

Risk Management Policy

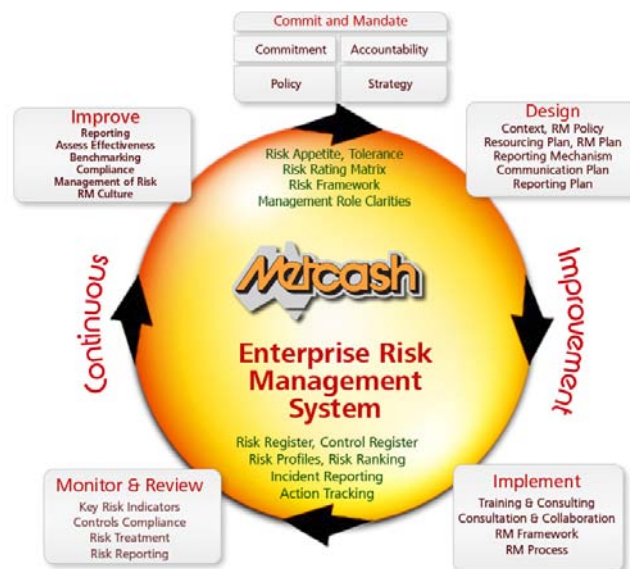
1. Purpose

The purpose of this Risk Management Policy¹ is to formalise and communicate the approach for the management of risk² at Metcash. The overall aim is to help achieve Metcash's objectives by continuously improving risk management³.

2. Risk Management Framework

Metcash recognises that successful risk management is dependent upon good corporate governance principles and an effective risk management framework⁴. The enterprise-wide framework assists in the identification and effective management of strategic, financial and operational risks through the application of the risk management process⁵.

The Metcash Risk Management System



3. Risk Management Process

Metcash has formally adopted the risk management process described in the *ISO31000:2009*.

4. Roles and responsibilities

The Metcash Board has delegated the supervision of the risk management processes to its Audit Risk and Compliance Committee. Responsibility for the management of strategic risk is retained by

¹ Risk Management Policy - Statement of the overall intentions and direction of an organisation related to risk management (ISO Guide 73:2009, definition 2.1.2)

² Risk - The effect of uncertainty on objectives (ISO Guide 73:2009, definition 1.1)

³ Risk Management - Coordinated activities to direct and control an organisation with regard to risk (ISO Guide 73:2009, definition 2.1)

⁴ Risk Management Framework - Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation (ISO Guide 73:2009, definition 2.1.2)

⁵ Risk Management Process - Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk (ISO Guide 73:2009, definition 3.1)

Metcash Board. The Metcash Executive regularly reports to the Metcash Board as to the emergence of any significant risk exposures and the management of any previously reported material issues.

All Metcash employees are responsible for the management of risk within their areas. Management is responsible for identifying, assessing and monitoring risk exposures and designing cost-effective risk mitigations⁶. Non-management employees are always responsible and accountable for ensuring that controls⁷ within their scope of responsibility continue to operate as specified by management.

⁶ Risk Mitigation - Risk treatments that deal with negative consequences are sometimes referred to as “risk mitigation”, “risk elimination”, risk prevention” and “risk reduction”. (ISO Guide 73:2009, definition 3.8.1)

⁷ Control - Defines control as a measure that is modifying risk (ISO Guide 73:2009, definition 3.8.1.3)