

# Risk Management Policy

## Policy Statement

The CS Energy Risk Management philosophy is to add value to each division through a cost effective routine risk management methodology that identifies undesired or unexpected outcomes and provides an avenue for their management.

## Objectives

- To have risk management practices recognised as an integral component of CS Energy management.
- To provide a measurement and control methodology with well defined steps to support improved decision making.
- Have risk management techniques integrated into CS Energy's organisational philosophies, culture, practices and business plans.
- Recognise that risk management is a component of employee work activity and that CS Energy personnel are accountable for risk in their area of responsibility.

## Scope

This policy applies to all CS Energy activities.

## Actions

- Ensure the organisation maintains an appropriate structure that engenders risk reporting at all levels and General Manager accountability;
- Ensure resource requirements are identified and provided;
- Review identified risks and risk plans to ensure consistency and that acceptable levels of risk are maintained;
- Review adequacy of resources to implement the risk process and if determined necessary source required expertise from independent external consultants;
- Incorporate the achievement of risk plans into divisional business plans.

## Responsibility

The CS Energy Board, Chief Executive and Management Team are responsible for ensuring that risk management objectives are met and the policy implemented. The General Manager Corporate Services is responsible for implementation and review of this Policy.

## Risk Management Framework

Risk Management, in the CS Energy context, involves an iterative process where CS Energy employees identify, analyse, evaluate, treat and monitor those events or situations that provide unfavourable results in terms of public relations damage, legal liability and loss of profits.

It is a management tool that facilitates continued identification of critical business functions which, if not effectively managed will eventually lead to profit reduction.

This policy has incorporated the processes as outlined in the Australian Standard AS/NZS ISO 31000:2009 *Risk Management Principles and Guidelines*. This link assists in evaluating the efficacy of CS Energy's risk management programme.

In summary, the risk management structure provides the framework for the protection of CS Energy people, products, property and environment.

