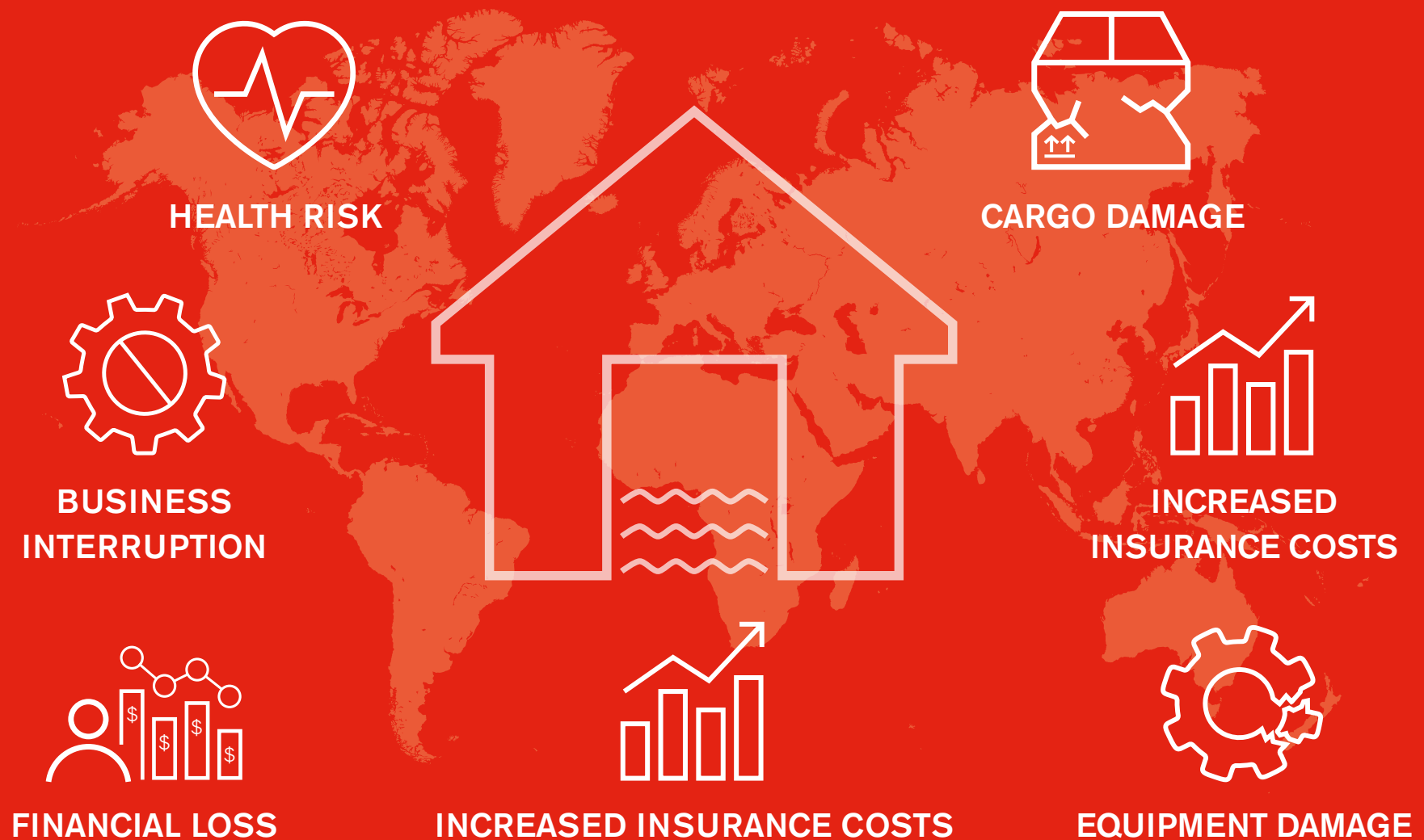


# Mitigating flood risk

Have you considered the risk of flood damage to your operations?

The associated losses of such incidents can be far reaching; water is unforgiving and has the ability to penetrate and damage just about any area of commodity. Unprecedented levels of rainfall does not guarantee defence if a claimant can demonstrate deficiencies in your operational risk assessment.

## What are the risks?



## How can you mitigate these risks?

### CONTRACTUAL

- Ensure your standard trading conditions and any contracts are reviewed and approved
- Make sure your standard trading conditions are properly incorporated in all business dealings
- Develop and test mitigation and crisis management plans in respect of a potential flood situation.
- Ensure that contracts with maintenance service providers include insurance requirement provisions to protect you against their negligence

### LOCATION

- Consider the topography and exposure to flood plains, rising sea levels and the proximity of rivers or other watercourses
- Check historic local weather data and changes in local climatic conditions to understand the foreseeability of a local storm surge that could affect your premises
- Monitor any changes in local land use

### CARGO

- Ensure cargo is stored appropriately, considering its vulnerability to wet damage
- Protect cargo from flood risk by storing vulnerable cargo on pallets and on racking
- Consider aggregation risk and total values of cargo stored

### PROPERTY

- If your property is leased, ensure you understand who is responsible under the lease agreement for upkeep and maintenance
- Maintain records of maintenance, such as clearing drains/guttering, and inspections
- Establish a clear escalation process for any issues relating to the condition of the property
- Ensure that structural and drainage capacity are adequate for any rain/snowfall

### OPERATIONAL

- Develop an emergency response plan considering:
  - Protecting cargo (particularly vulnerable cargo)
  - Protecting handling equipment
  - Containing flood water, preventing spread (sandbags, water tight doors, pumps)
  - Clearly designated roles and responsibilities
  - Auxiliary emergency back-up power including lighting
  - Third party contractors providing 24hr response
- Consider business continuity: how quickly could your business return to full operational capacity?

### WATCH OUT FOR RED FLAGS

- Changes in weather patterns
- Changes in local topography/land use
- Extensions to existing buildings
- Vulnerable cargoes
- Poor risk management processes

