



Crown Resorts Limited

Risk Management Policy

Crown Resorts Limited ACN 125 709 953
A public company limited by shares

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1. Document Control

Policy Title	Crown Resorts Limited – Risk Management Policy
Policy Owner	Chief Risk Officer
Summary	This policy governs the management of risk at Crown.
Effective Date	30-JUN-2022
Last Review Date	30-JUN-2022
Next Review Date	30-JUN-2023
Approved by	Steven Blackburn, Chief Risk Officer
Date	20-JUN-2022

2. Definitions

Crown means Crown Resorts Limited ACN 125 709 953 and/or its related bodies corporate.

Crown Group Business means any majority owned business of Crown Resorts from time to time, including as at the date of this Policy:

- (a) Crown Melbourne casino and entertainment complex, operated by Crown Melbourne Limited;
- (b) Crown Perth operated by Burswood Nominees Limited;
- (c) Crown Sydney Hotel Resort, operated by Crown Sydney Gaming Pty Ltd and Crown Sydney Property Pty Ltd.

Crown Resorts means Crown Resorts Limited.

Material Risks means risks that could have a material impact, financially or non-financially, on Crown's reputation, operation or performance. They are risks of sufficient significance for Crown that they must be managed in adherence with minimum management criteria (See the **Risk Management Strategy** for further details).

Risk Management Framework (RMF) means the totality of systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate internal and external sources of material risks.

Risk Appetite means the amount of risk that the organisation is willing to accept in pursuit of its strategic objectives and in the interest of protecting its stakeholders.

Risk Management Strategy (RMS) is an internal document which sets out the fundamentals of what the Board expects from Crown's Risk Management Framework across all entities of the Group. Risks are managed in accordance with the RMS.

3. Policy Overview

3.1. Purpose of Policy

The purpose of this Policy is to set out the key principals and requirements for the effective management of risks to Crown's activities, objectives and strategy.

3.2. Scope and Application of Policy

This policy applies to all employees and contractors of Crown.

3.3. Risk Management Framework

This Policy forms part of the strategic foundation for Crown's Risk Management Framework (RMF). It is supported by a number of Board-approved Policies, procedures, plans, accountabilities, resources and activities that support the implementation and form, collectively, the RMF and systems. Key documents (other than this) that form the RMF are the Risk Appetite Statement (RAS) and the Risk Management Strategy (RMS).

3.4. Policy Alignment to Crown Code of Conduct and Values

The Crown Code of Conduct is the superordinate document to this policy that governs ethical behaviour at Crown.

This policy has been written to align to the Crown Values, and with the intent to promote the behaviours and mindsets that will embed our aspirational culture. The table below summarises some of the key areas of alignment for this policy.

Value	Alignment
We act with integrity	Prescribes the key requirements for the management of risk across the business to ensure they are managed appropriately.
We work together	Prescribes how the business must work together to ensure that risks are managed in a proactive, collaborative and pragmatic manner.

4. Policy

4.1. Background

This policy reflects Crown's objective to identify material risks and manage those risks within the Risk Appetite of the Board.

While the Crown Resorts Limited Board (**the Board**) assumes ultimate responsibility for the risk management of Crown, it has delegated the oversight responsibility for risk management and internal control of major risks of the Company to the Crown Resorts Limited Risk Management Committee (**RMC**).

The RMC meets regularly to review the effectiveness of the Crown's risk management systems, processes and internal controls and will report its finding to the Crown Board.

4.2. Risk Management Responsibilities

- 4.2.1. All employees of Crown have a role to play in the management risk. The Three Lines of Defence Model has been endorsed by the Board to support effective enterprise-wide risk management by distinguishing roles and responsibilities within Crown's RMF.
- 4.2.2. To build a culture of risk awareness and a sense of ownership of risk, each Crown Group Business is responsible for implementing the risk management framework and requirements articulated in the **Risk Management Strategy (RMS)** and the **Risk Appetite Statement (RAS)**.
- 4.2.3. Each Crown Group Business is responsible for identifying, assessing and managing material risks to their business. This includes maintaining and reviewing the Risk Profile of its business and reporting any material changes to the RMC.

4.3. Risk Management Strategy (RMS)

- 4.3.1. Crown maintains a Risk Management Strategy (**RMS**) that describes Crown's approach to the effective management of risk categories in a manner that is consistent with Crown's risk appetite and strategic objectives.
- 4.3.2. The **RMS** is maintained by the Group Risk function and approved by the Board.

4.4. Risk Appetite Statement (RAS)

- 4.4.1. Crown maintains a Risk Appetite Statement (**RAS**) that must be adhered to by each Crown Group Business.
- 4.4.2. Crown's **RAS**:
 - articulates qualitative statements and quantitative triggers that define the maximum level of risk that Crown is willing to conduct business within, and
 - the requirements for the monitoring and reporting of Crown's risk profile relative to quantitative parameters for material risk categories.
- 4.4.3. The RAS must be reviewed and approved annually by the Board.
- 4.4.4. Review of the **RAS** may occur more frequently if required due to significant changes to Crown's risk landscape.
- 4.4.5. The **RAS** and Risk Metrics are monitored by the Group Risk function and reported at each meeting of the RMC.

4.5. Risk Identification and Assessment (Risk Profiles)

- 4.5.1. The methodology for Risk Identification and Assessment is set out in the **RMS**.
- 4.5.2. Crown must have Risk Profiles in place across all material Crown Group Businesses which document material risks to each business.
- 4.5.3. The preparation and maintenance of the Risk Profiles is the responsibility of each Crown Group Business and is to be reviewed at least every 12 months, or more frequently where there is material change, by the relevant Executive General Managers of that Business or its Board.
- 4.5.4. The Risk Profile for each Crown Group Business will include:
 - a description of identified material risks
 - the likelihood and consequence of each risk (both inherent and residual)
 - a description of the key control activities in place that mitigate the riskAdditional risk mitigation strategies will also be recorded where appropriate.

4.6. Internal Control

- 4.6.1. Each Crown Group Business is responsible for ensuring appropriate controls are in place to effectively manage and mitigate material risks to their business.
- 4.6.2. Each Crown Group Business is responsible for developing and implementing treatment plans where controls are inadequate or do not exist to manage material risks.

4.7. RMF Review

- 4.7.1. Crown's Risk Management Framework is to be externally reviewed at least every three years. The results of these reviews will be reported to the RMC.

4.8. Risk Culture

- 4.8.1. Crown's risk culture centres on the central concept that risks are inherent in all activities undertaken by Crown and that risks must be identified, investigated, well understood, mitigated where possible and escalated where appropriate.
- 4.8.2. Further details of Crown's approach to risk culture are detailed in the **RMS**.

4.9. Risk Management Governance

- 4.9.1. The Board has endorsed a three lines of defence approach to risk management, with specific roles and responsibilities set out in the **RMS**.
- 4.9.2. While the Board assumes ultimate responsibility for the risk management of Crown, it has delegated the oversight responsibility for risk management and internal control of major risks of the Company to the RMC.
- 4.9.3. The RMC meets regularly to review the effectiveness of the Company's risk management systems, processes and internal controls and will report its findings to the Board.
- 4.9.4. Further details of risk management governance at Crown are detailed in the **RMS**.

4.10. Policy Responsibilities

- 4.10.1. This policy is maintained by the Group Risk function.
- 4.10.2. The policy will be reviewed on at least an annual basis to ensure its currency and relevance to Crown and its operations.

4.11. Potential Breach Consequences

- 4.11.1. Any breach of this Policy may result in disciplinary action up to and including termination of employment or engagement.

5. Feedback and Questions

Crown employees and contractors may provide feedback or ask any questions about this document by contacting their relevant Risk representative or department.

6. Relevant Legislation, Regulations and other Guidance Documents

Document Title	Section
ASX Corporate Governance Principles and Recommendations	Principle 7 (Recognise and Manage Risk)
ISO 31000 Risk Management	-

7. Relevant Crown Policies and Documents

Document Title
<ul style="list-style-type: none">• Compliance Policy• Risk Appetite Statement• Risk Management Strategy

This Policy and any other material or information related to or connected with this Policy is the property of Crown Resorts and must be used for internal purposes only in the interest of and related to Crown Resorts.

All such information is strictly confidential and may be subject to legal professional privilege.

You must not distribute or disclose this Policy any other material or information related to or connected with this Policy unless authorised by Crown Resorts or required by law.

Any unauthorised use is unlawful and may result in disciplinary action and legal action being taken.

Crown reserves the right to amend, cancel or extend policies. All policies filed to the Crown Website/intranet are current. If you are referring to a hard copy, please ensure it is the most recent version.

Crown Resorts Limited

***** 2022

Appendix A – Document History

Document History

Version	Date	Modified by	Comments
1	March-2021	Crown Risk Function	Original Version
1.1	Nov-2021	Policy Uplift Program	Policy uplifted as part of Policy Uplift Program. New sections added including Risk Management Strategy, Risk Appetite Statement, Risk Culture, and Internal Control.