Navigating Risks with Resilience

At Emami, risk management is embedded into the way we operate, enabling us to navigate uncertainties while pursuing sustainable growth and long-term value creation.

Our structured risk management framework promotes proactive recognition of internal and external factors that may impact strategic objectives, while ensuring effective mitigation and governance mechanisms across the enterprise.

Through clearly defined policies, robust internal controls and continuous oversight, we strive to build stakeholder confidence and enhance business continuity.

ISO 31000:2018

Certified for risk management system



Our Risk Management Approach

Our risk management approach is guided by a comprehensive framework that integrates into day-to-day business operations. The Risk Management Policy is cascaded across functions and operational levels to ensure consistent implementation and accountability throughout the organisation.

Internal control policies and processes are formally documented, communicated and regularly reviewed to maintain their adequacy and effectiveness. This systematic approach enables early warning mechanisms, strengthens governance practices and provides reasonable assurance to the Management, Board and Stakeholders.

Macro-Economic Risk

Root Cause	Impact	Mitigation Strategies	Priority
Geopolitical disruptions, inflationary pressures, rising input costs and changing consumer purchase behaviour may impact market demand and business performance.	Lower consumer spending and increased downtrading may lead to fluctuations in brand performance and pressure on margins.	Emami continues to strengthen its consumer-centric approach by enhancing affordability through Low Unit Packs (LUPs), expanding distribution reach across urban and rural markets, improving operational and cost efficiencies, and leveraging emerging opportunities in wellness- and healthcare-led categories to remain relevant amid evolving consumer preferences and economic fluctuations.	High **Impact in FY26** Low

Product Liability Risk

Root Cause	Impact	Mitigation Strategies	Priority
Product quality issues arising from manufacturing defects, inadequate testing or process gaps may expose the business to operational and reputational risks.	Any compromise in product quality may result in legal liabilities, erosion of consumer trust and loss of market share.	Emami maintains stringent quality assurance and control mechanisms across manufacturing and supply chain operations, supported by rigorous product testing protocols, continuous capability enhancement of employees, robust monitoring systems and adequate insurance coverage to safeguard consumer trust and brand reputation.	High **Impact in FY26** Low

Raw and Packaging Material Risk

Root Cause	Impact	Mitigation Strategies	Priority
Volatility in raw and packaging material prices, supply disruptions and inconsistent material quality may affect manufacturing continuity and costs.	Disruptions may lead to production delays, increased operating costs and reduced product availability in the market.	Emami adopts strategic sourcing and procurement practices backed by real-time market intelligence, diversified supplier networks and structured risk assessment mechanisms to mitigate price volatility, ensure uninterrupted material availability and optimise input costs across operations.	High **Impact in FY26** Low

Capital Impacted

Financial · Manufactured · Intellectual · Human · Social & Relationship · Natural · Brand

Regulatory and Compliance Risk

Root Cause	Impact	Mitigation Strategies	Priority
Frequent changes in regulations and increasing compliance requirements across markets may create operational complexities.	Non-compliance with applicable laws may result in penalties, reputational impact and reduced stakeholder confidence.	Emami continuously monitors evolving regulatory requirements through dedicated compliance management systems and strengthens governance practices through periodic reviews, internal controls, monitoring mechanisms and proactive stakeholder engagement to ensure adherence across operations.	High Impact in FY26 Low

Climate Risk

Root Cause	Impact	Mitigation Strategies	Priority
Dependence on seasonal product demand and unpredictable climatic conditions may influence consumer consumption patterns.	Variability in weather conditions may impact product demand and create uncertainty in revenue generation.	Emami mitigates climate-related business risks by maintaining a balanced portfolio of summer, winter and all-season products, while simultaneously investing in Innovation, Product Development and R&D Initiatives to address evolving consumer needs and changing environmental conditions.	High Impact in FY26 High

Technology Risk

Root Cause	Impact	Mitigation Strategies	Priority
Rapid technological advancements, inadequate automation and evolving cybersecurity threats may impact operational efficiency.	Delayed technology adoption may reduce productivity, increase exposure to cyber risks and weaken competitive positioning.	Emami continues to enhance its digital and cybersecurity capabilities through advanced security infrastructure, continuous monitoring systems, AI-enabled threat detection mechanisms and technology-driven operational efficiencies to safeguard business continuity and data integrity.	High Impact in FY26 Low

Foreign Currency Risk

Root Cause	Impact	Mitigation Strategies	Priority
Exposure to international markets and fluctuations in foreign exchange rates may affect business profitability.	Currency volatility may increase costs and adversely impact financial performance.	Emami manages foreign exchange exposure through prudent treasury practices, timely hedging strategies, continuous monitoring of currency movements and dynamic pricing mechanisms to minimise the impact of market volatility on costs and revenues.	High Impact in FY26 Low

Acquisition Risk

Root Cause	Impact	Mitigation Strategies	Priority
Inadequate due diligence, integration challenges and strategic misalignment may affect the success of acquisitions.	Failure to realise expected synergies may impact financial performance, investor confidence and long-term value creation.	Emami undertakes comprehensive due diligence and evaluates strategic alignment before pursuing acquisition opportunities, followed by structured integration processes focused on operational synergies, product optimisation, cultural alignment and market expansion to maximise long-term value creation.	High Impact in FY26 Low

Human Capital Risk

Root Cause	Impact	Mitigation Strategies	Priority
Challenges in attracting, retaining and developing skilled talent amid evolving business and technological requirements may impact organisational capabilities.	Talent gaps and high attrition may affect innovation, employee morale and the execution of growth strategies.	Emami continues to invest in attracting, developing and retaining talent through structured capability-building programmes, leadership development initiatives, employee engagement practices and technology-enabled talent management systems aimed at fostering a high-performance and inclusive work culture.	High Impact in FY26 Low

Plastic Packaging Risk

Root Cause	Impact	Mitigation Strategies	Priority
Increasing environmental concerns and evolving regulations related to plastic usage may create operational and reputational challenges.	Consumer preference for sustainable products and stricter regulations may impact brand perception and market competitiveness.	Emami is committed to sustainable packaging practices by strengthening plastic waste management systems, improving recyclable and environmentally responsible packaging solutions and ensuring alignment with evolving ESG-related legal and regulatory requirements across operations.	Medium Impact in FY26 Low

Capital Impacted

Financial | Manufactured | Intellectual | Human | Social & Relationship | Natural | Brand