

## Risk Management

### A. Purpose

The purpose of the policy is to define and identify risks which may compromise the achievement of business objectives and to provide guidelines and information to protect, and consequently minimize risks to UDPL operations, property, shareholders and employees.

The specific purpose of the Risk Management Policy are:

- To ensure that all the current and future material risk exposures of UDPL are identified, assessed, quantified, appropriately mitigated and managed;
- To establish a framework of the UDPL's risk management process and to ensure company-wide implementation.
- To ensure systematic and uniform assessment of risks related to the business.
- To enable compliance with appropriate regulation, wherever applicable, through the adoption of best practices.

### B. Policy

It is the UDPL policy to identify and minimize risks to its operations, property, shareholders and employees, to minimize the costs and consequences in the event of harmful or damaging incidents arising from those risks, and to provide for adequate and timely compensation, restoration and recovery.

The UDPL Board of Directors shall have the responsibility for the establishment and oversight of the company's risk management framework while the holding company's Board shall have the overall responsibility for the group's risk management.

Key responsibilities of the UDPL Board in relation to Risk Management, shall be (but not limited) to:

- ▶ Review and approval of risk policies and procedures;
- ▶ Communication of risk policies across the company;
- ▶ Delegation of appropriate authority to risk functionaries;

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- ▶ Review of risk management effectiveness and compliance;
- ▶ Review of significant risk issues highlighted by internal audit;
- ▶ Reporting to stakeholders on risk management; and
- ▶ Approval of public disclosures.

The Senior Management shall implement the Board policies on risk management. All employees of UDPL shall actively participate in the assessment, elimination, minimization and prevention of risks in the workplace as far as it is reasonably practicable.

Risk Management Framework shall comprise of the following stakeholders:

- ▶ Board of Directors
- ▶ Audit Committees
- ▶ Business Units
- ▶ Internal Audit

The Internal Audit Department of the UDPL shall give assurance on the risk management processes and facilitate in identification and evaluation of risks.

Identified risks shall be ranked in terms of significance and in terms of potential exposures to those risks.

Relevant regulatory requirements, laws and codes of conduct shall be observed and implemented as appropriate.

Director

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