

RISK MANAGEMENT POLICY
MOLD-TEK PACKAGING LIMITED

1. Introduction

As per the Regulation 17 (9) read with regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment), Regulations, 2021 (“Regulations”) require the top 1000 listed companies (by market capitalization) to have a Risk Management Policy and disclose the same on the corporate website.

The Board of Directors (“Board”) of Mold-Tek Packaging Limited (“Company”) has adopted this Risk Management Policy to comply with these requirements.

The Company considers risk management fundamental to maintaining efficient and effective operations and generating and protecting shareholder value. The management and oversight of risk is an ongoing process integral to the management and corporate governance of the Company’s business.

The policy shall come into force with effect from 26th May, 2021.

2. Policy Objectives and Purpose

The Company's risk management system is designed to assist the Company to achieve its strategic and operational objectives. It aligns with the vision, strategy, processes, technology and governance of the Company and provides for:

In line with the Company’s objective towards increasing stakeholder value, a risk management policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

3. Key Risk Areas

The areas of potential risk to the Company include:

- operations;
- human resources;
- competition;
- regulatory (both domestic and international);
- equity and commodity prices;
- intellectual property;
- environmental;
- technology;
- occupational health & safety;
- financial;
- strategic;
- reputational;
- legal;

- market share and/or size; and
- other Company risks.

4. Our risk management approach is composed primarily of three components:

- Risk Governance
- Risk Identification
- Risk Assessment and Control

Risk Governance:

- The functional heads 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 in the context of business objectives.

Risk Assessment and Control:

This comprises the following:

- Risk assessment and reporting
- Risk control
- Capability development

5. Responsibilities

Risk Management Committee

The Company has constituted a committee of the Board, namely, the Risk Management Committee, with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;
- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes
- in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;

- review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

The Board is responsible for the oversight of the risk management framework.

6. Role of Risk Management Committee

The role of the committee shall, inter alia, include the following:

- 1) To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security 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.
 - c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Employee Responsibility

All employees must report any new risks or changes to existing risks to their managers or supervisors as soon as they become aware of the risk.

External Auditor

The external auditor is responsible for providing an independent opinion of the financial results of the Company. In undertaking this role, the external auditor also provides comments on the management of risk and assists the Company in the identification of risk.

7. Reporting

Senior Management must report new risks or changes to existing risks to the Risk Management Committee/ Chief Executive Officer or Chief Financial Officer as soon as practicable after becoming aware of the risk.

The intended outcomes of the risk management program include:

- the establishment of a robust risk management framework and internal control system that enhances the Company's ability to meet its strategic objectives;
- improved operating performance and reliable internal and external reporting;
- increased awareness and management of risk; and
- compliance with policies and procedures and applicable laws and regulations.

This policy will be reviewed by the Risk Management Committee at least twice in a financial year to ensure its effectiveness, continued application and relevance. At the same time, the Risk Management Committee will also review the Company's general risk management framework to satisfy itself that it continues to be sound.
