Manjushree 2.0 ADVANCED PACKAGING SOLUTIONS	RISK MANAGEMENT POLICY	
Dept : CEO	**Revision Date**	13.01.2024
Approved By : CEO	**Revision No.**	00

1. Introduction:

This Risk Management Policy outlines the principles, framework, and procedures that **Manjushree Technopack Limited (MTL)** will adhere to in identifying, assessing, mitigating, and monitoring risks associated with its operations. Effective risk management is integral to achieving our strategic objectives, safeguarding assets, and ensuring sustainable growth. This policy has been formulated in alignment with the directives outlined within the Risk Management Committee as established by the MTL's Board of Directors.

To formulate a detailed Risk Management Policy which shall include:

a) a framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related and climate related risks), information, cyber security risks, legal and regulatory risks or any other risk as may be determined by the Committee.
b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
c) Business continuity plan

2. Title

This policy shall be called "***Risk Management Policy***".

3. Scope of the Policy

This policy applies to all employees, contractors, and stakeholders involved in MTL's operations and activities.

4. Regulatory Requirements

The Risk Management Policy of MTL is framed as per the following regulatory requirements of **Companies Act, 2013:**

a) **Provisions of the Section 134 (3)** There shall be attached to financial statements laid before a Company in general meeting, a report by its Board of Directors, which shall include— *134(n) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.*

b) **Section 177(4) (vii) stipulates**: *Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,— (vii) Evaluation of internal financial controls and risk management systems.*

4.1 Schedule IV of Companies Act 2013, [Section 149(8)] Code for Independent Directors

Role and functions related to Risk Management specifically: The independent directors shall:

1. *Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;*
2. *Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;*

5. Constitution of Risk Management Committee

a) The Board has constituted the "**Risk Management Committee**" on FY 2022-2023 and it is in line with the requirements. This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.

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

6. Risk Oversight

a) 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.

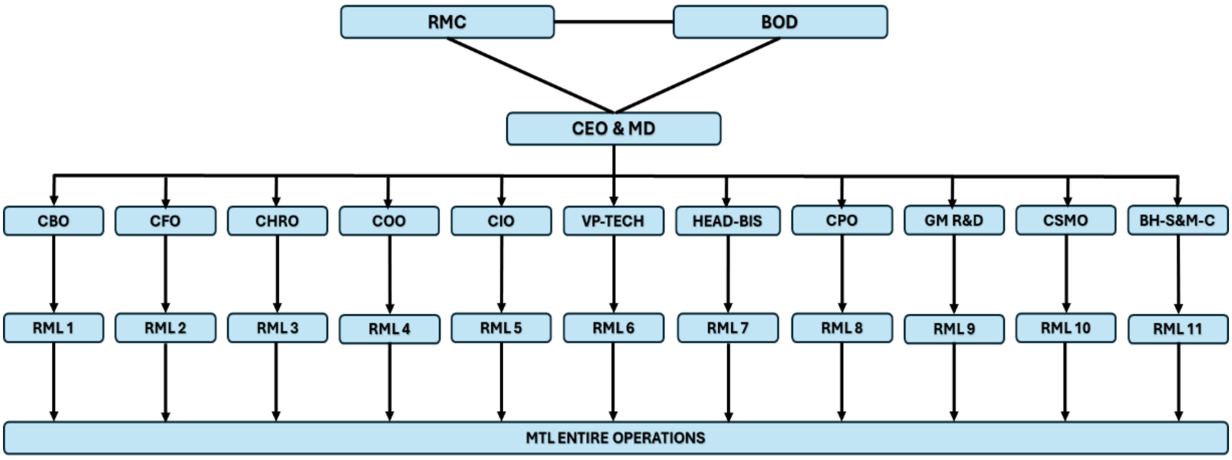
b) Audit Committee:

The Audit Committee is tasked with the annual assessment of the risk management program and offering guidance to the Risk Management Committee. It will oversee the management of both Operational and Financial Risks encountered by the Company, utilizing the Internal Financial Controls and Internal Audit mechanisms established by the Company for this purpose.

c) Risk Management Committee:

The Risk Management Committee will support the Board in formulating policy, overseeing implementation, monitoring, and assessing the efficacy of Risk Management Policy and practices. This Committee will bear the overarching responsibility for supervising and evaluating risk management throughout the Company and serve as a platform for addressing and overseeing critical strategic and business risks.

7. Governance Structure



RMC – Risk Management Committee
BOD – Board of Directors
CEO – Chief Executive Officer
MD – Managing Director

CBO – Chief Business Officer
CFO – Chief Finance Officer
CHRO – Chief Human Resource Officer
COO – Chief Operation Officer
CIO - Chief Information Officer
VP(TECH) - Vice Precident - Technical

HEAD(BIS) – Head - Business
CPO – Chief Purchasing Officer
GM R&D – General Manager Research & Development
CSMO – Chief Sales & Marketing Officer
BH-S&M-C - Business Head – Sales & Marketing - Container
RML - Risk Management Leader

8. <u>Roles and Responsibilities of the Risk Management Committee</u>

- **<u>Roles</u>**:

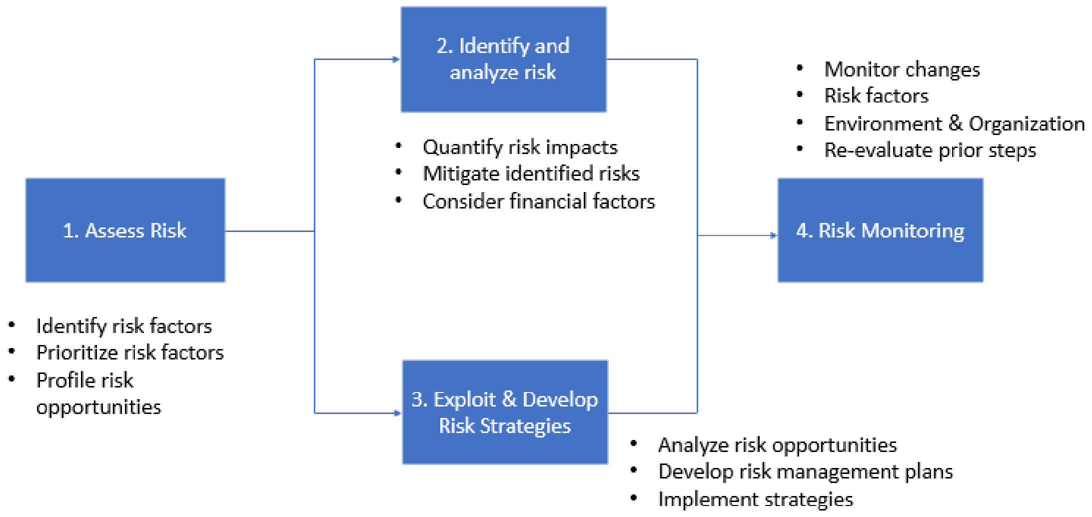
a) Evaluate the Company's risk profile and identify key risk areas.
b) Recommend to the Board the adoption of risk assessment and rating procedures.
c) Define the Company's policy for overseeing and managing business risks.
d) Assess the adequacy of internal processes for reporting and managing key risk areas.
e) Recommend acceptable levels of risk to the Board.
f) Develop and implement a risk management framework and internal control system, including reviewing insurance coverage.
g) Conduct special investigations into corporate risk areas and internal control breakdowns.
h) Review management's response to adopted Auditor recommendations.
i) Report trends in the Company's risk profile, specific risks, and the status of the risk management process to the Board of Directors biannually.

- **<u>Responsibilities:</u>**

a) Oversee management responsibilities and ensure the organization's risk profile aligns with the board's risk appetite.
b) Assist the Board in establishing risk strategies, policies, frameworks, and procedures in collaboration with management.
c) Review and assess the quality and effectiveness of risk management systems and policies.
d) Ensure systematic assessment of key risks is conducted annually for public statement purposes.
e) Supervise reviews and processes associated with risk management and internal control effectiveness.

f) Provide an independent viewpoint on management's information regarding corporate accountability and associated risks.
g) Review issues raised by Internal Audit impacting the risk management framework.
h) Undertake additional risk management activities as requested by the Board.
i) Ensure policy implementation and periodically assess risks, reviewing key leading indicators.
j) Review and approve the Enterprise Risk Management Framework biannually.
k) Evaluate significant risk exposures and management actions for timely mitigation.
l) Assess and mitigate risks related to cyber security.
m) Coordinate with the Audit Committee on overlapping audit activities related to risk management.
n) Provide regular annual reports to the Board on risk management procedures.
o) Have access to necessary internal information and seek advice from legal, accounting, or other advisors.
p) Include additional items prescribed by applicable law or the Board in compliance with legal requirements.
q) Formulate a detailed risk management policy covering identification, mitigation measures, internal controls, and business contingency plans.

9. <u>Risk Management Framework:</u>



a) **Assess Risk**:

MTL's way of assessing risk involves a structured approach to understanding potential hazards and opportunities. It typically involves three key steps:

Identify Risk Factors:
This step involves comprehensively identifying all potential risks that could impact a project, organization, or decision. Risk factors can include anything that may lead to adverse consequences or unexpected outcomes. This could involve examining internal and external factors such as market conditions, technological changes, regulatory requirements, financial constraints, or human factors.

Prioritize Risk Factors:
Once identified, not all risks are equal in terms of their potential impact and likelihood of occurrence. Prioritizing risk factors involves evaluating and ranking them based on their severity and probability. This step helps focus attention and resources on addressing the most significant risks first, ensuring a more efficient allocation of resources and risk management efforts.

Profile Risk Opportunities:
While risk assessment often focuses on identifying potential threats, it's also crucial to recognize and capitalize on opportunities that may arise from uncertain situations. Profiling risk opportunities involves examining potential positive outcomes or benefits that could result from certain risks. By understanding and exploiting these opportunities, organizations can turn risk management into a strategic advantage, driving innovation, growth, and competitive advantage.

b) Identifying and analysing risks:

The process of identifying and analysing risks typically involves three key steps:

Quantify Risk Impacts:
This step involves assessing the potential impact of identified risks on various aspects of a project, business, or operation. It includes evaluating the likelihood of each risk occurring and estimating the magnitude of its consequences. Quantifying risk impacts helps prioritize which risks require the most attention and resources for mitigation.

Mitigate Identified Risks:
Once risks have been identified and their impacts quantified, the next step is to develop strategies to mitigate or reduce their likelihood and/or impact. This may involve implementing preventive measures, creating contingency plans, transferring risk through insurance or contracts, or accepting certain risks if they are deemed tolerable or unavoidable.

Consider Financial Factors:
In addition to assessing the operational and strategic impacts of risks, it's essential to consider the financial implications. This includes evaluating the costs associated with risk mitigation measures, potential losses in revenue or assets due to risk events, and the overall financial impact on the organization's bottom line. Financial considerations help organizations make informed decisions about how to allocate resources effectively in managing risks.

The risk matrix and the analysis methodology are provided in the Enterprise Risk Management Register

c) **Exploit & Develop Risk Strategies**:

The Exploit & Develop Risk Strategies involve a structured approach aimed at leveraging opportunities while mitigating potential threats. Here are the three steps involved:

Analyze Risk Opportunities:

- This step involves identifying and assessing potential risks and opportunities within a given context or project.
- It requires thorough examination of various factors such as market conditions, technological advancements, competitor actions, regulatory changes, etc.
- By analyzing risk opportunities, organizations can understand potential areas for growth, innovation, or competitive advantage.

Develop Risk Management Plans:

- Once risk opportunities are identified, the next step is to develop comprehensive risk management plans.
- These plans should outline strategies for exploiting favorable risks while minimizing the impact of adverse ones.
- Risk management plans typically include strategies for risk avoidance, risk mitigation, risk transfer, and risk acceptance.
- It's crucial to tailor these plans according to the specific nature and magnitude of each identified risk opportunity.

Implement Strategies:

- The final step involves executing the developed risk management plans effectively.
- This includes allocating necessary resources, assigning responsibilities, and establishing monitoring mechanisms.
- Implementation also entails continuous evaluation and adjustment of strategies as the risk landscape evolves over time.
- Successful implementation ensures that organizations can capitalize on opportunities while effectively managing associated risks, thereby enhancing overall performance and resilience.

The opportunities plans and strategies are provided in the Enterprise Risk Management Register

d) **Risk Monitoring**:

Risk monitoring is a systematic process essential for effective risk management within an organization. It involves four key steps:

Monitor Changes:
Continuously observe and analyse any alterations or developments in various aspects such as market conditions, technology, regulations, or internal operations that could impact the organization's risk landscape. This step requires vigilance and the use of tools like risk registers, trend analysis, and scenario planning to identify emerging risks promptly.

Assess Risk Factors:
Evaluate the potential impact and likelihood of identified risks on the organization's objectives. This involves scrutinizing risk factors such as severity, frequency,

vulnerability, and potential mitigation strategies. Understanding these factors helps prioritize risks based on their significance and informs decision-making processes.

Evaluate Environment & Organization:
Consider the broader context in which the organization operates, including its industry, competitors, stakeholders, and internal capabilities. Assess how external factors and internal dynamics may influence the organization's risk exposure and resilience. This step involves conducting risk assessments tailored to the organization's specific context and aligning risk management strategies with its goals and values.

Re-evaluate Prior Steps:
Regularly review and reassess the effectiveness of earlier risk management activities, including monitoring processes, risk assessments, and mitigation measures. Adjustments may be necessary based on new information, changing circumstances, or lessons learned from previous experiences. By iterating through this cycle, organizations can enhance their risk intelligence, adapt to evolving threats, and improve their overall resilience.

Yearly review and actions are taken accordingly which is reflected in our annual financial report.

10. Continuous Improvement:

- The risk management framework will be subject to periodic review and enhancement to adapt to changing internal and external contexts.
- Analysing insights gained from risk events and near misses will be utilized to enhance both risk management practices and the resilience of the organization.

11. Amendments

Any changes to this Policy will be reviewed by the Risk Management Committee and duly approved by the Board of Directors of the Company.