

Risk Management Policy

1. SUMMARY

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects.

This policy outlines the systems, practices and procedures to be followed by the Company to ensure effective risk identification, management and compliance.

2. POLICY

- 2.1 The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
- 2.2 The Board has delegated to the Audit and Risk Management Committee responsibility for monitoring the Company's risk management systems and reporting on its assessment of the effectiveness of such systems to the Board on a regular basis.
- 2.3 The Committee will submit particular matters to the Board for its approval or review. Among other things it will:
 - 2.3.1 regularly submit a report on its assessment of the Company's risk management systems, practices and procedures in terms of effective risk identification and management and compliance with internal guidelines and external requirements;
 - 2.3.2 assist management to determine whether it has any material exposure to environmental or social risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**)):
 - 2.3.2.1 if it does, how it manages, or intends to manage, those risks; and
 - 2.3.2.2 if it does not, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers;
 - 2.3.3 consider whether the Company has a material exposure to climate change risk;
 - 2.3.4 assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
 - 2.3.5 review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.
- 2.4 The Company's process of risk management and internal compliance and control includes:
 - 2.4.1 identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks.
 - 2.4.2 formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls.
 - 2.4.3 monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

Document User:		Board and all Emmerson Personnel
Person responsible for keeping document current:		Company Secretary
Approved:	Date:	Comments:
By Board	14 March 2023	

Risk Management Policy

- 2.5 To this end, comprehensive practices are in place that are directed towards achieving the following objectives:
 - 2.5.1 compliance with applicable laws and regulations.
 - 2.5.2 preparation of reliable published financial information.
 - 2.5.3 implementation of risk transfer strategies where appropriate, eg insurance.
- 2.6 The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at least annually on this specific matter to the Audit and Risk Management Committee.
- 2.7 The Board will review assessments of the effectiveness of risk management and internal compliance and control on at least an annual basis.
- 2.8 The Company must disclose at least annually whether the Board (or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that the framework:
 - 2.8.1 continues to be sound;
 - 2.8.2 ensures that the Company is operating with due regard to the risk appetite set by the Board; and
 - 2.8.3 deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.
- 2.9 The Company will disclose if it has any material exposure to environmental or social risks (as those terms are defined in the Recommendations) and, if it does, how it manages, or intends to manage, those risks.

Document User:		Board and all Emmerson Personnel
Person responsible for keeping document current:		Company Secretary
Approved:	Date:	Comments:
By Board	14 March 2023	