Risk management

Purpose

This policy establishes Mott MacDonald's approach to enterprise risk management (ERM). It requires that the Group takes an appropriate level of risk commensurate with business growth and profitability goals. The ERM programme provides the executive board with assurance that the material risks are being managed adequately and that the Group is taking on an appropriate level of risk.

Commitment

The Group is committed to using ERM processes to embed risk management into the organisation's culture, strategic and business planning processes to:

- Safeguard its staff and assets

- Safeguard the interests of its clients

- Strike the appropriate balance between risk and reward with the aim of improving business performance

- Protect and enhance the Group's reputation in the marketplace

Responsibility

The Group risk committee, chaired by a member of the executive board, is responsible for this policy and for the effective delivery of the ERM programme.

The chief risk officer and executive chair of the risk committee will communicate the Group risk policy to the regions through the risk subcommittee (chaired by the chief risk officer) and shall receive regional views and reports on risk for communication to the risk committee.

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

The chief risk officer is responsible for:

- The execution and management of the ERM programme

- Providing a framework for implementing this policy and for monitoring, reviewing and reporting on its effectiveness

- Reviewing this policy and framework and making recommendations to the Group risk committee on revisions to risk categories, principal risks, treatment plans and evaluations of Group and regional risk exposures and opportunities

General managers are responsible for their region's adherence to this policy and for requiring that adequate risk treatments are developed and implemented in their regions.

Regional risk managers are responsible for maintaining good internal controls, managing their operational risks and advising their regional general manager of any risks in their portfolio that cannot be managed operationally and should be submitted to the Group risk committee for review.

Commercial managers and account leaders are responsible for ensuring adherence to this policy, and for developing risk-based commercial solutions for business operations and bids.

Risk management

Project principals, project managers and other supervisory staff are responsible for executing this policy, and for developing appropriate risk treatment strategies for projects.

Approach

The risk committee of the executive board is supported by the risk subcommittee to maintain the Group region and unit risk register and associated risk treatment plans.

Each region has its own risk committee, made up of representatives from the units. Each region develops specific treatment plans for its regional principal risks taking guidance from the Group risk treatment plans. The treatment plans are owned and managed by representatives on the regional risk committees and embedded in the units and divisions. Units feed back risk reviews into the regional risk committee, which in turn feeds back to the risk subcommittee.

The approach to risk treatment will be informed by the Group risk appetite statements developed for each of the principal risks.

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.

James Harris
Executive chair