

Engro Corporation Limited

Risk Management Policy

Purpose and Scope

All activities undertaken by a business entity carry an element of risk. At Engro, the exposure to these risks is managed through the practice of Enterprise Risk Management (ERM). The purpose of ERM is to identify potential risks and to define the strategy for managing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate identified strategies.

It is the policy of Engro Corporation Limited to view ERM as integral to the creation, protection and enhancement of shareholder's value by managing the uncertainties that could influence the achievement of corporate goals and objectives. To achieve this, an appropriate framework is adopted by the management and approved by the Board.

Responsibility for Managing Risks

Management has responsibility and accountability for managing business risk. Accordingly, appropriate controls are implemented which ensure:

- compliance with statutory and regulatory obligations;
- safeguarding against effects of natural hazards, commodity price exposure and geopolitical events;
- efficiency of operations and data security;
- reliability of financial reporting and safeguarding against frauds;
- safeguarding assets, employees, customers, communities and environment;
- protecting the Company's reputation

Process

Chief Financial Officer will be responsible for the ERM activity wherein all management teams will periodically engage in identifying, assessing, controlling and monitoring the risks faced by the business in accordance with the adopted ERM framework.

Monitoring

The Board Audit Committee will review the effectiveness of the ERM process and advise the Board of Directors in this regard.
