



Risk Management Policy

1. Purpose

The purpose of this policy is to establish a structured and consistent approach to identifying, assessing, managing, and monitoring risks across all levels of Shraddha Utilities Pvt. Ltd. This ensures business continuity, protects stakeholder interests, and supports sustainable decision-making.

2. Scope

This policy applies to:

- All departments, projects, and functions of SUPL
- All categories of risk, including strategic, operational, financial, compliance, reputational, safety, and environmental
- Employees, contractors, vendors, and partners who contribute to or are impacted by risk-related decisions

3. Policy Statement

SUPL is committed to:

- Integrating risk management into business processes and strategic planning
- Proactively identifying potential risks and mitigating them effectively
- Fostering a risk-aware culture across the organization
- Ensuring compliance with applicable legal and regulatory requirements

4. Definitions

- **Risk:** The effect of uncertainty on business objectives
- **Risk Management:** Coordinated activities to direct and control an organization with regard to risk
- **Risk Appetite:** The level of risk SUPL is willing to accept in pursuit of its goals
- **Residual Risk:** The remaining risk after controls have been applied

5. Risk Management Objectives

SUPL's risk management framework is designed to:

- Safeguard people, assets, and reputation
- Support informed decision-making and resource allocation

- Ensure regulatory and contractual compliance
- Minimize disruptions and enable business continuity
- Enhance stakeholder confidence

6. Risk Categories

SUPL recognizes the following risk categories:

| Category | Examples |
|----------------|--|
| Strategic | Market changes, business model risks |
| Operational | Supply chain issues, project delays, system failures |
| Financial | Credit risk, cost overruns, fraud |
| Compliance | Legal violations, licensing lapses |
| Reputational | Negative publicity, service failures |
| HSE Risks | Safety incidents, environmental damage |
| Cyber/IT Risks | Data breaches, system outages |

7. Risk Management Process

SUPL follows a 5-step process:

1. **Risk Identification** – Through audits, inspections, brainstorming, and incident analysis
2. **Risk Assessment** – Evaluating likelihood and impact
3. **Risk Mitigation** – Developing and implementing controls
4. **Monitoring & Review** – Ongoing tracking and reassessment
5. **Reporting & Communication** – Risk dashboards and escalation procedures

8. Governance Structure

| Role | Responsibilities |
|---------------------------|--|
| Board of Directors | Provide oversight and review risk exposure and mitigation |
| Risk Management Committee | Develop risk strategy, monitor implementation, and review key risks |
| Risk & Compliance Officer | Maintain risk register, lead risk assessments, ensure policy implementation |
| Department Heads | Manage functional risks, implement controls |
| All Employees | Report risks, follow risk mitigation practices, and support a risk-aware culture |

9. Tools & Systems

SUPL may utilize:

- **Risk Registers** at functional and enterprise levels
- **Heat Maps** to visualize risk exposure
- **Internal Controls** mapped to key risk areas
- **Audits & Reviews** to validate effectiveness

10. Escalation & Reporting

- Significant risks must be escalated immediately to the Risk Management Committee
- Regular reporting to the Board shall include top risks, mitigations, and emerging threats

11. Review and Improvement

This policy will be reviewed **annually**, or earlier if:

- There is a major incident, regulatory update, or business transformation
- Audit findings or reviews indicate deficiencies in current processes