



RISK MANAGEMENT POLICY



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Introduction

We, at Exide Industries Limited, in the pursuit of our vision to become a global powerhouse respected by customers and preferred by investors, acknowledge that risks are inherent and are an integral part of the business activity. Successful management of risks is pivotal to achieving organizational objectives.

The implementation of a robust risk management policy and associated processes empowers the Company to navigate the intricacies of uncertainty and fluctuations in both the internal and external landscape.

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (referred to as the “SEBI Listing Regulations”) also emphasize the requirement of Risk Management Policy for the Company.

Objective

The purpose of the Enterprise Risk Management (ERM) Policy is to institutionalize formal Risk Management. function and framework in the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating, and resolving risks associated with the business.

This policy has been specifically designed, to achieve the following objectives:

- Ensure achievement of the Company’s vision and strategic priorities in line with its core values;
- To ensure that the key current and future material risk exposures, including ESG & and cyber security of the company, are identified, assessed, quantified, appropriately mitigated, and managed;
- Integrate risk management in the culture and strategic decision-making in the organization;
- Strengthen Business continuity and Disaster Recovery Plan;
- Enable compliance with appropriate regulations and adoption of leading practices;
- Anticipate and respond to changing economic, social, political, technological, environmental, and legal conditions in the external environment.

Scope

This Risk Management Policy is applicable to Exide Industries Limited, including its key subsidiaries, and acquired entities.

Philosophy and approach to Risk Management

The Company defines risks as actions or events that have the potential to impact our ability to achieve our objectives. The approach to risk management is a systematic and disciplined process designed to safeguard organizational value and promote resilience. This structured methodology towards ERM philosophy is geared towards realizing the company's strategic goals by actively identifying, analyzing, assessing, mitigating, monitoring, preventing, and overseeing risks and potential threats. Systematic and proactive risk identification and mitigation not only facilitate and enables decision-making but also ensure business continuity, ultimately enhancing organizational performance.

Risk Management Framework

To address continuously evolving Risks, the company has established a comprehensive Enterprise Risk Management framework. The Framework is based on industry standards and encompassing key risks that the organization is facing internally or externally under different categories such as legal, regulatory, social, cultural, political, operational, strategic, technological, etc.

The framework follows a holistic approach that balances both bottom-up and top-down perspectives to proactively identify specific risks, evaluate their potential impact, and determine the best course of action to manage overall exposure. The allocation of resources and active management of risks are integral components of this framework, ensuring that potential threats are managed effectively.

Key risk are assessed for impact (materiality of the risk if it occurs) and likelihood (at an agreed level of impact, the probability of the event taking place). These two parameters determine the importance of risk to the organization. Risks are assessed before and after risk handling measures.

Possible responses to risk include avoiding, accepting, reducing or sharing the risks.

Periodic reporting on risks will be ensured to communicate whether the impact or likelihood of the risk is increasing or decreasing and to ensure continuing alignment of organizational resources to priorities.

The Oversight of risk management is conducted by a four-level of governance structure as follows:

- The Board of Directors,
- Risk Management Committee (RMC),
- Executive Committee (EXCOM)
- Heads of functions and process owners,

Conflict:

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.

Office of Enterprise Risk Management

The company has established a dedicated department (Risk Office) with sufficient independence and authority for ERM, headed by the Chief Risk Officer.

The objective of the department includes:

- Instilling a uniform approach to decision-making based on risk throughout the company's processes and culture, aligning it with the attainment of the organization's strategic objectives.
- Facilitating the reduction of adverse impacts of risks on the enterprise and its operations, thereby fortifying its long-term competitive advantage.
- Aiding in the development and implementation of a Comprehensive Risk Management Framework.
- Overseeing the key risks to the enterprise and associated mitigation plans, and report these to the CEO, CFO, General Counsel and such other management personnel as may be necessary and the Risk Management Committee of the Board of Directors.

The department collaborates closely with other relevant management functions of the company such as legal, information security, EHS, Manufacturing Operations etc.

Policy review

This Policy is framed based on the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law, the provisions in the Policy shall be modified in due course to make it consistent with the law.

The Policy shall be reviewed periodically by the Risk Management Committee. Any changes or modification to the Policy shall be recommended by the Committee and be placed before the Board of Directors for approval.

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, Regulation or standard governing the Company, the law, rule, Regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, Regulation or standard

This policy was initially approved by the Board of Directors at its meeting held on 29th October 2021 and subsequently amended on following dates:

1st amendment: 30.04.2024