



## RISK MANAGEMENT POLICY

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Version 3.0

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## **1. Preamble**

The AWHCL Risk Management Policy and Framework (the Framework) supports AWHCL's approach to systematically identify and manage / mitigate key risks to its operations, the achievement of its strategic priorities, and the identification and management/mitigation of risks to business.

The Framework formalises the commitment of AWHCL to risk management principles and the organisational arrangements to underpin implementation, including accountabilities, resources and processes.

## **2. Objective**

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving/mitigating risks associated with the business.

The Policy is to create a framework for identifying and assessment of the potential risks impacting the Company's business and applying the various strategies for its minimization.

The Main Objectives of the policy are as follows:

- Improving decision making process;
- comprehensive and structured understanding of business activities, its volatility and opportunities and threats;
- Protecting the Company's image;
- Reducing volatility in various areas of the business;
- Contributing to continuous improvement in performance; and

- Optimizing operational efficiency.

### 3. Definitions

- a. **“Act”** means the Companies Act, 2013 as may be amended from time to time.
- b. **“Board of Directors”** or **“Board”** means the Board of Directors of Antony Waste Handling Cell Limited (including its subsidiaries), as constituted from time to time.
- c. **“Policy”** shall mean the Policy on Risk Management and Framework, as amended from time to time.
- d. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation, amended from time to time.

### 4. Risk Categories

There are several primary and inter-related categories of risk to the Company:

- a. Operational Risk
- b. Financial Risk
- c. Political Risk
- d. Employee Related Risk (including IR, Skill, attrition, legal compliance);
- e. Information Technology Risk/Cyber Security Risk;
- f. ESG Related Risk;
- g. Environment, Health & Safety risk;
- h. Business continuity Plan;
- i. Intellectual Property Risk;

- j. Risk associated with non-compliance of applicable laws and standards.

## 5. Risk Management/ mitigation Procedures

Risk Management process includes four activities:

1. **Risk Identification** - The purpose of risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. All risks identified are documented in the form of a Risk Register.
2. **Risk Assessment** - Risk Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the assessments, each of the Risks can be categorized as – Low, Medium and High.
3. **Risk Ranking** - After the risk assessment is completed, it shall be the responsibility of the Risk Management Committee to prioritize the key risks to determine which risk are considered critical and need to be addressed on a priority basis. All risks that are categorised as “High” shall require immediate attention.
4. **Risk Mitigation and Risk Monitoring & Reporting** - The findings of risk ranking shall be presented to the Board of Directors of the Company at least on half yearly basis.

## 6. Risk Governance

The Board of Directors of the Company shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.

The Risk Management Committee shall have minimum three members with majority of them being members of the Board of Directors, including at least one Independent Director. The Chairperson of the Committee shall be a member of the Board of Directors and Senior Executives of the Company may be members of the committee.

The Risk Management Committee shall monitor the risk and submit the report to the Board of Directors.

The Risk Management Committee shall meet at least twice a year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall lapse between any two consecutive meetings.

The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the Board of Directors in attendance.

The Board may review the performance of the Risk Management Committee periodically.

**Terms of Reference of Risk Management Committee:**

- a. To manage and monitor the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
- b. To ensure setting up internal processes and systems to control the implementation of action plans;
- c. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- d. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- e. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- f. To ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities
- g. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- h. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## **7. Policy Review**

The Policy and framework will be reviews and brought in conformity with statutory and regulatory requirements, as and when required, at least once in two years.

This Policy has been approved at the Meeting of the Board of Directors held on July 14, 2014.

## **8. Interpretation**

In any circumstance where the provisions of this Code differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Code until this Code is changed to conform to the said law, rule, regulation or standard.

## **9. Disclosure**

The Policy, as amended from time to time, is disclosed on Company's website i.e. [www.antony-waste.com](http://www.antony-waste.com).

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