

Responsible Risk Management



Risk management is integral to Unilever's strategy and to the achievement of Unilever's longterm goals. Our success as an organisation depends on our ability to identify and exploit the opportunities generated by our business and the markets Unilever operates in.

Unilever takes an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team agenda. Unilever defines risks as actions or events that have the potential to impact our ability to achieve our objectives. Unilever identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy if it does not strengthen brand equities or grow in growing channels.

Unilever's Risk Management approach is embedded in the normal course of business with a set of global Principles of Risk Management with local implementation.

Its structural elements include:

- Governance of Unilever, organisational structure and delegation of authority
- Vision, Strategy and Objectives
- Code of Business Principles, Code Policies and Standards
- Risk and Control Frameworks
- Performance management and operational processes execution
- Compliance and assurance activities.

Musts

All managers and above **must** implement Unilever's Principles of Risk Management as follows:

- Accountability: they must identify and manage the risks that relate to their role
- Risk Appetite: they must determine the level of risk, they are prepared to accept to guide them in deciding what mitigation should be taken
- Risk Mitigation: they must put adequate controls in place, and ensure that they are operational, in order to deliver their objectives

Where leadership teams of key global functions are responsible for any of Unilever's Key Business Risks, they **must**:

- Define the risk and ensure that mitigating actions are taken as required
- Ensure supporting documentation is available

Leadership teams of Business Groups, Business Operations, Unilever International, Africa, and any listed entities where risk assessments are a regulatory requirement **must**:

- Complete an annual holistic business risk assessment during which:

- Key business risks for which they are responsible are identified;
- How those risks are being managed is reviewed;
- Any gaps in their desired risk appetite are identified.

- Perform regular reviews and ensure risks are mitigated as desired.

Heads of Countries **must**:

- Highlight significant country regulatory or statutory compliance risks to either the relevant Business Group(s) or the Chief Legal Officer;
- Highlight significant country customer or channel risks to either the relevant Business Group(s) or the Chief Digital & Commercial Officer

All project leaders of transformational projects **must**, together with their teams:

- Identify the key risks associated with their project achieving its objectives
- Prepare risk mitigation plans
- Review progress with the project steering group.