



RISK MANAGEMENT POLICY

OF

RESTAURANT BRANDS ASIA LIMITED

(Formerly known as Burger King India Limited)

Version	Approved by	Date
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1. Foreword

1.1. Objective

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating, prioritizing and resolving risks associated with the business. In order to achieve the key objective, the Risk Management Policy (*"the Policy"*) establishes a structured and disciplined approach towards Risk Management, in order to guide decisions on risk evaluating, assessing and mitigation related issues. This Policy has been established by the management, to identify, assess, mitigate, monitor, and report the key risk categories (including Strategic, Financial, Operational, Regulatory, Reputational, Third-party, Sustainability, Technological Risks) on a periodic basis.

The Policy is in compliance with the Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations"*) and the applicable provisions of the Companies Act, 2013, which requires the Company to:

- (a) lay down procedures to inform the board of directors (the **"Board"**) of risk assessment and minimization procedures;
- (b) makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

1.2. Applicability

The said Policy guidelines are formulated in the context of the present business profile, conditions, future growth objectives and new business endeavours that may be necessary.

This policy covers all events within the Company and events outside the Company which have a significance on the Company's business operations.

1.3 Regulatory Requirement

As per the SEBI Listing Regulations, every listed company is required to define a Risk Management Policy covering the framework for management of key business risks. The Board, the Audit Committee and the Risk Management Committee are responsible to ensure that the company has a robust risk management framework and to monitor its effectiveness on periodic basis (Detailed text of regulatory requirement is given in the *Annexure 1*).

1.4. Risk Oversight

Board of Directors:

The Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Board shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit and such function shall specifically cover cyber security.

The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan.

Audit Committee:

The Audit Committee is required to evaluate the internal financial controls and risk management systems of the Company and the Independent Directors shall satisfy themselves that the systems of risk management are robust and defensible. The Audit Committee is also responsible for reviewing and analyzing the effectiveness of the risk management framework and the risk management systems and shall report the same to the Board.

Risk Management Committee:

The Risk Management Committee constituted by the Board of the Company shall provide oversight and will report to the Board who shall have the sole responsibility for overseeing all risks. The Risk Management 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 on the effectiveness of the risk management program in identifying and addressing material business risks. The Risk Management Committee shall meet atleast twice a financial year[#] to carry out its role and responsibilities as defined by the Board including the monitoring and reviewing of the risk management plan.

The Risk Management Committee shall monitor and oversee implementation of the Policy, including the evaluation of the adequacy of risk management systems.

The Risk Management Committee shall also periodically review this Policy, atleast once in two years, including by considering the changing industry dynamics and evolving complexity.

2. Definitions

2.1. Company: It means Restaurant Brands Asia Limited.

2.2. Risk: A probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

2.3. Risk Management: Risk Management is the process of systematically identifying, quantifying, prioritizing and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals including Mitigation Plan and Monitoring of Risk.

2.4. Risk Assessment: Risk Assessment is defined as the overall process of risk analysis and evaluation.

2.5 Audit Committee: A Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

[#] Amended vide SEBI Listing Regulation amendment dated December 12, 2024

2.6 Risk Management Committee: A Committee constituted by the Board to monitor and review the risk management plan and such other functions as it may deem fit, in accordance with the provisions of Regulation 21 of the SEBI Listing Regulations.

2.7 Constituents: Constituents means all personnel employed/engaged by the Company whether employed/engaged directly or by or through any agency or contractor, for remuneration or not, or in any capacity or category or grade, whether permanent, temporary, badli, casual, seconded, probationary or contractual basis and includes apprentices, probationers, trainees whether paid stipend or not, or acting for or on behalf of the Company or in connection with or incidental to the work of the Company or by the Company, wherever they are located, including third parties such as business partners, business representatives, agents, brokers, suppliers, consultants, intermediaries and service providers, directors of the Company.

3. Risk Management

Risk Management means the forecasting and evaluation of financial, operational, sectoral, sustainability (particularly, Environmental Social Governance (ESG) related risks), information, cyber security risk or any such other risks together with the identification of procedures to avoid or minimize their impact. Risk management encompasses the identification, analysis and response to risk factors that form part of the life of a business. Effective risk management means attempting to control, as much as possible, future outcomes by acting proactively rather than reactively. Therefore, effective risk management offers the potential to reduce both the possibility of a risk occurring and its potential impact. Risk management is the process of making and carrying out decisions that will minimize the adverse effects of risk on an organization. However, by focusing attention on risk and committing the necessary resources to control and mitigate risk, a business will protect itself from uncertainty, reduce costs and increase the likelihood of business continuity and success.

Principles of Risk Management

1. The Risk Management Committee shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
2. All concerned process owners of the Company shall be responsible for identifying, prioritizing and mitigating key risks in their respective domain.
3. The occurrence of risk, progress of mitigation plan and its status will be monitored on a periodic basis.

4. Risk Management Procedures



4.1. General

Risk management process includes five activities: Risk Identification, Risk Assessment and Analysis, Risk Prioritization, Risk Mitigation and Monitoring of Risk and Reporting.

4.2. Risk Identification

The purpose is to identify the events that can have an adverse impact on the achievement of the business objectives.

(i) Strategic Risks (Responsibility: Top Management)

Strategic risks are the risks arising due to the management decisions with respect to market, business growth, delivery model, etc. which can have adverse effect on the business objectives. This can further impact sustainability of business in the long term.

(ii) Financial Risks (Responsibility: Finance Team)

Financial risks are risks arising due to the financial transactions carried out during the course of business and are usually associated with external factors like change in interest and exchange rates, change in statutory policies, etc. It may include Market Risk, Credit Risk and Liquidity Risk.

(iii) Legal Risks (Responsibility: Legal Team)

For all legal and related issues, advice must be sought from the legal department of the Company. If there is any deviation from the standard clauses, legal department shall suitably approve the said changes.

(iv) Business Risks (Responsibility: Business Heads)

Business risks are the risks which impose uncertainty in revenues or risk of losses which could be harmful to business. For E.g. Project management and time risks, client preferences, increase in competition etc.

(v) Operational Risks (Responsibility: Business Heads)

Operational risks are the risks arising from people, systems and processes through which the Company operates.

(vi) Compliance Risk (Responsibility: Company Secretary and Compliance Officer)

Compliance risk is the threat posed to a company's governance, financial, organizational, or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational standards of practice.

(vii) Cyber Security/ IT Risk (Responsibility: IT team)

Cybersecurity risk is the potential exposure to loss or harm stemming from an organization's information or communications systems. Cybersecurity risk also encompasses theft of intellectual property, productivity losses and reputational harm.

(viii) Human Resource ("HR") Risk (Responsibility: HR Team)

HR risk is any people, culture or governance factor that causes uncertainty in the business environment that could adversely affect the company's operations.

(ix) Sustainability Risk (Responsibility: HR Head)

A Sustainability risk is an uncertain social or environmental event or condition that, if it occurs, can cause significant negative impact on the company. It includes the opportunities that may be available to an organization because of changing social or environmental factors.

In addition to the above, considering the internal and external risk factors, the heads of every department of the Company should also note the following indicative list of risks to identify material business risks and provide independent assessment of risk levels with their corresponding action plans, if any:

- a) Events of Force Majeure including acts of god, flood, fire, earthquake, outbreak of hostilities, war, riots, civil disturbance, acts of terrorism, acts of any government or authority, orders of any government or relevant authority, premises becoming inaccessible, lockdowns, or any other cause or circumstance whatsoever not reasonably foreseeable by and beyond the reasonable control of the Company
- b) Change in applicable law, regulatory framework and government policies
- c) Reputational Risk
- d) Epidemic, pandemic and related restrictions and impact
- e) Business and operational risk

- f) Business disruption and discontinuity
- g) Significant and Rapid technological change
- h) Change in interest rates
- i) Significant fluctuations in foreign exchange
- j) Insufficient systems capacity and system failures
- k) The development, protection and utilisation of property
- l) Health, life and safety of Constituents
- m) Changes in food related trends and usage of ingredients based on health and fitness trends
- n) Consumer safety risks, including:
 - Maintenance of the conditions of storage for finished products
 - Legal action arising from consumer claims
- o) Loss or alteration of product certifications
- p) Conflicts of interests arising from ventures of group companies with or without the involvement of the Company's personnel
- q) Estimation of demand and supply relationships
- r) Breakdown of contractual relationships and disputes
- s) Breakdown of Plant and Machinery
- s) Potential failure of new ventures
- t) Unauthorized release of confidential information

- u) Loss or infirmity of key managerial personnel
- v) Disputes including class actions, arbitrations and litigations (domestic and international)

4.3. Risk Assessment

Risk Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. Each identified risk is assessed on 2 (two) factors, which determine the risk exposure:

A. Impact if the event occurs

Risk Impact Matrix: Risk impact is measured in terms of financial and non-financial parameters and is classified as below:

Impact Category	Financial Impact (% to Revenue)	Non-Financial Impact (Qualitative)
High	>5 (five) per cent	Significant impact on business continuity, Market Share, Reputation, Criminal liability, or stringent penalties.
Medium	2 (two) -5 (five) per cent	Moderate / Short term impact on business continuity, Market Share, Reputation and High Financial penalties.
Low	<=2 (two) per cent	Relatively insignificant or limited impact on business continuity, Market share, reputation and financial penalty.

B. Likelihood of event occurrence

Risk Likelihood Matrix: Risk likelihood is measured by probability of occurrence of risk event and is classified as below:

Likelihood Category	Probability (%)	Description
High / Likely	>80 (eighty) per cent	Almost inevitable, will become routine feature.
Medium / Possible	>40 (forty) per cent	Probable, can happen in near future.
Low / Unlikely	<=40 (forty) per cent	Less probable, can happen over longer term.

Risk Categories: It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the above assessments, each of the Risks can be categorized as – Low, Medium or High.

4.4 Risk Prioritization

Prioritization of Risk involves the process of bifurcating various risks according to the level of its impact into Critical, Major, Moderate and Minor and accordingly, helping the management of the Company to determine the key risks that should be mitigated on a priority basis.

4.5 Risk Mitigation

The following framework shall be used for implementation of Risk Mitigation:

All identified risks should be mitigated using any of the following Risk mitigation parameters:

- a) **Risk Avoidance:** By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- b) **Risk Transfer:** Mitigation by having another party to accept the risk, either partial or total, typically by contract or by Hedging / Insurance.
- c) **Risk Reduction/ Mitigation:** Employing methods/solutions that reduce the severity of the loss. For E.g. Where the Company is operating out of a premise(s) taken on a lease and license basis, it is important to ensure that all applicable Licenses are valid, up to date and terms of renewal of the Licensing Contract or Agreement are agreed upon before the expiration of such Contract or Agreement to avoid any penalties or loss of business and goodwill.
- d) **Risk Retention:** Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against such risks would be greater than the total losses sustained. All risks that are not avoided or transferred or mitigated, are retained by default.

5. Risk Monitoring, Review and Reporting:

The Board emphasizes that risk management is an on-going process and takes place in all material elements of the Company's organizational structure. Dynamically changing the legal and economic environment around the Company necessitates identifying and mitigating the risks in a timely manner.

Quarterly intimation of risks identified and status of mitigation plan by every department:

The heads of every department of the Company shall, on a quarterly basis, within 10 (ten) days of the end of quarter intimate the Group Chief Financial Officer and Chief Business Officer of the Company about the following:

1. Current risks prevailing in the Company, the severity of the risks prevailing, the probable effect of the same and measures taken to mitigate the risks including any update in the existing risks identified;
2. The status of mitigation plan for key risks identified; and
3. Risks occurred and how was it managed/ mitigated.

Process of Intimation of Risks to the Risk Management Committee.

On receipt of quarterly reports from the department heads, the Group Chief Financial Officer and Chief Business Officer and the Compliance Officer or the Chief Risk Officer (if any) shall then report the risks as prioritized bi-annually in the Risk Management Committee meetings.

6. Business Continuity Plan

Business Continuity Plans ("BCP") are required to be defined for risks corresponding to High Impact and High Velocity to enable rapid response to address the consequence of such risks when they materialize. BCP shall be embedded in the internal controls and crisis Management framework. The internal crisis management committee shall be responsible for laying out crisis response mechanism, communication protocols and periodic training and competency building on crisis management.

7. Roles and Responsibilities of Risk Management Committee:

- To formulate a detailed risk management policy framework which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (c) Business Continuity Plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- Monitoring and reviewing the risk management plan of the Company; and
- Reviewing risks related to cyber security and evaluating the treatment including initiating mitigation actions.

The Risk Management Committee shall co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of the Company.

8. Powers of the Risk Management Committee

The Risk Management Committee shall have powers to seek information from any Constituent,, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

9. Disclaimer Clause

The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.

10. Amendment

Any change in the Policy shall be approved by the Board of the Company. The Board 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 in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

ANNEXURE 1

REGULATORY REQUIREMENTS

SEBI LISTING REGULATIONS AND SECOND AMENDMENT (2021)

1. The Board of directors of the listed entity shall have the following responsibilities with respect to risk management:
 - Review the Risk Policy [Regulation 4 (2) (f) (ii) (1)]
 - Ensure integrity of the Risk Management systems [Regulation 4 (2) (f) (ii) (7)]
 - The Board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk. [Regulation 4 (2) (f) (iii) (9)]
2. The listed entity shall lay down procedures to inform members of Board of directors about risk assessment and minimization procedures. [Regulation 17 (9) (a)]
3. The Board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity. [Regulation 17 (9) (b)]
4. Risk Management Committee [Regulation 21]
 - The Risk Management Committee should have minimum three members with majority of them being members of the board of directors, including at least 1 (one) independent director.
 - The Chairperson of the Risk Management Committee shall be a member of the board of directors and senior executives of the listed entity may be members of the Committee;
 - The Risk Management Committee shall meet at least twice in a financial year#;
 - As provided under Part D of Schedule II, the responsibilities of Risk Management Committee includes formulating of risk management policy, oversee implementation of the same, monitor and evaluate risks basis appropriate methodology, processes and systems and appointment, removal and terms of remuneration of Chief Risk Officer.

Amended vide SEBI Listing Regulation amendment dated December 12, 2024

- The quorum for a meeting of the Risk Management Committee shall be either 2 (two) members or 1/3 (one-third) of the members of the committee, whichever is higher, including at least 1 (one) member of the board of directors in attendance.
- The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than such number of days shall elapse between any 2 (two) consecutive meetings as may be permitted in SEBI Listing Regulations;
- The Risk Management Committee shall have powers to seek information from any Constituent, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- The Risk Management Policy shall include framework for identification of financial, operational, sectoral, sustainability (particularly, ESG related risks), information and cyber security risks, measures for risk mitigation including systems and processes for internal control and Business Continuity Plan.

THE COMPANIES ACT, 2013

1. Report by its Board of Directors, which shall include a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. [Section 134 (3) (n)]
2. Independent directors shall help in bringing an independent judgment to bear on the Board's deliberations especially on issues of risk management and shall satisfy themselves that the systems of risk management are robust and defensible. [Schedule IV]
3. The audit committee shall act in accordance with the terms of reference specified in writing by the board, which shall, inter alia, include evaluation internal financial controls and risk management systems. [Section 177 (4) (vii)]