

Group risk appetite statement

Risk management is an integral part of the overall governance and management of the Group, and we continue to develop our risk management framework and associated processes. The Board is ultimately responsible for determining the level of risk the Group is willing to accept to achieve its strategic objectives and enhance value creation for all stakeholders, including risks which threaten its business model, future performance, solvency or liquidity. The Board takes a balanced view on risk to ensure an appropriate position between risk aversion, opportunity and gains.

The Board is responsible for setting the risk appetite for the Group, and does so taking into consideration the expectations of its stakeholders and members as a whole. The Group's risk appetite statement provides a useful guide to inform strategic decision-making, facilitate the review of risk management, and to set targets against which risk objectives must be progressed.

The Group is generally more open to strategic and operational risks, including those around business change, competition, supply chain and marketing, recognising the clear growth opportunity ahead, and the need to test and trial new ideas and ways of working. In these areas we have a moderate or higher risk appetite.

We are more cautious with regard to financial, regulatory compliance, Technology, data and cyber security, people and culture, and climate change risks. In these areas we have a lower risk appetite.

The Group has a very low appetite for compliance risks which could damage our brand and reputation, including the health and safety of all our colleagues, customers, suppliers, and any non-compliance to our policies and procedures.

Ref	Principal risks and uncertainties	Risk category	Risk appetite
1	Strategy and business change	Strategic	Open
2	Competition, market and macro-economic	Strategic	Moderate
3	Brand and customer	Strategic	Moderate
4	Climate change	Strategic	Cautious
5	Supply chain	Operational	Moderate
6	Technology platforms, data loss and cybersecurity	Operational	Cautious
7	Marketing effectiveness	Operational	Moderate
8	People and culture	Operational	Cautious
9	Financial and treasury	Financial & compliance	Cautious
10	Regulatory compliance	Financial & compliance	Cautious

Approved by the Board of Directors

18 June 2026