



## **Corporate Express Australia Limited**

### **Risk Management Policy**

#### **Risk Management Commitment and Framework**

Consistent with ASX Principle 7 Corporate Express Australia Limited is committed to a proactive and ongoing business risk awareness, assurance and control culture which enables continuous improvement of business processes thereby facilitating the achievement of the Corporate Express mission and objectives ensuring readiness for challenges and competition.

The Company recognises that an appropriate level of risk is required to seize growth opportunities and optimise returns to all stakeholders and therefore aims to ensure our culture, processes and structures are directed towards realising potential opportunities whilst managing adverse consequences.

By monitoring both financial and non-financial risks to the company which could influence the achievement of the company's strategic, operational and financial objectives, management is able to add value to the strategic business planning process. The fundamental aim of the Company's risk management strategy is to balance risk against reward, to optimize returns to all stakeholders.

There are a number of governance committees in place which report to the Board and support the Board in working with management to proactively identify, assess and manage material business risks. They facilitate our objective of establishing a sound system of risk oversight and management and internal control.

## Responsibilities

The Board is responsible for overseeing the establishment and implementation by management of risk management systems and reviewing the effectiveness of these systems.

The Board is assisted in this process by the Audit Committee which has in its charter responsibility for the oversight of the Company's internal control environment, monitoring that adequate compliance controls are in place and overseeing the effective operation of the company's risk management framework. The Audit Committee is supported by the Internal Audit function.

The Company also has a Risk Management Committee consisting of members of senior management, and chaired by an executive director.

The objective of the Risk Management Committee is to facilitate the implementation and operation of an appropriate risk management framework which encompasses the guidelines set out in AS/NZS 4360:2004. This includes facilitating risk identification, risk analysis, risk evaluation, treatment of risk and ensuring there is a program of ongoing monitoring and review within the business. The Risk Management Committee actively monitors the Company's risk profile and provides regular updates to the Audit Committee.

## Risk Profile

The following risks are those which are most likely to bring significant areas of uncertainty or exposure to Corporate Express preventing it from achieving its objectives. Other more specific risks are also monitored.

- Financial risk – the risk of financial loss to Corporate Express through interest rate risk, exchange rate risk, availability of finance, credit risk, insurance or litigation.
  - These risks are proactively managed by continual monitoring of the business practices and environment in which the Company operates and by ensuring adequate, appropriate insurance coverage is in place.
- Operational risk – the risk of loss as a result of inadequate or failed internal processes, systems or people or from external events.
  - Business units are responsible for ensuring adequate processes exist in order to operate efficiently and effectively. Business Interruption is supported by a Business Continuity Framework and Disaster Recovery Plan. Risks associated

with managing our employees are managed by focusing on staff development, culture and engagement, change management and communication.

- IT Risk – the risk of loss to Corporate Express via inadequate IT management and or resources
  - This is managed by ensuring the Company’s IT department is adequately and appropriately resourced. Further, that there is a thorough understanding of the business requirements its systems exist to meet, there is an understanding of the complexity of the Company’s systems and that those systems have the ability to meet increasing business requirements.
  
- Occupational Health & Safety – the risk of an employee, contractor or visitor to Corporate Express hurting themselves whilst in our care.
  - This is managed by an extensive safety program including hazard reporting, safety site inspections, rehabilitation procedures, safe work methods and training.
  
- Sustainability – the risk of loss associated with poor sustainability practices, environmental management systems, products and services.

### **Internal Compliance and Control System**

The Internal Audit function is independent of the external audit function and reports directly to the CFO and has direct access to the Audit Committee at all times. Internal Audit follows an annual risk based program, which is endorsed by the Audit Committee, to provide independent assurance on the internal control environment. The Internal Audit Charter is also endorsed by the Audit Committee and provides the mandate with which Internal Audit can access the business to review processes, test internal controls, assess compliance and identify and report weaknesses.