



February 16, 2024

APA Risk Management Policy

1. Purpose

The Risk Management Policy (**Policy**) sets out the principles, objectives and responsibilities for risk management and articulates the key elements of the Risk Management System (**RMS**) aligned to the international risk management standard ISO 31000.

Effective application of the Policy helps APA to manage uncertainty in its business and support achievement of APA's strategic priorities and goals, in line with its risk appetite.

2. Scope

This Policy applies to all risks and all risk management activities, APA directors, subsidiaries, controlled entities, employees, consultants, contractors, and all other people when they represent APA (**APA Personnel**). Application of the RMS ensures a consistent approach and common language for risk management across APA.

The RMS sets out the principles and key processes for governance and risk management.

3. Risk management position and principles

Risk is inherent in all aspects of APA's activities and key to our decision making, providing confidence in our ability to achieve the strategic priorities and goals underpinning our vision and purpose. We maintain risk management practices focussed on cost effective management of risk while maintaining alignment with our risk appetite. This allows APA to both protect and enhance value for our stakeholders.

We adopt the following principles to ensure uncertain adverse outcomes are minimised and uncertain opportunities are maximised:

- **Consistent, structured and embedded:** We maintain a single, structured, embedded and fit for purpose risk management system, focussed on identifying and managing the uncertainties impacting value.
- **Integrated in key decisions:** We consider risk to be an integral part of APA decision making, with application across strategic planning, our growth or change projects and operations, providing for informed risk taking consistent with our risk appetite.
- **Risk aware culture:** We promote risk awareness in all aspects of our business, driven by a strong "tone at the top", which encourages issue escalation and transparency.
- **Ownership:** We are accountable for our actions and empower management to take ownership of risk to ensure it is managed and regularly monitored, with an assurance capability to check critical controls in place.
- **Resourcing:** We act responsibly in the conduct of our business and will allocate sufficient resources for effective risk management.
- **Continual improvement:** We continually improve our risk management system to ensure our practices remain appropriate and effective.

4. Risk management objectives

The RMS sets out the approach for ensuring risk is effectively identified, managed, and monitored. The key objectives of the Risk Management System are to:

- Systemically identify and manage all of APA’s material risks.
- Provide for considered risk taking in decisions, consistent with APA’s risk appetite.
- Provide for effective internal controls and action planning to manage current or emerging risks.
- Regularly monitor, review and update APA’s risk registers and risk profile reflecting new or changed risks in line with business activities.
- Provide for alignment to specialist risk areas including engineering risk, IT security, process safety, health, safety, environment and heritage risk, climate risk, treasury risk, tax risk and project risk.
- Incorporate key strategic emerging risks into APA’s strategic planning process.
- Ensure effective systems for recovery and improving controls to prevent or limit impact on reoccurrence.
- Continually educating, communicating, and raising awareness of good risk management practices to APA Personnel.

5. Roles and responsibilities

For the purposes of monitoring and managing risk across APA, the following specific responsibilities apply:

Position	Responsibilities
APA Group Board (Board)	<ul style="list-style-type: none"> • Approve the Risk Appetite Statement • Approve the Code of Conduct • Approve relevant regulated risk and compliance reports • Approve the D&O insurance program
Risk Management Committee (RMC)	<ul style="list-style-type: none"> • Review and assess the adequacy and suitability of the Risk Management System to ensure that APA Group is operating within APA Risk Appetite • Approve the Risk Management Policy and Risk Management Framework • Review APA’s material financial and non-financial risks, emerging risks and risk indicators • Review regulatory related risk and compliance reports where required • Review the Group’s insurance arrangements • Review the Group’s crisis management arrangements and testing
Executive Risk Management Committee / ELT	<ul style="list-style-type: none"> • Review the Risk Management Policy and Risk Management Framework • Review APA’s material financial and non-financial risks, emerging risks and risk indicators

Position	Responsibilities
	<ul style="list-style-type: none"> Review regulatory related risk and compliance reports where required Approve the Group’s Business Recovery Policy / Crisis Management Plan Review the Group’s insurance arrangements
Managing Director	<ul style="list-style-type: none"> Own implementation of the Risk Management Policy and RMS across APA Promote a risk aware culture across APA Approval of material / enterprise risks reported to RMC
Group Executive – Legal & Governance	<ul style="list-style-type: none"> Ownership of the Risk Management Policy Approve Risk & Compliance Standard
Group Executives	<ul style="list-style-type: none"> Implementation of the Risk Management Policy and RMS in respective divisions Implementation of relevant regulated risk and compliance plans/approaches Ownership of material risks for APA Apply Risk Appetite to all APA decisions Promote a risk aware culture across APA
Group Risk, Compliance & Insurance	<ul style="list-style-type: none"> Maintain and monitor the Risk Management Policy and RMS, including processes, risk & compliance systems, tools and training Maintain and monitor risk metrics including risk appetite tolerances and early warning indicators Monitor material/enterprise risks in the APA risk profile Monitor the control environment for material/enterprise risks Maintain the Business Recovery Policy, Framework and Crisis Management Plan

6. Related documents

- Code of Conduct
- Risk Management System and Standard
- Compliance Management Policy, Compliance Management System
- Business Recovery Policy (Business Continuity, Emergency Response and Crisis Management)
- Treasury Risk Management Policy
- Tax Policy
- Accounting Policy
- Enterprise Security Policy
- Health, Safety, Environment and Heritage Policy
- Climate Change Policy and Standard
- Insurance Standard



7. Version Control

Date	Version	Changes
01 Nov 2020	V4	Rationalisation following creation of Risk & Compliance Standard
01 Nov 2021	V5	Update for critical infrastructure security risk, early warning risk metrics, key risk management specialist areas and new brand
20 Nov 2022	V6	Update for refreshed governance model, refreshed RMS and critical infrastructure document references
3 Nov 2023	V7	Change of owner and minor changes
23 Jan 2024	V8	Updates to roles and responsibilities and names of related documents. Ownership of the policy changed to Group Exec Legal and Governance in line with change to organisation structure.