



Monday, 9 December 2019

ASX ANNOUNCEMENT

RISK MANAGEMENT POLICY 2020

The Board of the Company approved the following replacement Risk Management Policy on 3 December 2019.

This policy and other compliance policies of the Company may be found on the company's web site; www.a1investments.com.au.

A1 INVESTMENTS & RESOURCES LIMITED



Peter Ashcroft
Executive Chairperson
and Company Secretary

RISK MANAGEMENT POLICY 2020

Purpose

A1 Investments & Resources Limited (“A1 or the Company”) 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 Statement replaces the previous Risk Management Policy of the Company approved in 2016.

Scope

This Policy applies to every person who works for A1 Investments & Resources Limited and its subsidiaries (“A1 Group”) in Australia and overseas.

Policy Principles

- Risk management must create and protect value for the A1 Group and is focused on sources of uncertainty which may impact the achievement of objectives.
- Explicit risk management helps decision makers make informed choices with an understanding and acceptance of any unintended consequences that may arise.
- Risk management is tailored to business context and must be dynamic, iterative and responsive to change.
- Risk management must be transparent and inclusive of all relevant stakeholders to ensure effective management of risk.
- The effectiveness of risk management is always improving through training, changes in technology, research and development, improvements in operating systems, including farming, harvesting and processing, ongoing monitoring, periodic reviews, communication and collaboration.

A1 has adopted the risk management process described in the Australian/New Zealand Standard (AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*). All risk management systems and methodologies within the A1 Group should be consistent with this process.

Responsibilities

A1 has adopted a 3 lines of defence model to clarify accountabilities for risk management across the A1 Group:

- **First line of defence - Risk Ownership and Management**

- The **Board** is accountable for periodic review of the A1 risk profile, fostering a risk-aware culture and reporting to the Audit, Risk Management & Compliance Committee (ARMCC) (if any) or the Board on the effectiveness of the Framework and A1 Group's management of its material business risks.
- **Each business unit within the A1 Group manages** its own risks and is accountable for actively applying the principles of risk management within its areas of responsibility and for driving a risk-aware culture.
- **All employees (including contractors)** have a responsibility to manage risk embedded within the business as they carry out day-to-day operations.
- **Second Line of Defence - Risk Oversight**
 - **Group Risk** establishes policies, guidance and business rules, approved by the Board, for effective risk management. A1 Group management is responsible for the A1 Group Risk Management Framework and risk specialist frameworks including safety and asset protection, and facilitating the implementation of these frameworks in their respective businesses.
 - **Oversight functions** including A1 Group Quality Technical Services and IT security provide specialist frameworks and standards, advise on technical risk management practices and monitor performance in specific risk areas of the business.
 - **Sustainable Operating Policy.** The Company has recently adopted a policy in respect to establishing and maintaining a sustainable business operating practices. These practices are to be aligned and undertaken by the Company in such a manner as to compliment this Risk Management Policy.
- **Third line of defence – Independent Assurance**
 - **External Audit** provides independent assurance over the truth and fairness of the A1 Group's financial position and performance reported to the market including compliance with accounting standards.

The **Board** is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework.

Compliance with this Policy

Processes established and used for the management of risk should demonstrate alignment and consistency with the principles and requirements in this Policy.

Compliance with this Policy will be periodically assessed by an audit.

Review

This Policy will be reviewed every two years or earlier if required by a change in circumstances.

BOARD APPROVAL

This Risk Management Policy Statement has been approved by the Board of A1 Investments & Resources Limited. This Risk Management Policy Statement is correct as at Monday, 9 December 2019.



Charlie Nakamura

**Managing Director and Chief Executive
Officer**



Peter Ashcroft

**Executive Chairperson & Company
Secretary**

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