



# RISK MANAGEMENT



## OPENING THE DOOR TO BETTER PERFORMANCE

Through its Risk Management consultancy service, SGS offers complete Risk Management for wind farm projects. Namely, SGS risk specialists support the project management team in risk identification, risk qualification and risk handling, which entails both risk mitigation and capitalisation of opportunities. Once the necessary data has been collected, quantitative risk analyses and data simulations using specialised software are performed in an effort to predict the outcome of risk management and the results of risks, including pre- and post-risk handling, the potential impact of risk handling plans and the implications of residual risks.

SGS collaborates with the project teams to assist them in the management of risk, including residual risks, to ensure that team members implement the most effective risk management practices in order to minimise potential cost escalations, project delays, accidents and incidents, harm to the environment and brand damage.

At SGS, Risk Management services are delivered in accordance with international risk management standards and guidelines.

### THE OBJECTIVE

The SGS Risk Management consultancy service seeks to assist project teams in their decision-making process in order to ultimately ensure that the project is executed with minimal risk impact. Specifically, SGS's Risk Management process aims to achieve the following

- meet project objectives in terms of cost, schedule and performance
- improve cost estimates by managing realistic and relevant contingencies
- achieve identifiable schedule milestones and key performance indicators, including occupational health and safety and environmental targets
- increase planning reliability
- assure greater certainty in financial planning and project execution
- manage complexity of interfaces at the project level

### THE SOLUTION

SGS believes it essential to integrate risk management into the project execution plan in order to manage the risks in a given project. Further, timely identification and documenting of risks are also needed to allow for the effective communication of such information to project team members. Once the project management team have identified the risks inherent in

their activities, qualitative and quantitative risk analyses for each package are carried out to enable risk prioritisation. SGS advocates that risk management be meticulously planned prior to project implementation, and that risks be continuously monitored and managed throughout project development, construction and operations. Risk monitoring is a continuous process and is a crucial activity to help manage existing, new, and residual risk within the risk handling process.

SGS supports the project management team in handling their residual risks if mitigation measures cannot eliminate risk entirely. At the same time, SGS draws attention to potential opportunities that certain risks may present by analytically assessing their impact. At the end of the project, SGS risk specialists, together with the project managers, conduct a retrospective risk review as an integral part of the risk management process. This type of review is useful to assess the effectiveness and contribution of the risk management process. Throughout the risk management process, lessons learned are documented by SGS and communicated within the project environment to facilitate their contribution to future projects.

## OUR SERVICE FOR RISK MANAGEMENT

### SGS RISK MANAGEMENT APPROACH

As depicted in the chart below, SGS's approach to Risk Management is characterised by continual risk management planning, risk identification and quantification, quantitative and qualitative risk analyses, risk handling, management of residual risk and continuous monitoring and managing of risks.

Risk management is a structured, practical approach to identifying and managing risks both to the project – from development and design phases to construction and asset management and maintenance – and to the enterprise as a whole. The risk management process boosts confidence levels in achieving objectives, provides for more efficient and effective control, and facilitates the calculation and management of contingencies.



### WHY SGS?

As the world's leading inspection, verification, testing and certification company, SGS is a preferred international partner for onshore and offshore wind farm projects. Our strength stems from experienced and qualified staff who have successfully developed and implemented risk management for a multitude of wind farm projects. By combining technical know-how with risk management experience, SGS offers first-class comprehensive risk management consultancy services, worldwide.

### SGS COMPETENCE CENTRE WIND ENERGY

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