

Our Risk Management Framework

Our operations across multiple geographies bring to the fore a multitude of risks, which are closely monitored, mapped and mitigated through our robust Enterprise Risk Management framework linked to our long-term strategic plans. This framework identifies and manages uncertainties in the operating environment through the deployment of appropriate risk-mitigation measures. The objective is to ensure sustained value creation. We always strive to remain a zero-surprise, risk-controlled organisation.

1. Unfavourable Climate Change Risks

Linkage to capitals >



Potential Impact

Our business is vulnerable to weather conditions. Droughts, natural calamities and uncertainty in timing and severity of rain across geographies tends to hinder agricultural activities which may impact demand leading to loss of revenues and potentially impact profitability.

Mitigation Strategy

- Our efforts have been towards minimising the impact of this risk. Investing in digital platforms for predictive solutions to assist in better planning
- Further, geographic spread of business and a wide portfolio helps to reduce the impact of climate-related issues
- The R&D team is also working on suitable Seeds hybrids to address stress conditions

2. Environmental, Social and Governance Risks

Linkage to capitals >



(including environmental practices, safety conditions, respect for human rights and compliance to relevant laws and regulations)

Potential Impact

ESG variables are diverse and can have a significant impact on the company's long-term sustainability and profitability apart from large financial penalties and also the potential loss of investors, customers and stakeholder support.

Mitigation Strategy

- We have adopted globally accepted best manufacturing practices with significant investments in digitalisation
- By adhering to our carbon abatement plan, we propose to achieve 30% reduction by 2030
- We focus on safety systems and processes and follow the Responsible Care, Behaviour-based safety guidelines with periodic assessment of gaps and remediation. We strive to look beyond the applicable laws/regulations
- Continuous training and awareness is disseminated on the Code of Conduct and applicable laws and regulations. Digital tools are used to maximise the reach and ensure compliance

3. Absence of Competitive Demand Generation

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Potential Impact

Absence of competitive demand generation strategy and trade schemes will hamper the growth of business.

Mitigation Strategy

- Increased focus on digital marketing
- Investing in demand generation activities

4. Risk of Inadequate Product Portfolio

Linkage to capitals >



Potential Impact

Inadequate new product portfolio can impact market share and adversely impact business.

Mitigation Strategy

- We endeavour to access new active ingredients through alliances and partnerships and move to new age formulations with lower toxicity
- The commencement of the new Multipurpose plant at Dahej SEZ will ensure scaling up of newer products

5. Cyber Security Risk

Linkage to capitals >



Potential Impact

Our operations are increasingly dependent on IT systems and digital interactions. The cyber-attack threat of unauthorised access, or misuse or disruption to operations may impact our competitiveness and confidentiality and damage reputation.

Mitigation Strategy

- The Security Operations Centre (SOC) is outsourced to TCS as a best practice
- The Vulnerability Assessment and Penetration Testing (VAPT) is conducted bi-annually and gaps are addressed. Moreover, the Next Generation Firewall (NGFW) and threat monitoring systems are also in place. There is a continued focus on updating business continuity and disaster recovery plans
- The data leakage prevention policy (DLP) is in place. There is a continued focus on training and awareness

6. Supply Chain Disruption Risk

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Potential Impact

Our supply chain is exposed to potential events like dependency on a few vendors for key inputs and disruptions at key suppliers. This can impact our commitments leading to increased cost of production and negatively impact business.

Mitigation Strategy

- Our contingency plans are designed to secure alternative key suppliers at short notice
- Moreover, we are progressively strengthening our procurement process by diversifying our vendor base especially in India and exploring backward integration to the extent possible

7. Talent Management Risks

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Potential Impact

A skilled workforce is essential for the continued success of our business. With the rapidly changing nature of work and skills, there is a risk that the workforce is not equipped with the skills required for the new environment. Besides this, the loss of key personnel or inability to attract or retain talent can adversely affect operations and financial performance.

Mitigation Strategy

- Our management development process includes performance reviews, backed by a common set of leadership behaviours, skills and competencies
- We have development plans to upskill and reskill employees for future roles and target programs to attract and retain top talent

Risk Mapping

