation, to proactively reduce the effects of threats and to enhance or exploit the benefit of opportunities.

This policy applies to all directors, employees, and contractors of AACo, its subsidiaries and operations. The policy extends to all current and future activities of AACo, including core and peripheral businesses.

## 3. Responsibilities

### 3.1. Board

The Board of Directors are responsible for:

1. the overall corporate governance and risk management of AACo.
2. setting AACo's risk appetite and
3. for approving and overseeing the risk management framework and processes for managing risks at AACo.

The Board delegates its risk management responsibilities to the Audit and Risk Management Committee (ARMC). This includes oversight by the ARMC of risk management and compliance processes, and the conduct of internal audits.



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### 3.2. AACo Executives

The Executives are responsible for:

1. championing the risk management framework.
2. utilising the risk appetite to support decision making and overseeing it in operations.
3. developing metrics to ensure that the risk appetite and risk framework are understood, adding value to their decision making.
4. ensuring that the risk management framework is being complied with in practice and operating as intended.

The Board places responsibility on delivery of the Strategic Plan on the Managing Director and CEO and the Executive Leadership Team, and as part of this is the implied responsibility to understand and manage risk. It is expected risks will be managed within accepted limits outlined in the Risk Appetite Statement.

### 3.3. AACo Management

AACo Management is responsible for:

1. establishing and implementing the risk management system to identify, control and manage risks.
2. owning risk in their day-to-day operations.
3. ensure that staff within their areas understand their responsibilities while assisting in fostering a risk-aware culture.
4. ensure that the risk management framework is being complied with in practice and operating as intended.

### 3.4. All Employees

Everyone at AACo is responsible for the identification of risk.

Policy Information	
Version	<ul style="list-style-type: none"><li>• Version 4.0</li></ul>
Next Revision Due	<ul style="list-style-type: none"><li>• September 2023</li></ul>
Policy changes	This policy may be rescinded, changed or replaced at any time at the absolute discretion of the Company Secretary and General Counsel or an authorised delegate.

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Related Policies and Documents	<ul style="list-style-type: none"><li>• AACo Board Audit and Risk Committee Charter</li><li>• AACo Risk Appetite Statement</li><li>• AACo Sustainability Policy</li><li>• AACo Risk Management Framework</li><li>• AACo Risk Management Templates</li><li>• AACo Compliance Policy</li><li>• AACo Compliance Framework</li></ul>
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