

# Risk Management Policy

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Where *you* belong

**PEET**

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# Risk Management Policy

## 1 Introduction

- 1.1 Peet recognises that risk is an inherent part of its business and that the identification and effective management of risks are driven by, and fundamentally support, Peet's strategic and operational objectives.
- 1.2 Peet has adopted an integrated approach to governance, risk and compliance and is committed to the maintenance and continuous improvement of the framework and processes, and to the development of a risk management and compliance culture throughout the organisation.
- 1.3 Peet's risk management processes are guided by the International Standard on Risk Management, ISO31000, and the ASX Corporate Governance Principles and Recommendations.
- 1.4 Peet recognises that it is obligated to achieve and deliver value for its various stakeholders through the sustainable and efficient operation of the company, sound reporting and risk management practices and compliance with the continuous disclosure regime. The mechanisms to achieve this include the risk management structures, the Audit and Risk Management Committee (**ARMC**) and the Board of Peet Limited's oversight of strategic and business objectives.

## 2 Context and Scope

- 2.1 In this Policy **Peet** or **Peet Group** refers to Peet Limited and its subsidiaries, including Peet Funds Management Limited, syndicates and other managed entities.
- 2.2 This policy applies to persons employed or engaged by the Peet Group.

## 3 Risk Governance

- 3.1 Peet's risk management system is dependent on a governance structure that has:
  - (a) roles and responsibilities defined;
  - (b) adequate departmental segregation of duties;
  - (c) proper systems of supervision and monitoring of activities and transactions; and
  - (d) risk consciousness and a proactive approach to managing risks across the business.

## 4 Risk Oversight

- 4.1 The Board is responsible for risk management and for determining the appropriate level of risk that Peet is willing to accept. This requires the Board to oversee the establishment and implementation of the risk management system and review its effectiveness.
- 4.2 To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to ARMC.
- 4.3 The responsibilities of the ARMC are contained in its Charter, which is available on Peet's website.
- 4.4 The active identification of risks and implementation of mitigation measures is the responsibility of Peet management.
- 4.5 The Board has also delegated authority to the Risk Management Operating Committee (**RMOC**) to oversee the operation of, and report on, certain risk management policies and procedures.

- 4.6 The RMOC comprises members of the Peet Leadership Team, workplace, health and safety employees and the Compliance Officer.
- 4.7 The members of RMOC are operationally responsible for their own business units however, coordination of day-to-day risk management matters, as part of Peet's overall corporate governance, is the responsibility of the Group Company Secretary.
- 4.8 A diagram summarising Peet's risk management reporting framework is included as Annexure A.

## **5 Risk Management Related Policies**

- 5.1 Peet maintains a comprehensive set of policies and procedures which form an integral part of its risk management framework. They include, but are not limited to:
- (a) financial approval limits;
  - (b) delegated approval authorities;
  - (c) multiple layers of review in respect to the preparation of formal documents;
  - (d) multiple layers of review in respect to the preparation of financial information, including half-year reviews and full-year audits, as required under the Corporations Act 2001 and/or specific transaction documentation;
  - (e) continuous disclosure and external communications;
  - (f) conflicts of interest;
  - (g) risk referral and incident reporting;
  - (h) compliance reporting;
  - (i) interest rate exposure management;
  - (j) workplace health and safety;
  - (k) IT disaster recovery;
  - (l) major incident response;
  - (m) Code of Conduct and Ethics;
  - (n) Whistleblower Policy; and
  - (o) Employee Guidelines for Dealing in Securities.

## **6 Risk Monitoring and Measurement**

- 6.1 The Risk Management Plan is the primary mechanism to bring corporate, business and operational/functional strategies together to ensure appropriate risk mitigation initiatives are implemented.
- 6.2 The actual risk identification, risk analysis, risk evaluation and risk treatments are aligned with the principles of continuous improvement in relation to risk management. It requires management (through the RMOC) to continually identify, assess, mitigate, review and report risks within the Peet Group so that all risks are mitigated and managed to an acceptable level.
- 6.3 The RMOC meets regularly and monitors reports from Business Units.

## **7 Policy Review**

- 7.1 The Board is responsible for approving and reviewing this policy, via the ARMC, as required, and at least on an annual basis.

# Annexure A

