

Policy

SMEC's Risk Management Policy

1 March 2020



Purpose

SMEC aims to maintain an appropriate system of governance and risk management applicable to all locations, business units and subsidiaries in order to:

- Implement a Risk Management System conforming to the International Standard ISO 31000 throughout the company;
- Clarify the roles and responsibilities of the Boards and Management within the SMEC group of companies.
- Identify, assess and manage significant risks and opportunities.
- Maintain the integrity of SMEC's assets, people, reporting and reputation.
- Comply with our legal obligations in the jurisdictions in which we operate.

Applicable to

This policy is applicable to:

- All SMEC employees.
- All third-party contractors, volunteers and consultants engaged by SMEC.

Definitions, Abbreviations and Acronyms

Definitions - see ISO 31000:2018

Content

- [Risk Management](#)
- [Risk & Liability Management in Contract](#)
- [Risk Transfer through Insurance](#)
- [Effective Management of Other Legal Matters](#)

Topic	Details
Risk Management	<p>SMEC aims to achieve this through:</p> <ul style="list-style-type: none"> • Appropriate charters and terms of reference for the Board and Management groups which include their responsibilities to their various stakeholders. • A Code of Conduct which recognises our responsibilities to stakeholders including but not limited to project sponsors, clients, colleagues, contractors, business partners, shareholders and the communities in which SMEC operates. • SMEC core values, culture, practices and behaviours which value and reflect integrity, people, professionalism, partnership and purpose. • Identifying and managing risks, issues and opportunities at team, project, business unit, subsidiary and corporate levels. • Aligning controls, audit and review processes with the SMEC governance and risk management policy and framework. • Application of policies, controls, and review processes to all business units and subsidiaries based on their internal and external context related to their business objectives and actively respond to internal/external context changes. • Utilise historical data, current information as well as future expectation as input in risk management practices.

Topic	Details
	<ul style="list-style-type: none">Continually review and improve risk management policies, controls and processes based on lessons learnt and best practices.
Risk & Liability Management in Contract	In order to assure the transfer of risk in contract to the maximum possible extent SMEC requires the central clearance of all major commercial agreements by Legal and Risk Management in direct association with the project management team.
Risk Transfer through Insurance	SMEC understands that not all risk and liability can be treated through Contract Management or operational procedures. In the event, SMEC will transfer those risks, wherever possible, through Insurance.
Effective Management of Other Legal Matters	SMEC is committed to reducing its risk and liability through the effective management of other legal matters as and when they arise.



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