SUZLON
POWERING A GREENER TOMORROW

SUZLON ENERGY LIMITED

RISK MANAGEMENT POLICY

Suzlon Vision

- Be the Best Renewable Energy Company in the world
- Work towards sustainable, social, economic, and ecological development.
- Create a better life for future generations

Risk Management Mission

- We shall embed a risk-aware culture in Suzlon
- 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.
- 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.

1. Policy History

Date of Board approval	Particulars	Effective Date
27th December 2014	Approval of the Policy in terms of the then applicable Clause 49 of the Listing Agreement	27th December 2014
29th June 2021	Approval of the Policy in terms of the amended Listing Regulations	29th June 2021
25th July 2023	Review and amendment of the Policy in terms of the Listing Regulations	25th July 2023
5th April 2024	Review and amendment of the Policy in terms of the Listing Regulations	5th April 2024

2. Purpose of this Policy

2.1 Suzlon Energy Limited (“SEL or the “Company”) has adopted this Policy in terms of the provisions of Schedule II, Part C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.2 The purpose of this Policy is to institutionalise a formal risk management function and framework in the Company.

3. Applicability of this Policy

3.1 The Policy applies to Suzlon Energy Limited and its material subsidiaries.

3.2 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. Definitions

Unless repugnant to the context:

4.1 "Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

4.2 "Applicable Laws" shall mean the Act and Rules made thereunder, the Listing Regulations (as defined hereafter), and / or such other Act, Rules or Regulations, which are / may be applicable to the objective and/or subject matter of this Policy.

4.3 "Audit Committee" means the Audit Committee of directors of the Company constituted by the Board in accordance with Section 177 of the Act read with Regulation 18 of the Listing Regulations.

4.4 "Board" or "Board of Directors" shall mean the Board of Directors of the Company.

4.5 "Company" or "SEL" shall mean Suzlon Energy Limited.

4.6 "Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.7 "Policy" or "this Policy" shall mean this Risk Management Policy.

4.8 "Risk Management Committee" or "RMC" means the Risk Management Committee of the Company constituted by the Board in accordance with Regulation 21 of the Listing Regulations.

4.9 Interpretation – In this Policy unless the contrary intention appears, words and expressions used and not defined in this Policy but defined in the Applicable Laws shall have the meanings respectively assigned to them in those Applicable Laws.

5. Review of the Policy and disclosure requirements

5.1 This Policy has been implemented w.e.f. 27th December 2014 and has been subsequently amended from time to time with latest amendment effective from 5th April 2024.

5.2 This Policy shall be disclosed on the website of the Company and a weblink shall be provided in the Annual Report.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

6. Key objectives of Enterprise Risk Management

6.1 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 Vision” and ‘Risk Management Mission’.

6.2 The Company’s ERM philosophy is to enable the achievement of the Company’s strategic objectives by identifying, analysing, assessing, mitigating, monitoring, preventing, and governing any risks or potential threat to these objectives. While the achievement of strategic objectives is a key driver, our values, culture and our obligation and commitment to employees, customers, investors, regulatory bodies, partners, and the community around us are the foundation on which our risk management philosophy is based. The systematic and proactive identification of risks and mitigation thereof shall enable effective or quick decision-making, enable business continuity, and shall improve the performance of the organisation.

7. Definition and Categorization of Risks

7.1 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.

7.2 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. Compliance/Corporate Governance 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.

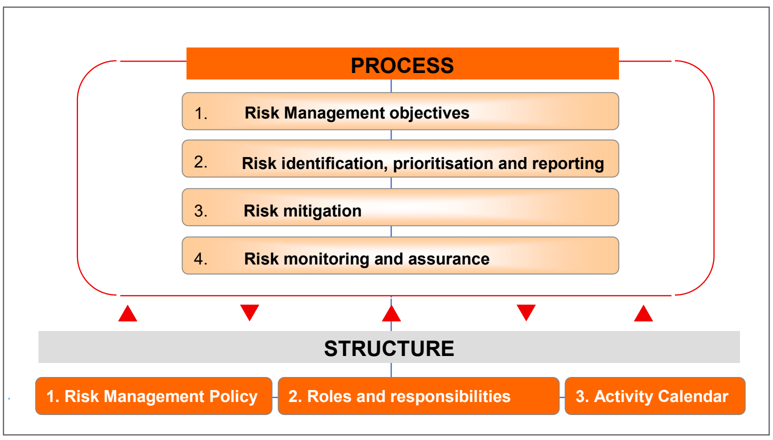
e. Reputation Risk – This can result in the mismatch in performance or the manner in which any incident is dealt with, and the perception of the same by a stakeholder. This can be a loss to the Company's image and standing and can even result in loss of revenues, diminished shareholder value or even 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. Cybersecurity 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 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.

8. Enterprise Risk Management Framework



8.1 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.

8.2 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.

9. Risk Management Objectives

9.1 The Company's ERM Framework is based on industry standards and encompassing all risks that the organisation is facing internally or externally under different categories such as strategic, operational, legal and compliance risks, as highlighted above, including sectoral, ESG and Cyber security risks. The framework prescribes detailed procedures and guidelines for contextualization of risks by linking it to strategic objectives, identification, assessment, mitigation, any internal controls, communication, monitoring and governance. Appropriate risk indicators shall be used to identify risks proactively. The framework takes cognizance of risks faced by key stakeholders and the multiplied impact of the same on the organisation which may impact business continuity while framing risk responses. Risk management is a decision-enabler which not only seeks to minimise the impact of risks but also enables effective resource allocation based on the risk impact ranking and risk appetite. Strategic decisions are taken after careful consideration of risks and opportunities. The framework prescribes approaches to identify and measure primary, secondary, consequential, and residual risks which will enable efficient decision making.

9.2 The ERM process is scheduled to be performed at least annually and definitely in event of significant changes in internal or external business environment or whenever strategic/ non-routine activities are undertaken by the Company. The key sub-processes in the ERM process are given below in detail.

10. ERM Process

10.1 Risk identification, prioritisation and reporting

a. Risk identification, which involves:
- Identification of risk events across operating units and functions through risk assessment,
- Categorisation of risk events within the Suzlon Risk Universe, and
- Updating risk events listing and subsequently, risk register.

b. Prioritisation of risk

This involves assessment of the relative priority of each risk to arrive at the key risks or Risks that Matter ('RTM') considering the potential impact and likelihood of occurrence of the risk.

c. Risk reporting

Reporting risk events collated and prioritised to entities in the Risk management organisation structure, including Operating unit / function Heads, Group Risk Team, Risk Management Committee as per reporting protocols.

10.2 Risk mitigation

a. Identifying Risk leaders, Support team members, for each critical risk / RTM ('Risk That Matter'), and

b. Developing mitigation plans with defined action steps and timelines for implementation. Risk leaders supported by senior management colleagues and team members work towards implementation of the action steps.

10.3 **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.

10.4 Risk monitoring and assurance

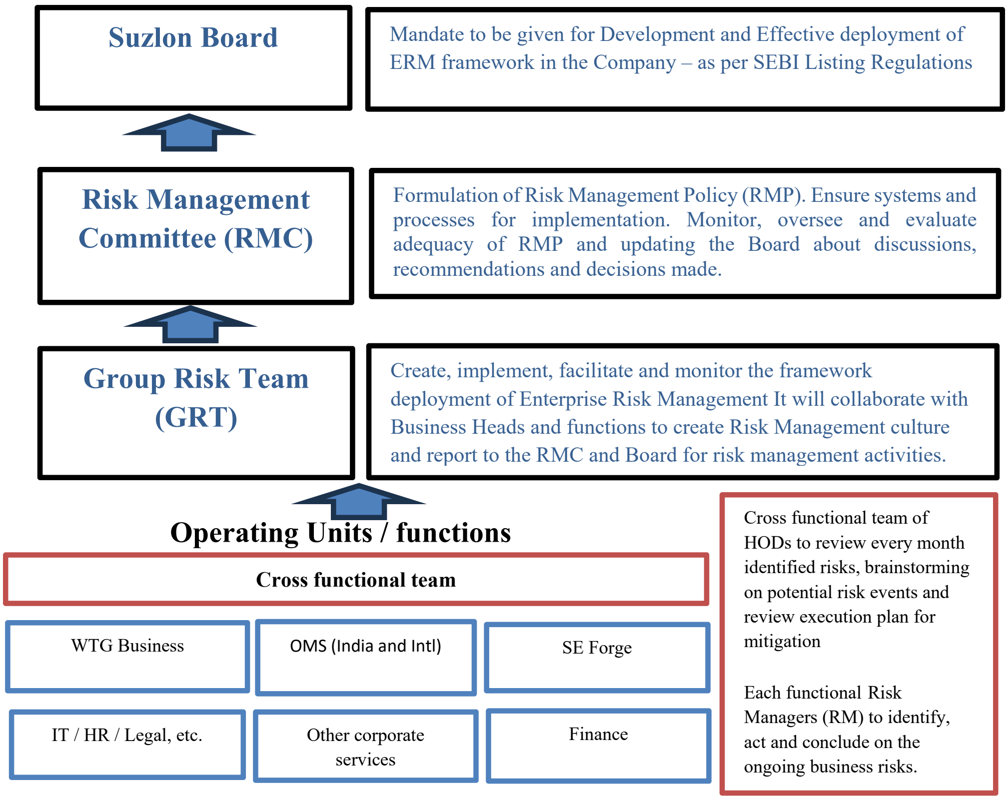
a. Reporting to the Board of Directors, the Audit Committee and the RMC on the risk profile and effectiveness of implementation of mitigation plans.

b. Monitoring the ERM process activities to ensure their timely and appropriate execution.

c. 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.

11. ERM Structure

11.1 The ERM Structure of the Company is as under:



11.2 ERM structure illustrated above comprises of the following levels:

a. Board of Directors ('BoD')
b. Risk Management Committee ('RMC')
c. Group Risk Team ('GRT')
d. Risk Managers ('RM').

11.3 The roles and responsibilities of the BoD, RMC, GRT and RM is as under:

a. Board of Directors

The Board of Directors has the responsibility for framing, implementing and monitoring the risk management plan for the Company. The Board is responsible for ensuring that the Company has developed an appropriate risk management framework and that the framework is effectively deployed in the Company. The responsibility for overseeing the risk management framework has been delegated to the RMC of the Board which shall submit annually a report on the "Risks That Matter" to the Board for their review.

b. Risk Management Committee ('RMC')

The Company through its Board of Directors has constituted the Risk Management Committee ("RMC"). The Board of Directors defines the role and responsibility of the RMC and may delegate monitoring and reviewing of the risk management framework to the RMC and such other functions as it may deem fit. The RMC reviews the decisions taken by the Group Risk Team and is responsible for strategic direction setting. The RMC reports to the Board of Directors on the status of the risk management initiatives and their effectiveness. The RMC will receive inputs from the Group Risk Team for review of risk management activities and for management intervention if required. The RMC is responsible for ensuring that the risk management framework contributes towards:

- Achieving business objectives,
- Safeguarding enterprise assets, and
- Enhancing shareholder value.

c. Group Risk Team ('GRT')

The Group Risk Team is the central body in the risk management organisation structure. The RMC empowers the Group Risk Team to make decisions regarding the risk management process across the Company. The role of the Group Risk Team is to drive the ERM processes, review risk management activities and provide guidance. The Group Risk Team may invite senior staff to apprise the Group Risk Team on risks and concerns as well as provide operational, commercial and technical expertise. The Group Risk Team is responsible for the following activities:

- Working within the strategic guidance and overall framework for risk management defined by the RMC
- Providing guidance to Risk Managers ('RM') of each Operating unit / function,
- Reviewing the results of the risk assessment and mitigation plan development process and intervening where appropriate,
- Providing guidance for troubleshooting risk management activities (if required), and
- Reviewing and monitoring the working of the risk management structure.
- Reporting to the RMC and Board for risk management activities on half yearly basis.

d. Risk Managers ('RM')

Each Operating unit / function is represented by a Risk Manager. The role of RM is that of a facilitator and coordinator with respect to risk management activities within the respective Operating unit / function.

The RM will report to the Operating unit / functional Heads with regard to risk management activities within their respective Operating unit / function. The RM provides guidance to process owners / managers of the respective Operating unit / functions, as and when required or directed. They are responsible for reporting the risk management activities of the respective Operating unit / function to the Group Risk Team. The RM is required to facilitate the implementation of the ERM initiatives and mitigation plans within the respective Operating unit / function. Nomination to the position of RM is for a period of one year. The nomination of the RM and renewal shall be done by the respective Operating unit / function Head in consultation with the Group Risk Team.

12. Team formation: ERM structure

12.1 Risk Management Committee (RMC)

The Board of Directors shall constitute RMC in accordance with the Listing Regulations. The RMC shall have a minimum of three members with majority of them being members of the 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 Company may be members of the RMC. The quorum of the meeting of the RMC shall be either two members or one third of the members, whichever is higher, including at least one member of the Board of Director. The RMC shall meet at least twice a year in such a manner that on a continuous basis not more than 180 days shall elapse between any two consecutive meetings.

12.2 Group Risk Team

This team will be headed by a Chief Risk Officer who will have a cross functional team from business units and key functions such as Technical, Legal and Commercial.

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