

THREE M PAPER BOARDS LIMITED



COATED DUPLEX BOARD
BOTH SIDE COATED
WHITE BOARD

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THREE M PAPER BOARDS LIMITED

(Formerly known as Three M Paper Boards Private Limited and Three-M-Paper Manufacturing Company Private Limited)

RISK MANAGEMENT POLICY

Three M Paper Boards Limited (Formerly known as Three M Paper Boards Private Limited and Three-M-Paper Manufacturing Company Private Limited) (“the Company”) considers ongoing risk management to be core component of the Management of the Company and understands that the Company’s ability to identify and address risk is central to achieving its corporate objectives.

The Company’s risk management policy (“the Policy”) aims to ensure appropriate risk management within its systems and culture.

The Policy is formulated in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) and provisions of the Companies Act 2013 (“the Act”) which requires the Company to lay down the procedure about the risk identification, assessment and minimization/mitigation.

The responsibility for identification, assessment, management and reporting of risks will primarily rest with the executive management. They are best positioned to identify the risks they face, evaluate these and manage them on a day to day basis.

The Risk Management Committee (“the Committee”) constituted by the Board shall monitor and evaluate risks and mitigation measures in place from time to time and will report to the Board of Directors.

PURPOSE AND SCOPE

This Policy establishes the process for the management of risks faced by the Company. The aim of risk management is to maximize opportunities in all activities, areas, levels and to minimize adversity. This Policy applies to all activities and processes associated with the operations of the Company covering environmental, social and governance (ESG) aspects.



STRATEGIC RISK

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner.

These risks may include:

- **Marketing**
- **Availability of Raw Materials & Fuel**
- **Environment**
- **Cost Competitiveness**
- **Human Resources**
- **Financial & Forex**
- **Internal Control System.**

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The Common risks are:

- Marketing risk, inter-alia, is the potential for failures or losses during any marketing activity, from production to promotion & further includes credit risk, quality risk, distribution delays, trade war, economic barriers like import ban/duties, changes in Government Regulations and Policies, credit terms, demand supply mismatch, bad debts, etc.
- Raw Materials risk, inter-alia, further includes cost of raw materials, non-availability of raw materials, increase in fuel costs, etc.
- Environment risk, inter-alia, further includes pollution, radiation, noise, land use patterns, or climate change.
- Cost Competitiveness risk, inter-alia, further includes risks in price rise, innovation risks, resources risks, etc. which may impact the business adversely.
- Human Resources risk, inter-alia, includes risks of attrition, disagreement with workers, workplace culture, Employee unrest, medical injuries, etc.
- Financial & forex risk, inter-alia, further includes dwindling financial ratios, foreign exchange fluctuations, fraud, investor relations, drop in credit ratings, etc.
- Internal Control risk that affect the effectiveness and efficiency of internal controls inter-alia, further includes inefficiency of operations, financial non-reporting, non-compliances with applicable laws and regulations, etc.

RISK MANAGEMENT FRAMEWORK

Risk Management and Risk Monitoring are important in recognizing and controlling risks. Risk Mitigation also involves allocation of risk at appropriate level. The Company adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and compliances. The Company believes that this would ensure mitigating risks proactively to help achieve stated objectives and sustainability.

The Company will consider activities at all levels of the organization and its Risk Management with focus on three key elements, viz.,

- Risk Assessment - detailed study of threats and vulnerability and resultant exposure to various risks;
- Risk Management and Monitoring - the probability of risk assumption is estimated with available data and information;
- Risk Mitigation - Measures adopted to mitigate risk by the Company.



OVERSIGHT AND MANAGEMENT

Board of Directors:

The Board of Directors ("the Board") is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Committees and senior management.

Risk Management Committee:

The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks.

To achieve this, the Committee is responsible for:

- managing and monitoring the implementation of action plans within the Company and its business units, and regularly reviewing, monitoring and evaluating the progress of action plans;
- setting up internal processes and systems to control the implementation of action plans;
- providing management and employees with the necessary tools and resources to identify and manage risks;
- periodically reviewing and updating the current list of material business risks and its mitigation measures;
- periodically updating the Board on various risks and its mitigation measures;
- ensuring compliance with regulatory requirements and best practices with respect to risk management.

Senior Management:

The Company's senior management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior management must implement the action plans developed to address material business risks across the Company and individual business units.

Senior management shall monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate. In addition, senior management shall endeavour to promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems. Senior management shall periodically report to the Committee regarding the status and effectiveness of the risk management program.

AMENDMENT

Any change in the Policy shall be recommended by the Committee and approved by the Board of Directors. The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.



EFFECTIVE DATE

This Policy has been adopted by the Board of Directors of the Company at its meeting held on February 26, 2024, being the effective date of this Policy.

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(Formerly known as Three M Paper Boards Private Limited and
Three-M-Paper Manufacturing Company Private Limited)



Managing Director

Date: 26.02.2024

