



## METCASH RISK MANAGEMENT POLICY

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### Purpose

The objective of the Metcash's Risk Management Policy is to ensure the implementation of an effective risk management framework that is consistent with us achieving its strategic and operating objectives. In doing so, it follows accepted standards and guidelines for managing risk and is based on the principles outlined in international standard ISO31000:2009 Risk management – Principles and guidelines.

The principle underpinning Metcash's approach is that risk management is an integral part of the management function in the organisation and, as such, is the clear responsibility of management. Line managers have the responsibility to evaluate their risk environment, to put in place appropriate controls and to monitor the effectiveness of these controls. This process is supplemented with a review of key enterprise risks by the Group Leadership Team and Board of Directors.

Metcash is committed to ensuring that effective risk management remains central to all its activities and is a core management competency.

### Scope

This policy applies to all Metcash activities. It forms part of Metcash's governance framework and applies to all employees, contractors and volunteers.

### Risk Governance

#### Roles & Responsibilities

Role	Responsibilities
Board	Provides policy, oversight and review of risk management
Audit, Risk & Compliance Committee (ARCC)	Oversees regular review of risk management activities
Group Chief Executive Officer	Overall responsibility for management of the organisation.
Group Leadership Team	Drives culture of risk management and signs off on annual risk attestation
Group Risk & Assurance	Facilitates, coordinates and advises on the risk management process to help Pillars and departments manage their risk environment in a manner that is consistent across Metcash.  The Business Assurance Department undertakes a risk-based audit program to provide assurance that risks are identified and key controls to mitigate these risks are well-designed and working effectively. The Business Assurance Department reports independently to the Board's ARCC on the effectiveness of controls and any recommendations that are made for improvement.
Line Managers	Responsible for the management of risks, including associated controls and ongoing monitoring processes. Ensure staff in their business units comply with the risk management policy and foster a culture where risks can be identified and escalated.



Role	Responsibilities
Employees and Contractors	All employees are responsible for adhering to processes and procedures which are designed to manage risks associated with the work they perform. They are also required to alert management to any risk incidents or potential risk incidents that they become aware of in the course of their work. Employees should also discuss with their management any potential gaps in, or improvements to, the control framework that they identify.

## Risk Management Process

### Risk Profile and Risk Appetite

Metcash seeks to manage its risk profile carefully. Achievement of our strategies and commitments to our stakeholders could be seriously impacted if risks are not effectively managed, leading to impaired operations, significant financial losses and/or damage to Metcash's reputation.

Metcash's Risk Appetite Statement which is approved by the board sets out the organisation's internal appetite for its most significant risks.

Metcash's risk management framework endeavours to cover the full spectrum of risks faced by the company through evaluating risk from both an enterprise and business perspective. This framework is consistent with the accepted international standard (ISO31000:2009 Risk management – Principles and guidelines) and comprises several important steps:

- **Identifying** and **analysing** the main risks facing Metcash.
- **Evaluating** those risks and making judgements about whether they are acceptable or not.
- **Implementing** appropriately designed control systems to manage these risks in a way which is consistent with Metcash's Risk Appetite Statement.
- **Treating** unacceptable risks by formulating responses following the identification of unacceptable risks, including actions to reduce the probability or consequences of an event and formulation of contingency plans.
- **Documenting** these processes, with summary tables (risk registers) the main forms of documentation, supplemented by risk manuals or related documents as appropriate.
- Ongoing **monitoring, communication** and **review**.

## Policy Management

### Policy Administration

This Policy is administered by the Group Risk and Assurance function.

### Monitoring Review

The Policy is reviewed annually or more frequently if there is a major change to Metcash's risk management framework. Changes to the Policy must be approved by the Audit Risk & Compliance Committee.

### Communication

This Policy is published on the Metcash's Internet site and Intranet.