



# Risk, Compliance & ESG Committee

## Charter

The Board of St John WA has established a Risk, Compliance and Environment Social Governance (ESG) Committee. This Charter outlines the roles, responsibilities, and terms of operation of the Committee and should be read with the Board Charter.

St. John WA acknowledges that managing risks, meeting compliance, and fulfilling ESG responsibilities leads to achieving objectives and purpose.

### 1. Purpose & Responsibilities

The purpose of the Risk, Compliance & ESG Committee (**Committee**) is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to St John WA's risk, compliance, internal audit and environment, social, and governance (**ESG**).

The responsibilities of the Committee include oversight of the implementation and operation of St John WA's risk management, compliance, internal audit, and responsibilities associated with ESG.

The responsibilities of the Committee include:

- a) advising the Board on the risk appetite and risk management strategy;
- b) oversight of the implementation and operation of the Risk Management Framework;
- c) constructively challenge management's plans and decisions on all aspects of risk management;
- d) oversight of information security and cyber security posture;
- e) oversight of compliance obligation arising from the *Australian Charities and Not-For-Profits Commission Act 2012* (Cth) (**ACNC**) and other laws;
- f) oversight of internal audit function; and
- g) oversight of ESG strategy, targets, performance, and reporting.

The Board has delegated to the Committee the responsibilities set out in **Attachment 1** and may make other delegations to the Committee from time to time.

### 2. Authority

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

The Committee does not have any powers to commit the Board or management to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board. [approval – mgt must implement]

The Committee has the authority to conduct or direct investigations into any matters within its Charter.

The Committee is not responsible for supervising the performance of management and does not become involved in day-to-day operations, management functions or decision-making.

### 3. Committee Composition

The Committee will comprise at least three members, all of whom must be independent non-executive directors.

The Committee members will be appointed by the Board.

The Board will appoint the Chair of the Committee, who will not be the Chair of the Board.

All Committee members will be familiar with risk management, compliance, and ESG responsibilities.

If a Committee member ceases to be a director of the Board, that member ceases to be a member of the Committee.



## 4. Administrative Matters

### 4.1 Committee Meetings

The Committee meets at least three times per year, or more often if necessary, to fulfil its responsibilities.

A quorum of the Committee will comprise any two members.

If the Chair of the Committee is unable to attend a Committee meeting, the members present or the Board Chair will appoint another member who is an independent director to act as Chair at that Committee meeting.

Committee members may attend meetings in person or participate by videoconference or other electronic means.

Committee decisions may be made by circular or written resolution. A circular or written resolution signed by all Committee members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes email or other electronic means.

Management is responsible to the Committee for making recommendations to the Committee and implementing recommendations of the Committee, which the Board approves.

### 4.2 Conflicts of Interest

A Committee member who has a material personal interest in a matter that relates to the affairs of St John WA must give the Committee notice of his or her interest.

Committee members shall not participate in discussions and shall not vote on any issues in respect of which there is a material actual, potential or perceived conflict of interest.

### 4.3 Work Plan, Agenda and Documentation

Each Committee meeting will have a structured agenda. The Committee's work plan and agenda are determined by the Committee Chair, with input from the Group Chief Executive Officer (**GCEO**), the Chief Financial Officer (**CFO**), the Head of Risk, the Internal Auditor, and the Company Secretary. Any Director and any other Chief may request that a particular item be added to the agenda.

The agenda and supporting documentation for each Committee meeting will be circulated within a reasonable time before the meeting to Committee members, other directors, the GCEO, the CFO, the Head of Risk, the Internal Auditor, and other attendees, as appropriate.

### 4.4 Notice of Meeting and Attendance

Notice of Committee meetings will be provided to all directors. Directors who are not members of the Committee may attend Committee meetings and will have access to Committee papers and minutes.

Notice of Committee meetings will also be provided to the GCEO, the CFO, the Head of Risk, the Internal Auditor, and the Lead Audit Partner appointed by the external auditor, who must attend meetings if requested by the Chair of the Committee. Other members of management and advisers may be invited to participate in the meetings as the Chair of the Committee thinks fit.

The Head of Risk and the Internal Auditor will be required to meet separately with the Committee, without management, upon the request of the Chair of the Committee

### 4.5 Company Secretary

The Company Secretary (or their nominee) will be the Secretary of the Committee.

### 4.6 Minutes

Minutes of each Committee meeting will be prepared by the Company Secretary (or their nominee), approved by the Chair of the Committee in draft and circulated to all Committee members.

The minutes of a Committee meeting will be approved at the next Committee meeting or by circular resolution and then signed by the Chair of the Committee.

The Committee's Chair approved minutes of each Committee meeting will be included in the Board papers.

### 4.7 Reporting

The Chair of the Committee will report to the Board on the business matters arising out of a Committee meeting.



The Committee will refer any matters to the Board or another Board Committee where the matter falls within their responsibility or if it would benefit from having the Board or that Board Committee's consideration.

## 5. Access to Information and Advice

### 5.1 Access to Management and Others

The Committee has free and unfettered access to the GCEO, the CFO, the Head of Risk, executive management, the External Auditor and the Internal Auditor (with or without the presence of management) and information and may make any enquiries to fulfil its responsibilities.

The GCEO, the CFO, the Head of Risk, the External Auditor, the Internal Auditor and other Chief Executives have free and unfettered access to the Committee.

The and the Internal Auditor have a direct reporting line to the Committee.

### 5.2 Access to Independent Professional Advice

The Committee has the right to seek independent professional advice, subject to the approval of the Board Chair or, in the Board Chair's absence, the Deputy Chair, at St John WA's expense, concerning any matter related to the discharge of its responsibilities.

Advice received should be distributed to the whole Committee as appropriate.

Committee members are entitled to rely on the expertise of independent experts so long as they are not aware of any grounds that would make such reliance inappropriate.

## 6. Workshops and Training

The Committee may hold workshops and training sessions to maintain the skills and knowledge required to perform its role effectively.

The Committee will keep themselves informed on material risks, internal controls to mitigate risks, and ESG and Climate-change matters and applicable laws.

## 7. Review

### 7.1 Committee Performance Review

The Board will conduct an annual review of the Committee's performance and effectiveness.

When considered appropriate, the Committee will review its membership and make recommendations to the Board for approval.

### 7.2 Review of this Charter

The Committee will review this Charter every two years, or sooner if circumstances require, with any amendments recommended to the Board for approval.

## 8. Related Documents

Board Charter.

Risk Appetite Statement, Risk Management Framework and Risk Management Policy.

Internal Audit Charter

ESG priorities

Sustainability Policy



# Attachment 1

## Duties and Responsibilities

In making decisions and recommendations, the Committee will consider its responsibilities and the activities of the Board's other committees and, where appropriate, coordinate with and consider information arising out of those committees and any other relevant factors.

The duties and responsibilities of the Committee are as follows:

### 1 Risk Management

- 1.1 Review the effectiveness and adequacy of resources of the risk management function, including reviewing that it continues to be appropriate for the size, business mix and complexity of St John WA.
- 1.2 Oversee the effectiveness of the Risk Management Framework (**RMF**) to ensure it enables St John WA to appropriately develop and implement strategies, policies, and controls to manage material risks and to satisfy itself that the RMF continues to be effective and that Management is operating within the Board approved risk appetite.
- 1.3 Review and approve St John WA's RMF and Risk Policy.
- 1.4 Review and recommend to the Board for approval the annual risk management disclosures (if any) in the Annual Report.
- 1.5 Consider any information arising at, and referred by, a Board Committee that affects the appropriateness or effectiveness of the RMF or management of risk.

### 2 Risk Appetite and Risk Profile

- 2.1 Review and recommend to the Board the Risk Appetite Statement.
- 2.2 Review and consider reports from management on:
  - a) material risks (including strategic, operational, reputational, and compliance risks) as outlined in the RMF and other risks that, singly or in combination with different risks, may have a material impact on St John WA;
  - b) any significant breaches of, or material deviation from, the RMF;

- c) any material incident involving fraud or a break-down of risk controls; and
- d) the resolution of significant risks, matters and incidents.

- 2.3 Monitor current and emerging sources of risk and the controls and mitigation measures put in place by Management to address those risks. Including constructively challenging Management's risk management plans and strategies.
- 2.4 Oversee St John WA's disaster recovery and Business Continuity Framework.

### 3 Compliance

- 3.1 Monitor the effectiveness and adequacy of resources of the compliance function, including reviewing that it continues to be appropriate for the size, business mix and complexity of St John WA.
- 3.2 Oversee the effectiveness of the Compliance Management Framework (**CMF**) to ensure it enables St John WA to have appropriate controls and processes in place to ensure ongoing compliance with all relevant laws and regulations.
- 3.3 Review reports from Management on compliance, including the impact of current and proposed regulatory changes that affect St John WA.
- 3.4 Review any material non-compliance issues with applicable laws, regulations, and licences, internal policies and monitoring that Management addresses them promptly.
- 3.5 Monitor compliance with St John WA's charitable status, including deductible gift recipient (**DGR**) status, public benevolent institution (**PBI**) status and Health Promotion Charity (**HBC**) status.



## 4 Information Management and Cyber Security Posture

- 4.1 Oversee that St John WA has systems and processes in place to test the effectiveness of its information security controls.
- 4.2 Review and consider reports from management on information security risks, including any material incidents involving a control weakness and evaluate management's plans to address and remediate the control weakness.
- 4.3 Review and monitor progress on major information management change programs approved by the Board.
- 4.4 Monitoring the effectiveness and adequacy of resources of the information security function, including reviewing that it continues to be appropriate for the size, business mix and complexity of St John WA, and the extent of threats to St John WA's information assets.

## 5 Internal Audit

- 5.1 Review and approve the internal audit charter and internal audit work program and changes to it, including approving the engagement of any externally appointed internal auditors.
- 5.2 Review all relevant reports and findings by any internal auditor and monitor management's response to the findings being rectified in an appropriate and timely manner.
- 5.3 Review the internal audit function resources and annual budget and ensure the Internal Auditors have unfettered access to the business and support functions.
- 5.4 Assess, at least annually, the performance and independence of the internal audit function.

## 6 ESG Strategy & Framework

- 6.1 Review and recommend St John WA's Environmental, Social, and Governance (ESG) strategy to the Board for approval.
- 6.2 Review and approve St John WA's Sustainability Policy.
- 6.3 Consider the reports provided by management regarding ESG and sustainability performance against agreed targets.
- 6.4 Oversight of material ESG topics relevant to stakeholders' needs and expectations, selecting applicable ESG reporting standards, and monitoring ESG performance metrics.

6.5 Oversee and assess the ESG risks, including climate change, that may affect St John WA's operations.

6.6 Monitor that procurement activities are aligned with St John WA's ethical principles, approve St John WA's Modern Slavery Policy and recommend to the Board the approval of St John WA's annual Modern Slavery Statement.

## 7 Governance

- 7.1 Approve policies that require or are reserved for the Committee approval under St John WA's Policy Framework, relevant to the Committee's remit.
- 7.2 Consider any other relevant risk, compliance, and ESG matters delegated by the Board to the Committee.