

RISK MANAGEMENT POLICY

1. INTRODUCTION

The Risk Management Policy (“Policy”) is formulated under the requirements of Regulation 21(4) 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 Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks, legal and regulatory 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; and
- Business continuity plan.

2. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

- a. 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 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.

3. PHILOSOPHY AND APPROACH TO RISK MANAGEMENT

Risk Management is integral to KSH International Limited’s strategy and to the achievement of the Company’s long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities created by our business and the markets, we operate 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 our ability to achieve our objectives. The Company identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy, if it does not strengthen brand equities or grow in growing channels. The Company’s Risk Management approach is embedded in the normal course of business.

4. STRUCTURAL ELEMENTS

• Governance of KSH International, Organizational structure and Delegation of authority

KSH International’s organizational structure is designed to respond to all the key risks that we face in the short, medium and longer term and reflects all relevant external requirements in relation to good corporate governance.

- **Vision, Strategy and Objectives**

Our Corporate Mission & Purpose frame our objectives and strategy setting – our Compass.

- **Code of Business Principles, Code Policies and Standards**

Our Code of Business Principles sets out the standards of behaviour that we expect all employees to adhere. Day to day responsibility for ensuring these principles are applied throughout KSH International, rests with senior management across functions. Our Code is supported by our Code Policies. Each policy identifies the key ‘must dos’ and ‘must not dos’ that every stakeholder must adhere to (in so far as they are relevant). These policies are broad ranging in their nature including such areas as employee health and safety, product safety and quality, the environment, ethical research, use of certain ingredients in our products, accounting and reporting, share dealing and corporate disclosure, protecting KSH International and consumer information, and safeguarding our assets.

- Risk and Control Frameworks
- Performance management and operational processes execution
- Compliance and assurance activities.

5. IMPERATIVES

All managers and above must implement KSH International’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; and
- **Risk Mitigation:** Put adequate controls in place, and ensure that they are operational, in order 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 is reviewed; and
- 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 with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

6. RISK OVERSIGHT

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, if any shall meet at least once in a year to oversee the risk management and internal control arrangements and shall also evaluate internal financial controls and risk management systems of the Company.

Risk Management Committee:

Risk Management Committee, if any 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.

7. BUSINESS CONTINUITY PLAN

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.

8. POLICY REVIEW

- a. This Policy is framed based on the provisions of the Listing Regulations.
- b. 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.
- c. 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.

9. DATE OF APPROVAL & AMENDMENT, IF ANY

The Policy is approved and adopted by the Board of Directors of the Company and is effective from 1st April, 2025.
