Future takes its approach to the identification, evaluation and mitigation of risk and uncertainty extremely seriously, and so has recently developed a robust framework that embeds risk management throughout its organisation and across its operations. Whilst it is accepted that risk forms a part of operating in business, delivering its strategic objectives whilst mitigating those risks is a fundamental objective for Future’s Board and its executive management teams.

**Approach to risk**

**The Board**
- Sets risk appetite taking into account strategic objectives
- Conducts ‘deep dives’ into specific principal risks
- Approves principal Group risks
- Assesses impact of principal risks when analysing the Group’s long-term viability
- Considers views from management and the Audit Committee as part of its review of the effectiveness of the system of internal controls

**The Audit Committee**
- Monitors the adequacy and effectiveness of internal control and risk management systems
- Ensures that a robust assessment of the principal risks facing the Group has been undertaken

**Executive team**

As part of the Group’s new process the executive team:
- Prioritises principal risks through formal six-monthly review process
- Allocates resources to manage risks according to potential impact
- Communicates priorities to the business
- Reviews detailed risk register to agree principal risks
- Identifies any emerging actions where Group-wide action is required
- Reviews effectiveness of risk management procedures
- Reports to the Board on a regular basis

Whilst Future operates in an evolving environment with several clear risks, it takes a pro-active and robust approach to identifying any new risks, and evaluating and mitigating all known risks through a regular review process.

Our internal controls seek to minimise the impact of risks, as explained in our Corporate Governance report on pages 47 to 50, and during the year we have continued to develop those controls in response to the wider range of risks. We have also recently introduced a more granular approach to risk which includes a formal, six-monthly review by the executive team and the addition of risk management to the Audit Committee as a standard agenda item for every meeting.
Risk management

**Risks**

<table>
<thead>
<tr>
<th>Risk Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Reliance on 'search'</strong></td>
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<tr>
<td><strong>Changes in advertising models</strong></td>
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<tr>
<td><strong>IT</strong></td>
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<tr>
<td><strong>Personal data and cyber fraud</strong></td>
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<tr>
<td><strong>Staff</strong></td>
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<tr>
<td><strong>Operating environment</strong></td>
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<tr>
<td><strong>Intellectual property</strong></td>
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<tr>
<td><strong>Acquisitions</strong></td>
</tr>
<tr>
<td><strong>Economic downturn / Brexit</strong></td>
</tr>
</tbody>
</table>

### Annual Report and Accounts 2018

**Strategic report**