

1. Purpose

This Policy outlines Sunwater’s commitment and approach to managing risk, compliance and assurance as integral to delivering our purpose: “Delivering water for prosperity”.

It defines the principles, responsibilities and governance structures that ensure risk, compliance and assurance are actively managed, monitored and embedded across Sunwater to support the achievement of strategic and operational objectives.

The Policy forms a core part of Sunwater’s Enterprise Risk, Compliance and Assurance Framework (ERCAF), aligns with ISO 31000:2018 (Risk Management), ISO 37301:2021 (Compliance Management Systems) and Queensland Government risk management guidelines, and supports compliance with the *Corporations Act 2001* (Cth), *Government Owned Corporations Act 2009* (Qld) and the Corporate Governance Guidelines for GOCs (2009).

Sunwater’s integrated risk, compliance and assurance approach aims to:

- Support achievement of strategic and operational objectives.
- Maintain Sunwater’s licence to operate, reputation and public trust.
- Ensure compliance with applicable laws, regulations, government directives and internal policies.
- Provide transparent and timely reporting to inform decisions, validated by independent assurance.
- Enable risk-based prioritisation of resources, investments, and actions.
- Mitigate risk through proactive monitoring, assurance and continuous improvement.
- Strengthen oversight and accountability by providing confidence that frameworks and controls are effective.

2. Scope

This Policy applies to all Sunwater operations, including wholly owned subsidiaries, functions, business units, sites, schemes, projects, programs and assets under Sunwater’s control or influence. It also applies to all employees, contractors and subcontractors.

The Policy covers all categories of risk: e.g. strategic, operational, financial, compliance, safety, environmental and reputational, and integrates with compliance and assurance requirements under the ERCAF.

3. Policy Statement

Risk management and compliance are fundamental to Sunwater’s ability to protect its people, assets and reputation, while enabling the delivery of sustainable value for customers, stakeholders and communities. Assurance provides objective insight, evaluating and improving business processes, systems, and controls to ensure they are appropriately designed to address relevant risks, operate effectively to mitigate those risks, and adhere to applicable compliance requirements.

Together, they safeguard Sunwater’s licence to operate, build trust with government, regulators and the public, and enable delivery of the strategic priorities.

Sunwater is committed to integrating risk management, compliance, and assurance activities to achieve strategic objectives and foster continuous improvement through:

- Establishing and maintaining a comprehensive, fit-for-purpose risk and compliance management framework.

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- Embedding risk and compliance considerations into decision-making at all levels, ensuring alignment with risk appetite and compliance requirements.
- Clear accountability for risk, compliance and assurance across all levels of the organisation.
- Proactively managing, monitoring, assuring and escalating risks and compliance obligations.
- Educating and developing staff to understand, manage and report on risks and obligations.
- Encouraging timely and escalation of risks, breaches and issues, with proportionate responses.
- Responding to non-compliance with disciplinary and legal consequences where required.
- Keeping pace with changes in law, government policy, and stakeholder expectations, ensuring systems and controls remain effective.
- Integrating risk, compliance and assurance activities to deliver a unified, transparent governance approach.

3.1. Key Principles

3.1.1. Risk Appetite, Compliance Obligations and Assurance

Sunwater's Board defined risk appetite specifies the type and level of risk exposure it is prepared to accept in pursuit of strategic objectives. It guides decisions on investment, resource allocation and delivery models, and the management of Material Risks, compliance obligations and informs assurance activities.

3.1.2. Integrated Frameworks and Systems

Sunwater operates an integrated, comprehensive, fit-for-purpose risk, compliance and assurance management system. This system will encompass all risks, enterprise compliance obligations, and assurance activities. These are aligned to ISO 31000 and ISO 37301 to ensure a consistent, robust approach across the enterprise.

3.2. Governance

Governance of risk and compliance management are integral to all business functions, processes, systems, and projects. This integration ensures decisions are informed, risks are managed within appetite, obligations are adhered to, and effective controls are in place.

Sunwater applies an integrated Three Lines of Assurance model to allocate roles and responsibilities across business units, risk and compliance oversight and independent assurance. This model ensures:

- Line 1 – own and manage risks and compliance obligations in their day-to-day activities.
- Line 2 – oversight functions provide guidance, challenge, and monitoring.
- Line 3 – independent assurance validates the effectiveness of frameworks, controls and governance. Internal Audit operates under its own Charter and reports directly to the Audit and Risk Committee (ARC).

The Board sets the tone from the top by defining Sunwater's purpose, strategic direction and risk appetite.

The ARC oversees the effectiveness of risk management and compliance frameworks, and reviews aggregated assurance findings to determine whether Material Risks and obligations are being managed effectively.

Executive Leadership Team (ELT) drives day-to-day management of risks and compliance obligations, consistent with the risk appetite set by the Board and escalates material risks, breaches and issues outside appetite to the Board, or its nominated sub-committee, e.g. ARC.

The structure is depicted in the diagram below.

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Sunwater Board of Directors			
Sets tone from the top, approves risk appetite, oversees material risks and compliance performance, reports to shareholders and stakeholders.			
Irrigation and Water Customer Committee (IWCC)	Safety, People and Environment Committee (SPEC)	Project and Investment Committee (PIC)	Audit and Risk Committee (ARC)
Oversight of commitment to place Irrigator and Water customers at the centre of Sunwater decisions.	Oversight of WHS, employment, environmental risks and compliance with safety standards.	Oversight of dam safety, infrastructure project and procurement risks and compliance.	Oversight of material risks, appetite and compliance obligations, ERCAF effectiveness, monitors breach escalations, and advises the Board
Executive Leadership Team (ELT)			Internal Audit (Line 3)
Oversee material risks and compliance management, implement and monitor risk appetite, effectiveness of controls, manage risk appetite and compliance breaches, escalate significant/emerging risks and breaches to Board/ARC. Foster a proactive, risk-aware, compliance culture, reinforcing accountability and ethical conduct.			<ul style="list-style-type: none"> Provide independent assurance on the effectiveness of governance, risk management, compliance and controls. Report findings to the Board, ARC, ELT and business units. Coordinate with other assurance providers.
Line Managers, Project Managers, Obligation Owners (Line 1)	Enterprise Risk & Compliance, Legal, SMEs, BQMS (Line 2)		
<ul style="list-style-type: none"> Identify, manage and monitor risks and compliance obligations for their area in line with the ERCAF. Implement and test effective processes and controls. Ensure awareness of requirements. Report and escalate risks, issues and breaches beyond their control. 	<ul style="list-style-type: none"> Maintain the ERCAF. Provide oversight, guidance, expertise, challenge and facilitate reporting. Monitor risk appetite thresholds and breaches. Support awareness and training. Identify and advise on regulatory changes. Provide assurance and drive continuous improvement. 		

3.2.1. Escalation and Oversight

Risks outside appetite, compliance breaches, key control failures and material assurance findings are reported promptly to the ELT and the Board, or its nominated subcommittee, e.g. ARC, in line with defined escalation protocols. Remedial actions are tracked to completion. Aggregated assurance insights also allow governance bodies to identify systemic issues, monitor emerging risks and assess overall maturity.

To reinforce accountability and drive improvement, assurance findings are shared with risk owners and functional teams so that recommendations are embedded into frameworks, processes, systems, controls, training, and culture.

3.3. Non-compliance

Non-compliance with this policy may result in disciplinary action, including termination of employment or contracts and potential legal penalties.

4. Responsibilities

Role	Responsible For
Board <i>In accordance with the Charter</i>	Ultimate accountability for ensuring Sunwater operates ethically, responsibly, and in compliance with legislative and regulatory obligations. This includes: <ul style="list-style-type: none"> Establishing Sunwater’s risk appetite and endorsing tolerance levels, ensuring alignment with strategic objectives and stakeholder expectations. Providing oversight and governance on the effectiveness of risk and compliance management across Sunwater, ensuring that Material Risks compliance obligations are identified, assessed and managed effectively.

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Role	Responsible For
	<ul style="list-style-type: none"> • Fostering a culture of integrity, accountability and ethical conduct across Sunwater. • Reporting to shareholders on Sunwater’s strategic performance, including its risk profile, significant risk events, compliance performance, and the effectiveness of the risk and compliance management systems.
<p>Audit and Risk Committee (ARC)</p> <p><i>In accordance with the Charter</i></p>	<p>Assists the Board in governing Sunwater’s risk and compliance management activities not reserved by the Board or delegated to other Committees and oversight of Internal Audit, and is responsible for:</p> <ul style="list-style-type: none"> • Endorsing and monitoring the Enterprise Risk, Compliance and Assurance Framework (ERCAF) including policies, risk appetite and performance. • Overseeing the management of material risks and obligations, including appetite and compliance breaches, incidents and regulatory examinations. • Reviewing responses to internal and external audits, regulatory reviews, assurance activities, ensuring actions are addressed promptly. • Advising on risk management strategies, including the treatment of new and emerging risks and the adequacy of controls and mitigating measures. • Oversight of Internal Audit
<p>Safety, People and Environment Committee (SPEC)</p> <p><i>In accordance with the Charter</i></p>	<p>Assists the Board in discharging its responsibilities for Safety, People and the Environment, and is responsible for:</p> <ul style="list-style-type: none"> • Governing the effectiveness of frameworks, policies, practices for workplace health, safety, wellbeing, environment, sustainability and people. • Overseeing strategies for organisational effectiveness, executive development, succession planning and talent management. • Monitoring compliance with health, safety, environmental (HSE) and employment obligations, and applicable government policies and regulations. • Reviewing risk treatment, controls and recovery plans for significant HSE events, and monitoring the effectiveness of sustainability controls. • Monitoring culture, conduct and reputational risks with customers and stakeholders. • Setting leadership in behavioural safety by establishing a proactive culture through leadership commitment, strategic integration, and performance oversight.
<p>Project and Investment Committee (PIC)</p> <p><i>In accordance with the Charter</i></p>	<p>Assists the Board in oversight of infrastructure, asset, dam safety and procurement risks and is responsible for:</p> <ul style="list-style-type: none"> • Overseeing the status, performance, risks of and compliance in major infrastructure projects, including asset integrity, portfolio investment prioritisation and business systems portfolios. • Monitoring dam safety risks and strategies and compliance with the Dam Safety Management Program and ALARP framework. • Overseeing procurement risks and compliance on significant strategic and infrastructure projects, including compliance with relevant policies and industry practices. • Advising the Board on disclosures and reporting to Shareholding Ministers, employees and the public regarding dam improvement and infrastructure projects.
<p>Irrigators & Water Customer Committee</p>	<p>Assists the Board to fulfil its commitment to place Irrigator and Water customers at the centre of its decisions and is responsible for:</p>

Role	Responsible For
<i>In accordance with the Charter</i>	<ul style="list-style-type: none"> Monitoring the effectiveness of the Group’s tools, mechanisms and measures that Management use to assess and develop Sunwater’s customer culture. Engaging with water customers across the State and ensuring Sunwater is responsive to emerging customer issues. Monitoring the effectiveness of the Group’s customer engagement strategies. Quality assurance monitoring of the accuracy and integrity of irrigator and water customer billing systems. Overseeing and monitoring key issues affecting irrigators such as water pricing, water allocation and delivery.
Chief Executive Officer	<p>Responsible for implementing risk appetite and compliance strategies, fostering a strong culture, advising the Board and ensuring legal and regulatory compliance, including:</p> <ul style="list-style-type: none"> Overseeing the implementation of risk appetite thresholds and compliance systems and procedures Promoting a strong risk and compliance culture across Sunwater, fostering accountability, ethical behaviour and continuous improvement. Advising the Board and Committees on significant risk and compliance matters and emerging issues/risks. Ensuring sufficient resources are dedicated to deliver on risk and compliance requirements. Ensuring Sunwater operates within its legal, regulatory and policy obligations.
Executive Leadership Team (ELT)	<p>Responsible for embedding risk and compliance management within Sunwater and upholding ethical and sustainable practices. This includes:</p> <ul style="list-style-type: none"> Identifying, managing and mitigating material risks and compliance obligations in line with the Board-approved risk appetite and strategy. Integrating risk and compliance obligations into business processes, ensuring controls are effective for their areas of responsibility. Overseeing the effectiveness of risk and compliance controls, monitoring and reporting processes. Escalating material and emerging risks, breaches or non-compliance to the CEO and Board Committees. Fostering a proactive, risk-aware, compliance culture and reinforcing accountability within their business unit.
Material Risk Owners	<p>Material Risk Owners are designated senior leaders - typically ELT members who have overarching accountability for the governance and oversight of specific Material Risks. They are responsible for:</p> <ul style="list-style-type: none"> Setting direction for their designated Material Risk, including the risk management approach and alignment with Sunwater’s risk appetite. Ensuring fit-for-purpose systems and procedures and overseeing the effectiveness of controls used across the business to manage the current and emerging risks. Defining and maintaining tolerances, KRIs and clear triggers for escalation to the ELT and Board. Engaging regularly across the Three Lines of Assurance to monitor risk and control performance, trends and responses to issues.

Role	Responsible For
	<ul style="list-style-type: none"> • Reviewing and reporting on the risk status, including breaches, treatment progress and any material deviations from appetite. • Driving continuous improvement in risk management through scenario planning, incident and trend analysis and lessons learned.
Responsible Subject Matter Expert (SME)	<p>Provide expert advice and support to strengthen risk and compliance practices. These include SMEs for Health & Safety, Environment, ePMO, Asset Management, Dam Safety and Compliance/Legal Services. Responsibilities include:</p> <ul style="list-style-type: none"> • Providing expert advice on the design, operation and effectiveness of risk policies, controls, mitigation strategies. • Translating technical and regulatory matters into practical processes and tools for frontline teams. • Working with Lines 1,2 and 3 to ensure risks are understood, assessed and managed effectively and support responses to audit issue and corrective actions • Assisting Material Risk Owners with risk oversight and emerging risks (e.g., scenarios, KRIs) and cascading good practices throughout the business. • Educating and supporting frontline teams to build risk awareness and consistency in risk management practices.
Obligation Owners	<p>Responsible for the day-to-day management and monitoring of specific compliance obligations. This includes:</p> <ul style="list-style-type: none"> • Maintaining an up-to-date register of relevant obligations, ensuring they are integrated into processes, systems and internal policy requirements. • Working with Line Management and Project Managers to embed compliance obligations into processes, procedures and operational activities. • Monitoring compliance and reporting breaches or deviations promptly, initiating appropriate corrective actions. • Testing and validating the effectiveness of controls linked to their obligations. • Providing accurate, timely reporting to governance bodies. • Supporting assurance mapping by linking obligations to Material Risks, controls, and KRIs. • Responding to and tracking remediation of findings from internal audit, regulatory reviews or other assurance activities. • Communicating compliance obligations and expectations to staff. Ensuring staff receive appropriate training and awareness programs.
Responsible Delegates	<p>Responsible for ensuring their business activities comply with applicable obligations - licences, regulatory conditions, licence or contractual requirements.</p> <ul style="list-style-type: none"> • Maintaining obligations relevant to their area of authority. • Implementing processes, controls, and reporting to ensure compliance. • Obtaining assurance that obligations are met and controls are operating effectively. Supporting internal and external assurance reviews. • Escalating breaches, risks or weaknesses to Obligation Owners and the Enterprise Risk & Compliance team. • Ensuring corrective actions are implemented in a timely and consistent manner.

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Role	Responsible For
Enterprise Risk and Compliance Team	<p>Provides risk and compliance oversight, advice and challenge in line with the ERCAF, and is responsible for:</p> <ul style="list-style-type: none"> • Designing, maintaining and overseeing the ERCAF, including policies, procedures, tools, systems, reporting, training and awareness programs. • Providing guidance and constructive challenge to the ELT, Material Risk owners and business units on managing material risks, compliance obligations, controls and resilience strategies. • Providing support and guidance on understanding and managing compliance obligations. • Monitoring application of risk appetite and compliance management, reporting breaches or significant issues to the ELT, Board and relevant Committees. • Assisting with the integration of risk and compliance procedures into business planning and operations • Engaging with Lines 1 and 3 for provision of assurance activities to evaluate effectiveness of risk and obligations management and associated controls. • Facilitating identification and analysis of emerging risks, and driving continuous improvement in risk and compliance practices across Sunwater.
Quality Assurance and Systems (QAS) Team	<p>Strengthening systems and processes for compliance, control effectiveness and continuous improvement. They are responsible for:</p> <ul style="list-style-type: none"> • Developing and improving the Business (Quality) Management System (BQMS) • Supporting processes, documentation and training to promote quality and efficiency across Sunwater. • Reviewing Line 1 activities to assess alignment with BQMS requirements • Working closely with Lines 1, 2 and 3 to ensure a cohesive and integrated approach to align assurance activities.
Line Management & Project Managers	<p>First Line accountability for identifying, managing and escalating risks and obligations in operations, assets, functions and projects.</p> <ul style="list-style-type: none"> • Assessing and managing risks in line with the ERCAF, ensuring adequate controls are operating for risks, hazards and events relating to their area of responsibility. • Implementing the compliance management framework within their area, ensuring compliance obligations are understood, managed and monitored. • Managing projects in accordance with the Project, Program and Portfolio Management Methodology, ensuring governance, compliance and alignment with strategic and risk objectives. • Monitoring incidents, trends and events, reporting them to the ELT and Risk and Compliance Team, escalating significant risks or compliance concerns beyond their control. • Fostering a risk-aware and compliance-focused culture by encouraging open communication, supporting staff in applying risk and compliance practices, and providing necessary training.
Internal Audit	<p>Provides independent assurance and advice to the ARC, CEO, ELT on the adequacy and effectiveness of governance, risk management, compliance and controls. Responsibilities include:</p>

Role	Responsible For
	<ul style="list-style-type: none"> • Developing and executing a risk-based Internal Audit Plan informed by Material Risk assessments, strategic priorities, risk appetite and prior audit outcomes. • Assessing the effectiveness of governance, the ERCAF, Lines 1 and 2 functions, and internal controls to ensure they are robust, compliant and fit-for-purpose. • Coordinating with other assurance providers to support an integrated assurance model, ensuring assurance effort is targeted at critical risks and providing visibility of how Material Risks are being managed. • Reporting and escalating significant risk matters, control deficiencies and compliance issues to the ARC, CEO and ELT. • Providing recommendations to support improvement and informed decision-making. • Maintaining independence and objectivity in line with professional standards, ethical guidelines and Sunwater’s Internal Audit Charter.
Our people	<p>All staff, contractors and subcontractors are expected to play a role in risk and compliance management as part of their day-to-day activities. Responsibilities include:</p> <ul style="list-style-type: none"> • Understanding and applying relevant risk and compliance policies, procedures, controls and obligations • Completing mandatory training on time and demonstrating behaviours consistent with Sunwater’s values and appetite. • Proactively identifying, assessing and managing risks and compliance obligations as part of their everyday decision-making. Taking a risk-based approach to improving processes and challenging inefficiencies. • Promptly reporting and escalating risk issues, incidents or non-compliance they have found which are beyond their control. • Acting ethically, responsibly and in line with obligations, speaking up when they see behaviour which does not align.

5. Related Legislation and Documents

- Code of Conduct
- Compliance Breach Management Procedure
- Corporate Governance Guidelines for GOCs (2009)
- Corporations Act 2001 (Cth)
- Enterprise Compliance Obligations Register
- Enterprise Risk, Compliance & Assurance Standards
- Financial Accountability Act 2009 (Qld)
- Financial and Performance Management Standard 2009
- Fraud and Corrupt Conduct Procedure
- Fraud and Corruption Control System Guideline
- Government Owned Corporations Act 1993 (Qld)
- International Standards ISO 37301:2021 – Compliance Management Systems
- ISO 9001:2015 - Quality Management Systems (QMS)
- ISO 31000:2018 Risk Management – Guidelines
- Queensland Government risk management guidelines, Queensland Treasury’s Corporate Governance Guidelines for Government Owned Corporations

6. Definitions

Defined Term	Explanation
Assurance activities	Structured reviews, audits, inspections or evaluations that provide confidence to management and the board that key risks are being effectively managed, controls are operating as intended and compliance obligations are being met.
Assurance Map	A structured tool to document the key sources of assurance across the Three Lines of Assurance. It shows how risks, obligations, and controls are covered by assurance activities, highlights overlaps or gaps, and supports prioritisation of assurance effort.
Breach	A non-conformance with compliance obligations, or a breach that exceeds risk appetite or could result in significant financial, legal, safety or reputational consequences.
Compliance Management Framework	Outlines how compliance obligations are identified, managed, monitored and assured across Sunwater, embedding compliance into day-to-day operations and aligning with ERCAF. It supports shared accountability, continuous improvement and effective governance.
Compliance Obligations	Any requirement that Sunwater must meet in order to lawfully, ethically and responsibly conduct its operations. Compliance obligations may arise from external or internal sources as follows: <ul style="list-style-type: none"> • Legislation • Shareholding Minister and other State or Commonwealth government • Requirements (policies, directions or notifications) • Contractual obligations • Licences and registrations • Industry codes, guidelines and standards adopted by Sunwater • Sunwater’s policies and procedures
Compliance Risk	The risk of legal or regulatory breaches, contract violations or failure to meet internal policy and conduct requirements, potentially resulting in fines, reputational harm or loss of licence to operate.
Consequence	The outcome or impact of an event that affects objectives. Consequences can be positive, negative, or both, and can range from negligible to significant.
Control	An act, physical object, or system (or a combination) that prevents, detects, or mitigates a risk event. A control is specific, measurable and auditable.
Critical Controls	A Critical Control is an essential preventative or mitigative measure that must operate reliably to either prevent a Critical Risk (refer below) from occurring, or to contain its impact within Sunwater’s risk appetite. These controls are essential as they provide the primary safeguards for Sunwater’s people, operations, financial position, reputation and regulatory standing.
Critical Risks	Critical Risks are those events, conditions or exposures that, if they materialise, would cause severe and sustained harm to Sunwater’s people, operations, financial position, reputation, or regulatory standing.

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Defined Term	Explanation
ERCAF	<p>The Enterprise Risk Management Policy, Enterprise Compliance Management Policy, and ERCAF together set out Sunwater’s commitment to robust governance, effective decision-making and sustainable business performance.</p> <p>These documents collectively provide a clear statement of Sunwater’s intent, direction and requirements in managing risk, compliance and assurance across the enterprise. The framework serves as the foundation for ensuring a consistent approach to identifying, assessing, managing and monitoring risks and compliance obligations. It integrates risk management, compliance and assurance standards, and procedures to ensure a cohesive approach to governance, management and accountability.</p>
Emerging Risks	<p>A newly developing or evolving risk, often with uncertain likelihood, impact, or velocity. Emerging risks may arise from changes in the external environment—such as technology, regulation, climate, or geopolitics—or from shifts within the organisation and may not yet be fully understood, quantified, or reflected in existing risk frameworks.</p>
Enterprise Risk Management (ERM)	<p>The structured and coordinated approach to managing risks across the organisation, ensuring that risk management is integrated into all aspects of Sunwater’s operations and decision-making processes.</p>
Integrated Assurance	<p>A coordinated approach where assurance providers across all Three Lines work together to deliver a holistic, enterprise-wide view of risk and compliance management effectiveness, reducing duplication and gaps.</p>
Material Risk	<p>A Material Risk is a risk that the ELT and Board determine has the potential for significant adverse impact on Sunwater’s strategic objectives, operational effectiveness, compliance with legal, regulatory, or contractual obligations, or reputation and stakeholder trust.</p>
Material weakness	<p>A deficiency in risk management, controls, or compliance that creates an unacceptable exposure to loss, disruption, breach or reputational damage.</p>
Responsible SME	<p>A designated person with deep technical, functional, or process expertise to support the effective operation and improvement of policies, controls and practices related to specific risk areas or business processes.</p>
Residual risk	<p>The level of risk that remains after existing controls and mitigation measures have been applied to a risk. It reflects the current state of exposure and is used to assess whether the risk is within the organisation’s risk appetite or requires further treatment.</p>
Risk	<p>The effect of uncertainty on objectives. Risk is often characterised by reference to potential events and consequences, or a combination of these, and how they may affect the achievement of objectives.</p>
Risk Appetite	<p>The level and type of risk Sunwater is willing to accept in pursuit of its strategic objectives. Set by the Board, risk appetite provides guidance for decision-making and helps balance risk and reward.</p>

Defined Term	Explanation
Risk Assessment	The structured process of identifying, analysing and evaluating potential events or conditions that could negatively impact Sunwater’s objectives, enabling informed decisions on how to manage those risks.
Risk Management	The systematic process of identifying, assessing, treating, monitoring and reporting risks to ensure Sunwater achieves its objectives while operating within its defined risk appetite.
Risk Tolerance	The specific, measurable limits that translate risk appetite into operational terms. Defined for each Material Risk using Key Risk Indicators (KRIs) and threshold levels, risk tolerance sets the boundaries within which Sunwater is willing to operate. Breaches of these limits trigger management action, escalation, and review.
Risk Treatment	The process of selecting and implementing measures to modify risk. Risk treatment options include avoiding the risk, taking or increasing the risk to pursue an opportunity, removing the risk source, changing the likelihood or consequences, sharing the risk, or retaining the risk.
Stakeholder	Any person, group or organisation that can affect, be affected by, or perceive themselves to be affected by a decision, activity or outcome of Sunwater. Stakeholders may include internal parties (employees, management and the Board) and external parties such as customers, suppliers, regulators, shareholders, communities and government bodies.

7. Implementation, Reporting and Compliance

Risks outside appetite, compliance breaches, key control failures and material assurance findings are reported promptly to the ELT and the Board, or its nominated subcommittee, e.g. ARC, in line with defined escalation protocols. Remedial actions are tracked to completion. Aggregated assurance insights also allow governance bodies to identify systemic issues, monitor emerging risks and assess overall maturity.

To reinforce accountability and drive improvement, assurance findings are shared with risk owners and functional teams so that recommendations are embedded into frameworks, processes, systems, controls, training, and culture.

8. Creation, Review and Approval

Owner	Board	Effective Date	February 2026
eDMS	8897521	Next Review Date	December 2027