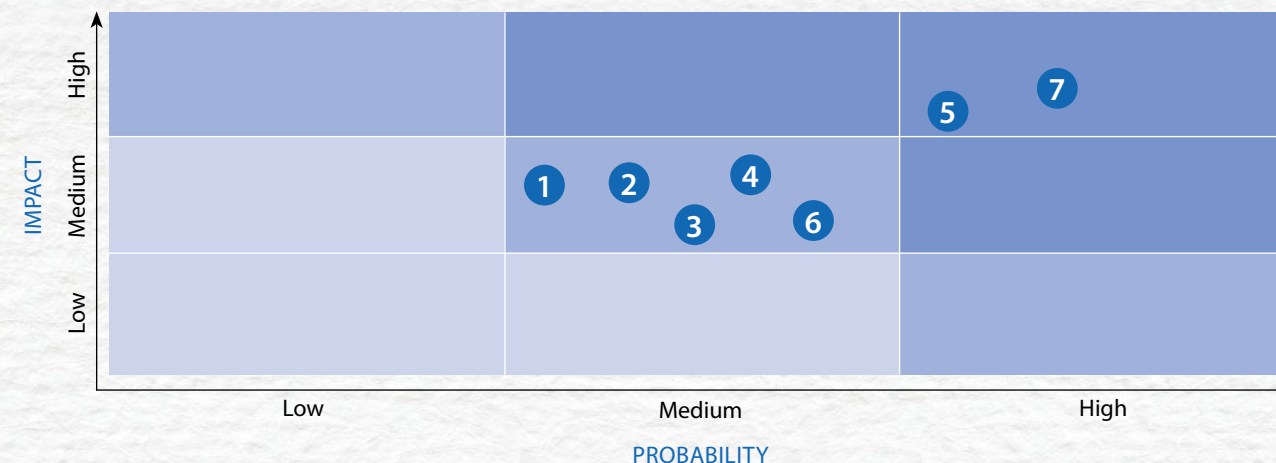


OUR RISK MANAGEMENT FRAMEWORK

Our Integrated Risk management system manages the Company-wide material risks and implements a range of initiatives to hedge and control them. We coordinate with related divisions, identify these risks in the light of the frequency of their occurrence, expected impact and company-wide risk tolerance and undertake measures to mitigate them.

Risk Mapping



KEY RISKS	POTENTIAL IMPACT	MITIGATION STRATEGY
<p>1. Inability to deal with unfavourable climate change impact on agriculture</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Natural Capital Financial Capital 	<p>Agriculture is extremely vulnerable to climate change. Uncertainty in timing and severity of monsoon in geographies can impact business goals.</p>	<ul style="list-style-type: none"> Pre-season review for appropriate change in product mix to address crop shifts or even crop failure Extending the use of digital platforms like Drishti for better forecasting and planning Initiate climate resilience breeding programs for Seeds
<p>2. Non-adherence to Environment Social and Governance regulations</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Natural Capital Social and Relationship Capital Manufactured Capital 	<p>Handling and storage of hazardous chemicals may pose a risk to the environment, impact performance and lead to reputation risk with consequential impact in terms of penalties.</p>	<ul style="list-style-type: none"> Adherence to carbon footprint and carbon abatement plans Review of HIRA (Hazard Identification and Risk Assessment) for all activities Reviewing the Process Safety and Risk Management to identify gaps in process safety and deployment of recommendations Target Zero Liquid Discharge for all the manufacturing locations Ensuring understanding and implementation of the Code of Conduct, applicable laws / regulations
<p>3. Adequacy to deal with Cyber-related risks</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Manufactured Capital Intellectual Capital 	<p>Unauthorised access to sensitive information may lead to cyber-attacks and data leakage or disruption to operations.</p>	<ul style="list-style-type: none"> Implementing DLP (Data Leakage Prevention) Policy Conducting VAPT (Vulnerability Assessment and Penetration Testing) periodically Conducting training and awareness sessions on cyber risks

KEY RISKS	POTENTIAL IMPACT	MITIGATION STRATEGY
<p>4. Adequacy of talent management plans</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Human Capital 	<p>Loss of key personnel or inability to attract or retain skilled talent can adversely affect our operations.</p>	<ul style="list-style-type: none"> Conducting competency mapping to evaluate gaps for filling critical positions as well as upskilling employees for future roles Increasing bench strength
<p>5. Inadequate product portfolio / low Innovation Turnover Index</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Manufactured Capital Intellectual Capital 	<p>Inadequate new product portfolio can impact market share. Low innovation turnover index can hamper sustainable and profitable business.</p>	<ul style="list-style-type: none"> Migrating steadily to new-age formulations focussing on lower toxicity Accessing new Active Ingredients through alliances and partnerships Scaling up of new products
<p>6. Absence of competitive demand generation</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Financial Capital 	<p>Inability to achieve required farmer coverage can hamper the growth of our business.</p>	<ul style="list-style-type: none"> Investing in demand generation activities Enabling field teams with digital tools Increasing focus on digital marketing
<p>7. Inability to deal with supply chain disruptions</p> <p>Linkage to Capital</p> <ul style="list-style-type: none"> Financial Capital Manufactured Capital 	<p>Inability to ensure timely and uninterrupted supply of key raw materials and finished goods may lead to non-achievement of business goals.</p>	<ul style="list-style-type: none"> Reduction in dependence on a single supplier Strategic procurement of key materials to mitigate disruptions Development of India-based vendor for key starting materials Backward integration to reduce import dependence