

Risk Management Policy

Waste Management NZ Ltd (“WM”) faces a wide range of risks in the business environment. It shall actively manage these risks to ensure it operates a safe workplace and is able to sustain the achievement of its business objectives.

WM takes a proactive approach to risk management, ensuring a company-wide system is in place, which addresses all internal and external risk factors.

WM is committed to making the necessary resources available to assist those accountable and responsible for managing risk at all levels.

1.0 Definition and Scope

Risk is defined as the potential of an action, inaction or activity to adversely affect WM’s commercial objectives, as well as the company’s vision or values, and is evaluated in terms of likelihood and consequences of the event occurring.

There are many different forms of risk, which WM must manage, including but not limited to,

- a) Operational and Compliance risk
- b) Critical Risk
- c) Enterprise and Strategic risk
- d) Health and Safety risk
- e) Environmental and Climate Change risk
- f) Change risk (Management of Change)

WM differentiates between Corporate Enterprise Risk and Branch Enterprise Risk. This acknowledges that WM branch enterprise risk exposure may be different and must be managed at branch level.

WM’s [Risk Management Program](#) applies to all businesses, including wholly owned subsidiaries, within the WM group.

2.0 Rationale for Managing Risk

The purpose of the Risk Management Program is to maintain a business environment that effectively reduces risk exposure to acceptable levels and ensures compliance to relevant legal, regulatory and governance standards, as well as enabling informed decisions to be made.

3.0 Critical Risk

Critical Risks are potential incidents or events in the workplace, that can cause death or serious harm. At WM, we understand these risks require stricter controls and processes to ensure worker and public safety. WM has reviewed its activities and identified a number of Critical Risks that impact our business.

Not all Critical Risks identified apply to all branches, so they are required to list the top 5 as a minimum and conduct a full review of one Critical Risk every month from February to November, ensuring those Critical Risks identified are reviewed twice per year. Where sites have multiple Critical Risks, they can list up to 10 but must remember to review each identified Critical Risk twice per year.

4.0 Enterprise Risk

Enterprise Risk Management is embedded in all organisational practices and processes and is operated through the Enterprise Risk Management Framework (“**ERMF**”) which is located on the HSEQ page of the WM portal.

4.1 Branch Enterprise Risk

- a) Branch level risk management is the responsibility and accountability of each Branch Manager. Each Branch Manager must ensure that a detailed Enterprise [Risk Register](#) is developed for their branch. These will be supported by the relevant Regional Manager, General Manager and corporate support functions as appropriate.
- b) The Branch Enterprise Risk Registers will be regularly reviewed, reported on and audited both internally and externally, in accordance with the ERMF.

4.2 Corporate Enterprise Risk

- c) The Executive Leadership Team (“ELT”) has in conjunction with the Senior Leadership Team (SLT), developed a Corporate Enterprise Risk Register.
- d) ELT will review information on the risks set out in this register at the monthly ELT meetings when an identified risk has been involved in an incident. A full register review is to be completed every six (6) months regardless of any monthly reviews being completed. It is the responsibility of both the ELT, and the relevant Risk Owner stated in the Corporate Enterprise Risk Register, to ensure that this information is discussed and reviewed with the SLT so that informed decisions and appropriate action relating to the risks set out in the Corporate Enterprise Risk Register can be made.
The Chief Risk Officer will report on any changes made to the Corporate Risk Register to the ELT at the earliest opportunity whenever a review has been completed. Any changes made by the ELT upon this review will be reported back to the SLT at the earliest opportunity.
- e) Financial risk is centrally managed by the CFO unless otherwise specifically delegated within the appropriate authority levels and transaction limits set out in the [Delegations of Authority](#) and the company policies (including the [Treasury Policy](#)).

5.0 Health and Safety Risk

Please refer to the Health and Safety Policy for further information on the management of this risk.

6.0 Operational and Compliance Risk

This risk is managed and supported by a number of systems and processes including HSEQ, People and Culture, legal and finance as well as the policies and the Business Rules and Delegated Authority Levels.

7.0 Change Risk (Management of Change)

Where a change is required to the way we operate this can expose our workers or the organisation to potential risk. Whenever there is a change in process, a change in the plant or equipment used in operations, the removal of or, change to a person’s role within the organisation, there is a risk that this may impact on the health and safety of workers, the environment, and/or to the effectiveness in the way the company operates. In all such cases, the Management of Change process must be followed to ensure any risk/s are identified and assessed before the change is made, and the appropriate controls put into place to minimise exposure to the risks identified by the assessment.

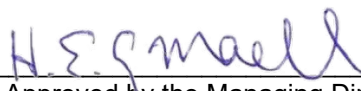
8.0 Measure and Reporting Requirements

- a) Risk Management performance will be measured and reported on a regular basis, through the processes prescribed by the ERMF.
- b) The WM ERMF will be reviewed on an annual basis by the Chief Risk Officer to ensure it is fit for purpose and meets the needs of WM and any changes will be reviewed by the rest of the ELT to approve.

9.0 Communication and Consultation

- a) Communication and consultation with workers and contractors of the requirements in this Policy shall be carried out in accordance with the [HSEQ Management Standards](#), which are set out on the portal.
- b) This Policy applies to all workers and contractors engaged in activities under WM's operational control.
- c) The Managing Director is accountable to the Board of Directors for ensuring this Policy is implemented.

This Policy will be reviewed annually.


Approved by the Managing Director

Date: 20 April 2023