

## **RISK MANAGEMENT POLICY**

### **PREAMBLE**

Pursuant to the provisions of Section 134(3)(n) of the Companies Act, 2013, the Board of Directors shall frame Risk Management Policy. The Board of Directors had framed, approved and adopted this Risk Management Policy at its meeting and delegated the power / authority to the Audit Committee of the Board of Directors to monitor the same.

### **SHORT DESCRIPTION**

Risk management policy underpins our efforts to remain a competitive and sustainable company, enhancing our operational effectiveness and creating wealth for our employees, shareholders and stakeholders in pursuance of our strategy.

### **SCOPE**

Relevant to all Directors, Management and Employees of Company.

### **PURPOSE**

The Company recognizes that it is exposed to a number of uncertainties, which is inherent for the industries that it operates in. The volatility of the industry affects the financial and nonfinancial results of the business. To increase confidence in the achievement of the objectives and the sustainability of our business, management has implemented a risk management process operated by the business as part of the regular management activities.

### **PRINCIPLES**

To achieve this objective, we adhere to the following core principles:

- 1) Effective risk management process: The Board has overall responsibility for ensuring that the Company maintains an effective risk management process.
- 2) Everyone's commitment: Each manager has to operate a risk management system consistent with the corporate requirements within the organization he/she runs.
- 3) Proactive leadership: Risk identification (including identification of the risk of lost opportunities), risk assessment, risk response and risk monitoring are ongoing activities and form an integral part of the daily operations, management and decision-making processes.
- 4) Risk Culture: Informed consistent risk-related decisions are taken, noncompliant behaviours are not tolerated and risk management is dealt with professionally.
- 5) Transparency & compliance: Regular reports about the risk management activities, the most significant risks and the material failures in mitigation measures are escalated through the reporting line to the relevant levels of Group management structures.

The Audit Committee which has been delegated the authority to monitor the Risk Management Policy and shall supports the Board of Directors to monitor and review of the risk management framework and process thereof including (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The risk management function, under the leadership of the Board of Directors, facilitates the process, proposes the risk management framework and an adequate organization structure and prepares the reporting documentation. The segments and corporate functions are responsible to operate a risk management system consistent with the risk management process, to develop appropriate risk management guidelines for their respective businesses and providing adequate information.

All risk management activities, undertaken in areas such as for example Health and Safety, Operational Risk Management, Corporate Responsibility, Environment, Human Resources, Insurances, IT, Legal Affairs, Mergers & Acquisitions, Marketing, Operations, Procurement, Projects, Tax and Treasury are fully part of this process. The Internal Assurance function provides assurance to the Board of Directors about the efficiency and the effectiveness of the risk management process.

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