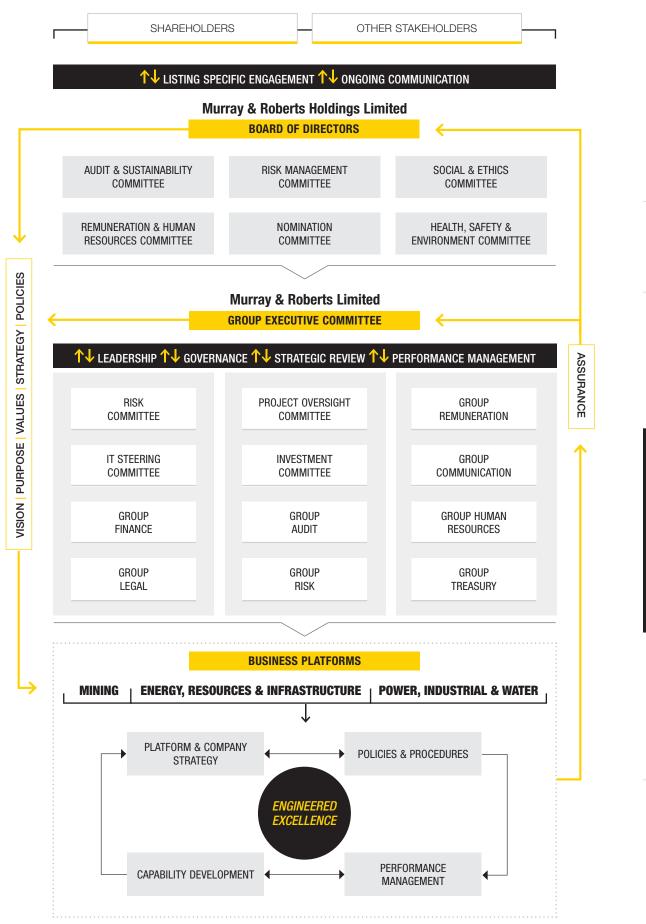
GOVERNANCE OVERVIEW

STATEMENT OF COMMITMENT As the highest governing authority in the Group, the Board is ultimately accountable for ethical and effective leadership. Underpinned by a high standard of corporate governance, integrity and ethics are nonnegotiable features of the Group's pursuit of its strategy and business conduct.

The Group's Values and the ethical principles set out in the Group's Code of Conduct, guide the decisions and actions of the Board and executive team. A well developed governance structure, aligned with the principles and practices of King IV[™], is in place to ensure lines of oversight and reporting are defined and effective. The Board is confident that the Group's governance processes support ethical culture, good performance, effective control and legitimacy, as illustrated in this summary report.

The relationships and decision-making rights between governing bodies and business platforms are shown in the organisational framework alongside.



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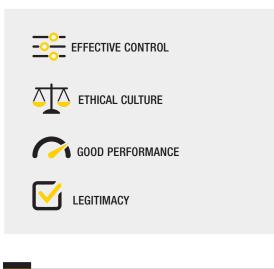
GROUP OVERVIEW | LEADERSHIP REVI

BUSINESS PLATFORM REVIEW

GOVERNANCE OVERVIEW continued

ACHIEVING OUR GOVERNANCE OUTCOMES

The principles of King IV[™], form the foundation of the Group's approach to governance. This supports the Group in meeting the following governance outcomes:



The Board and executive leadership set the tone for an ethical culture, ensuring good governance and business practices.

The Board has a balance of experience and expertise required to deliver the *New Strategic Future* plan, and is supported by appropriate succession planning.

Executive leadership has the depth of skill required to deliver specialised sector focus on a decentralised platform basis and are appropriately incentivised to lead the Group in achieving its strategy.

VALUE CREATING GOVERNANCE STRUCTURES

The Group's engagement model and structure supports strong relationships with clients, employees and stakeholders; this in turn enhances its credibility.

The Group's philosophy of *Engineered Excellence* informs the Board and executive leadership in their decision-making, planning and oversight.

Engineered Excellence is bound into the culture of the Group, and underpinned by our aspiration to be a learning organisation that continually improves. VALUE PROTECTING ACTIVITIES



The Group's Code of Conduct supports ethically robust and defensible decision-making by the Board and executive leadership.

The Group's Code of Conduct, Purpose, Values and integrated management approach, ensures the *New Strategic Future* plan is delivered within the appropriate risk appetite, supporting a prudent risk and return balance.

The Group's contracting principles and related oversight processes are continually updated to reflect changes in the Group's risk profile and project delivery experience.

The Group's response to local and regional dynamics, as well as national objectives, minimise operational and project risks, and support the Group's legitimacy.

The Group's governance frameworks and reporting structures ensure visibility and compliance across the platforms.

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GROUP LEADERSHIP

The Board is responsible for corporate governance across the Group. It approves strategic direction, which addresses and integrates strategy, risk, performance and sustainability as interdependent elements of value creation.

Succession planning over several years has aligned Board competencies to Group strategy, resulting in a diverse Board with deep collective experience relevant to the macro- and socioeconomic realities of the Group's markets.

The composition of the Board promotes a balance of authority, preventing any one director from exercising undue influence over decision-making while bringing diverse perspectives to board deliberation. The Board has ten directors: eight independent, non-executive directors and two executive directors.

STRENGTHENING DIVERSITY AND TRANSFORMATION

A formal diversity policy was adopted in 2018, setting targets for gender and race diversity at Board level. These targets have been met and the Board comprises 60% black directors and 30% female directors.

INDEPENDENT BOARD

Following ATON's announcements during FY2018 to initially make a general offer and later a mandatory offer to acquire full control of Murray & Roberts, in accordance with the requirements of the Companies Act, the Board constituted an Independent Board comprising the following independent non-executive directors:

- Suresh Kana (chairman)
- Ralph Havenstein
- Alex Maditsi
- Diane Radley.

The Independent Board's duties are set out in the Takeover Regulations and they were assisted by Board appointed legal advisors, Webber Wentzel.

KEY ACTIVITIES OF THE INDEPENDENT BOARD

- Engaged with ATON, other shareholders and regulators in relation to ATON's mandatory offer.
- Assessed developments in the regulatory approval process.
- Regularly refreshed the Group's valuation, taking into account the latest market developments.
- Kept the main Board informed on a regular basis.

The Independent Board was disbanded on the lapsing of ATON's offer on 30 September 2019.

GOVERNANCE OVERVIEW continued

BOARD EVALUATION

The Board performed a self-assessment during the year, measured against five performance dimensions:

- Dynamics and information
- Basic ingredients
- Managing the risks
- Strategy
- Transformation.

The self-assessment revealed that transformation could be improved. The Board's opinion is that more attention could be focused on how management is attending to BBBEE in recruitment, understanding management's consideration of BBBEE and socioeconomic development in their decision-making, and encouraging management to create platforms for previously disadvantaged and female role models.



Of most concern

OUR GOVERNANCE OUTCOMES

EFFECTIVE	ACTIVITIES	OUTCOMES
CONTROL	Governance, risk management, systems of a	control and internal audit
Board-approved charter ets out its accountability, esponsibility and duty to the group, including requirements or its composition, meeting rocedures, work plan and erformance evaluation.	 Reviewed and evaluated strategic risks and associated opportunities. Approved the integrated assurance model comprising risk management, regulatory compliance, internal and external audit, and related Group Integrated Assurance policy. Updated and approved the governance framework. 	 Mitigation of strategic risks and positioning the business to secure opportunities. Asserts control over how Group risks are mitigated with mechanisms ensuring compliance and effectiveness. Governance framework embedded throughout the Group.
	Succession planning	
	 Board review of succession planning for senior management. Following the passing of Dr Mkhwanazi and the resignations of Ms Mashilwane and Mr Spence, these vacancies were filled by the appointments of Ms Boggenpoel, Messrs Raphiri and Mawasha. 	Formal succession plans aligned with transformation objectives for senior management.
ETHICAL	ACTIVITIES	OUTCOMES
ETHICAL CULTURE	ACTIVITIES Leadership and organisational ethics	OUTCOMES
		 OUTCOMES Instances of unethical behaviour are reported, investigated and addressed. Reputation as a well-governed, ethical and responsible multinational organisation.
ILTURE cal principles set out de of Conduct require I directors to: e to legal standards duct set out in the	 Leadership and organisational ethics Reviewed compliance with laws, rules, codes and standards. Approved revised Code of Conduct. Ensures the Group subscribes to ethical business principles supported by policies, standards and 	 Instances of unethical behaviour are reported, investigated and addressed. Reputation as a well-governed, ethical and responsible multinational organisation.

GROUP OVERVIEW

LEADERSHIP REVIEW

BUSINESS PLATFORM REVIEW

GOVERNANCE, RISK AND REMUNERATION REPORTS

SUMMARISED FINANCIAL RESULTS

SHAREHOLDERS' INFORMATION

GOVERNANCE OVERVIEW continued

GOOD PERFORMANCE

The Board is responsible for corporate governance and determining the Group's strategic direction. All decisions, deliberations and actions are based on the Group's Values, which ultimately support the performance of the Group.

	ACTIVITIES		OUTCOMES
Strateg	gy, performance and reporting		
bu bu Co Co pro im Co Co the	oproved annual Group and usiness platform strategies and udgets. onsidered material acquisitions. onducted review of policies and ocedures to ensure effective plementation of strategy. onsidered the impact of DVID-19 on the Group, primarily e effect on employees and usiness continuity.	-	Realising Purpose, Vision and Values through strategic delivery. Reliable and transparent communication with stakeholders. Retention of personnel where possible, by continuing to cover basic salaries. Tightened working capital management.
Board	evaluation		
rul ■ Se	eviewed compliance with laws, les, codes and standards. If-assessment of Board erformance during the year.	-	Appropriate oversight structures and processes in place ensuring effective performance of the Group within Board approved risk appetite. Continued improvement in performance and effectiveness of the Board.
Remur	neration		
 Ap Ior 	oproved remuneration policy. oproved and implemented ng-term incentive scheme vards.	•	Fair, responsible and transparent remuneration. Voting by shareholders on remuneration policy at 89.8% (2018: 99.87%) and implementation report at 99.92%



The Board provides strategic direction and approves policies and frameworks to ensure that all economic, financial, social, environmental and ethical issues are addressed. The Board has established committees to assist in discharging its duties as set out in the approved committee mandates and terms of references.

The Group seeks to protect, enhance and invest in the wellbeing of the economy, society and the environment. The social & ethics committee ensures that the Group formulates collaborative responses to sustainability challenges. The remuneration & human resources committee ensures fair and responsible remuneration and reward practices aligned to performance and the Group's Values.

ACTIVITIES	OUTCOMES
Stakeholder relationships	
 Communicated and engaged transparently, effectively and inclusively with all stakeholder groups. All directors and designated partner of the external audit firm are available at the AGM to respond to shareholder queries. 	 Stakeholder engagement framework is proactively implemented and followed by management. Detailed discussion and review of client relationships. Sound relationships with employees and organised labour, particularly relating to demobilisations in the Power, Industrial & Water platform.
Diversity and transformation	
The remuneration & human resources committee performs an annual assessment of succession, including strategies for transformation across the Group.	Licence to operate in chosen markets.Achieved diversity targets at Board level.



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RISK MANAGEMENT REPORT

The Group's risk management framework facilitates identification and management of risks and opportunities in a manner that supports value creation. Risk management is an integral part of all decisionmaking processes and day-today activities.

Murray & Roberts operates in an environment that presents opportunities and risks that can have a financial, operational and reputational impact on the business. Entrusted with the overall responsibility for risk management, the Board sets the direction through policies and frameworks on how these risks and opportunities should be managed.

The Group's market sector, geographic and project life cycle diversification is instrumental in mitigating some of the risks we face. The shift to broaden market focus over the last three years has become a permanent feature of the Group's response to cyclicality in natural resources markets.

Appropriate governance structures, including the Board risk committee, executive risk committee, project oversight committee and business platform risk committees, ensure that the appropriate operational and functional systems, procedures, and controls are in place to mitigate risks and harness opportunities in pursuit of the Group's strategic objectives.

RISK PROCESS

Identifying, quantifying and managing risks and opportunities is a challenging task given the scale and complexity of the Group's operations. The Group Risk Management Framework promotes a consistent approach to risk management by ensuring that experienced management teams manage and maintain a planned, coordinated and structured approach to identify, assess, address, monitor, communicate and report the Group's risks and opportunities. The mitigation of those risks most likely to prevent the Group from achieving its strategic objectives, are prioritised. Risk Management, Regulatory Compliance and Independent Assurance (internal and external audits) are the three pillars of the Group Integrated Assurance Framework, which aims to:

Align strategy with risk tolerance;

Improve and streamline decision-making, which improves the Group's risk profile;

Promote the strategic and coordinated procurement of a quality order book, which contains a known and planned level of risk and an appropriate level of reward;

Ensure reasonable commercial terms and conditions are contracted based on a predetermined set of acceptable contracting principles, together with the rational pursuit of commercial entitlement;

Promote rigorous project reviews, and early responses to projects deviating from planned and tendered expectations;

Promote continuous improvement through the institutionalisation and application of lessons learnt;

Reduce operational surprises, improve predictability and build shareholder confidence;

Build robust organisational risk structures and facilitate timeous interventions, to promote long-term sustainable growth; and

Promote the efficient and proactive pursuit of opportunities.



ORGANISATIONAL STRUCTURES

In addition to the various Group operating board responsibilities, organisational structures have been created and tasked with risk governance, including the business platform risk committees, the Murray & Roberts Limited risk committee and the Murray & Roberts Limited project oversight committee.

12 FUNCTIONAL SUPPORT

Dedicated risk management support has been created at Group level and within businesses. This includes enterprise-wide risk leadership, risk management monitoring, risk-based auditing and operational and risk committees.

D3 STRATEGIC RISK MANAGEMENT

Strategic risk is evaluated as a hurdle to achieving the Group's long-term strategy. Management is tasked by the Board to implement and adapt the Group strategy considering changes in the business environment and subject to the approved risk appetite and risk tolerance levels. Direction is set for organic and acquisitive growth to access new markets and create new capacity, and is also applied to acquisitions, disposals, new business development, and timely and necessary leadership intervention.

4 OPERATIONAL RISK MANAGEMENT

Operational risk is a potential barrier to achieving planned profits within the Group's business platforms. Methodologies for identifying, evaluating, mitigating, monitoring and communicating risk are applied in the operational business environment. Business plans with a three-year horizon are developed and performance against these is subject to quarterly review.

J5 PROSPECT AND PROJECT LIFE CYCLE

Project risk is evaluated as a potential barrier to delivering contracted scope against cost, time and technical performance targets, while maintaining HSE performance. A Project Management Framework sets the minimum standard for project management and a Project Management Development programme is in place to enhance and refresh project management skills across the Group. The Project Management Framework also provides internal audit with a consistent set of processes and controls against which project performance is tested. Project risk management activities include the Group risk tolerance filters, lessons learnt and contracting principles schedules, project reviews and project dashboards.

06 CORPORATE RISK MANAGEMENT

Corporate risk management relates to a range of portfolios within the corporate office, which includes risk management standards and procedures, the Group Code of Conduct, the Statement of Business Principles, regulatory compliance, commercial and legal oversight, integrated assurance, business continuity and IT disaster recovery, treasury, bonds and guarantees, tax, insurance, crisis communication and forensic investigations.

RISK MANAGEMENT REPORT continued

RISK MANAGEMENT PRACTICES

The Board considers and approves the overall risk appetite for the Group, monitors risk exposure and sets risk tolerances which are regularly reviewed and updated. We define risk appetite as the type and extent of risk the Group is willing to take in pursuit of its strategic objectives. Several factors are considered in determining the risk appetite in each risk category. The Risk Appetite Statement classifies the Group's appetite for each risk category as low, moderate, high, or extreme according to the following definitions:

LOW – The level of risk will not impede the Group's ability to achieve its strategic objectives.

MODERATE – The level of risk may delay or disrupt the achievement of its strategic objectives.

HIGH – The level of risk will impede its ability to achieve its strategic objectives.

EXTREME – The level of risk will significantly impede its ability to achieve its strategic objectives.

Where applicable, controls are in place to reduce the likelihood or alternatively mitigate the impact of risk events.

Key risks are those that have a financial, operational and reputational impact and include:

HEALTH, SAFETY & ENVIRONMENT: The Group has no appetite for health, safety and environment risk and strives for Zero Harm in the workplace. This is supported by the Group HSE Framework.

FINANCIAL: The Group has a moderate appetite for financial risk and is willing to accept risk to achieve its financial objectives. The risks are managed and mitigated to an acceptable level through several controls, with oversight from Group executive leadership.

LEGAL & COMPLIANCE: The Group strives for the highest standards of business integrity, ethics and governance. It has zero tolerance for unethical behaviour and has a Code of Conduct and a number of related procedures in place to address this risk. The Group also complies fully in all jurisdictions with regulated requirements to protect personal information.

CATEGORIES

RISK

KEY

PROJECT PERFORMANCE: The Group is prepared to accept a moderate level of risk in the projects it undertakes, to achieve its financial targets. A Project Management Framework, as well as contracting principles and past project lessons learnt schedules are in place and enforced to mitigate project delivery risk.

TECHNOLOGY: The Group has a moderate appetite for innovative technology and digitalisation solutions that could add value in meeting its strategic objectives. As the Group formalises and advances its digital strategy, an IT Security Framework is in place to manage the risk of cybercrime and data breaches. The Group has defined four discrete risk environments: strategic, corporate, operational and project. Each risk has a specific owner, be it a business platform CEO, operating board or an individual executive.

The primary responsibility for managing risk lies with business line management. The risk management, regulatory compliance and internal audit functions in the corporate office advise on risk management approaches, methodologies and systems. They also monitor the diligent execution of risk management at every level of the Group, reporting to various boards and committees on inherent and residual risks in each risk area.

Murray & Roberts contracts on projects which differ in complexity, scope and size. Project risk is the predominant source of risk for the Group. Critical to the preparation of tenders and effective project delivery is the application of three standards, which have been formulated and are regularly updated on the basis of past performance:

- Group Schedule of Contracting Principles;
- Group Schedule of Lessons Learnt; and
- Minimum Requirements for Contracts.

All bids submitted are tested against these standards to ensure that the identified risks are correctly addressed and past failures are not repeated.

Operational risk exposures typically relate to the infringement of laws, including competition, company, labour, health and safety and environment, as well as the commercial, technical and logistical aspects of a project. Each business platform has its own risk committee ensuring that these risks are regularly reviewed and assessed, and effectively mitigated.

To reduce project risk as far as possible, the following procedures are followed:

- Competent and experienced executives oversee the preparation and submission of bids.
- An Opportunity Management System tracks and processes all opportunities, subjecting them to a series of risk filters to develop a risk profile. These filters are extracted from the Risk Tolerance Matrix, which is approved by the Board.
- Estimating tools used across the Group to prepare bids are proven and validated. The costing process is comprehensive, and subject to rigorous internal reviews, including independent and peer reviews where necessary.
- Risks are identified based on experience and mitigated either through contractual terms or priced for and managed within budget.
- Critical bid requirements are (i) the exclusion and/or pricing of known risks, (ii) that projects must be cash positive, (iii) the prohibition of unacceptable risks and unusual contracting terms, and (iv) the inclusion of limits of liability in contracts.
- Where a fixed-price project is accepted, the design must be mature, the scope and/or specification clear and an efficient mechanism for change management and dispute resolution must form part of the contract.

- An allowance for contingencies (unforeseen or unplanned risks) is added to the bid price to cater for potential risks that cannot be priced and mitigated at bidding stage. These allowances are a hedge against risk, are utilised within the framework for which they are established and fall under the control of the project director. The project review committee oversees the use of contingency allowances.
- Generally known types of contracts such as FIDIC, NEC, JBCC, GCC are preferred, and specific attention is placed on special conditions. Bespoke contracts are negotiated based on the detailed guidance of internal and external legal counsel.
- Large and complex project bids are subject to independent review and approval by the Murray & Roberts Limited Board risk committee, which issues a mandate to the project negotiation team. Projects above US\$300 million are escalated to the Board for approval. Any deviation from a mandate is referred to the relevant risk committee for a final decision.
- The Murray & Roberts Limited Board project oversight committee reviews large and complex projects to ensure performance is in line with the tendered terms and prevailing market conditions. The committee also reviews projects showing early signs of deviation from planned and tendered expectations. This helps to prevent distressed projects by identifying early signs of difficulty and ensuring that corrective actions and interventions are initiated.

Strategic and corporate risks are associated with the activities of the Group chief executive and executive committee and include:

- Organic and acquisitive growth;
- New markets and new capabilities; and
- Accounting, taxation, banking/bonding and funds transfers etc.

The corporate office manages these risks, which are reviewed by the executive risk committee quarterly and reported to the boards of Murray & Roberts Limited and Murray & Roberts Holdings Limited.

A Group business continuity standard and associated procedures are in place within each business platform. Internal audit provides assurance on these business continuity plans.

REGULATORY COMPLIANCE

Regulatory compliance is the second pillar of the Group Integrated Assurance Framework. The implementation of the Group Regulatory Compliance Framework focuses on the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution and management. The regulatory compliance function provides focus on these risks in line with the Group Integrated Assurance Framework.

As a multinational organisation, regulatory compliance is complex. It is therefore imperative to ensure that the Group complies, across all jurisdictions, with legal and other requirements that could materially impact its performance and sustainability, whether from a financial, legal or reputational perspective. The Group employs a structured approach to evaluate potential compliance failures and ensures adequate responses to prevent and, where necessary, to mitigate any negative impact.

INDEPENDENT ASSURANCE

Independent assurance, the third pillar of the Group Integrated Assurance Framework, consists of two complementary parts – internal and external audit. This function provides an independent and objective challenge to the levels of assurance provided by business operations, risk management and regulatory compliance.

The internal audit function is well resourced with experienced and skilled employees to carry out its mandate. In executing its mandate, internal audit applies a robust, risk-based approach to identify critical risk management controls that management relies on, and which must be tested and evaluated to provide the Board with the risk management and regulatory compliance assurance it requires to meet its governance objectives.

The development of the internal audit plan includes interactions with the Group risk and legal functions, with specific reference to their respective risk and compliance mitigation objectives, strategies and plans. The audit plan also assesses Groupwide corporate governance, financial controls and risk management procedures, as well as specific areas highlighted by the audit & sustainability committee, Group executive committee and by executive and operational management.

External audit provides independent assurance that the annual financial statements and the integrated report are free from material misstatements and comply with IFRS requirements.

BUSINESS PLATFORM

RISK MANAGEMENT REPORT continued

TOP RISKS

The top risks outlined in this section are those that could materially affect the Group.

STRATEGIC RISKS

VULNERABILITY TO MACROECONOMIC FACTORS

Changes in the global economy have a direct impact on the markets in which the Group operates. Downside risks to the global economy and therefore to growth prospects in the Group's markets, include escalation in trade tension between the world's major economies, worsening international relations, climate change, geopolitical volatility and the impacts of the COVID-19 pandemic. These changes are likely to lead to fluctuations in the Group's order book and projected earnings.

MITIGATION

- Strategic focus on the natural resources sector, which is underpinned by positive long-term demand fundamentals.
- Broader strategic scope includes selected high-growth markets to mitigate the impact of adverse cycles in natural resources.
- Focus on client relationships and maintaining competitive advantages to secure negotiated contracts with reasonable terms and opportunities for early contractor involvement.
- Continue to diversify services across the project life cycle, which includes an emphasis on front-end engineering, and operations and maintenance.
- Invest in long-term investment opportunities that generate constant income at attractive rates of return, either as a project co-developer or operator.
- Establish JVs with local contractors to win work in geographies where this is a requirement.

GROUP LIQUIDITY

Although the Group remains in a strong cash position, outstanding claims and payments, potential future project losses and working capital demands may introduce liquidity stress and constrain the Group's ability to make acquisitions and meet growth targets.



MITIGATION

- Continue to ensure high-quality earnings through a diversified order book.
- Pursue claims through negotiation, mediation and/or arbitration and ensure the most beneficial outcome for the Group.
- Continue to manage overheads, and continually improve project performance.
- Procure advance payments on projects and ensure that all projects remain cash positive or at least cash neutral.
- Vigorously drive Engineered Excellence to ensure project delivery that is differentiated by excellence.
- Secure payment guarantees to manage client credit risk, where relevant.





Threat

stable

OPERATIONAL RISKS

HEALTH, SAFETY AND ENVIRONMENTAL EXPOSURES

Although the Group has made significant progress in managing safety risk, anything more than Zero Harm remains a concern and continues to receive diligent and proactive attention across the Group.

MITIGATION

- The Group HSE Framework guides operations and ensures a consistent approach in improving health, safety and environment performance.
- The Zero Harm Through Effective Leadership programme ensures sustainable improvement in health and safety.
- The Major Accident Prevention and Critical Risks Controls programmes have been rolled out across all operations to proactively manage material HSE issues and prevent major incidents.
- Programmes aimed at improving employee health and wellness are in place across all operations.
- COVID-19 risk management plans are in place across all operations.
- The Environmental Framework, which incorporates a number of critical standards and is implemented to regulate important environmental issues such as energy efficiency, carbon emissions, waste and water, is in place across the Group's operations.
- The climate change policy statement commits the Group to play a meaningful role in efforts aimed at mitigating the impact of climate change and ensures a consistent approach.



RISK MANAGEMENT REPORT continued



Opportunity increasing

Threat



OPERATIONAL RISKS continued

PROJECT **DELIVERY RISKS**



Some of the Group's projects are technically complex with long durations that increase risk exposures during execution. These risks, together with risks beyond our direct control, may result in failure to meet contractual cost or schedule commitments and other performance parameters, potentially leading to material loss of project earnings. Client preference for higher risk fixed-price and hybrid-type contracts, especially in market sectors serviced by the Energy, Resources & Infrastructure, and the Power, Industrial & Water platforms, continues. As a result of this trend, 61% of the Group's order book comprises fixed-price contracts.

The COVID-19 pandemic has negatively impacted project delivery across all three business platforms as a result of measures to limit the spread of the virus.

Middle East project losses have been accounted for in previous years. These projects have been delivered and the risk will close out when commercial settlement on the projects is achieved.

MITIGATION

- Strong oversight processes are in place to mitigate the risk associated with an increasing proportion of fixed-price contracts in the Group's order book.
- Independent reviews are conducted early on projects to ensure early identification and remedy of potential issues. Comprehensive project assurance and performance management tools are applied within the business platforms, based on the experience gained from past project losses. The focus is on obtaining assurance of compliance with project management systems.
- Project Critical Control Executive Dashboards apply across the Group to provide executives with early insight into performance indicators on projects under their control.
- Management, including at Group level, timeously reviews underperforming projects to revisit and revise recovery plans and programmes.
- Clients are engaged to find common cause around the recovery plans.
- The oversight committee continues to review underperforming projects and provides timeous intervention aimed at driving improvements in project performance.

OPERATIONAL RISKS continued

BUSINESS IMPACT OF THE COVID-19 PANDEMIC

Measures implemented across the world to mitigate the spread of COVID-19 infections are impacting the global economy. Restrictions on the movement of people and the shutdown of certain economic sectors have resulted in manufacturing and supply chain disruptions, travel bans, deferral of new project awards, operational disruptions and project delays.

MITIGATION

- COVID-19 risk management plans are in place across all operations.
- Commercial entitlement is being pursued where applicable.
- Contracting principles have been updated to include reasonable terms to manage similar risk exposures.

CYBERSECURITY

The potential for disruption or damage to the business caused by the failure of IT systems and cyber breaches or attacks are real threats. The increase in frequency and sophistication of cyber-crime incidents highlights the importance of implementing and maintaining robust cybersecurity frameworks.

MITIGATION

- An IT security framework is in place and independently tested.
- The Group's IT security framework was improved by strengthening the security governance processes and technical defences. Further improvements will continue to be implemented as and when required.
- Implementation of user security awareness programmes.
- Backup solutions to recover from system failures or breaches.
- Insurance cover for cyber-crime related losses.