

# RISK MANAGEMENT POLICY

**Coca-Cola Amatil Risk Management Policy**  
May 2018

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**Policy**

Approval Date

Approved By

Owner

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Amendments

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**RISK MANAGEMENT POLICY**

15 May 2018

Alison Watkins, Group Managing Director

David Ogier, General Manager, Risk

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Nil

Nil

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**CCA**  
**COCA-COLA**  
**AMATIL**

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# 1 INTRODUCTION

The purpose of the Risk Management Policy is to formalise and communicate the Coca-Cola Amatil (Amatil) approach to the oversight and management of risk.

The Policy and Framework is intended to provide an effective response for the management of risk across Amatil. It demonstrates our compliance with Principle 7 of the “*ASX Corporate Governance Council Principles and Recommendations (3rd Edition)*” and in doing so drives shareholder confidence in the Company.

Risk can represent both a threat and an opportunity for Amatil and is a fundamental factor in the success or failure of our business. Amatil promotes a risk-aware corporate culture to support key decisions made in the business. Our employees can identify risk through integrated risk analysis and then manage these risks to enhance commercial opportunities or reduce threats to maintain and build competitive advantage.

This policy covers all Coca-Cola Amatil Business Units.

## 2 RISK MANAGEMENT PROCESS & FRAMEWORK

The management of risk requires that a thorough analysis of risk be undertaken to support decision making at all levels of the business.

To support this requirement, risk analysis undertaken within every business unit will follow the principles set out in this document and the *Coca-Cola Amatil Limited Risk Management Framework and Guide*. These have been based on the International Standard for Risk Management (*AUS/NZS ISO 31000:2018*).

Risks and the effectiveness of their management are reviewed and reported regularly to relevant management, the Audit and Finance Committee, the Risk and Sustainability Committee and the Board.

## 3 ROLES AND ACCOUNTABILITIES IN RISK MANAGEMENT

All Amatil employees have a role to play in the management of risk and the following section outlines specific accountabilities.

## 4 THE BOARD OF DIRECTORS

The Amatil Board is responsible for the oversight of the risk management policy and framework.

## 5 AUDIT AND FINANCE COMMITTEE (AFC)

The purpose of the AFC is to oversee financial risk management and internal controls across Amatil. Specifically, the AFC is responsible for:

- Financial Reporting: to ensure the balance, transparency and integrity of published financial information;
- Internal Controls: to confirm the effectiveness of Amatil’s internal controls;

- Internal Audit: to be satisfied with the effectiveness of the internal audit function and to approve the appointment and assess the performance of the Internal Auditor;
- External Audit: to ensure an independent audit process, recommend the appointment to the Board and assess the performance of the External Auditor; and
- Compliance with laws, regulations and internal policies and industry standards with detailed oversight of financial risk.

For more information regarding the roles and responsibilities of the Audit and Finance Committee, please refer to the Audit and Finance Committee Charter which can be found at [www.ccamatil.com](http://www.ccamatil.com).

## 6 RISK AND SUSTAINABILITY COMMITTEE (RSC)

The purpose of the RSC is to objectively assess the effectiveness of Amatil's risk and compliance management framework. Specifically, the Committee is responsible for:

- Reviewing all of Amatil's key risks to confirm the effectiveness of Amatil's risk management system, including the review of: Amatil's overall risk profile; and strategies to mitigate material risks across Amatil;
- Reviewing and monitoring compliance with Amatil's legal and regulatory responsibilities, internal policies and industry standards;
- Approving Amatil's policies and standards which reflect on Amatil's reputation; and
- Reviewing and monitoring social and reputational issues that may have an impact on Amatil

For more information regarding the roles and responsibilities of the RSC, please refer to the Risk and Sustainability Committee Charter which can be found at [www.ccamatil.com](http://www.ccamatil.com).

## 7 OTHER BOARD COMMITTEES

Other Board Committees are responsible, among other things, for advising the Board in relation to risk management issues within their area of responsibility.

## 8 MANAGEMENT

Business Unit Managing Directors have the prime responsibility for the management of risk in their business unit. This includes the identification of risks and actions that mitigate these risks while supporting the business to achieve its objectives. The Business Unit Managing Directors are supported in their risk management responsibilities by the central group functions of Risk Management, Internal Audit, Security and Fraud, Legal, Finance, Treasury, Insurance and Tax.

The bi-annual Certification and Representation Letter reflects the primary risk responsibility of business unit management. The Certificate by Accountable Officers (CAO) certifies the effective operation of the risk management and internal control systems within the business units and is given by Business Unit Managing Directors to the Group Managing Director and Chief Financial Officer.

## 9 GROUP RISK MANAGEMENT

The role of Amatil's Group Risk Management team is to provide the Amatil Board, Audit and Finance Committee, Risk and Sustainability Committee and Chief Executive Officer, with information on the management of risk throughout Amatil and to facilitate the implementation of risk management processes. The team drives the enterprise wide risk management strategy.

## 10 INTERNAL AUDIT

Internal Audit is responsible for reviewing the effectiveness of internal controls through an annual, risk-based assurance program of key business process reviews and monitoring the rectification of any deficiencies identified.

## 11 EXTERNAL AUDIT

External Audit is responsible for providing an opinion on the truth and fairness of the annual financial report. In doing so, they may assess the management of risk and key internal control systems.

## 12 POLICY REVIEW

The Risk Management Policy and Framework will be regularly reviewed by the Amatil Board and will be amended (as appropriate) to reflect current best practice and changes in regulatory requirements.

## 13 SUPPORTING DOCUMENTATION

- Within Amatil, there are several documents to support the management of risk. These include:
- Alcohol Compliance Policy
- Anti-Bribery & Corruption Policy
- Business Continuity Planning Policy
- Chain of Responsibility Policy
- Code of Business Conduct Policy
- Drug & Alcohol Policy
- Group Environment Policy

- Group Fraud Asset Protection Policy
- Group Procurement Policy
- Group Treasury Policy
- Group Water Policy
- Information Protection Policy
- Information Security Policy (Computer Usage Policy)
- Mobile Phone & Technology Usage Whilst Driving
- Health, Safety and Wellbeing Policy (Occupational Health & Safety Policy)
- Privacy Policy
- Public Affairs and Communication Policy
- Receipt of Gifts & Entertainment from Third Parties Policy
- Responsible Marketing Policy
- Whistleblower Protection Policy
- Working Together Policy

## **14 RISK MANAGEMENT CONTACTS**

Questions about the Risk Management Policy and Framework and its application within Amatil are to be directed to the General Manager, Risk on 13 COKE.

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