RISK MANAGEMENT POLICY

For internal Dairy Australia use and distribution only.

Once printed, this is an uncontrolled document.

Approved July 2022

Document Control

Version #	Reviewed By	Date	Endorsed By	Date	Approved By	Date	Summary of Change
01	GM BOP	April 2020	ARMC	April 2020	Board	June 2020	New Policy
O2	Risk and Compliance Manager	June 2022	ARMC	June 2022	Board	July 2022	Updated Roles and Responsibilities Alignment to the Risk Appetite Statement

Document Owner	**Risk and Compliance Manager**
Document Type	**Governance**

Related Documents

Risk Management Procedure

Review Requirements

This document is next due for review in June 2024 by the Risk and Compliance Manager and endorsement by the Audit and Risk Management Committee.

Controlled Document Location

https://dairyaustralia.sharepoint.com/SitePages/documenthub.aspx

Contents

RISK MANAGEMENT POLICY

1 Purpose

Dairy Australia recognises that effective risk management is integral to increasing stakeholder value and preserving our licence to operate and is committed to identifying and managing risks in all its operations.

Dairy Australia manages risk to the parameters defined by its Risk Appetite Statement. To achieve this:

- our risk management framework, as identified in the Dairy Australia Risk Management Plan, facilitates a structured and consistent approach to identifying, assessing and controlling risks across the organisation
- we seek to embed a culture that is aware of and committed to manage risk in everything we do
- we make adequate resources available for identifying and assessing risk and for implementing, monitoring and reviewing controls

This policy is supported by the Dairy Australia Risk Management Plan which describes the requirements and processes that underpin an effective, consistent and integrated risk management practice across the organisation.

This policy aligns with the principles and requirements set out in ISO 31000 Risk Management - Guidelines and has been approved by the Dairy Australia Board of Directors.

2 Risk Philosophy and Appetite

Our philosophy is to ensure that risk is proactively managed using an appropriate risk management framework, which supports and enables maximisation of opportunities and reduction or prevention of losses.

Our Risk Appetite reflects our tolerance to various types of risks encountered in conducting business activities as well as our determination to identify and manage risks in pursuit of our strategic priorities and purpose. We define Risk Appetite as the "*amount and type of risk, Dairy Australia is willing to take in pursuit of its vision, purpose and strategy*".

3 Scope

This policy applies to all Dairy Australia employees, both Southbank and regionally based, including fixed term, casual, contractors and visitors.

4 Roles and Responsibilities

The table below documents relevant roles and responsibilities:

Role	Responsibilities
Board	The Board has ultimate responsibility for risk management and the implementation of this policy. It is responsible for ensuring the organisation has a robust system of risk

Role	Responsibilities
	management, risk oversight and internal controls. It is responsible for setting the risk appetite, identifying key risks and fostering a culture that supports risk management. The Board reviews and approves the Risk Management Plan annually.
Audit and Risk Management Committee	The Audit and Risk Management Committee has delegated authority from the Board to provide oversight and monitoring of the risk management framework to ensure that Dairy Australia is operating within its risk appetite parameters.
Leadership Team and Dairy Australia Personnel (1st line)	Each Leadership Team member along with Dairy Australia Personnel is accountable for identifying, assessing, applying controls, and managing risks created by their activities, as well as complying with the risk appetite statement and the requirements of the risk management framework.
Risk and Compliance Manager (2nd line)	The Risk and Compliance Manager has responsibility for designing and managing the risk management framework and its effectiveness. This includes risk monitoring and reporting to ARMC and the Board, as well as overall oversight of the enterprise-wide risk register, system & training.
Internal Audit (3rd line)	Internal Audit provides independent assurance to ARMC and the Board on the effectiveness of risk management and controls of first and second line.

5 Review

In line with Dairy Australia's Policy Governance Policy, this policy is scheduled for review every two years or more frequently if appropriate.