Calix Limited Risk Management Policy

Version: 1.1
Effective Date: April 2025
Policy Owner: Board of Directors
Approved By: Board of Directors
Next Review Date: April 2026

1. Purpose

This policy outlines Calix Limited's ("Calix" or "the Company") commitment and approach to managing risk effectively across the organization. Our objectives are to:

- Integrate risk management into all significant business activities, functions, and processes, including strategic planning and decision-making.
- Provide confidence to our stakeholders through the consistent application of strong governance and risk management practices.
- Foster informed decision-making that optimises outcomes within our defined risk appetite and tolerance.
- Identify and manage both threats and opportunities to protect and create value.
- Oversee the ongoing capacity of Calix to fulfil its mission, achieve objectives, and serve its customers.
- Promote a proactive risk management culture where all personnel understand their role in managing risk.

2. Scope

This policy applies to:

- All directors, employees, contractors, and agents of Calix Limited
- All parts of the Calix Limited business, including all functions, operations, assets, and activities worldwide.

3. Policy Statement & Commitment

Calix is committed to establishing and maintaining a robust system for identifying, assessing, managing, monitoring, and reporting risks.

- We recognise that taking considered risks is essential to achieving our strategic goals.
- Risk management is a core responsibility of management and an integral part of prudent business practice.
- The Board of Directors and Executive Management are accountable for overseeing the risk management framework and are committed to fostering a culture where risks are managed proactively, transparently, and effectively.
- We will manage risks in alignment with relevant legislation, regulatory obligations, stakeholder expectations, and good corporate governance principles.

4. Risk Management Framework & Approach

Calix utilises an enterprise-wide Risk Management Framework based on recognised standards (e.g., ISO 31000:2018) to ensure a consistent and comprehensive approach. The framework includes processes for:

- **Identification:** Proactively identifying existing and emerging risks (strategic, operational, financial, compliance, climate-related, etc.) across all business areas.

- **Assessment & Analysis:** Analysing risks in terms of likelihood and potential impact, considering both threats and opportunities.
- **Evaluation:** Comparing risk levels against predefined criteria and the company's risk appetite to prioritise responses.
- **Treatment:** Developing and implementing cost-effective strategies and controls to mitigate, avoid, transfer, or accept risks.
- **Monitoring & Review:** Continuously monitoring risks, the effectiveness of controls, and the overall performance of the risk management framework.
- **Reporting & Communication:** Clearly communicating risk information to relevant internal and external stakeholders.

Risk management considerations are integrated into key business processes, including strategic planning, budgeting, project management, operational activities, and performance management.

5. Responsibilities

- **Board of Directors:** Has ultimate responsibility for overseeing the risk management framework, setting the overall risk appetite, and assessing whether management has implemented an effective risk management system.
- **Executive Management:** Responsible for designing, implementing, and maintaining the risk management framework, championing a positive risk culture, allocating necessary resources, overseeing compliance with this policy, and reporting to the Board on material risks and framework effectiveness.
- **Managers:** Accountable for identifying, assessing, managing, monitoring, and reporting risks within their specific areas of responsibility, implementing controls, and promoting risk awareness among their teams.
- **All Employees & Contractors:** Responsible for understanding and complying with this policy, managing risks inherent in their roles, adhering to internal controls, and promptly reporting incidents, hazards, or potential risks through appropriate channels.

6. Monitoring, Reporting & Performance

- Management will regularly monitor the risk environment and the effectiveness of risk treatments and controls.
- Regular reports on the company's risk profile, material risks, control effectiveness, and risk management activities will be provided to Executive Management and the Board.
- Risk management performance will be measured against key indicators, which may include the effectiveness of the framework, successful risk mitigation, reduction in losses or incidents, and alignment with best practices.

7. Policy Review

This policy will be reviewed at least annually by the Board to ensure its ongoing suitability, adequacy, and effectiveness. Amendments will be made as necessary.

8. Compliance & Non-Compliance

- Adherence to this policy is mandatory for all individuals covered by its scope.
- Failure to comply with this policy may result in disciplinary action, up to and including termination of employment or contract.
- Any breaches or suspected breaches of this policy must be reported immediately to the Company Secretary.