RISK MANAGEMENT

Managing our principal risks and uncertainties

Our robust and proactive risk-management policy safeguards the interests of all our stakeholders and protects our Company against volatilities. The Board, with assistance from the Committees, designs and deploys requisite mitigation measures to keep us on the path of stewardship and excellence.

Three-tiered risk management architecture

BOARD LEVEL

Our risk management architecture is evaluated regularly by the Risk Management Committee (RMC). The RMC supports the Audit Committee and the Board in developing an organisation-wide risk management framework. The Board of Directors evaluates the framework, focusing on discussions regarding management submissions on risks, identifying crucial risks and approving relevant action plans to mitigate them based on priority.

The responsibility of assisting the RMC on an independent basis lies with the internal audit function armed with the complete status of risk assessments and management. Other activities include obtaining frequent updates on risk-management process on certain identified risks depending on the nature, significance and possible impact on the business.

MANAGEMENT LEVEL

Senior managers are responsible for managing risks across their respective departments. Strategic-risk registers capture the risks identified and mitigation measures taken by the operating teams as well as the functional leadership teams.

OPERATING LEVEL

Managers are entrusted with the responsibility of managing risks at ground level. They are also authorised to identify risks and escalate them to their respective senior managers to create mitigation plans. Operational risks are evaluated at functional review meetings and mitigation plans are agreed on and implemented.

Key risks and our response

Risk type	Our response	Stakeholders impacted
Strategic risks		
Inability to sell higher volumes	– Expand market share and ensure customer retention	– Employees
	– Leverage channel financing to provide additional liquidity	– Suppliers
	– Consistent focus on cost across cycles	– Investors
		– Customers
Fluctuation in exchange and interest rates	– Board-approved foreign-exchange policy	– Government
	– Monitor the foreign-exchange open exposure and cover the open exposure, if any, from time to time to mitigate the foreign-exchange risk	– Investors
Operational risks		
Environment protection	– Comply with all applicable norms using best-in-class technology	– Communities
	– Enhance readiness to comply with future norms	– Society
	– Embed the concept of circular economy in operations	– Suppliers
	– Develop products that are safe and have better environmental performance throughout their lifecycle	– Customers
Contamination of GPC and CPC during stevedoring, transit and storage	– Visit refineries, study logistic chain and storage places	– Government
	– Initiate measures with Indian refineries and stevedores to minimise contamination at load port/ rake loading	– Suppliers
	– Standardise operating procedures and pre-inspection prior to transit and storage	
	– Monitor the load port	
	– Appoint independent surveyors and train them to take preventive measures, especially for GPC	
	– Change CPC-loading mechanism from coir-mat sling to bin-and-grab	
	– Ensure that the workforce is trained and supervised by the surveyors	
Talent management	– Continue people-friendly policies to become a preferred employer	– Employees
	– Provide strong performance-management and reward systems	
	– Offer opportunities for skill enhancement and career development at all levels	
	– Enhance gender diversity	
	– Deliver platforms for greater interaction between employees and senior leaders	
	– Focus on long-term succession planning	
Information technology	– Secure SAP application with a disaster-recovery site with recovery-point objective of one hour and recovery-time objective of two hours	– Investors
	– Follow a stringent change-management procedure to make configuration changes for hardware and software	– Employees
	– Conduct half-yearly review of authorisations by the business team to ensure that sanctity of authorisations is maintained	
	– Use the change-management policy to govern the creation of and changes to the authorisations	
Compliance risks		
Occupational health and safety	– Achieve incident-free safety performance based on detailed action plan initiated under the STOP™ programme of DuPont Sustainable Solutions (DSS) and our new Life-Saving Rules initiative	– Employees
	– Train employees by DSS-approved trainers	
	– Provide medical facilities and health insurance for all employees	– Communities
	– Ensure compliance with all legal and regulatory requirements	
Process safety	– Ensure that all process-related risks are well described and continued	– Employees
	– Emphasise on proper maintenance to ensure facilities are compliant with the right to operate requirements	– Communities