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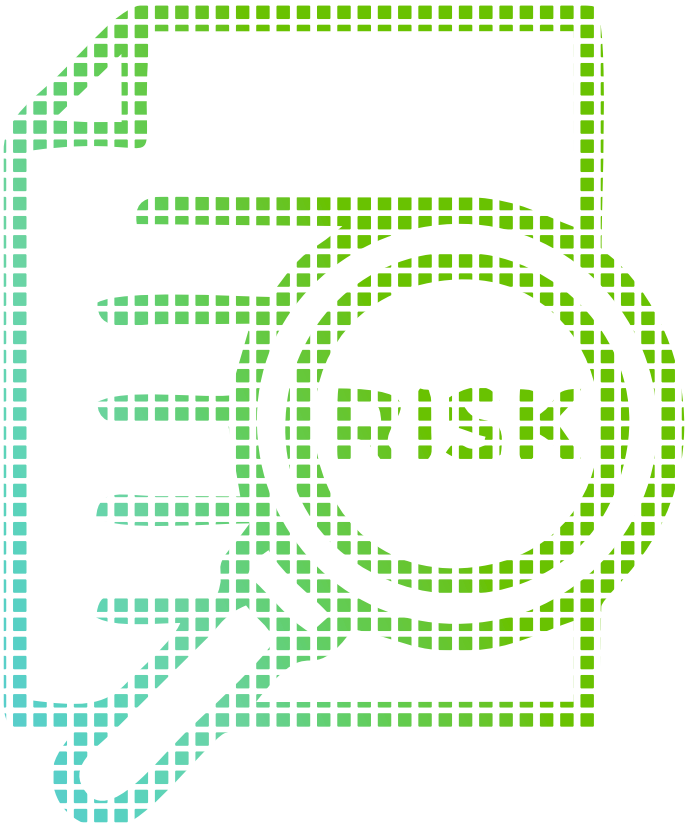

POLICY FOR INTIMATION OF THE BOARD ABOUT RISK ASSESSMENT AND MINIMIZATION PROCEDURES

1. INTRODUCTION

1.1 Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the activities of Waaree Energies Limited (hereinafter referred as the **"Company"**). Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

2. OBJECTIVE OF THE POLICY

2.1 The Company is prone to inherent business risks. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

2.2 This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks (hereinafter referred as **"Policy"**).

2.3 This Policy is approved by the Board in its meeting held on September 17, 2021 and is in line with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation, 2015) which requires the Company to lay down procedures for risk assessment and risk minimization.

2.4 Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

All employees of the company shall be made aware of risks in their respective domains and their mitigation measures.

The risk mitigation measures adopted by the Company shall be effective in the long-term and to the extent possible be embedded in the business processes of the company.

Risk tolerance levels will be regularly reviewed and decided upon depending on the change in the Company's strategy.

3. EFFECTIVE DATE

3.1 This Policy shall be effective from the date of listing of the securities of the Company on the stock exchange(s).

4. DEFINITIONS

4.1 **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, 2015, from time to time.

4.2 **"Board"** means Board of Directors of Waaree Energies Limited.

4.3 **"Company"** means Waaree Energies Limited.

4.4 **"Risk"** is defined as the chance of a future event or situation happening that may have an impact upon company's objective favourably or unfavourably. It is measured in terms of consequence and likelihood.

4.5 **"Risk Management"** encompasses risk assessment plus the evaluation of risks against established tolerances, their treatment and monitoring.

4.6 "Risk Management Committee" or "Committee" is a Committee constituted in accordance with the provisions of Regulation 21 of Listing Regulations and other applicable laws.

5. Risk Appetite

5.1 A critical element of the Company's Risk Management framework is the risk appetite, which is defined as the extent of willingness to take risks in pursuit of the business objectives.

5.2 The key determinants of risk appetite are as follows:

A. Shareholder and investor preferences and expectations;
B. Expected business performance (return on capital);
C. The capital needed to support risk taking;
D. The culture of the organization;
E. Management experience along with risk and control management skills; and
F. Longer term strategic priorities.

5.3 Risk appetite is communicated through the Company's strategic plans. The Board and the management of the Company monitors the risk appetite of the Company relative to the Company's actual results to ensure an appropriate level of risk tolerance throughout the Company.

6. RISK MANAGEMENT FRAMEWORK

6.1 The Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to allow to manage risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

6.2 The Company's approach to risk management is summarized as below:

A. Identification of risks

To ensure key risks are identified, the Company should:

1. define the risks in context of the Company's strategy;
2. documents risk profiles, including a description of the material risks; and
3. regularly reviews and updates the risk profiles.

B. Assessment of risks

The Risk assessment methodology shall include:

1. collection of information;
2. identification of major risks;
3. rating of each risk on the basis of: consequence, exposure, probability;
4. prioritization of risks;
5. function-wise exercise on risk identification, risk rating, control; and
6. function-wise setting the level of responsibility and accountability.

C. Measurement and control

Identified risks are then analyzed and the manner in which the risks are to be managed and controlled are then determined and agreed. The generally accepted options are:

1. accepting the risk (where it is assessed the risk is acceptable and where avoiding the risk presents a greater risk through lost opportunity);
2. managing the risk (through controls and procedures);
3. avoiding the risk (through stopping the activity);
4. transferring the risk (through outsourcing arrangements); and
5. financing the risk (through insurance arrangements).

D. Continuous assessment

1. The Company's Risk Management framework requires continuing cycle of implementing, monitoring, reviewing and managing the risk management processes.

7. RISK PROFILE

7.1 The identification and effective management of risks is critical in achieving strategic and business objectives of the Company. The Company's activities give rise to a broad range of risks which are considered under the following key categories of risk:

A. Strategic Risks

1. Lack of responsiveness to the changing economic or market conditions, including commodity prices and exchange rates, that impact the Company's operations;
2. Ineffective or poor strategy developed; and
3. Ineffective execution of strategy.

B. Financial Risks

1. Financial performance does not meet expectations;
2. Capital is not effectively utilized or managed;
3. Cash flow is inadequate to meet financial obligations;
4. Financial results are incorrectly accounted for or disclosed; and

5. Credit, market and/or tax risk is not understood or managed effectively.

C. Operational Risks

1. Difficulties in commissioning and operating a particular business;
2. Unexpected increase in the costs of the components required to run a business;
3. Adverse market conditions;
4. Failure to meet the expenditure commitments on prospecting/marketing particular business; and
5. Inadequate or failed internal processes, people and systems for running a particular business.

D. Investment Risks

1. Failure to provide expected returns for defined objectives and risk such as underperforming to the stated objectives and/or benchmarks.

E. People's Risk

1. Inability to attract and retain quality people;
2. Inadequate succession planning;
3. Inappropriate work culture and ethics;
4. Inefficient whistle blower mechanism; and
5. Inappropriate policy for woman safety at work place.

F. Legal and Regulatory Risks

1. Legal/commercial rights and obligations are not clearly defined or misunderstood; and
2. Commercial interests not adequately protected by legal agreements.

G. Compliance Risks

1. Non-conformance with or inability to comply with rules, regulations, prescribed practices, internal policies and procedures or ethical standards.

H. Sustainability Risks

climate change, the loss of biodiversity, the disruption of ecosystems, pollution (air, water, soil) and depletion of raw materials.

I. Information technology Risks including Cyber Security Risks

IT risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods.

8. RISK MITIGATION

Mitigating measures have been identified for majority of the perceived risks. There is however always a residual risk attached to any business. The Company has implemented a continuous monitoring mechanism to deal with 7 such risks on an ongoing basis. Details of various initiatives taken towards achieving this objective are as follows:

Strategic Planning

The Company has a strong strategic planning and budgeting process in place supported by budgetary controls at operational level.

Company's management meets periodically for a detailed strategic & operational review of each business segment, taking into account the business environment. These reviews by the top management are held every month and updated to the BOD on a periodic basis.

Communication & Reporting

Members of the core management team review the implementation of these strategies and also ensure that adequate efforts are being made to mitigate the risks perceived.

Actual performance is measured against budgets by the management on a periodic basis. The periodic MIS has been designed to ensure timely dissemination of information and highlight possible risk of non-achievement of business objectives to key management.

Operational Initiatives For Managing Risk

Policies & Procedures – To strengthen internal controls over business processes the Company has designed Policies and Procedures and circulated them across the organisation

Audits & Reviews

Internal Audit reviews are carried out regularly. The observations and recommendations are reviewed and discussed with top management. The implementation status is reviewed regularly.

These observations are also presented to the Audit committee. The Audit Committee also reviews action taken by the management on the observations and recommendations made by the auditors.

9. GOVERNANCE STRUCTURE

9.1 The Company's Risk Management framework is supported by the Board of Directors, the management of the Company and the Audit Committee.

A. Board of Directors

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;
2. Ensure that the appropriate systems for risk management are in place;
3. Participate in major decisions affecting the organization's risk profile;
4. Have an awareness of and continually monitor the management of strategic risks, financial risks, operational risks, investment risks, people's risk, legal and regulatory risks & compliance risks;
5. Be satisfied that processes and controls are in place for managing less significant risks;
6. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly; and
7. Ensure risk management is integrated into board reporting and annual reporting mechanisms.

B. Management

1. The management of the Company is responsible for monitoring and whether appropriate processes and controls are in place to effectively and efficiently manage risk, so that the strategic and business objectives of the Company can be met;
2. To assist the Board in discharging its responsibility in relation to risk management;

3. When considering the Audit Committee's review of financial reports, the Board receives a written statement, signed by the Executive Chairman and the Chief Financial Officer (or equivalents), that the Company's financial reports give atrue and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks;

C. Risk Management Committee

1. The Risk Management Committee shall be responsible for managing, minimizing and monitoring of all the risks including risk related to cyber security as identified by the Board of Directors. The role of the Committee shall include:
   i. laying down procedures to inform Board of Directors about the risk assessment and minimization procedures
   ii. to assist the Board with regard to the identification, evaluation and mitigation of risks and assess management actions to mitigate such risks;
   iii. to evaluate and ensure that the Company has an effective system internal control systems to enable identifying, mitigating and monitoring of the risks related to the business of the Company;
   iv. to review effectiveness of risk management and control system;
   v. to evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner;
   vi. periodic reporting to the Board of non-financial risk management issues and actions taken in such regard;
   vii. to ensure the implementation of the suggestions/remarks/comments, if any, of the Board of Directors on the Risk Management Plan and System;
   viii. performing such other functions as may be assigned by the Board of Directors from time to time

10. REVIEW OF THE POLICY

10.1 The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.The Policy is amended by the Board at its meeting held on November 18th 2024.

11. PUBLICATION OF POLICY

11.1 The key features of the Policy will be published in the annual report of the Company.

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This Policy was approved by the Board of Directors at its meeting held on September 17, 2021 and modified January 30, 2025.

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Website: www.waaree.com | **Mail :** waaree@waaree.com