

AKZO NOBEL INDIA LIMITED

RISK MANAGEMENT POLICY

Background:

Pursuant to the amended Clause 21 of SEBI (LODR) Regulations 2015, read with the notification dated 05th May 2021, the Terms of Reference of Risk Management Committee requires that the Company set out a Policy/Procedure to inform the Board about the risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management policy of the Company.

Objective & Purpose:

The objective of Risk Management task at Akzo Nobel India Limited is to preserve shareholder value to the extent practically feasible by identifying and mitigating major operating, and external business risk.

Applicability:

This Policy shall come into force after approval by the Board of Directors

Risk Management Approach:

Our Risk Management approach is composed of three components:

- Risk Governance
- Risk Identification
- Risk Assessment & Probability

Risk Governance:

- The senior management of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures.
- The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

Risk Identification:

External and internal risk factors that must be managed are identified & categorised in the context of business objectives.

Cause/Objective	Strategic	Operational	Financial	Compliance
Internal & External	<ul style="list-style-type: none">• Strategic Competitiveness• Market Intelligence• Innovation• Branding• Economic Sensitivity• Stakeholder Relations• Competition	<ul style="list-style-type: none">• Customer Satisfaction• Margin Management• Manufacturing-Technology• Distribution• Leadership• Change Management• Organizational Structure• Human Resources• HSE & S• Sustainability• IT / IM	<ul style="list-style-type: none">• Financial Reporting• Credit• Foreign Exchange• Slob Management	<ul style="list-style-type: none">• Breach of Standards (Code of Conduct – Competition Compliance, Bribery, Export Control)• Regulatory Compliance• Litigation

Risk Assessment & Probability:

On a periodic basis external and internal risk factors are assessed by the senior management across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management.

Assessment Criteria

Criticality	Financial impact on Operational Income
High	Financial Impact of \geq INR 500 Mn or disruption of operation due to Natural Calamity/Strikes/lockouts suspension/Cancellation of key licenses
Medium	Financial Impact of \geq INR 200 Mn < INR 500 Mn or emergence of new technology
Low	< INR 200 Mn

Probability

Description	
Almost certain	> 90% chance of occurrence in the next 3 years
Likely	~ 50% chance of occurrence in the next 3 years
Rare	< 10% chance of occurrence in the next 3 years

Amendment:

Any change in the Policy shall be approved by the Risk Management Committee subject to Board approval. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

Review:

This policy shall be reviewed by the Risk Management Committee and the Board from time to time as may be necessary.

Approved by the Board on 12 November 2021.