

This Policy applies to Galliford Try Holdings Plc and INCLUDES, Morrison Construction Limited, Galliford Try Construction Limited, Galliford Try Infrastructure Limited, Galliford Try Facilities Management Limited, Rock & Alluvium Limited, Oak Dry Lining Limited, Lintott Control Systems Limited, and all subsidiaries.

The ability to identify, assess and manage risks is central to our strategy to deliver sustainable growth and long-term value. Our risk management policy and processes support the achievement of our strategic objectives by ensuring that we:

- Have a clear governance structure and accountability for the management of risks
- Define our risk appetite in the context of our overall strategy
- Have a consistent framework for identifying and monitoring risks across the business
- Embed effective risk management controls into our key decision-making processes and day-to-day operations
- Comply with the requirements of the UK Corporate Governance Code in relation to risk management and internal control

The Plc Board has overall responsibility for risk management, including:

- Defining the nature and level of risks we are prepared to take
- Monitoring the principal and emerging risks and the effectiveness of our risk management and internal control framework
- Monitoring climate-related risks and opportunities and assessing their impact on strategic and financial planning

The Executive Risk Committee is chaired by the General Counsel and Company Secretary and is comprised of senior management representatives from across the business. The Executive Risk Committee meets three times a year and its purpose is to review and update the Group's principal risk register, with reference to the risks being observed at a business unit level, and to identify and monitor emerging risks, including climate-related risks. The Executive Risk Committee reports to the Executive Board.

Each business unit maintains a risk register which is aligned to the same principal risk themes as the Group risk register, but also captures any specific risks applicable to that business. The business unit risk register also includes the key controls in place to manage each risk and any further actions required to manage the risk. The business unit Board reviews and updates the risk register at least twice a year, with one of these reviews facilitated by the Risk and Internal Audit functions.

Each project team uses a Risk and Opportunity Register to record, evaluate and develop strategies to mitigate key risks and achieve key opportunities. The Risk and Opportunity Register is created by the bid team and is used throughout the lifecycle of the project, with a controlled handover between the pre-construction, construction, and post-construction stages.

The day-to-day management of our principal risks is supported by an internal control framework which is embedded in our management and operational processes. The most significant elements of the Company's internal control framework include the following:

Organisational structure

Each business unit is led by a managing director and management team providing a clear hierarchy and accountabilities.

Code of Conduct

We promote a culture of acting ethically and with demonstrable integrity. Our Company standards are set out in our 'Doing the Right Thing' Code of Conduct which is issued to all employees and supported by specific training modules in key areas. The Code of Conduct is subject to regular review and updating.

Contract Selection

We have a contract selection process, as set out in our Business Management System (BMS), which ensures that the decision to bid for a contract is based on a rigorous assessment of the risks to ensure they are aligned with our risk appetite. Executive Board approval to bid is required for all projects over £25m and lower value contracts subject to specified risk parameters.

Bid Contractual review and commitments

Our BMS includes clearly defined policies and procedures for entering into contractual commitments which apply across our business units and operations and are monitored and controlled through the Company's legal authorities matrix.

Operational activity

Site operations are performed in line with the BMS which incorporates all activities throughout the project lifecycle and, within the construction phase, includes procedures to identify and manage the safety, quality, commercial, environmental, information security and other risks associated with project delivery.

Operational and financial reporting

We have an exacting profit and cash reporting and forecasting regime in place across the Company. As well as the emphasis placed on cash flow, income, and balance sheet reporting; health, safety and environmental matters are prioritised within monthly operational reports.

Commercial control and reporting

We have robust management oversight of project forecasts including monthly contract reviews and peer-review based project commercial health checks.

ESG monitoring and reporting

Our Environmental, Social and Governance (ESG) performance is monitored and reported using targets and measures that are aligned to the priorities of our key stakeholders.

Internal Audit

The Internal Audit function performs an annual programme of internal audits which includes business unit key controls reviews, audits of divisional and Company processes and targeted reviews of other key risk areas.

This Policy statement applies to the whole Galliford Try Group and is available to all employees via our intranet-based business management system. The policy is also made publicly available on our website. The contents of this Policy will be reviewed and updated as necessary on at least an annual basis.

Signed for and on behalf of Galliford Try:



Bill Hocking
Chief Executive
Galliford Try Holdings Plc

Reviewed: March 2022