



Build something great™

## Risk Management Policy

Risk is inherent in our business, but it also brings opportunity. At Boral we recognise that rigorous risk management is critical for supporting the building of a sustainable business and improving stakeholder confidence.

The following objectives drive Boral's approach to risk management:

- Safeguarding the company's assets – human, property, reputation, knowledge.
- Having a culture that is risk aware and which is supported by high standards of accountability at all levels.
- Achieving an integrated risk management approach where risk forms part of all key organisational processes and leads to enhancement of shareholder value.
- Supporting more effective decision making through better understanding and consideration of risk exposures.
- Building a sustainable business for the longer term.
- Improving stakeholder confidence and trust.
- Enhancing organisational efficiencies.
- Enabling the Board to fulfil its governance and compliance requirements.

Where appropriate, risks faced by Boral shall be managed on an enterprise wide basis. Boral has implemented a risk management framework to improve its ability to meet the above objectives. The risk management framework seeks to apply risk management across the entire organisation, so that all material risks can be identified, assessed and mitigated. The natural diversification in Boral's portfolio of businesses, geographies, currencies, assets and liabilities is a key element in our risk management approach.

Risk management will be embedded into our critical business activities, functions and processes. Risk understanding and our tolerance for risk will be key considerations in our decision making. Key business risks will be identified, analysed and ranked in a consistent manner by Divisions and on a corporate wide basis. Common methodologies will be used.

Under the supervision of the Board directly and via the Audit Committee, management is responsible for designing and implementing risk management and internal control systems to manage Boral's material business risks. Boral's assurance function, including Internal Audit, plays a key role in reviewing the effectiveness of Boral's compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the Board and Audit Committee, and appropriate action is taken to support a strong control environment.

Risk management performance will be monitored, reviewed and reported. Oversight of the effectiveness of Boral's risk management processes will provide assurance to executive management, the Board and shareholders. Boral's approach incorporates the principles of effective risk management as set out in the Global Risk Management Standard ISO31000. Effective risk management is vital to the continued success of Boral.

**Mike Kane**  
Chief Executive Officer and Managing Director