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Risk management

Purpose

This policy establishes Mott MacDonald's approach to Enterprise Risk Management (ERM) to ensure that the Group takes on an appropriate level of risk commensurate with business growth and profitability goals. The Group ERM programme includes a format to identify principal risks in four risk categories, identify measures of risk for each principal risk, set appetites for risk for each principal risk, create a framework for risk data collection and escalation when risk appetites are exceeded, and communicate the above throughout the regions, units and divisions. The ERM programme will provide the Executive Board with a clear picture to verify that the Group is taking on an appropriate level of risk.

Commitment

The Group is committed to using ERM processes to:

- Safeguard its staff and assets.

- Safeguard the interests of its clients.

- Manage risk and opportunity with the aim of improving business performance.

Responsibility

The Group Risk Committee, chaired by a member of the Executive Board, is responsible for this policy and for its effective implementation.

The Group risk principal and Executive Chair of the Risk Committee will communicate Group Risk policy to the regions through the Risk Sub-Committee (chaired by the Group risk principal) and shall receive regional views and reports on risk for communication to the Risk Committee.

Each regional representative from the Risk Sub-Committee shall likewise remain in two-way communication with managers assigned to manage risk within their region's respective units and divisions.

The Group risk principal is responsible for providing a framework for implementing this policy and for monitoring, reviewing and reporting on its effectiveness.

General managers are responsible for implementing this policy and for developing risk management procedures specific to their activities.

Commercial managers and account leaders are responsible for implementing this policy, and for developing commercial risk management procedures for business operations and bids.

Project principals, project managers and other supervisory staff are responsible for implementing this policy, and for developing risk management procedures for projects.

Risk management

Approach

The Risk Committee of the Executive Board is supported by the Risk Sub-Committee to maintain the Group and unit risk register and associated Risk Treatment Plans.

Each region has its own risk committee, made up of representatives from the units. Risk Treatment Plans are fed down from the Risk Sub-Committee and are applied by the units. Units feed back into the Regional Risk Committee, who in turn feed back to the Risk Sub-Committee.

The approach to risk treatment is informed by the Group risk appetite statements for each of the Principal Risks identified by the Risk Committee. Business risks are identified and assessed at Group, unit and project level.

Risk and opportunity management strategies are planned and implemented, based on the level of risk.

Data collection, analysis, review, feedback and learning enable us to continually improve the way we manage risk, in order to meet the needs of our business, our staff and our clients.

The Group issues guidance and promotes best practice on risk management through its intranet. Information and training are provided to all staff, enabling them to comply with this policy.

Mike Haigh
Executive Chair