

**DATED: 28 JULY 2023**

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**RISK MANAGEMENT POLICY**

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## 1. Policy Statement

- 1.1 NZ Windfarms Ltd (NWF, the Company), is committed to a risk-based approach to achieving its strategic business objectives without compromising its core values. This will be achieved by reviewing potential risks, opportunities, and proposed action plans prior to making a business decision.

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## 2. Scope of Policy

- 2.1 The Risk Management Policy applies to all NWF, NWF subsidiaries and their employees including any external parties involved in works related to NWF.
- 2.2 Where NWF has significant influence over an operation (including equity and management interest) it will seek to promote the application of this policy.

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## 3. Purpose of this Document

- 3.1 NWF operates in an environment that contains strategic, operational and project/construction risks. It shall actively manage risk to ensure it operates a safe workplace and is able to sustain the achievement of its business objectives.
- 3.2 Risk management techniques and capabilities assist management to focus on uncertainties and vulnerabilities associated with the future, thereby improving the likelihood of meeting business objectives.
- 3.3 The objectives of the risk management policy and associated processes are:
- (a) To allow NWF to pursue opportunities that involve risk in an informed manner, to meet the expectations of stakeholders.
  - (b) To enable full and due consideration to be given to the balance of risk and reward in pursuing the achievement of NWF's business, including growth, objectives.
  - (c) To apply risk management practices to enhance strategic, tactical, and operating decision making; and
  - (d) To ensure that the Company operates in a sustainable manner.

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## 4. Definition of Risk

- 4.1 Risk is "any threat, lost opportunity or circumstance that could compromise the safety and security of our customers, suppliers and employees, or affect NWF's financial objectives and sustainability or the strength of its brand."

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## 5. Principles

- 5.1 The risk management process adopted by NWF follows (not accredited) the NZS 7901:2014 Safety management system - Principles and Guidelines, appropriately implemented and tailored to suit the specific requirements of NWF.
- 5.2 The overarching objective is for risk management to be an inherent part of NWF culture, where ownership and management of risk is not left to a specific function of the organisation but is a natural aspect of everything NWF does, embedded within the governance framework and associated processes.

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## 6. Responsibility and Accountability

- 6.1 The management of risk is a core responsibility.
- 6.2 All management and staff are accountable to promote employee risk management processes within their area of control and responsibility, to aid in the achievement of business objectives.
- 6.3 A process to ensure risk has been adequately identified, considered, mitigated, and managed should be evident in all key decision-making processes.
- 6.4 The Chief Executive Officer, Chief Financial Officer, GM Operations, and management shall ensure that risks to the business are identified and evaluated, that effective responses and control activities are developed, and that appropriate monitoring, reporting and timely re-evaluation is conducted.
- 6.5 The Chief Executive is responsible for escalating risk issues to the Board.
- 6.6 The Board and Audit and Risk Committee are responsible for setting policy, assessing, and monitoring strategic risks and ensuring management maintains an effective risk management framework including risk register.

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## 7. Reporting and Managing Risks

- 7.1 The Company will establish and maintain a risk register to monitor and report risks that threaten achievement of business objectives. Goals and targets for the Company should reflect operating and project / construction environment risks. Records and planning documentation should include information on risks associated with projects and initiatives.
- 7.2 The risk register should include information on the status of risk response and control activities and processes.
- 7.3 Any risk rated as “red” in the company’s Risk Management Policy Risk Map, or which are outside NWF’s appetite or tolerance, should be reported immediately.
- 7.4 The Chief Executive, GM Operations, and the Chief Financial Officer, working with staff, will update the risk register and report this to the Audit and Risk Committee at each ARC or at a minimum semi-annually.
- 7.5 The GM Operations is responsible for maintaining a separate operational risk register which is reviewed with staff and management annually. The GM Operations will report to the Board and/or ARC (at the earliest opportunity) whenever there are material adverse changes to this operational risk register (for example an increase in the outlook for key operational risk(s) or the introduction of major new risks).

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## 8. Policy Review

- 8.1 This policy shall be reviewed every three years or more frequently if necessary.

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## 9. Approval and Execution

Approved and executed on 28 July 2023 by:

*C H Stobo*

C H Stobo (Aug 17, 2023 13:19 GMT+12)

Chair

Craig Stobo



Chief Executive

Warren Koia