

An aerial photograph of a city skyline, likely Chicago, featuring several prominent skyscrapers and a large body of water (Lake Michigan) in the background. The image is used as a background for the document cover.

Adam Smith  
International

# Risk Management Policy

November 2024



# Risk Management

## Introduction

This document sets out Adam Smith International (ASI)'s policy regarding the management of risk and issues. The Board recognises that the management of corporate risk and issues is an integral part of best practice corporate governance. This policy states and affirms our commitment to sound risk management and aims to enhance our ability to deliver the Group's mandate and strategic objectives.

Risk and issues are manifest across the company and its operations at every level. Risk management remains everyone's responsibility regardless of seniority, or whether an individual is a permanent member of staff or an associate. All ASI workers will manage and report risks at source and recognise that risk and issue management is an integral part of daily operations and business.

## Our Commitment

The ASI Group is committed to effective risk management and will ensure that:

- ASI will foster a risk management culture in all aspects of the organisation's business and affairs;
- Our risk management policy and associated approach and procedures will be benchmarked against, and kept abreast with best practices in risk management;
- This policy is communicated to all employees and are effectively integrated into their day-to-day operations; and
- Significant risks that impact or may impact the ASI's mandate and strategic objectives are being consistently and continuously identified, assessed, evaluated, managed, monitored and reported to enhance ASI's ability to deliver its mandate and objectives.

## Overview of Approach and Process

Risks and issues are identified at each level of the business. Most of these can be managed at the level at which they are identified however some risks will need to be escalated, either for information or for support to the relevant Executive Team member. The process is as follows:

- Project teams maintain risk registers in line with client requirements. Project Directors own these and escalate risks to regional leadership or the Executive Team where considered necessary;
- Country leads maintain risk registers and escalate these to the relevant regional head where necessary; Regional heads discuss escalated risks with the Director Operations & Risk, who escalates to wider ET where necessary; and
- Corporate services teams escalate risks to their department heads who escalate risks to the Chief Operating Officer or Director Finance where applicable.
- A register of escalated risk is stored on a [corporate SharePoint risk site](#) which all of the heads of geographic, technical and client teams have access to. Risks added to this site are discussed periodically by either the full *ASI Executive Team* (ET) or the *Executive Team – Operations* sub-set of the ET. This forms part of the standing agenda of the weekly *ET – Operations* meeting.
- Where the nature of the risk identified requires urgent review the Director Operations & Risk will escalate quicker than this to the appropriate level of the company and also record it on the esrisk register.

Each risk identified will have:

- A clear description of the risk
- A view of the likelihood of the risk materialising
- An assessment of the severity of the impact if the risk materialised
- Certain mitigating actions that are recommended to be taken with responsibility assigned to these mitigating actions
- An identified owner who is responsible for monitoring the deliver of any mitigation strategy associated with the risk.

The Director Operations & Risk is responsible for collating escalated risks and presenting these to the Executive Team as well as to compile and keep up to date the Board level risk register that will be presented at every Board meeting.