



# Risk Management Policy

**Atlas Arteria Limited**  
**Atlas Arteria International Limited**

# Risk Management Policy

## Introduction

This policy applies to the directors on the boards of Atlas Arteria Limited and Atlas Arteria International Limited and their controlled entities (**Atlas Arteria**); and to employees, contractors and consultants of Atlas Arteria (**Atlas Arteria Staff**).

## Policy Statement

Atlas Arteria is committed to ensuring that risk management practices are embedded into all business activities in order to drive consistent, effective and accountable actions and informed decision making. A strong risk management culture is critical to support Atlas Arteria in achieving our organisational objectives and to execute our strategy. A robust risk management framework supported by a clear Risk Appetite Statement enables Atlas Arteria to capture opportunities while effectively managing risk.

Identification and management of risk is the responsibility of everyone at Atlas Arteria. Risk is an inherent part of Atlas Arteria's business, and management of risk is therefore critical to Atlas Arteria's continuing sustainability, profitability and financial strength.

This policy outlines Atlas Arteria's approach to risk management and the responsibilities of Atlas Arteria Staff with regard to the identification, management and mitigation of risks.

## Risk Management Overview

Risk Management at Atlas Arteria is enabled by a positive and proactive risk culture, supported by the Risk Appetite Statement and the Risk Management Framework.

### Risk Culture

A strong risk management culture is crucial to the continued success of our operations. This risk culture enables awareness, ownership and proactive management of risks while promoting prudent risk taking.

Part of this culture involves heightened risk awareness amongst Atlas Arteria Staff, and a culture of transparency and disclosure.

## Risk Appetite Statement

Atlas Arteria's Risk Appetite Statement provides parameters around:

- The nature and amount of risk that Atlas Arteria is willing to accept in pursuit of an appropriate and resilient long-term return on capital; and
- The risks Atlas Arteria is not willing to accept.

In addition, supporting processes have been established to ensure that risk tolerances are set at an appropriate level and the risks accepted are consistent with risk appetite.

The Risk Appetite Statement is reviewed at least annually and submitted to the Boards for approval.

## Risk Management Framework

Atlas Arteria has an integrated Risk Management Framework which delivers consistent, structured risk management practices across all levels of the organisation to support informed decision making. The Atlas Arteria Risk Management Framework classifies risks depending on their nature and potential impact to the organisation. Further, the Risk Management Framework provides "line of sight" between the underlying risks (including rating), risk ownership, and reporting to monitor risk performance. This framework and policies are reviewed annually.

## Roles and Responsibilities

Integral to the effectiveness of risk management practices at Atlas Arteria is the clear identification of risk roles and responsibilities. Atlas Arteria has adopted the 'three lines of accountability' model to support effective risk management practices and oversight. This language reflects that risk is something that should be actively managed, not necessarily prevented or minimised, recognising that risk can present opportunities as well as threats.

### Three Lines of Accountability

The **first line** is the Corporate functions and businesses, which are accountable for the management of risk and responsible for identifying, assessing, managing, monitoring and mitigating the risks in their business processes. The Atlas Arteria CEO and Atlas Arteria Staff are responsible for identifying risks and confirming that risks are managed appropriately.

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The **second line** is the risk and compliance management function, accountable for 'review and challenge' of the first line, overseeing and advising on the application of risk management and compliance policies, and providing analysis and reporting on risk management and compliance performance to the Boards and Audit and Risk Committee.

The **third line** is accountable for providing independent assurance of the effectiveness of governance, risk management and controls in place. This role is performed by Atlas Arteria's Internal and External Audit functions.

## Board Oversight

The ATLAX and ATLIX Boards are responsible for the overall corporate governance of Atlas Arteria and its controlled entities, including:

- Reviewing Atlas Arteria's Strategic Risks;
- Approving the Risk Management Policy and Risk Appetite Statement;
- Overseeing and monitoring the effectiveness of the Risk Management Framework including confirming that:
  - it deals adequately with contemporary and emerging issues; and
  - systems in place support timely and accurate reporting of risk from management to the boards.

The Audit and Risk Committee (ARC) assists the boards by overseeing the design and implementation of, and compliance with, the Risk Management Framework and key risk management policies and procedures.

The Atlas Arteria CEO has delegated authority for implementing the Risk Management Framework and effective internal controls.

## Risk Management in Each Business

Our approach to risk management in each of our businesses generally reflects our level of ownership and control and the business' level of risk maturity. Each of our controlled businesses is expected to effectively monitor, manage and report on their risks consistent with first line accountabilities, with

second line support provided through Atlas Arteria's risk and compliance management functions.

## Board, Committees and Risk Reporting

To assist the ATLAX and ATLIX Boards and the ARC in monitoring and reviewing the effectiveness of the Risk Management Framework and compliance with key risk management policies, semi-annual risk management updates are provided to the ARC.

Material risk incidents arising within the operations of Atlas Arteria are required to be reported as they occur and significant breaches or incidents are required to be reported to the Atlas Arteria CEO and ARC.

## Responsibility

The Atlas Arteria CEO will have ultimate responsibility for compliance by Atlas Arteria Staff with this policy.

The Atlas Arteria Group Executive People, Culture and Sustainability is responsible for monitoring compliance with this policy and promoting Atlas Arteria Staff understanding of its requirements.

Any breaches of this policy should be reported in the first instance to the Atlas Arteria Group Executive People, Culture and Sustainability who will, where appropriate, escalate to the Atlas Arteria ARC after consultation with the Atlas Arteria CEO.

## Review

This policy will be reviewed annually. Any amendments to this policy will be submitted to the Atlas Arteria Audit and Risk Committee for review. Atlas Arteria's Boards will approve any amendments to this Policy.

## Contacts

The Atlas Arteria Group Executive People, Culture and Sustainability should be contacted for any assistance or guidance in respect of the matters covered by this policy.