



# Suzlon Energy Limited

Enterprise Risk Management Policy

### Policy History

Version	Date of Board Approval	Particulars	Effective Date
V1	27 <sup>th</sup> December 2014	Approval of the Policy in terms of the then applicable Clause 49 of the Listing Agreement	27 <sup>th</sup> December 2014
V2	29 <sup>th</sup> June 2021	Approval of the Policy in terms of the amended Listing Regulations	29 <sup>th</sup> June 2021
V3	25 <sup>th</sup> July 2023	Review and amendment of the Policy in terms of the Listing Regulations	25 <sup>th</sup> July 2023
V4	5 <sup>th</sup> April 2024	Review and amendment of the Policy in terms of the Listing Regulations	5 <sup>th</sup> April 2024
V5	5 <sup>th</sup> February 2026	Approval of revised Policy	15 <sup>th</sup> February 2026

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## **1. Introduction**

Suzlon Energy Limited (hereafter referred to as “Suzlon” or the “Company”), acknowledges that it operates in a challenging business environment and given the evolving industry dynamics and regulatory requirements, the Company needs to be well prepared to manage its risks appropriately and enable achievement of its stated ‘Vision’.

The Company recognizes that risk is inherent to its business operations, and that effective management of risks plays a critical role in facilitating value creation for its employees and other stakeholders.

The Company has laid down a risk management policy (hereafter referred to as the “Policy”) that provides guidelines for implementation of Enterprise Risk Management (hereafter referred to as “ERM”) framework across the Suzlon Group. The policy supports the Company’s endeavour to design, implement, monitor, review, and continually improve its risk management practices.

This policy provides an overview of the Company’s Risk Governance structure and illustrates the roles and responsibilities of various stakeholders within it. It majorly encompasses the following elements:

- 1.1 Risk Management Mission
- 1.2 Policy Objectives
- 1.3 Risk Governance Structure
- 1.4 Enterprise Risk Management Roles and Responsibilities

The Risk Management policy shall be read in conjunction with the Enterprise Risk Management Framework, which lists down the detailed risk management process to be followed to identify potential risks and ensure timely mitigation. The detailed guidance on the risk management process can be found in the ERM Framework.

## **2. Risk Management Mission:**

- 2.1 We shall embed a risk-aware culture in Suzlon
- 2.2 We shall develop and maintain an effective risk management framework across the Suzlon enterprise in order to support business decision making and enhance stakeholder value.
- 2.3 We shall enable enterprise risk management by implementing policies, processes and organizational roles to identify key risks and effectively respond to and manage their value.

We shall ensure that a risk-aware culture does not affect our growth by advancing risk-aware approaches, based on the risk appetite of our management and our stakeholders.

## **3. Regulatory Requirements**

The Companies Act 2013, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred to as “Listing Regulations” or “LODR”), and as amended from time to time, have incorporated various provisions in relation to Risk Management Policy which are as follows:

### 3.1 SEBI LODR Regulations 2015

With Suzlon Energy Limited listed on the Indian stock exchanges, it is required to comply by the standards laid down by the regulator, Securities and Exchange Board of India (SEBI). Following are the key requirements relating to risk management that are applicable to the Company:

#### a. Board of Directors

The Board of Directors shall have the following responsibilities with respect to risk management including:

- 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 have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures, and the key areas of the listed entity's focus. [Regulation 4(2)(f)(iii)(10)]
- The listed entity shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures. [Regulation 17(9)(a)]
- The Board of Directors shall be responsible for framing, implementing, and monitoring the risk management plan for the listed entity. [Regulation 17(9)(b)]

#### b. Risk Management Committee (RMC) [Regulation 21]

- RMC shall have minimum three members majority of them being Board of Directors including at least one independent director. The Chairperson of the RMC shall be a member of the board of directors and senior executives of the listed entity may be members of the Committee. [Regulation 21(2), 21(3)]
- The Risk Management Committee shall meet at least twice in a financial year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings. [Regulation 21(3A) and 21(3C)]
- The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance. [Regulation 21(3B)]
- Risk Management Committee (RMC) has the following roles and responsibilities [Part D of Schedule II]:
  - (i) Advise the Board on the effectiveness of the risk management systems at least annually.
  - (ii) Keep the Board informed about the nature and content of RMC discussions, recommendations, and actions to be taken.
  - (iii) Formulate a detailed Risk Management policy, which would include:

- Measures for risk response, including systems/processes for internal control of identified risks.
  - A Business Continuity Plan
  - A framework for identification of internal and external risks faced by listed entities, including financial, operational, sectoral, sustainability (particularly Environment Sustainability and Governance - ESG -related risks), information, cybersecurity risks and any other risk determined by the RMC.
- (iv) Monitor and oversee implementation of the risk management policy, and ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the company.
- (v) Periodically review the policy, at least once in two years, considering the changing industry dynamics and evolving complexity.
- (vi) Review the process of appointment, removal, and terms of remuneration of Chief Risk Officer (CRO), if any.
- RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. [Regulation 21(6)]
  - Listed companies are required to disclose the following about RMC in the annual report (Schedule V, Para C, 5A):
    - (i) Brief description of terms of reference
    - (ii) Composition, name of members and chairperson
    - (iii) Meetings and attendance during the year

### **3.2 Companies Act 2013**

Suzlon Energy Limited, being a Company operating in India, is required and will comply by the standards laid down by the Companies Act 2013. Following are the requirements related to Risk Management as per Companies Act (2013):

- a. 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)]
- b. The Audit Committee shall act in accordance with the terms of reference specified in writing by the board, which shall, inter alia, include evaluation of risk management systems. [Section 177(4)(vii)]
- c. Independent directors should satisfy themselves that the systems of risk management are robust and defensible. [Schedule IV]

#### **4. Applicability of this Policy**

- 4.1 The Policy applies to Suzlon Energy Limited and its material subsidiaries.
- 4.2 This policy is also applicable to all the Suzlon Group entities in relation to the risks defined in the policy, in all the geographical areas in which the Suzlon Group operates.
- 4.3 Any new activity, departments, manufacturing/ business units, capital projects/ initiatives that are made part of the organization shall comply with this policy from the date of creation of such departments.

#### **5. Objectives**

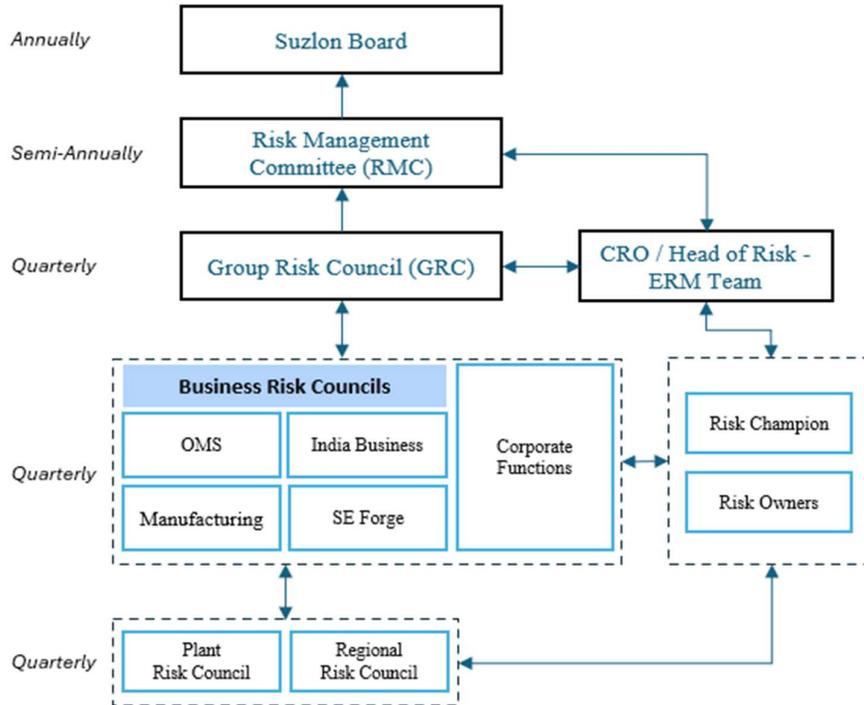
To enable the Company to comprehensively and effectively manage risks arising from its businesses and to work collectively as a team, a structured Enterprise Risk Management ('ERM') Framework is being implemented across Suzlon. The ERM Framework is aligned to the Suzlon's 'Vision' and 'Risk Management Mission'.

The Risk Management Policy provides a structured and disciplined approach to the ERM process to facilitate informed decision-making on risks, with specific objectives mentioned below:

- 5.1 Promote an effective risk management system that supports the Company's growth strategy and business objectives.
- 5.2 Improve institutional and strategic decision-making by giving senior management and Board of Directors timely and accurate information that helps them better comprehend the risks and possibilities at the enterprise level.
- 5.3 Enhance the company's capacity to achieve its legal, regulatory, and policy compliance obligations.
- 5.4 Strengthen the business's capacity to recognize its most important resources and put strategies in place to protect and strengthen them.
- 5.5 Establish a process to identify and assess risks that may impact the business continuity of the Company and define response recovery plans for such risks.
- 5.6 Proactively identify potential opportunities and primary, secondary, consequential and residual risks in order to prepare for future breakthroughs and obstacles.
- 5.7 Strengthen the organization's capacity to comprehend and control risk exposures and establish a culture of responsible risk-taking.
- 5.8 Integrate opportunity and risk assessment analysis into the company's periodic planning procedures (for example, strategic planning, annual budget cycle, etc.).

#### **6. ERM Governance Structure**

The ERM Governance Structure of the Company is as under:



ERM structure illustrated above comprises of the following levels:

- Board of Directors ('BoD')** - Mandate to be given for development and effective deployment of ERM framework in the Company – as per SEBI Listing Regulations.
- Risk Management Committee ('RMC')** - Formulation of Risk Management Policy (RMP). Ensure systems and processes for implementation. Monitor, oversee and evaluate adequacy of RMP and updating the Board about discussions, recommendations and decisions made.
- Group Risk Council (GRC)** - Create, implement, facilitate and monitor the framework deployment of Enterprise Risk Management. It will collaborate with business and functional heads to develop a Risk Management culture and report to the RMC for risk management activities.
- ERM Team** – A centralised risk management team headed by the Chief Risk Officer. It will support the CRO in carrying out his/ her duties by coordinating with relevant stakeholders to ensure the smooth functioning of risk management as defined in the ERM Framework.
- Business Risk Council** – A forum at the Business Unit level for the respective Business Unit Head, Risk Champion and Risk Owners to formally discuss on the status of risk management activities.
- Corporate Functions** - Every function will carry out risk reviews convened by the head of the respective function.
- Plant Risk Council** – A forum at the Plant or unit level for respective plant head, state head, risk champion and risk owners to formally discuss on the status of the risk management activities.
- Regional Risk Council** – A forum at the regional level for respective region head, state head, risk champion, risk owners to formally discuss on the status of the risk management activities.

- i. **Risk Champions** - Each Risk Champion (RM) will be identified at BU Risk Council / Corporate Function as well as at Plant / Regional Risk Councils as relevant to act and conclude on the ongoing business risks.
- j. **Risk Owners** - Risk Owners will own their respective risks and report on its status and updates to the respective RC. They will also manage and execute risk mitigation strategies as directed by the Risk Owners

The composition of the various elements of the ERM Governance Structure are given below:

#### **6.1 Risk Management Committee (RMC)**

The Company through its Board has constituted an RMC as per provisions of the SEBI LODR regulations 2015.

#### **6.2 Group Risk Council (GRC)**

- a. The GRC will be chaired by the GCEO
- b. Group CFO, CHRO, CTO and CEO of each Business Unit would be a part of the GRC
- c. The Chairman and Managing Director and Executive Vice Chairman can be invitees to the GRC
- d. The CRO / Head of Risk shall be the convener of the GRC meeting

#### **6.3 Enterprise Risk Management Team**

The ERM Team will be a central managing team for all risk management related activities

- a. ERM Team will be headed by the CRO who will be appointed by the RMC
- b. The team will comprise of risk management professionals well versed with the risk management activities defined in the ERM Framework adopted by the Company

#### **6.4 Business Risk Council**

- a. The BRC will comprise of the respective Business Unit's CEO, Head of Departments and Risk Owners

#### **6.5 Plant Risk Council**

- a. The Plant risk council will comprise of the respective plant heads risk champions, functional/ circle/ state head and risk owners

#### **6.6 Regional Risk Council**

- a. The regional risk council will comprise of the respective regional heads risk champions, functional/ circle/ state head and Risk Owners

### **7. Enterprise Risk Management Roles and Responsibilities:**

#### **7.1 Board of Directors**

The Board of Directors are committed to the objectives of ERM and its engagement in the oversight function to strengthen the management of risk exposures, in achieving the company's strategic objectives.

The board plays a critical role in facilitating an enterprise-wide approach to risk management. It accomplishes this by setting the tone and culture towards effective risk management, affixing enterprise risk appetite, formulating high level objectives, strategy setting, and approving broad-based resource allocation for this purpose.

The roles and responsibilities of the Board with respect to ERM are broadly classified as follows:

- a. Review and approve the Enterprise Risk Management Policy and Framework
- b. Review the effectiveness of risk management systems and suggest improvement areas
- c. Review and approve risk appetite and company's risk profile
- d. Review the risk exposure of the company, including strategic and emerging risks, or risks that may impact the business continuity and associated risk response plans (risk mitigation strategies)
- e. Review and approve the external risk disclosures, in adherence to regulatory requirements

The responsibility for overseeing the risk management framework and processes has been delegated to the RMC of the Board which shall submit annually a report on the "Risks That Matter" (also referred to as "Key Risks") to the Board for their review.

## **7.2 Risk Management Committee ('RMC')**

The company through its Board of Directors has constituted the Risk Management Committee ("RMC") and defines its roles and responsibilities.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in framing the policy, guiding implementation, monitoring, and reviewing the effectiveness of ERM Policy and Framework. The Committee will act as a forum to discuss and manage key residual risks on a Semi-Annual basis.

The roles and responsibilities of the RMC with respect to ERM are broadly classified as follows:

- a. To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, 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.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- e. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
- g. The Risk Management Committee shall coordinate 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 directors.

### **7.3 Group Risk Council ('GRC')**

The Group Risk Council is the central body in the risk management organisation structure. The RMC empowers the Group Risk Council to make decisions regarding the risk management process across the Company. The GRC must operate within the strategic guidance and overall framework for risk management defined by the RMC.

The Group Risk Council may invite senior staff to apprise the Group Risk Council on risks and concerns as well as provide operational, commercial and technical expertise.

The roles and responsibilities of the Group Risk Council with respect to ERM are broadly classified as follows:

- a. Review the results of the risk analysis and mitigation plan development process, changes in risk rating (if any) for key risks made by the BRCs, for reporting them to the RMC and intervening where appropriate
- b. Review the existing risk management process and documentation
- c. Ensure the risk management culture is fostered and developed and that the ERM system is embedded within the Company's daily operations
- d. Help establish limits and controls on risk appetite for the company
- e. Ensure that the infrastructure, resources and systems are in place for effective risk management
- f. Review and monitor the working of the risk management governance structure
- g. Report to the RMC for risk management activities on half yearly basis

### **7.4 Chief Risk Officer (CRO) / Head of Risk**

The Chief Risk Officer shall assist the Board and the RMC in review and oversight responsibilities related to ERM. The CRO shall facilitate the risk management processes within the Company and support the management in fostering and developing a risk aware culture. The CRO will head the Enterprise Risk Management Team (ERM Team) and leverage it to perform his/ her roles and responsibilities.

- a. Facilitate the governance of risk management processes throughout the Company
- b. Set directions for risk management activities within the Company and facilitate and advise on the execution of risk management plan and related activities across the company
- c. Support management in determining risk appetites, identifying trends, and emerging risks; assist in identifying and assessing risks for new business initiatives, and in evaluating strategic alternatives

- d. Assist the management in establishing an effective monitoring system and monitor key enterprise risk(s) on an ongoing basis covering the review of cost, adequacy and effectiveness of risk response plans, completeness and accuracy of risk reporting and timely remediation of deficiencies
- e. Assist in aligning the Risk Management Framework with the Internal Control Framework to ensure key operational risks are adequately and appropriately managed
- f. Update the RMC on key initiatives taken around risk management and existing and emerging risks
- g. Oversee the flow of information and escalation of key risk(s) and concerns between the RMC and the GRC
- h. Convene the RMC and GRC meetings in accordance to the frequency defined in the Enterprise Risk Management Framework
- i. Carry out any other activities as may be delegated by the RMC

#### **7.5 Business Risk Council (BRC)**

The Business Risk Council is a business unit level committee. The councils shall be responsible for risk management within their respective Business Units.

- a. Provide updates to the GRC on the risk management processes in different functions at the respective business unit level and review risk management systems
- b. Approve new risk(s) brought forth by the respective risk owners through the risk champion and discuss the status of the respective business unit level key risks and response plans
- c. Review key risk(s), associated response plans, and the changes in risk rating. Thereafter, the BRC shall prioritise the key risks and associated response plans and report them to the GRC
- d. Present the risk register, key risks, associated response plans and changes in risk ratings to the GRC and communicate with the CRO
- e. Monitor the implementation of ERM Framework and ensure the risk management culture is fostered within its respective Business Units

#### **7.6 Plant Risk Council**

The Plant Risk Council is a plant level committee. The councils shall be responsible for risk management within their respective plant / unit.

- a. Review the key risk(s), associated response plans, and the changes in risk rating for the plant. Thereafter, the plant risk council shall prioritise the risks and associated response plans and report them to the BU heads and respective risk champions
- b. Approve new risk(s) brought forth by the respective risk owners and discuss the status of plant level key risks and response plans
- c. Present the risk register, key risks, associated response plans and changes in risk ratings to the risk champions of respective BUs
- d. Monitor the implementation of ERM governance and framework and ensure the risk management culture is fostered within the plant

### **7.7 Regional Risk Council**

The Regional Risk Council is a regional level committee. The councils shall be responsible for risk management within their respective regional.

- a. Review the key risk(s), associated response plans, and the changes in risk rating for the region. Thereafter, the regional risk council shall prioritise the risks and associated response plans and report them to the BU heads and respective risk champions
- b. Approve new risk(s) brought forth by the respective risk owners and discuss the status of regional level key risks and response plans
- c. Present the risk register, key risks, associated response plans and changes in risk ratings to the risk champions of respective BUs
- d. Monitor the implementation of ERM governance and framework and ensure the risk management culture is fostered within the region

### **7.8 Risk Champion ('RC')**

Risk Champions will be appointed at a Business Risk Council/ Corporate function level and can also appointed separately by plant and regional risk council as relevant. The role of RC is that of a facilitator and coordinator with respect to risk management activities within the respective Business Unit / Corporate functions and Plant / Regional risk councils

The roles and responsibilities of the RC are as follows:

- a. Co-ordinate with Risk Owners of the respective Business Unit/ Corporate Function and plant / regional level, as and when required
- b. Report risk management activities to the respective BRC and communicate them to the CRO
- c. Facilitate the implementation of ERM initiatives as directed by the BRC and CRO
- d. Facilitate the identification, analysis and evaluation of risk(s) and emerging risk(s) and the respective risk response plans
- e. Consolidate the risk register for the business unit / corporate function and for plant / region, in consultation with respective Risk Owners
- f. Present consolidated risk register, key risks, associated risk response plans and changes in risk ratings to the respective BRC and communicate it to the CRO
- g. Ensure adequate justification is given to the CRO on the changes in risk ratings, vis-à-vis the internal and external factors that have played a role in the change in risk ratings, adequacy of existing controls/ risk response plans implemented or reasons for not addressing the emerging risk(s) in previous review cycles
- h. Escalation of challenges, concerns, or unforeseen developments to CRO pertaining to existing or emerging risk(s)
- i. Carry out any other activities as may be delegated by the CRO

## 7.9 Risk Owner

The final ownership of enterprise risks and associated risk responses rests with the Risk Owner. The Risk Owner is usually a senior member of the function, the head of department, etc. who can effectively drive and monitor the progress of risk response plans.

The Risk Owner may further delegate the risk response plans and action plans down the hierarchy to ensure ground-level implementation.

The roles and responsibilities of the Risk Owner include the following:

- a. Responsible for identifying risks within their function or area of operations
- b. Perform ongoing assessment of risks and manage existing risks
- c. Report emerging risk(s) or failures of existing control measures with remedial action / response plans
- d. Monitor the progress of existing response plans on an ongoing basis and the status of future response action plans
- e. Identify key risks for their respective function or operation and report their progress to the Risk Champion
- f. Work with the functional teams to ensure adherence and conformity to risk management policy and framework

The Risk Owner may be invited to the BRC meetings on a need basis to intimate required details regarding their respective risk(s).

## 8. Definitions and Categorizations of Risks

8.1 Risk is defined as the chance that an actual outcome will differ from an expected outcome. Any event or situation that might impact the planned business output or will lead to a deviation in the normal course of business should be captured as risk.

8.2 Risk is multi-faceted and it's prudent to check from all perspectives. A breakdown of our objective into each of the following areas can provide a reasonable justification for a good risk identification exercise.

- a. **Strategic Risk** – Strategic risks are defined as risks that are associated with the long-term strategies, business decisions and objectives. It covers areas such as technological changes, regulatory changes, market dynamics, merger & acquisition, planning and resource allocation, etc.
- b. **Operational Risk** – Uncertainty about the Company's operations, including our supply chain and the delivery of our products and services. It can be defined as the risks of loss arising from improper implementation of processes. Examples of operational risks are insufficient resources, failure in resolving RoW (Right of Way), delay in land purchase, unavailability of spares, untrained manpower etc.
- c. **Financial Risk** – Risk directly impacting the financial performance of the company and access to capital e.g. the capital structure of a company (degree of financial leverage or debt burden).

- d. **Regulatory Risk** – The ever-evolving business environment, securities market leads to change in laws and diversity in regulators approach. The changing landscape of the laws brings along the risk of lapses in compliance or any disclosure requirement. Risk of loss can result from any such non-compliance or disclosure requirement or any non-compliance of other contractual, legal and regulatory concerns, including in relation to governance, health, safety and environment, local, tax and statutory laws.
- e. **Reputation Risk** – This can result in the mismatch in performance or the manner in which any incident is dealt with, and the perception of the same by a stakeholder. This can be a loss to the Company’s image and standing and can even result in loss of revenues, diminished shareholder value or even fine being levied by the concerned regulators. The Policies related to “Code of Ethics of Directors and Senior Management”, “Whistle Blower”, “Code of Conduct to Regulate, Monitor and Report Trading By Insiders”, “Prevention of Sexual Harassment at workplace” etc. have also been documented keeping in mind the requirement to protect and uphold the reputation of the Company in addition to taking care of the relevant concern.
- f. **Sectoral Risks** - Industry risks pertaining to the sector of business (such as CNI)
- g. **Extended Enterprise** - Risk of potential disruption caused by a failure to identify, measure and mitigate risks at key third-party organizations. For e.g.: Supply chain disruptions
- h. **Sustainability Risk** - Risks associated to manage, environment, corporate responsibility and sustainable development issues that deliver top and bottom-line growth for the long term and create maximum impact for beneficiaries. For e.g.: High energy usage increasing carbon footprint
- i. **Talent Risk** - Risk arising from increase in staff turnover and well below the industry/market trend, Resignations of staff members, Employee attrition rate more than target rate. For e.g.: High attrition in R&D department
- j. **Cyber, Information and Technological Risk** - With the rising needs of digitalisation and modern technology in the energy sector, there is an additional threat to key information of the Company stored on various applications, be it on external cloud storage, or other networks and devices from cyberattacks which could be in the form of theft, breach of security, virus or such other vulnerabilities and attacks. The Cybersecurity Policy of the Company has been documented keeping in mind such threats and seeks to bring in place a framework for risk identification, risk prevention, risk protection, risk detection, response to the incident and recovery and restoration.

## 9. Enterprise Risk Management Framework

- 9.1 The ERM framework at Suzlon does not aim at eliminating risks, as that would simultaneously eliminate all chances of rewards/ opportunities. It is instead focused on ensuring that risks are identified, and key risks impacting the organisation are addressed.
- 9.2 The ERM framework is subject to periodic review, including mapping against any available risk maturity models and identifying the areas of improvement to ensure continued relevance of program and framework to the organisation. Such review and assessment is to be carried out in at least once every two years as per the directions of the Risk Management Committee.

## **10. ERM Process**

### **10.1 Scope Context and Criteria**

To manage risk management process effectively, it is important to define the scope of the risk management process and understand the internal and external context within the Company's risk appetite.

### **10.2 Risk Identification and Analysis**

- a. Risk identification, which involves
  - Identification of risk events across business units, departments and corporate functions through risk assessment
  - Categorisation of risk events within the Suzlon Risk Universe
  - Identification of sources of risks, areas of impact events (including emerging trends) and their causes, and potential consequences on the achievement of business objectives
- b. Risk Analysis, which involves
  - Calculating the impact of risk events
  - Assessing the probability or likelihood of the risk event occurring
  - Assessing the time taken to realise the impact of a risk from the onset of the risk event

### **10.3 Risk Evaluation and Prioritisation**

- a. Risk Evaluation, which involves, comparing the results of risk analysis (impact, likelihood and velocity) with the established criteria to determine where additional action is required considering effectiveness of existing controls
- b. This would enable the prioritisation of risks, basis the criticality, and help decide on the appropriate risk management strategy. Prioritisation includes ranking the risks based on the associated residual risk rating to identify key residual risks

### **10.4 Risk mitigation**

- a. Developing mitigation plans with defined action steps and timelines for implementation. Risk Owners supported by senior management colleagues and team members work towards implementation of the action steps with the aim to reduce the probability of occurrence of impact of risk event.
- b. In the event of a crisis situation, business may have to implement Contingency/ Business Continuity Plans to return to Business-as-Usual scenario and maintain operational stability from the risk impact.

### **10.5 Business continuity plan**

- a. Safeguarding of business prospects to keep the business operative during unplanned interferences or disruptions is sought to be put in place with a business continuity plan (BCP). This typically will contain a checklist for different departments, including for supplies, equipment, data backups, and contact information for emergency responders, key personnel etc.

- b. BCP can work on capabilities and resources to keep the business running regardless of local failures. BCP should also make provision for periodic drills / mock-tests to measure the BCP effectiveness and shall provide for proper backups / reserves to keep the things running including during planned maintenance type activity.

#### **10.6 Risk monitoring and assurance**

- a. Risk Monitoring involves defining review forums and frequency for monitoring the status of risks to track them periodically.
- b. Reporting to the Board of Directors, the Audit Committee and the RMC on the risk profile and effectiveness of implementation of mitigation plans.
- c. Monitoring the ERM process activities to ensure their timely and appropriate execution.

ERM process is facilitated by enablers such as the Risk Register, Risk Management Activity Calendar, and a set of templates to facilitate reporting and monitoring.

An important aspect of risk monitoring involves identifying and monitoring indicators or signals to sense occurrence of risk, known as “Key Risk Indicators” (KRIs). Frequency of reviews is defined to ensure that key risks at the company level are reviewed, together with review of progress of response plans.

#### **10.7 Risk reporting**

Risk reporting ensures that relevant risk information is available across all levels of the company in a timely manner to provide the necessary basis for risk-informed decision-making. Annual updates are provided to the Board on status of key risks and associated response plans.

Reporting risk events which are collated and prioritised to entities in the Risk management organisation structure, including Business Risk Councils, Group Risk Council, and Risk Management Committee as per reporting protocols.

### **11. Communication**

This policy shall be communicated to all business units, corporate functions and areas involved in the risk management process of the company.

### **12. Review of the Policy and Disclosure Requirements**

- 12.1 This Policy has been implemented w.e.f. 27<sup>th</sup> December 2014 and has been subsequently amended from time to time with latest amendment effective from 15<sup>th</sup> February 2026.
- 12.2 This Policy shall be disclosed on the website of the Company and a weblink shall be provided in the Annual Report.
- 12.3 The Board / RMC shall coordinate its activities with Audit Committee in evaluation of internal financial controls and risk management systems and 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 directors.
- 12.4 The Board / RMC, (in consultation with the Audit Committee where necessary), shall administer the development and implementation of the Policy and will review this Policy on a periodic basis

(at least once in two years) to ensure its effectiveness and also compliance with the Act and the Listing Regulations.

12.5 This Policy is subordinate to the Listing Regulations or other applicable statutory provisions including the Act, and in the event of inconsistency between this Policy and the Applicable Laws (including due to subsequent amendments to the Applicable Laws), the provisions of the Applicable Laws will prevail.

12.6 To the extent any change or amendment is required due to change in the Applicable Laws, the Managing Director or the Chief Executive Officer of the Company shall be authorised to review and amend the Policy to give effect to any such changes or amendments. Such amended Policy shall be placed before the Board / RMC for noting and necessary ratification.

12.7 The Board / RMC (in consultation with the Audit Committee where necessary) reserves any right to alter, modify, add, delete or amend any of the provisions of this Policy.

### **13. Disclaimer**

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation, or standard governing the Company, the newly enacted law, rule, regulation, or standard shall take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

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