



Risk Management Policy

Policy number: BAPCORP039
Effective date: 17 August 2021
Last review date: 17 August 2021
Recommended by: GM Risk and Internal Audit
Authorised by: Board of Directors

Risk Management Policy

1. Introduction

Bapcor Limited's (Bapcor) growth and success depends on understanding and responding to challenges in the environments in which we operate. By understanding and managing risk we provide greater certainty and confidence for all our stakeholders.

To ensure risk is taken and managed in an informed way Bapcor is committed to the ongoing development of a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture.

This Policy defines the minimum required expectations related to the management of risk across Bapcor.

2. Application

This policy applies to all operations of Bapcor. The policy is supported by the Risk Management Framework.

3. Key Principles

Effective management of risk is vital to the growth and success of Bapcor. The following principles are to be observed by all parts of the business:

- Taking risk in a considered and informed way creates value
 - Risk management creates and protects value by generating awareness around the risks being taken
 - Risk management is integrated into organisational processes
 - Explicit risk management helps decision-makers make informed choices
 - Risk management is focused on sources of uncertainty around the achievement of strategic objectives
 - Risk management must be tailored to the context and be fit for purpose
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4. Policy

Bapcor has adopted the risk management process described in the international standard on risk management (ISO 31000:2018, Risk management – Guidelines).

Bapcor is also subject to the provisions of the Australian Securities Exchange (ASX) governance principles, which include a requirement that an ASX listed entity should establish a sound risk management framework and periodically review the effectiveness of it. Bapcor is committed to complying with this.

The way in which this process is to be enacted within Bapcor is described in the Risk Management Framework. All risk management systems and methodologies must be consistent with this process. The broad effect of this is set out in the 'Responsibilities' section below.

In line with the commitment to the effective management of risk, Bapcor commits to the allocation of the necessary resources for the management of the processes.

5. Responsibilities

All team members at Bapcor are responsible for the effective management of risk, including risk identification, response, mitigation, and reporting. Key responsibilities include:

- Business unit and functional management are responsible for implementing systems and processes for day-to-day identification and assessment of risks and ensuring these are operating effectively.
- Bapcor's Group Leadership Team ('GLT') are responsible for ensuring that:
 1. the risk management policy and framework remain valid and relevant;
 2. risk management activities are integrated, consistent and systematically managed;
 3. a risk aware culture is fostered; and
 4. systems and processes to support the day-to-day identification, management and assessment of risks are operating effectively, and periodically reporting to the Audit and Risk Committee of the Board (ARC) on the design and operating effectiveness of these systems and processes
- Bapcor's Risk function is responsible for the ongoing maintenance and improvement of the risk management framework, and for assisting the GLT and broader business with its implementation.
- The ARC assists the Board in overseeing Bapcor's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.
- The Board is ultimately responsible for the implementation and oversight of Bapcor's systems of risk management. The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the ARC.

6. Consequences for breach of this policy

A breach of any of the provisions of this Policy may constitute a disciplinary offence and will be dealt with in accordance with Bapcor's disciplinary procedures.

7. Related Bapcor documents

This Policy should be read in conjunction with the following documents:

- Risk Management Framework
- Code of Conduct
- Corporate Governance Statement
- Audit & Risk Committee Charter

8. Review and approval

This policy and Bapcor's risk management framework will be reviewed at least annually by the ARC to review their effectiveness and to ensure their continued application and relevance.

9. Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	17 August 2021	GM Risk and Internal Audit