

1. PURPOSE

The purpose of this policy is to outline the approach to understanding and managing risk within Steel & Tube Holdings Ltd (Steel & Tube). Effective risk management is a critical to achieving Steel & Tube's vision and strategy.

2. POLICY STATEMENT

Steel & Tube is committed to proactively managing risk to:

- Enhance the company's ability to achieve its business objectives
- Protect the company's value and its people, assets, and reputation
- Enable the company to pursue opportunities that involve risk in an informed manner aligned with the board's risk appetite

Steel & Tube has adopted a comprehensive risk management framework designed to ensure that strategic, operational, and financial risks, both existing and emerging:

- Are identified
- Have likelihood of occurrence and impact estimated
- Have risk mitigation plans and defined management accountability
- Are reviewed on an ongoing basis

A robust risk management framework enables Steel & Tube to proactively manage risk using a systematic approach to integrating risk management disciplines in strategic and operational planning and budgeting processes, as well as day-to-day business operations and decision making.

3. KEY CONCEPTS

3.1 Risk

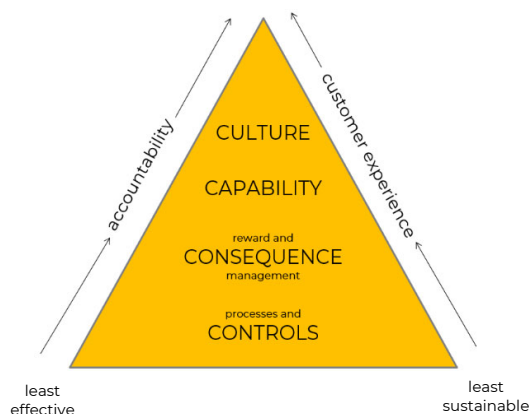
Risk is anything that could potentially impact on Steel & Tube's ability to achieve its business goals and objectives.

Risk is an essential part of doing business, however through sound risk management, Steel & Tube is able to achieve its purpose, vision, and goals, with a consciously and transparently managed level of risk.

3.2 Risk Management

Steel & Tube's risk management framework incorporates the culture, structures, systems, and processes for identifying, assessing, controlling, monitoring, and reporting key risks that may impact on the company's ability to achieve its business objectives and/or protect its people, assets, or reputation.

Central to Steel & Tube's approach to risk management is recognition that good culture and conduct, aligned to our organisational values, policies, and procedures, is critical to effective risk management.



3.4 Risk Appetite

Steel & Tube faces three broad types of risks: commercial, culture, and compliance.

Commercial Risk: the medium to longer term risks associated with anticipating and responding to external changes, executing strategy, and short-term operation of the business. The overall approach regarding commercial risks is to identify, understand and balance the risks against the rewards being sought. Steel & Tube generally has a moderate to high appetite for commercial risks. Commercial risk appetite is led by the board and Leadership Team.

Culture Risk: is the actual or perceived risk associated with improper, unethical, or unfair behaviour or conduct of employees, contractors or other third parties, and directors & officers of the company that may result in harm to customers, the public, employees, or the organisation itself (including reputation). Steel & Tube has zero tolerance for misconduct that would result in this harm.

Compliance Risk: the risk associated with failing to comply with regulations, legislation, and other requirements. They may lead to regulatory intervention, fines and/or other restrictions. Steel & Tube has zero tolerance for poor process or behaviour that would lead to breaching regulations, legislation, or other requirements.

Risk appetite is set by the board and reviewed annually. It sets the boundaries which form a dynamic link between strategy, target setting and risk management.

3.5 Risk Assessment

Risk assessment incorporates the process of risk identification and assessment. Risks arise from a combination of the company's business strategy and objectives and the environment in which it operates.

Risks are assessed in terms of a combination of the likelihood of an event or circumstance occurring and the consequences of such an occurrence, and are categorised according to the areas potentially impacted, including:

- Commercial / financial performance and sustainability
- Long run strategic economic sustainability
- Social sustainability
- Environmental sustainability

- Performance of core operations and services
- People safety and resource availability
- Regulatory / contractual compliance
- Stakeholder confidence / reputation
- Preparedness and ability to respond to a crisis
- Supply Chain
- Quality

The group risk register is managed centrally under the guidance of the CEO. Risks are consolidated into an organisational risk register. The various inputs from the operational businesses in the group are used to aggregate similar risks resulting in a series of organisational risks.

Each organisational risk is assigned a primary responsibility holder within the leadership team, an inherent risk rating, an assessment of management system effectiveness, a current residual risk rating, a board target residual risk, and an acceptance of the risk.

A standardised template is used for the purpose of comparing different organisational risks. Depending on the risk-level, appropriate mitigation is formulated for each risk if possible so that the residual rating is acceptable to the board. If not, further tasks are defined to get a clearer understanding of the risk.

The table headings below are used to report organisational risks:

Steel & Tube Key Risk Register

Steel & Tube's Key Risk Register includes the following columns:

- ID
- Risk Area
- Identified Risk
- Inherent (uncontrolled) Risk Rating
- Summary of Risk and mitigations
- Residual (Controlled) Risk Rating
- Target Residual Risk
- Are controls adequate to manage risk
- Risk Owner

The matrix below sets out how Steel & Tube's risks are assessed based on likelihood of occurrence and impact.

RISK RATING TABLE						
		Negligible	Minor	Medium	High	Extreme
Consequence Level		1	2	3	4	5
Almost Certain	5	Medium	Medium	High	High	Very High
Likely	4	Low	Medium	Medium	High	High
Possible	3	Low	Low	Medium	High	High
Unlikely	2	Low	Low	Low	Medium	High
Rare	1	Insignificant	Low	Low	Medium	Medium

Event	Event Definition
Almost Certain (5)	Possibility of repeated events: Expected to occur within the next twelve months during the nominated task.
Likely (4)	Possibility of isolated events: Expected to occur once or twice during the next three years if the context remains unchanged.
Possible (3)	Possibility of occurring sometimes: May occur only once or twice during the next three years if context remains unchanged.
Unlikely (2)	Not likely to occur: Not expected to occur during the planning and conduct of organizational tasking or operations in the next twelve months.
Rare (1)	Probability near zero : It is almost impossible to occur in the next twelve months.

The consequence definitions are included within a matrix attached as an appendix to this policy.

3.6 Key Risks

Key risks are those risks with material implications to Steel & Tube. These risks can be operational and almost certain or rare and strategic in nature. Key risks are identified by the Steel & Tube risk assessment process summarised in section 3.5. These risks are reviewed by the board annually and monitored by the Audit & Risk Committee at each committee meeting.

Steel & Tube's risk framework is a critical component of the company's overall business strategy and resource allocation framework. The process to identify risk is designed to assess the implications of changes in economic circumstances, technological disruption, societal and environmental trends and how these impact on the long run sustainability of Steel & Tube.

The board, through the Audit & Risk Committee, regularly monitors the management of these key risks.

4. POLICY OBJECTIVES

The key objectives of this policy are to:

- Ensure that all Steel & Tube people are aware of their responsibility to manage risk
- Mandate one framework for the management of risk within Steel & Tube that:
 - a) Ensures the board sets the risk appetite and regularly reviews the key risks
 - b) Integrates risk management in line with the board's risk appetite into the company's structures, policies, processes, and procedures
 - c) Delivers regular key risk review and monitoring
 - d) Provides a risk management framework applicable to all operational levels of Steel & Tube
- Ensure that the CEO and Leadership Team have discretion to select the approach they use to manage risk within the guidance provided in the risk management framework
- Mandate regular measurement and reporting on the efficiency and effectiveness of the risk management processes
- Encourage balancing of the level of control implemented to mitigate identified risks with Steel & Tube's commitment to comply with external regulation and governance requirements and meet the company's value and growth aspirations
- Meet good practice standards for risk management processes and related governance

5. ROLES AND RESPONSIBILITIES

The roles and responsibilities in relation to this policy are:

5.1 Steel & Tube Board of Directors

- Approving this policy and the supporting framework
- Setting Steel & Tube's risk appetite and regularly reviewing the company's key risks
- Reviewing the effectiveness of the implementation and maintenance of the risk management and internal control system
- Providing oversight and monitoring, through the Audit & Risk Committee, including through receipt of regular reporting on key risks from management
- Reviewing and approving, through the Audit & Risk Committee, the internal audit plan
- Receiving, through the Audit & Risk Committee, regular reports from the internal auditors on findings from their reviews

5.2 Chief Executive Officer

- Promoting a culture of proactively managing risks, aligned with the Risk Management Policy and the board's risk appetite
- Setting the tone from the top and being aware of the unconscious influence of management on the behaviours of the wider team
- Establishing, communicating, and implementing effective risk management and internal control frameworks
- Reviewing Steel & Tube's key risks regularly and reporting to the Audit & Risk Committee regarding that review and, at other times by exception, reporting on any changes to the rating of key risks
- Monitoring of action plans to mitigate risks rated as critical and high on the pre-mitigation basis

5.3 Chief Financial Officer & Company Secretary

- Providing and maintaining a single framework for risk management in Steel & Tube consistent with the Risk Management Policy and the board's risk appetite
- Facilitating regular reviews and updates to the CEO and to the Audit & Risk Committee

5.4 Leadership Team

- Providing leadership in Steel & Tube for risk management by:
 - a) Identifying, managing, updating, and monitoring risks
 - b) Creating a focus on risk awareness and management for business unit and subsidiary company teams
 - c) Ensuring that key decisions are made taking into account risk factors impacting their day-to-day activities and achievement of their business objectives
 - d) Ensuring that effective mitigations are in place and operating effectively, including setting business plans and budgets to implement and maintain the risk treatments and controls relating to key risks

6. INTERNAL AUDIT

- Independently assess and report on the effectiveness of Steel & Tube's risk management framework by:
 - Developing a risk based-internal audit strategy and plan to address the company's risk profile
 - Assessing the design and operational effectiveness of internal controls across the company
 - Recommending and then monitoring commercially sound and value-adding improvements where necessary
 - Performing independent, targeted reviews and examinations at the request of the Audit & Risk Committee

Providing support and advice to the Leadership Team and board on risk management, internal control, and compliance matters as necessary

7. OWNERSHIP AND REVIEW

Approver:	Steel & Tube Board
Reviewer:	Audit & Risk Committee
Owner:	Chief Financial Officer & Company Secretary
Review:	Four Yearly or as required
Date:	June 2026

Risk Management Consequence Matrix

Severity Consequence		Financial	Customer/ Reputational/ Shareholder Outcomes	People/ HS	Legal (Compliance)/Contractual	Environment	Operations
Extreme	Something so severe that it significantly impacts our ability to operate	Organisational or total project revenue or cost impact of more than: 75% EBIT	Severe customer impacts Substantial loss of customer/s trust /confidence Negative national media coverage with management required at Board level	Short or long term health effects leading to multiple fatalities. (e.g. as with below but with multiple victims)	Contract: Multiple Litigations / class action Regulatory: Major compliance breach, or multiple breaches that result in prosecution or maximum penalty or sanction by regulator	Substantial or irreversible damage to the natural environment could or may extending beyond the company's immediate borders. Could cause serious disease or loss of natural life in the extended environment	Significant, irrecoverable impact on core functions or critical operations Business interruption leading to other 'severe consequence' impact(s) Major loss/destruction of critical assets
High	Significant loss of customer trust and confidence Substantial disruption of services	Organisational or total project revenue or cost impact of between: 50-74% EBIT	Major Customer Impacts Significant reduction in customer/s trust/confidence Negative media coverage with management required by CEO	Near fatality, single fatality or severe irreversible disability or impairment. (e.g. loss of life, loss of limbs, loss of bodily function such as major paralysis)	Contract: Single Litigation Regulatory: Sanction, fine or prosecution by regulator	Severe and permanent consequences to the natural environment. Could cause injury or disease to natural life, not necessarily extending beyond company borders	Significant impact on core functions or critical operations Significant damage to critical assets
Medium	Limited or capped exposure in terms of time, value or severity	Total project revenue or cost impact of between: 25-49% EBIT	Some significant customer impacts Limited reduction in customer/s trust/confidence Minor local media coverage	Moderate short-term or irreversible disability or impairment. (e.g. stitches, fracture, crush injury, burns etc requiring specialist medical and/or hospital treatment)	Contract: Material breach of contractual obligation, potential litigation or large settlement Regulatory: Investigation by regulator	Severe but temporary localised damage to the natural environment. Can be recovered with considerable effort	Minor and brief impact on core functions or critical operations Significant damage to non-critical assets Some damage to critical assets
Minor	The efficiency and effectiveness of operations will be affected but the issue would be kept internal	Organisational, Division or total project revenue or cost impact of more than: 5-24% EBIT	Dissatisfaction expressed by customer but limited to a single event No media coverage	Objective but reversible disability / impairment. (e.g. laceration, sprain/strain, burn etc. that requires medical treatment and/or modified duties)	Contract: Potential for dispute, mediation likely and/or with potential small compensation Regulatory: Mandatory reporting of non-compliance	Minor damage to the natural environment. Could be recovered with minor effort	Loss or damage to non-critical assets Minor and brief impact on non-critical operations
Negligible	Routine operations would be able to cope with these issues	No significant impact on organisational or total project revenue or cost: <5% EBIT	No customer impacts No media coverage	Negligible Low-level short-term subjective inconvenience or symptoms. (e.g. minor laceration, burn or abrasion requiring basic first aid)	Contract: Minor contractual breach, sanction from other party with potential small compensation Regulatory: Minor non-compliance able to be remedied without penalty or notification	No detrimental or non-significant damage to the natural environment. Could be recovered with minimal effort	Insignificant impact on operations; issue/s quickly resolved