08 - GAVI RISK APPETITE STATEMENT

BOARD MEETING

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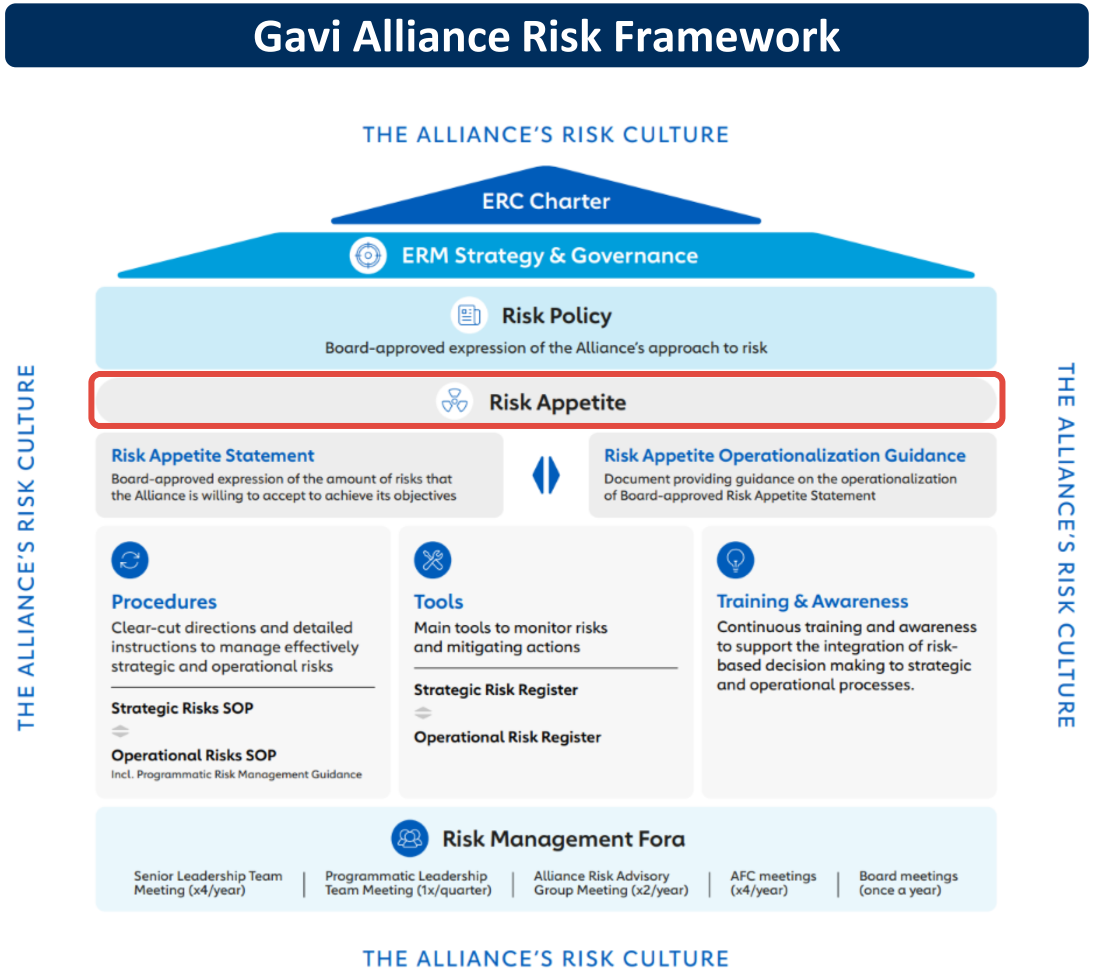
1-2 July 2026, Geneva, Switzerland

Risk Appetite Statement: Purpose and Background

- The Risk Appetite Statement (RAS) is a **key element of Gavi's Risk Framework**, reflecting the Board-approved expression of the aggregate amount of risk exposure that the Alliance is willing to accept in pursuit of objectives and strategic goals
- It reflects the **risk philosophy of the organisation** and is at the heart of its business model
- It **guides strategy development and related investments** in risk mitigation processes
- A defined risk appetite statement helps to **align people and processes in pursuing organisational goals** within acceptable ranges of risk
- AFC has the responsibility to review the RAS and **recommend it for approval to the Board**



[Departmental Operational Risk Register - DTSS.xlsm]

Context of the RAS v4.0 Update

Rationale for Update

- It is part of ERCO's mandate to ensure that the organisation has an up-to-date Risk Appetite Statement that can be operationalised
- The latest Board-approved Risk Appetite Statement dates from 2023 and is **aligned with Gavi 5.1 strategic goals**
- Now that Gavi is entering into a new 6.0 strategy, there is a **need to review the latest RAS** to ensure that it is reflective of the Alliance's new ambitions
- The update is also an opportunity to further emphasise **simplification and practical application**, including updates to the methodology

Consultation Process

The revised RAS has been developed following extensive consultations with the Audit and Finance Committee (AFC) and the Alliance Risk Advisory Group members, followed by:

- Technical briefing session with the AFC held on 29 April 2026
- Shared with the AFC for guidance during the 7-8 May 2026 session
- Recommended by the AFC to the Board for approval during the session held on 4 June 2026

Methodology Updates for RAS 4.0

The RAS version 4.0 has been updated and designed to support Gavi's 6.0 strategic period. Using Gavi's risk compass, the risk appetite has been defined for each of Gavi's 8 key risk themes.

The RAS methodology has been updated to improve its practical application. Risk appetite levels are now aligned with residual risk levels, and the concepts of degree of influence and risk tolerance have been introduced.

Risk Appetite

Risk appetite is set at one of the following five levels.

- Very Low
- Low
- Medium
- High
- Very High

This enables direct comparison between the risk appetite level and the residual risk level to assess if it is within appetite.

Degree of Influence

The extent of Gavi Alliance's ability to influence and mitigate its risks is reflected in the risk appetite level.

- Limited
- Partial
- Substantial

Guidance on risk management strategies for the portion of the risk exposure that can be mitigated is provided.

Risk Tolerance

The concept of risk tolerance for strategic risks is introduced, enabling Risk Coordinators* to indicate the maximum limit of the acceptable risk exposure. The risk tolerance may be higher than the risk appetite for strategic or external reasons, which should be done on a limited and justified basis.

* Risk Coordinators are designated ELT members responsible for leading the management, monitoring and reporting of their strategic risks in line with established procedures.

Risk Appetite Levels

Secretariat Operations

Risks associated with business activities, operations, procedures, people and systems across the Gavi Secretariat

Degree of Influence

Substantial ● ● ●

Implementation and Operationalisation

Risk Appetite: Medium

Risks related to the establishment and implementation of new organisational capabilities, functions, innovation or initiatives, including financial instruments

Business Continuity and Operational Excellence

Risk Appetite: Low

Risks related to the Secretariat's ability to sustain stable and effective operations over time, including finance and treasury activities, process robustness, systems reliability and resilience

Programmatic – Country Level

Risks associated with country-specific programmatic challenges including routine immunisation , health systems, transition and backsliding

Degree of Influence

Limited ○ ○ ●

In-Country Operations

Risk Appetite: High

Risks related to the capacity, planning and delivery of programmatic activities at the country level

Local Risk Context

Risk Appetite: High

Risks arising from country-specific external conditions that influence programmatic outcomes, including political, economic, security, regulatory and social factors

Engagement with Partners

Risks associated with engagement with Alliance and local partners

Degree of Influence

Partial ○ ● ●

Collaboration

Risk Appetite: Medium

Risks related to effective coordination, alignment and information-sharing with partners, reflecting differentiated levels of acceptable risk between local partners (more risk taking) and Alliance partners

Accountability

Risk Appetite: Low

Risks related to responsibilities, commitments and expectations across the Alliance

Programmatic – Coverage & Outbreaks

Risks associated with managing outbreaks, reaching coverage targets and global health security topics

Degree of Influence

Partial ○ ● ●

VPD Management

Risk Appetite: Medium

Risks related to the prevention, detection, and management of vaccine-preventable diseases

Immunization Barriers

Risk Appetite: High

Risks arising from factors that limit access to or uptake of immunisation services

Application of Risk Appetite Concepts

The below example is for illustrative purposes only to demonstrate the application of risk appetite and risk tolerance for ***Strategic Risk X***:

The Strategic Risk Coordinator for Risk X has assessed that the **risk tolerance is High**. This indicates Gavi can accept additional risk above the risk appetite up to this limit for the current period

Risk X belongs to a risk dimension with a **Medium risk appetite**, indicating that achieving objectives assumes operating with a Medium level of risk exposure

Risk Appetite

Risk Tolerance

Risk Level	Very Low	Low	Medium	High	Very High

The Risk Coordinator has assessed that the **residual risk level of Very High,** above both the risk appetite and the risk tolerance

Residual Risk Level

Degree of Influence: Partial

Risk X belongs to a risk dimension where Gavi has a **Partial influence on the risk**. This implies that there may be an opportunity to bring the residual risk level within tolerance

Risk Management Approach: High Control Environment

Risk X is a risk that can benefit from a **High Control Environment** with defined processes and monitored controls. As the residual risk level is Very High, the existing mitigations should be reviewed to identify new or improved controls

= Part of Risk Appetite Statement, defined per Strategic Period

= Assessed as part of the Strategic Risk Process by the Risk Coordinator, found in Annual Risk Report

Embedding Risk Appetite

ERCO has planned implementation activities to embed the approach and methodology into risk decision-making:

Training Activities

- Organisation of an AFC technical session on the new RAS related risk concepts
- Phased implementation starting with ELT training
- Incorporation as part of a wider risk training in 2026
- Onboarding of Risk Coordinators to new RAS concepts, including risk tolerance

Application of RAS

- Update in 2026 of the operational guidance on the RAS
- Inclusion of risk appetite and risk tolerance in the 2026 Annual Risk Report
- Actively introduced as part of strategic risk discussions

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Recommendation

The Gavi Alliance Audit and Finance Committee **recommends** to the Gavi Alliance Board that it:

- **Approve** the Gavi Alliance Risk Appetite Statement version 4.0 attached as Annex A to Doc 08.

Thank you