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VINATI ORGANICS LIMITED

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Risk Management Policy

Introduction:

Vinati Organics Ltd (VOL) recognizes that enterprise risk management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

This Policy is formulated in compliance with Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Policy Objective:

- The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.

- The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and statutory disclosures to Stock Exchanges (BSE & NSE) and investor presentations.

- The Company reviews and reports annually on its compliance with the Corporate Governance Principles and Recommendations, relating to risk management and the internal control framework.

Risk Management Philosophy:

The continued successful safeguarding, maintenance and expansion of the company's businesses requires a comprehensive approach to risk management.

It is the policy of the Company to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Company.

Fundamental values of the Company are respect for our employees, customers and shareholders and integrity in everything we do. By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into VOL daily business practices the Company will be better equipped to achieve our strategic objectives, whilst maintaining the highest ethical standards.

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All staff is expected to demonstrate the highest ethical standards of behavior in development of strategy and pursuit of objectives.

Individually and collectively the Company's employees shall:

- Consider all forms of risk in decision-making;
- Create and evaluate group-wide ("corporate"), divisional and business unit risk profiles;
- Continually monitor and seek ways to improve the risk management framework;
- Retain ownership and accountability for risk and risk management at the corporate and divisional level;
- Strive to achieve best practices in Risk Management; and
- Accept that Risk Management is mandatory, not optional.

Risk Appetite & Assessment:

VOL's risk appetite represents the amount of risk the Company is willing to undertake in the achievement of its strategic objectives. It is inextricably linked to VOL's strategic and operating planning processes.

In assessing risk appetite the Board and management consider the needs and expectations of VOL's shareholders, customers and employees and the desire to build a profitable, socially responsible and sustainable organisation.

As an organization operating in the specialty chemical sector, the Board and Management acknowledge that stakeholder and regulatory expectations are exacting. As a consequence, VOL will not accept risks which could expose VOL to:

- unacceptable levels of financial loss relative to strategic and operational targets;
- breaches of legislative or regulatory non-compliance;
- damage to its corporate reputation or brand equity;
- unacceptable interruption to business operations or service delivery to customers;
- damage to relationships with its customers suppliers, and key stakeholders;
- health safety, and environmental metrics below target.

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The Board and Management acknowledge that VOL operates in sectors that are growing and consolidating. Opportunities exist to supplement organic growth with selected acquisitions to grow the business, provide enhanced opportunities for our people and improved returns for our shareholders, and reduce the reliance on any one single income stream. The Board and Management accept that acquisitions are inherently risky but accept this risk providing the acquisition:

- is consistent with the Company's strategic objectives;
- is financially compelling; and
- is subjected to detailed financial, operational, environmental, and legal due diligence reviews.

Risk Framework & Categories:

Risk identification, assessment and treatment are part of the yearly business planning process. Risk ownership is allocated to management for risk assessment and risk treatment plan determination.

Regular review, assessment and monitoring of existing risks are to occur quarterly. New risks are to be managed as they arise. All risks must be re-assessed when there is an organisational change to the business structure (i.e. an acquisition, management change or restructure of the business).

Risk Assessment is conducted using a risk matrix for likelihood and consequence, taking the existing controls into consideration.

The consequence and coverage assessment mandatorily encompasses the following risk categories:

- Financial Risks (including foreign exchange, commodity price volatility, interest rate risk);
- Operational & Service Delivery Risks (plant operations, supply chain continuity);
- People Risks (including Occupational Health and Safety - OH&S);
- Reputation and Brand Risks;
- Regulatory, Legal and Compliance Risks;
- Cyber Security, Information Technology & Digital Infrastructure Risks (mandatory under SEBI LODR Regulation 21);
- ESG (Environmental, Social, Governance) & Sustainability Risks (including climate change and carbon footprint metrics).

Risk Treatment options are considered in determining the suitable risk treatment strategy. Planned action plans supporting the strategy are recorded in an on-line risk management

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database identifying responsibilities and a time line for completion. Risk treatment options include:

- Avoid the risk;
- Reduce the likelihood of the occurrence;
- Reduce the financial or operational consequences of occurrence;
- Transfer the risk (mechanism includes insurance arrangements and contractual indemnities); or
- Retain the risk.

Senior management are required to monitor and review existing risks recorded in the risk management system and to add new identified material risks at least quarterly. It is the responsibility of senior management to ensure that risk records are updated.

Key risks reports, with progress of risk treatment implementation and the effectiveness of controls, are to be reviewed by the Executive Committee no less than quarterly.

Reports relating to the risk management framework are reviewed by the Board Audit & Risk Committee, with "risk management" being a standing item on each meeting of the Committee.

The Company's Assurance Services division manages its risks by ensuring compliance with relevant standards.

The Assurance business is subjected to periodic, independent audits by the accreditation bodies, against our registered/approved scope in accordance with the relevant standards.

In addition, the business undertakes its own internal audits, the performing of which is a requirement of the accreditation procedures.

Risk Management, Responsibilities & Authority:

A. Board of Directors & Risk Management Committee (RMC)

- The Board oversees the establishment and implementation of the Company's enterprise risk management framework and shall review annually the effectiveness of that system.
- Pursuant to Regulation 21 of the SEBI Listing Regulations, the Board has constituted a dedicated Risk Management Committee (RMC). The RMC shall meet at least twice a year (with not more than 210 days between meetings) to review key enterprise risks, cyber security resilience, ESG risks, and mitigation strategies.

- The Audit & Risk Committee oversees the operation of the enterprise risk management system and ensures its adequacy. The Committee monitors the internal policies for identifying and determining key risks to which the Company is exposed.

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B. Chief Executive Officer (CEO) and Executive Committee

- The Chief Executive Officer and the members of the Executive Committee are responsible for monitoring and reviewing the strategic risk register at least quarterly for completeness, continued relevance of risk assessment, effectiveness of risk treatment plan and timeliness of implementation of risk treatment actions, taking into account changing circumstances.

- The Chief Executive Officer and the Chief Financial Officer provide half-yearly a statement to the Board in writing that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

C. All Staff

- The effective management of risk is the responsibility of all managers, staff and others engaged to act on behalf of the Company.

Internal Compliance and Controls:

In addition to the risk management framework, the Company has an internal compliance and control system based on the following:

- An internal audit program approved by the Audit & Risk Committee;

- A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.

The Company has a number of control processes in place to help ensure that the information presented to senior management and the Board is both accurate and timely. The control processes include, among other things:

- Annual audit and half-year review by the Company's external auditor;

- Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls;

- Monthly review of financial performance compared to budget and forecast.

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Compliance and Control Responsibilities and Authority:

A. **Board and Audit & Risk Committee** - The Audit & Risk Committee is responsible for approving the appointment of the internal auditor and approving the annual internal audit plan.

B. **CEO and CFO Certification -** The Chief Executive Officer and the Chief Financial Officer provide half-yearly a statement to the Board in writing, that the Company's financial reports present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

C. **Executive Committee Support** - The Chief Executive Officer and the members of the Executive Committee shall, in addition to their general and specific responsibilities, be responsible for the co-operation necessary to assist the Internal Auditor in carrying out internal audit.

Internal Audit (GIA) Function:

- The Internal Audit (IA) function is independent of the external auditor and has direct access to the Chairman of the Board and the Chairman of the Audit & Risk Management Committee.

- To ensure the IA can act independently it is functionally responsible, and reports to the Audit & Risk Committee. It is administratively responsible, and reports to the CFO.

- Any deviations from the Company's policies identified through internal audits are reported to responsible management for action and to the Audit & Risk Committee for information or further action.

- The purposes, responsibilities and authorities of the IA are detailed in the "VOL Internal Audit Charter".

Assessment of Effectiveness:

- Group Internal Audit provides the Audit & Risk Committee and management with independent and objective assurance and advisory services, and helps the Company accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance functions.

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- The Audit Committee / Risk Management Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework, the internal compliance and control systems and shall report on the same to the Board, no less than annually or at such intervals as determined by the Board.

Amendments, Review & Statutory Override:

- **Periodic Review:** The Risk Management Committee / Board of Directors shall review and evaluate this Policy periodically to ensure its continued relevance, effectiveness, and alignment with changing statutory and operational dynamics.

- **Power to Amend:** The Board of Directors, either on its own or upon recommendations of the Risk Management Committee / Audit Committee, may amend, modify, or substitute any provision of this Policy as it may deem fit.

- **Statutory Override:** This Policy is framed in accordance with Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations. In the event of any conflict, contradiction, or inconsistency between the provisions of this Policy and any applicable statutory notification, circular, or amendment issued by SEBI or the Ministry of Corporate Affairs (MCA), the applicable statutory provisions shall automatically prevail over this Policy with immediate effect.

Document History & Version Control

Version No.	Adopted / Approved By	Approval Date	Description / Summary of Changes
1.0	Board of Directors	January 27, 2015	Formulation and adoption of the enterprise Risk Management Policy under Section 134 of the Companies Act, 2013.
2.0	Risk Management Committee	March 25, 2026	Periodic Review of Policy.