Risk Management Policy

1. Introduction

Risk Management is the systematic application of management policies, procedures and practices to the approach of identifying, analysing, assessing, treating and monitoring risks. The long-term success of G8 Education Limited (**G8**) depends upon the successful implementation of systematic and methodical risk management at all levels, including having a strong culture of risk awareness and fit for purpose risk monitoring mechanisms to keep abreast of potential risk exposures.

2. Scope

This document applies to all team members, Officers and Directors of G8 Education Limited and its subsidiary brands (collectively referred to as "**G8**" or the "**Company**").

3. Purpose

The purpose of this Risk Management Policy (this **Policy**) is to formalise and communicate G8's approach to the oversight and management of risk at G8.

It is G8's intention to:

- Adopt risk management as a core business competency and embed risk management into its business, making it an integral part of its planning and decision-making processes;

- Enable management and the Board to make prudent, efficient and consistent risk-based decisions in respect to strategic, operational and project objectives;

- Give confidence to the community, the Board and to shareholders that risks are well managed in accordance with current accepted good practice in Australia;

- Build a culture of effective risk management, with which the Executive Leadership Team can establish expected governance and management of acceptable practice; and

- Use risk management data to provide insight and inform the Company of areas of concern or unreasonable risk exposure.

4. Policy Statement

G8's vision is to be a risk capable organisation with a strong risk management culture, where risk management is seen as integral to performance and the achievement of business objectives (both operational and strategic) and provides a continuous cycle of business improvement.

Effective management of risk:

- requires a positive risk culture that supports open discussion about uncertainties and opportunities;

- is vital for continued business success and growth; and

- can provide a source of competitive advantage through encouraging continuous improvement and innovation.

G8 manages risk as an integrated component of enterprise, operational and project management that promotes a blame free culture in an environment of inquiry and learning. G8 applies best practice guidelines through meeting the requirements of the International Standard ISO 31000 Risk Management Principles and Guidelines.

G8's Risk Management Policy objectives are to:

- provide a foundation that enables the achievement of G8's vision and strategic objectives to realise opportunities whilst minimising possible adverse impacts;

- establish a risk appetite and ensure there is a risk framework methodology for the identification, assessment, prioritisation, monitoring, reporting, mitigating or controlling risk, evaluating and communicating risk within the context in which G8 operates;

- understand the internal and external operating environment to develop a holistic view of G8's risk profile to align its risk appetite;

- allocate clear accountabilities and responsibilities as a key to maintaining a positive risk management culture;

- support those who have risk management responsibilities to understand, assess, document and review risk to enable effective management;

- ensure a clear understanding of the G8 risk profile and risk tolerance as it relates to potential to impacts on:

  o the health and safety of team members and children in G8's care;
  o service quality and compliance;
  o business performance and operations;
  o G8's reputation and standing within the industry and communities in which we operate;
  o financial performance and impacts; and
  o human resources capacity and capability; and

- support informed and timely decision making and address uncertainty through communication, consultation, escalation and analysis processes.

5.   Accountability and responsibility

The **Board of Directors** has overall accountability for:

- setting and reviewing the strategic direction of G8 and the risk appetite; and

- the establishment of effective governance and assurance to ensure sound systems of risk oversight, risk management and controls and reporting.

The Board has delegated to the **Audit & Risk Management Committee** responsibility for:

- the detailed annual review of the Risk Management Policy, Risk Management Framework, Risk Management Matrix and Strategic Risk Register & Dashboard; and

- recommending to the Board the risk appetite to be adopted by the Board.

The **Chief Executive Officer and Executive Leadership Team** have overall accountability for:

- the development and implementation of strategic programs to achieve G8's strategic direction;

- the implementation of control systems to work within the Board's risk appetite and tolerance levels; and

- the allocation of resources to implement agreed risk control strategies and strategic work programs.

The **Chief Legal, Quality & Risk Officer** has overall accountability for:

- the development and implementation of the Risk Management Policy;

- the management and maintenance of the Risk Management Framework;

- coordination and maintenance of the Enterprise Risk Register;

- the monitoring and reporting of the potential effect of enterprise risks and emerging risks; and

- the regime for reporting risks to the Executive Leadership Team and the Board.

The **Executive Leader** of each G8 functional area have accountability for:

- the development and implementation of operational programs to support the delivery of strategic programs;

- the integration of risk management with business planning processes to plan and prioritise required work to best achieve the results being targeted by the business in line with risk appetite; and

- the management of relevant Functional Area risk registers and applicable Project risk registers.

All **team members** have accountability for:

- the escalation and reporting of any real or perceived risks that may significantly affect the performance or reputation of G8, or that may provide exposure to legal or regulatory action, in line with the risk escalation procedures defined in the Risk Management Framework;

- compliance with all policies, procedures, guidelines and practices related to risk within their area of responsibility; and

- the ownership of, and for undertaking their part in, defined treatment actions and associated due dates.

Internal Audit has responsibility for:

- implementation of an approved internal audit plan that uses risk-based methodology including any risks and control concerns identified by the Executive Leaders, the Audit & Risk Management Committee and the Board;

- in doing so, they may assess and report on the management of risk and key internal control systems.

External Audit has responsibility for:

- providing an opinion on the truth and fairness of the annual financial report; and

- in doing so, they may assess the management of risk and key internal control systems.

6.   Principles

G8 will aim to ensure its risk management system:
- aligns with AS/NZS ISO 31000: Risk Management – Principles and Guidelines;

- integrates strategic planning processes with risk management to support strategic performance;

- identifies, escalates, manages and communicates all material risks;

- considers the external and internal business environments to develop a holistic view of the risk profile; and

- manages G8's risk profile to align with its risk appetite.

7.   Review

This Policy will be reviewed by the Board at least annually.

This Policy will also be submitted to the Board for review in the event that there is a material change to relevant regulations or standards.

The CEO and Chief Legal, Quality & Risk Officer may make administrative revisions to this Policy to keep it up to date, provided no changes in the nature of the policy is made.

Risk Management
Policy

A copy of this policy document is available to all team members and is available on the corporate governance section of the company's website www.g8education.edu.au.

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