



MAGNUM CONSTRUCTION SERVICES INC.

RISK MANAGEMENT PLAN (CORPORATE RISK REGISTER)

Document Code: MCS-CORP-06 | **Revision:** 1.0 | **Effective Date:** October 31, 2025

1. PURPOSE

This Risk Management Plan establishes the methodology for identifying, assessing, and controlling business, operational, and project risks across all divisions of **Magnum Construction Services Inc. (MCS)**.

Its purpose is to:

- Ensure risks are proactively managed to safeguard personnel, property, finances, and reputation.
 - Integrate risk management into the **Corporate Management System (MCS-CORP-05)** and decision-making processes.
 - Demonstrate compliance with **ISO 31000, ISO 9001, ISO 45001, and ISO 14001** principles.
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2. SCOPE

Applies to all corporate, project, and departmental functions, including:

- Strategic planning and governance
 - Financial operations and procurement
 - Construction, quality, health, safety, and environment (QHSE) activities
 - Subcontractor and supply-chain management
 - Legal, reputational, and information-security risks
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3. GOVERNANCE & RESPONSIBILITIES

Role	Responsibility
Executive Director / CEO	Approves the corporate risk framework and ensures resources for mitigation.
Corporate Risk Committee	Reviews and updates the Corporate Risk Register quarterly.
Department Heads	Identify and control operational and departmental risks.
Project Managers	Maintain project-specific risk registers and escalation reporting.
Employees & Supervisors	Report new hazards or emerging risks immediately.

4. RISK MANAGEMENT PROCESS

MCS follows a **five-step process** consistent with **ISO 31000**:

1. **Establish Context** – Define project, scope, and objectives.
 2. **Identify Risks** – Collect input from management reviews, JHAs, audits, and lessons learned.
 3. **Analyze Risks** – Determine likelihood, consequence, and exposure level.
 4. **Evaluate & Prioritize** – Rank risks to guide mitigation priorities.
 5. **Treat & Monitor** – Apply controls and track effectiveness through review cycles.
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5. RISK CLASSIFICATION

Category	Examples
Strategic Risks	Market changes, regulatory shifts, mergers/acquisitions, reputation.
Operational Risks	Project delays, equipment failure, subcontractor performance.
Financial Risks	Cost overruns, credit exposure, cash-flow issues.



Category	Examples
Safety Risks	Incidents, unsafe conditions, non-compliance with OSHA standards.
Environmental Risks	Pollution, waste, hazardous material handling, storm events.
Legal & Compliance Risks	Contract disputes, permits, labor law violations.
Information Security Risks	Data loss, cyber threats, system outages.

6. RISK ASSESSMENT CRITERIA

Likelihood (L)	Description	Score
Rare	May occur only in exceptional circumstances	1
Unlikely	Could occur at some time	2
Possible	Might occur occasionally	3
Likely	Expected to occur in many cases	4
Almost Certain	Occurs frequently	5
Consequence (C)	Description	Score
Insignificant	Minimal impact, no injury or cost	1
Minor	First-aid injury, small delay or rework	2
Moderate	Medical treatment, cost < \$50K	3
Major	Lost-time injury, cost \$50K-\$250K	4
Catastrophic	Fatality or cost > \$250K	5

Risk Rating = $L \times C$



Score Range Risk Level

Action Required

1-5	Low	Manage by routine procedures
6-10	Medium	Monitor and apply administrative controls
11-15	High	Immediate mitigation and management oversight
16-25	Extreme	Stop work until risk reduced

7. CORPORATE RISK REGISTER (EXCERPT)

Risk ID	Category	Description	L	C	Rating	Control Measures	Owner	Status
R-001	Safety	Fall from height during structural framing	4	5	20 (Extreme)	Fall protection plan, PPE, training, inspections	HSE Director	Open
R-002	Financial	Delay in client payment impacting cash flow	3	4	12 (High)	Implement PO financing and payment tracking	CFO	Active
R-003	Environmental	Fuel spill at equipment yard	2	4	8 (Medium)	Secondary containment, spill kits, training	Env. Mgr	Controlled
R-004	Operational	Equipment failure due to poor maintenance	3	3	9 (Medium)	PM schedule, maintenance logs	Ops Mgr	Active
R-005	Reputational	Project delay from subcontractor	3	4	12 (High)	Prequalification, bonding, performance reviews	Contracts Mgr	Active



Risk ID	Category	Description	L C	Rating	Control Measures	Owner	Status
		non-performance					
R-006	Legal	OSHA citation for non-compliance	2 5	10 (Medium)	Weekly audits, corrective tracking	Safety Dir	Controlled

(Full register maintained as controlled Excel document — MCS-CORP-06-A1)

8. RISK MITIGATION STRATEGIES

- Apply the **Hierarchy of Controls**: Elimination → Substitution → Engineering → Administrative → PPE.
- Ensure **insurance coverage** matches current exposure profile.
- Review all critical subcontractor and supplier risk assessments quarterly.
- Perform **trend analysis** on incident and audit data.
- Engage executive management in **quarterly risk review meetings**.

9. MONITORING, REVIEW & REPORTING

- The **Corporate Risk Committee** meets **quarterly** to update the register.
- Significant risks are escalated immediately to the Executive Director.
- Audit results and risk performance metrics feed into the **Annual Management Review**.
- Lessons learned are incorporated into procedures and training updates.

10. COMMUNICATION & TRAINING

- All staff receive risk-awareness training during onboarding and annually thereafter.
- Risk updates are communicated during **management meetings** and **tailgate sessions**.
- The Risk Register summary is available to department heads for transparency.

11. DOCUMENT CONTROL

- Controlled under the **Records Management & Document Control Policy (MCS-ADM-04)**.
 - Reviewed annually or upon significant change in operations, leadership, or risk exposure.
 - Maintained electronically with version tracking and access control.
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12. APPROVAL SIGNATURES

Approved By	Title	Signature	Date
Michael Gaya	Executive Director / CEO	_____	_____
Anthony Magadino	President / Managing Partner	_____	_____
Corporate Risk Manager		_____	_____