Enterprise Risk Management Policy

1. Purpose

The purpose of this Enterprise Risk Management Policy (this Policy) is to protect and to enhance Sunwater's ability to respond and adapt to a changing environment, enabling the organisation to continue to "Deliver water for prosperity", and deliver essential services to our customers and community.

This Policy establishes Sunwater's approach to:

- Risk culture and risk leadership
- Identification, assessment, and management of risks
- Ongoing development and integration of business systems to enhance capability and capacity.

2. Scope

The Policy:

- Applies to all Sunwater, including its wholly owned subsidiaries.
- Covers all risk, events, and issues where Sunwater has legal, ethical or community responsibilities.
- Covers any site operated by, or on contract to Sunwater and including employees and contractors travelling to and from sites.

3. Policy Statement

Sunwater aims to reduce vulnerability through the application of an organisation wide scalable, proactive enterprise risk management approach. This includes:

- Establishing a risk framework to sets the 'boundaries' for the risks we can tolerate in our activities. It
- helps us find the balance between acceptable levels of risk and opportunity.
- A consistent, measurable, organisational wide approach that links enterprise and business unit risk approaches and incorporates the differing requirements of the functional areas of the business.
- Effective direction, systems, and processes across the business to clearly define performance objectives, asset management standards, legislative requirements, financial accountability, and the maintenance of an ethical operating environment.
- Supporting the building of capacity and confidence in Sunwater personnel through the integration of risk approaches across organisational structures and into business-as-usual activities and organisational culture.
- Promoting a culture of risk management that enables the business to responsibly deliver on its commitments and obligations and pursue opportunities for efficiencies and growth.

4. Responsibilities

The following table outlines the responsibilities for risk management across Sunwater.

Role	Responsible For
Board	• Establishing Sunwater's risk appetite and thresholds. • Overseeing and monitoring the assessment and management of risks across Sunwater. • Reporting Sunwater's strategic performance, corporate governance arrangements, risk profile, events, and organisational risk system performance to shareholders. • Providing leadership, direction, and governance on risk management, including Sunwater's risk profile and management of enterprise risks.

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Role	Responsible For
Audit and Risk Committee	• Advising the Sunwater Board on risk management at Sunwater. • Assessing the effectiveness of the risk management system, and the various sources of assurance and their overall adequacy. • Providing recommendations about risk policy and strategy.
Chief Executive Officer	• Overseeing implementation of the Sunwater Board's risk appetite and thresholds. • Ensuring a robust risk management culture exists across Sunwater by promoting and supporting enterprise risk management. • Advising the Sunwater Board and the Committee on risk management matters. • Aligning Sunwater's risk appetite with strategy and performance and ensuring in conjunction with the Board, that there are sufficient resources to deliver on the risk commitment and strategies. • Ensuring Sunwater is operating within its legal and regulatory obligations.
Executive Leadership Team	• Ensuring that the principles and practices of risk are communicated and embedded into strategic and operational practices and planning processes. • Identifying risks to Sunwater's operations and ensuring that material risks are managed and mitigated effectively. • Managing risks within Business Units. • Ensuring that risk appetite is considered in strategic planning exercises. • Ensuring that adequate resources are available to implement the risk strategies. • Monitoring and reporting of enterprise risks and emerging risks. • Monitoring the execution of systems to verify and assess the adequacy of controls in place to manage hazards, risks, and events. • Promoting a culture that ensures risk awareness, organisational readiness Ensuring that policies, standards, and procedures relating to organisational risk are complied with as required.
Enterprise Risk and Compliance Team	• Development and management of systems and processes relating to enterprise risk management including training, awareness, and education to promote and embed risk management practices. • Facilitating and supporting the Executive Leadership Team at all levels of risk hierarchy including understanding critical business continuity risks and impacts in fulfilling their obligations. • Overseeing all risk management activities and acting as advisor to risk owners. • Identifying, analysing, and reporting emerging risks in conjunction with management. • Preparing and facilitating the risk reporting process.
Risk and Compliance Manager	• Ensuring that the risk management approach including supporting procedures, plans, guidelines, and tools are developed and embedded within Business as Usual (BAU) processes. • Ongoing review, improvement, and management of the risk management approach.
Line Management	• Ensuring staff are adequately trained (and where appropriate exercised) in risk management approach and that the approaches are embedded into BAU practice. • Ensuring adequate controls are in place to manage organisational risks, hazards and events

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Role	Responsible For
	related to the business, facilities, and assets under their control.
	• Management of any risk within scope of influence and delegation.
	• Escalation and reporting of any risks that are outside scope of influence and delegation, including enterprise and emerging risks.
	• Promoting an open and accepting workplace culture in relation to risk management activities.
	• Promoting a culture that ensures organisational readiness.
	• Monitoring, investigating, mitigating, and reporting all relevant events.
	• Reporting to the Executive Leadership Team (ELT) on events and trends.
All Workers	• Be familiar with the risk approaches in accordance with their delegation, specifically: o Performing risk assessments and having risk awareness, including integrating risk management into everyday activities. o Management of any risk within scope of influence and delegation. o Escalation and reporting of any risks or events that are outside of scope of influence and delegation. o Compliance with all policies, procedures, guidelines, and practices related to risk within their area of responsibility.

5. Reporting

Updates on enterprise material risks are provided monthly to the Executive Leadership Team.

Updates on enterprise material risks are provided quarterly to the Audit and Risk Committee.

Updates on enterprise material risks are provided monthly to the Board.

6. Related Legislation and Documents

- ISO 31000:2018 Risk Management - Guidelines
- Sunwater Enterprise Risk Management Framework
- Financial Accountability Act 2009
- Financial and Performance Management Standard 2009

7. Definitions

Defined Term	Explanation
Risk	The effect of uncertainty on business objectives
Risk Appetite	The amount and type of risk that Sunwater is prepared to accept or be exposed to at any point in time in pursuit of objectives.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Profile	The documented and prioritised overall assessment of a range of specific risks faced by the agency
Workers	Person who undertakes work at the request of the Sunwater Group and includes employees, contractors, and consultants

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8. Approval and Review Details

Owner:	Board	Issue Date:	July 2023
SME:	Risk and Compliance Manager	Next Revision Date:	July 2025