

RISK MANAGEMENT POLICY

1. Purpose

To establish key principles regarding the systematic management of risk to support South East Water services, products, operations and facilities. Our approach takes advantage of potential opportunities and manages possible adverse effects, through effective identification, measurement, prioritisation, treatment and ongoing monitoring of risk.

2. Scope of Policy

This policy applies to South East Water and its subsidiary, Iota Services Pty Ltd, and is observed by all directors, employees, agents, fixed term workers and other workers.

3. Policy Statement

South East Water is committed to:

- Maintaining a corporate risk management framework and system in line with international standards, regulatory and Victorian public sector requirements;
- Managing risk in accordance with our risk appetite and customer and stakeholder expectations;
- Embedding robust risk management practices into our core activities, decision making processes, across all our management systems, business processes and behaviours, by providing mechanisms to assess, prioritise, manage and monitor material risks consistently and effectively; Constantly identifying risks while also ensuring they are actively monitored, controlled, mitigated, reviewed and assured;
- Ensuring strategies are in place to take advantage of the opportunities associated with risk management while dedicating appropriate resources to the management and integration of risk management in the way we work;
- Providing clarity of responsibility and developing a positive risk culture that is aware, accountable, transparent and adaptable to change in the risk landscape by enabling, supporting and empowering employees in the management of threats and opportunity as it is relevant to their job roles;
- Well managed risk taking in pursuit of its strategic objectives;
- Regularly delivering risk management reporting to monitor risk as well as the effectiveness of our risk management approach; and
- Ensuring periodic review of our approach to risk to ensure relevance and appropriateness, and;
- Continuously improving the organisational risk management framework, including appetite, maturity and capability.

4. Related Policies

- Asset Management Policy
- Compliance Policy
- Code of Conduct

- Environment Policy
- Fraud, Corruption and Other Losses Policy
- Finance Policy
- Safety and Wellbeing Policy
- Security Policy
- Internal Audit Charter
- Quality Policy
- Treasury Policy

5. Enacting Legislation and Related Documents

- AS/NZS ISO 31000 Risk Management - Guidelines
- Financial Management Act 1994 (Vic) including the Ministerial Standing Directions
- Victorian Government Risk Management Framework
- Water Act 1989 (Vic) including the Statement of Obligations

6. Accountability

The Managing Director is accountable to the Board of Directors for ensuring this policy is implemented.

7. Approval

Approved by: South East Water Board of Directors
Approved on: 23 June 2025
Sponsor: General Manager, People, Safety and Governance
Implementer: Manager Risk, Assurance and Compliance
Next Review date: 23 June 2026