

## RISK MANAGEMENT POLICY

### 1. INTRODUCTION

Tassal Group Limited (**Tassal**) recognises that *risk* is an integral part of doing business and there are regulatory and market requirements for Tassal to have a sound system of recognising and managing risk. Effective management of risk is necessary to mitigate threats, enhance opportunities, sustain competitive advantage and deliver shareholder value.

Tassal is committed to fostering a risk-aware corporate culture and embedding robust risk management practices within our operations.

**At Tassal, Risk Management is everyone's responsibility.**

*At Tassal we take a risk-aware approach to both protect and create value in line with our purpose, sustainably feeding tomorrow.*

### 2. RISK MANAGEMENT FRAMEWORK

Tassal's Risk Management Framework (**Framework**) provides the structure to support the process of identifying, assessing, managing, monitoring and reporting risk. Tassal's Framework is aligned to *AS/NZS ISO 31000:2018 Risk Management – Guidelines* and *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations - 4<sup>th</sup> edition (2019)*.

The following principles form the basis of the Framework:

- (a) *Integrated*: At Tassal, risk management is integrated across our operations and activities, and is intrinsic to our decision-making. Our Risk Appetite Statement (**RAS**) is aligned to strategy and is regularly reviewed and updated by the Board. Together with delegated authority limits and management structures the RAS ensures accountable decision making, while empowering appropriate behaviours around risk taking to protect and create value.
- (b) *Structured*: At Tassal, we take a structured approach to the identification, assessment, management, monitoring and reporting on material financial and non-financial risks, including emerging and contemporary risks, utilising effective risk management tools and reporting processes. The Board, CEO and Executive Management are committed to ensuring appropriate and adequate resources are available to support Tassal's risk management activities.
- (c) *Customised, Inclusive and Underpinned by Culture*: At Tassal the risk management approach is customised to our purpose, values and strategy and involves relevant stakeholders across all levels of the organisation, and externally. Tassal recognises that a proactive risk-management

culture underpins the effectiveness of the Framework. At Tassal we foster a culture of honesty, integrity, responsibility, accountability and respect for the law in accordance with our Code of Conduct.

- (d) *Dynamic and Transparent:* At Tassal we recognise that our risk environment is dynamic and that Tassal's risk management approach must be capable of responding to changing external and internal contexts. Information should be timely, clear and available to relevant stakeholders. This includes shareholders and other external stakeholders, in accordance with Tassal's Continuous Disclosure Policy.
- (e) *Continuous Improvement:* At Tassal we recognise that risk management must be continually improved through learning and experience. The Framework is subject to continual review and is expected to be continually adapted, evolved and improved.

### 3. RISK OVERSIGHT AND RESPONSIBILITIES

Roles and responsibilities relating to risk management are as follows:

#### ***Board***

The Board has overall responsibility for overseeing the establishment and implementation of the Framework. The Board is also responsible for setting Tassal's risk appetite, reviewing Tassal's policies on risk oversight and management and satisfying itself that Management has developed and implemented a sound system of risk management and is operating within the risk appetite set by the Board.

#### ***Board Committees***

The Board is assisted in the discharge of its risk oversight responsibilities by the following Committee structure:

- (a) The Risk and Responsible Business Committee (**RRBC**), which oversees the adequacy of the Risk Management Framework, including the process for identifying and managing material and emerging non-financial risks. The RRBC operates in accordance with the RRBC Charter.
- (b) The Audit Committee, which oversees management of financial and financial reporting risk, and audit activities. The Audit Committee operates in accordance with the Audit Committee Charter.

#### ***CEO and Executive Management***

The CEO and Executive Management are accountable for risk management outcomes and compliance in their respective areas and providing an environment that promotes prudent risk management practice and a strong risk culture.

The CEO approves operational risk procedures and strategy and reviews operational risk reports for Tassal as a whole.

#### ***Chief Risk Officer***

The Chief Risk Officer (**CRO**) is responsible for implementation of the Framework, including specifically:

- (a) Ensuring a structured risk management approach is adopted throughout Tassal.
- (b) Supporting the RRBC and Board in the development and review of Tassal's Risk Appetite Statement, risk tolerance thresholds and monitoring performance against appetite.
- (c) Supporting the RRBC and Board in the continuous review of the Framework and internal control system.
- (d) Co-ordinating overall risk profile, risk registers and action plans.
- (e) Facilitating an integrated approach to risk management, including developing and communicating information about risk management to all staff.
- (f) Reporting to the RRBC, Audit Committee and the Board on Tassal's risk profile, top and material risk, emerging risks and other relevant material risk matters from time to time.

The CRO is assisted in the discharge of their functions by a dedicated Risk Management department.

#### ***All management and staff***

All Management and staff are responsible for identifying, managing, monitoring and reporting of risks associated with their work areas and activities, and compliance with risk management policies and controls. Tassal strives to create an environment where managing risk is accepted as the personal responsibility of each staff member.

#### **4. MINIMUM RISK MANAGEMENT AND OVERSIGHT REQUIREMENTS**

Tassal's commitment to Risk Management practice and oversight is reflected in the following minimum requirements:

- (a) The Risk Appetite Statement, set by the Board, is reviewed at least annually by the RRBC and Board.
- (b) Where it is identified that Tassal is operating outside the stated risk appetite, the matter is brought to the attention of the CEO, CRO and RRBC/Board, in accordance with the process provided in Tassal's Risk Appetite Statement.
- (c) The Risk Management Framework is reviewed for ongoing effectiveness at least annually by the RRBC.
- (d) The 'Risk Profile' of Tassal, including top material risks, which are reviewed at least annually by the RRBC.
- (e) Management provides additional periodic reports on the top material financial and non-financial business risks, and potentially new and emerging risks to the RRBC, Audit Committee and/or Board, in accordance with an annual work plan and/or at the request of the RRBC, Audit Committee and/or Board. This includes:
  - (i) reports to the RRBC on Environmental, Social and Governance Risks (ESG, Sustainability) risks and compliance, at least quarterly;
  - (ii) reports to the RRBC on Climate change risk, and climate-related disclosures, at least annually.

- (f) In relation to Tassal's financial reporting the Board obtains on a half-yearly basis, a written declaration from both the CEO and the CFO that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **5. INTERNAL AUDIT (OR EQUIVALENT) ACTIVITIES**

The Audit Committee is responsible for oversight of any internal audit activities, as more particularly described in the Audit Committee Charter.

A Statement as to Tassal's approach to internal audit (or equivalent) activities is available in Tassal's Corporate Governance Statement.

#### **6. AMENDMENT**

This policy will be reviewed every year, or as necessary, to check that it is operating effectively and to determine whether any changes are required.

This Policy can only be amended with approval of the Board.