

Risk Management Company Policy

Purpose

Auckland International Airport Limited ("**Auckland Airport**") recognises effective risk management as fundamental to achieving and sustaining its strategic and operational objectives. Auckland Airport has established processes and systems designed to identify, assess, manage and minimise the potential impact of financial and non-financial risks on its business.

These tools, techniques and systems, as detailed in the Enterprise Risk Management Framework ('ERMF'), provide a structured and integrated approach to risk management, including processes to enable:

- (a) identification of significant risks;
- (b) assessment of the risk likelihood and impact;
- (c) development and implementation of risk mitigation strategies;
- (d) monitoring of compliance; and
- (e) ongoing combined assurance approach to review systems, controls and records to ensure the continued effectiveness and integrity of the risk management process.

Risk Oversight

The Board is responsible for overseeing and approving Auckland Airport's risk management framework including reviewing and ratifying the risk management structure, processes and policies that are developed, maintained and implemented by Management. Management is responsible for the ongoing identification, assessment, and management of risks, including the design and implementation of appropriate control mitigation activities.

To assist the Board in discharging its responsibility in relation to financial risk management, the Board has delegated certain risk oversight and monitoring roles to the Audit and Financial Risk Committee of the Board (the "**AFRC**"). The objectives of the AFRC are set out in the AFRC Charter.

The AFRC or Auckland Airport's Management may refer a particular matter or financial risk management issue to the Board or another Board committee for consideration and direction.

Next Review Date May 2028

To assist the Board in discharging its responsibility in relation to safety and operational risk management and compliance, the Board has delegated certain risk oversight and monitoring roles to the Safety, Sustainability and Operational Risk Committee of the Board (the "**SSORC**"). The objectives of the SSORC are set out in the SSORC Charter

Role of Management

Management is responsible for designing and implementing risk management, internal compliance, and control systems that identify the material risks facing Auckland Airport. These compliance and control systems are designed to provide early warning of material risks before they eventuate.

Management must regularly monitor and evaluate the effectiveness of these processes and risk plans, as well as the performance of employees responsible for implementing them. In addition, Management must promote and monitor a strong risk management culture within Auckland Airport and compliance with internal risk systems and processes.

All employees are responsible for implementing, managing and monitoring these processes and risk plans in relation to material business risks, as appropriate.

Management must report on risk at each quarterly SSORC meeting and annually to the Board. The reporting must identify Auckland Airport's material risks and the extent to which:

- (a) Auckland Airport's ongoing risk management programme effectively identifies all areas of potential risk, including licensing and regulatory issues;
- (b) adequate policies and procedures have been designed and implemented to manage identified risks;
- (c) a regular programme of audits is undertaken to test the adequacy of, and compliance with, prescribed policies; and
- (d) appropriate remedial actions are undertaken to address areas of weakness.

Identified Risks

There are a number of risks that are inherent to the business activities that Auckland Airport undertakes. These risks may change over time as the external environment changes and as Auckland Airport expands its operations. The risk management process requires the regular review of Auckland Airport's existing risks and the identification of new and emerging risks facing Auckland Airport, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks. At a minimum, risks identified across Auckland Airport at an enterprise-wide level, including human rights related risks and health and safety risks, are reported to each meeting of the SSORC.

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Review of Risk Management

The division of responsibility between the Board, the AFRC, the SSORC and Management aims to ensure that specific responsibilities for risk management are clearly communicated and understood by all.

The reporting obligations of Management ensure that the Board and the AFRC and the SSORC are regularly informed of material risk management issues and actions. This is supplemented by the AFRC and/or the SSORC (as appropriate):

- (a) receiving reports from Management concerning Auckland Airport's material risks in order to assess the internal processes for determining, monitoring and managing these risks, and to monitor the overall risk profile for Auckland Airport; and
- (b) reviewing and ratifying Management's processes for achieving and monitoring compliance with laws, regulations and other requirements relating to the external reporting of financial and non-financial information.

References

Board Charter
Safety, Sustainability and Operational Risk Committee Charter
Audit and Financial Risk Committee Charter
Ethics and Code of Conduct Policy
Modern Slavery Policy
Procurement Policy
Supplier Code of Conduct

Next Review

May 2028

Next Review Date May 2028