babcock™

Group Risk Management Policy

	Group Risk Management Policy BAB-QA-TEM-40	Policy

1. Purpose

The Group Risk Policy and Requirements Manual sets out the framework, process and responsibilities relating to all aspects of risk management across Babcock International Group plc ('Babcock') and its subsidiaries (together the 'Group').

2. Scope

The Policy is compulsory for every legal entity in Babcock; any exceptions to the policy that are adopted by joint venture and associate investments must be notified to the Director of Internal Audit, Risk Assurance and Insurance and Group Financial Controller

3. Policy

Babcock International Group Board is ultimately accountable for effective risk management across Babcock. The Board along with the Audit Committee, keeps under review the risks facing Babcock, including the appropriateness of the level of risk Babcock may accept to achieve its strategic objectives, and its risk appetite. Risk is the effect of uncertainty on Babcock's objectives.

We operate in a complex global environment, and we are exposed to a wide range of risks and opportunities that influence our ability to execute our strategy. Enterprise risk management is an integrated and joined-up approach to managing risk across Babcock to improve performance, innovation, build resilience and support the achievement of objectives to maintain trust and confidence with our customers and stakeholders.

Our risk framework supports the integration of risk into all of Babcock's activities and aligns risk management with our objectives, strategy, and culture, keeping our risk profile within our agreed risk appetite. The risk management framework is to manage the risks that are fundamental to the delivery of our strategy so that we can monitor, manage, and mitigate risk to deliver a consistent, risk control approach, delivering predictability and optimising performance.

Managing risk is a part of everyone's everyday responsibilities. It enables us to make informed decisions, both strategically and in operations. We expect everyone to consider risk when planning and managing all activities, contract management and project planning.

The primary role of risk management is to ensure we have a framework to manage risk and uncertainty effectively and consistently. Babcock's Enterprise Risk Management Framework is aligned to the ISO:31000 International Risk Management Standard. This Policy will be reviewed at least annually by the Group Risk Function.

David Lockwood
CEO for Babcock