

## **RISK MANAGEMENT POLICY**

### **CCL PRODUCTS (INDIA) LIMITED**

#### **Introduction**

CCL Products (India) Limited (herein after referred to as “the Company”) has formulated The Risk Management Policy (“Policy”) under the requirements of Clause (1) of Para C under Part D of schedule II of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Regulation states as under:

To formulate a detailed Risk Management Policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan

#### **Policy Statement**

- All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity.
- Sound risk management principles and practices will become an integral part of the normal management strategy for all departments within the Company.
- Implementation of risk management strategy is a priority and will be accomplished through embedding a risk management ethos in all aspects of the Company's activity.
- Accountability for managing risk must be clear and reflected in all individual job descriptions, with relevant key performance indicators.
- The management of risk will be integrated into the Company's existing strategic planning and operational process and is to be fully recognised in the funding and reporting processes.

**CCL PRODUCTS (INDIA) LIMITED**

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- Will ensure that the necessary resources are made available to those accountable and responsible for the management of risk.

## Objective

The objective of Risk Management is to

- Embed the management of risk as an integral part of the Company's business processes
- Establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels of the Company
- Avoid exposure to significant financial loss
- Contribute to the achievement of the Company's objectives and
- Assess the benefits and costs of implementation of available options and controls to manage risk.

## Scope

- **Identification of Risks:** Framework for identifying internal and external risks, including financial, operational, sectoral, sustainability, information, and cyber security risks
- **Risk Mitigation:** Measures for risk mitigation, including systems and processes for internal control of identified risks
- **Business Continuity:** Requirement for Business Continuity Plans for high impact and high velocity risks
- **Roles and Responsibilities:** Defined roles for the Board of Directors, Audit Committee, and Risk Management Committee in overseeing and implementing risk management
- **Integration with Business Processes:** Embedding risk management into business processes and strategic planning

## Governance

- The Board has constituted the "Risk Management Committee" and it is in line with the requirements of the Listing Regulations. This Policy and the Terms of

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Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.

- The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

## **Business Continuity**

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems, and processes etc.

## **Board of Directors**

- The Board shall be responsible for framing, implementing, and monitoring the risk management plan for the Company.
- The Board shall on recommendation of the Risk Management Committee adopt the Risk Management Policy and critically review the risk governance and monitoring mechanism.
- The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan.

## **Audit Committee**

- The Audit Committee shall meet at least once in a year to oversee the risk management and internal control arrangements.
- The Committee shall also evaluate internal financial controls and risk management systems of the Company.

## **Risk Management Committee**

- Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices.
- The Committee shall act as a forum to discuss and manage key strategic and business risks.

## Commitment

The Company recognises that enterprise risk management is an integral part of good management practice. The purpose of Risk Management policy is to articulate our approach and expectations in relation to the management of risk across the organisation. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. The Company's success as an organization depends on its ability to identify and leverage the opportunities created by its business and the markets, it operates in. In doing this the Company takes an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board's agenda.

The Company defines risks as actions or events that have the potential to impact its ability to achieve its objectives. The Company's Risk Management approach is embedded in the normal course of business.

## Imperatives

All managers and above must implement the Company's Principles of Risk Management as follows:

- **Accountability:** Identify and manage the risks that relate to their role.
- **Risk Appetite:** Determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is no significant threat to achieving their objectives.
- **Risk Mitigation:** Put adequate controls in place, and ensure that they are operational, to deliver their objectives.

All Business & Functional Heads must ensure that the risk management activities, as outlined in Company's Risk and Control Frameworks, are being undertaken in their areas of responsibility.

All leadership teams must complete an annual holistic risk discussion during which:

- Key business risks for which they are responsible are identified.
- How those risks are being managed are reviewed.
- Any gaps in their desired risk appetite are identified.

For those risks where significant gaps have been identified, leadership teams must perform regular reviews and ensure risks are mitigated as desired. All project leaders of transformational projects must, together with their teams, identify the key risks associated

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with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

## **Review and Monitoring**

- This Policy is framed based on the provisions of the Listing Regulations.
- In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in the Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.
- The Policy shall be reviewed once in every two years by the Risk Management Committee. Any changes or modification to the Policy shall be recommended by the Committee and be placed before the Board of Directors for approval.

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