

## **GUJARAT PIPAVAV PORT LIMITED**

### **RISK MANAGEMENT POLICY**

#### **INTRODUCTION:**

Oxford Dictionary defines the term "**risk**" as a chance or possibility of danger, loss, injury or other adverse consequences.

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mentions about the role of various Committees and Sub Part C of the section mentions about the role of the Risk Management Committee.

#### **RISK MANAGEMENT FRAMEWORK:**

The framework for the Company's Risk Management has been constituted by the Board of Directors. The Board has constituted Risk Management Committee a Sub Committee of Board. The Committee shall comprise at least one Independent Director. The Managing Director is the Member of the Committee and other Members of the Senior Management Team are Invitees for the Committee Meeting. The Company Secretary shall be the Secretary of the Committee.

The Structure for Risk Management of the Company has the Senior Management Team at its Core for reviewing the strategic and operational risks in achieving the objectives and for recommending to the Risk Management Committee for addition, continuance and closure of risks.

The Risk Management Committee shall meet at least twice in a year.

The Chairman of the Committee shall keep the Board of Directors updated regarding the discussions, recommendations and actions taken at the Committee Meeting.

#### **RISK STRATEGY:**

Gujarat Pipavav Port Limited (hereinafter referred to as "GPPL" or "the Company") recognizes that risk is an integral and unavoidable component of business and is committed to managing the risks in a proactive and effective manner.

GPPL is engaged in the business of Port Development and Operations.

In today's challenging and dynamic environment, the strategies for mitigating the inherent risks in managing the business and in accomplishing the strategic plans of the Company, are imperative.

As part of the Company's framework on Risk Management, the Senior Management Team (SMT) comprising the Managing Director, the Chief Operating Officer, the Chief Financial Officer and the Chief Commercial Officer, shall identify the internal and external risks including the strategic, financial, operational, cyber security, sectoral and sustainability risks. Once these risks are identified, the SMT would evaluate the potential impact of these risks to see which of them could have critical impact on the Company and which of them are not significant enough to deserve

further attention. The SMT shall identify the risk mitigation measures in order to minimise the impact of various risks on the Company. Thereafter, the SMT shall propose to the Risk

Management Committee for including those risks in the Risk Register in order to oversee the implementation of risk management systems, their adequacy and their effectiveness.

Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures. GPPL adopts systematic approach to mitigate risks associated with accomplishment of its strategic objectives, operations, revenues and various compliances.