

Effective date: February 2011

Risk Management

Purpose	This policy is a statement of overall intentions and direction of PaperlinX related to the management of risk.
Rationale for managing risk	<p>Risk is defined as “the effect of uncertainty on objectives”. An effect is a deviation from the expected, and a deviation may be positive, or negative.</p> <p>The rationale for managing risk in the PaperlinX business is to create and protect value, by managing the actual or potential impact of risk.</p>
Link to objectives and strategies	<p>Risk management within PaperlinX is a system or framework of coordinated activities to direct and control the Group with regard to risk.</p> <p>Risk management activities therefore are those actions, frameworks or activities designed to better understand, react to and manage the effect of risk on the business objectives of PaperlinX.</p>
Approach	<p>The risk management approach adopted by PaperlinX will be consistent with the guidance in, and requirements of, AS/NZS ISO 31000:2009, “Risk management – principles and guidelines’.</p> <p>Further information is contained in the PaperlinX Risk Management Framework.</p>
Accountabilities and responsibilities	<p>Everyone at PaperlinX is responsible for the effective management of risk. All managers and staff are responsible for identifying potential risks, developing risk mitigation plans, and implementing risk reduction strategies. Key roles include:</p> <ul style="list-style-type: none"> • Board of Directors – ultimately responsible for the oversight and implementation of the system of risk management. • Divisional, Regional and Functional Heads – responsible for the day to day identification and assessment of risks applicable to their division, region or function, and the implementation of risk management policies and procedures appropriate for their area. • Risk Committee of Management (RCoM) – responsible for overseeing and approving the processes used to identify, evaluate and manage risk. • The Group Manager, Risk Management and Internal Audit, is responsible for reporting to the RCoM, including making recommendations on revisions to this policy and to the risk management framework. • Risk owners are responsible for the recording and assessment of risks, assessment of related controls, and

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	<p>development and actioning of risk treatment plans.</p> <p>While all of the above groups have roles in reviewing, reporting on and providing direction for risk management, each individual business process owner remains the primary risk owner and is accountable for implementing and monitoring a rigorous process of internal control and risk management.</p>
Commitment to resourcing	<p>PaperlinX is committed to the effective management of risk and will allocate the necessary resources to those responsible for managing this process.</p>
Measurement and reporting risk management performance	<p>The performance of the business in managing risk will be the subject of reporting to the RCoM. The nature and extent of reporting will be defined by the RCoM.</p> <p>The risk management framework and process will be subject to Internal Audit periodically.</p>
Monitoring and review processes	<p>The risk management policy will be reviewed by the RCoM and the Board on at least an annual basis.</p> <p>The associated risk management framework will be reviewed by the RCoM on an annual basis, or as required.</p>
Definitions	<p>Risk - effect of uncertainty on objectives</p> <p>Risk management - coordinated activities to direct and control an organization with regard to risk</p> <p>Risk management framework - set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization</p> <p>Risk owner - person or entity with the accountability and authority to manage a risk</p>
Related documents	<p>PaperlinX Risk Management Framework.</p> <p>AS/NZS ISO 31000:2009, 'Risk management – principles and guidelines' (available from the Group Manager Risk Management and Internal Audit).</p>