

RISK MANAGEMENT POLICY

TITLE	Risk Management Policy
VERSION NUMBER	3.0
EFFECTIVE DATE	August 06, 2026
AUTHORISED BY	BOARD OF DIRECTORS
NUMBER OF REVISIONS	2

1. Introduction / Objective:

The Company is committed towards managing risks in line with its stated risk appetite through a systematic framework which identifies, evaluates, mitigates and monitors risks that could potentially have a material impact on the value of the organization or potentially hinder the organization in achieving its stated business objectives and goals.

The policy aims to ensure resilience for sustainable growth and sound Corporate Governance by having an identified process of risk identification and management (in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") as amended from time-to-time.

2. Scope:

The Policy covers the roles and responsibilities of the Board's Risk Management Committee ("RMC") and Risk management function. The Policy sets out the risk strategy and appetite of the Company and its objectives in respect of risk identification, measurement, monitoring and control. The Policy does not detail the Company's processes for the day-to-day management of risks.

3. Applicability:

The policy applies to all functions of the Company. This policy documents the present practices and will continue to capture practices which evolve. The policy is being administered by the RMC. The composition of the Committee will be as per the requirements of the Listing Regulations.

4. Policy:

JSW Holdings Limited follows the Committee of Sponsoring Organizations (COSO) framework of Enterprise Risk Management (ERM) to identify, classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability and ensure resilience such that:

- a) Intended risks, like for investments, are taken prudently so as to manage exposure which can withstand risks affecting investments and remain resilient;
- b) Unintended risks related to operations, compliances and systems are avoided;
- c) Knowable unknown risks in fast changing Volatile, Uncertain, Complex and Ambiguous (VUCA) conditions are managed through timely sensitization of emerging market trends affecting Investee companies;
- d) Adequate provision is made for not knowable unknown risks; and
- e) Overall risk exposure of present and future risks remains within Risk capacity.

5. Process:

All risks including investments are reviewed in the RMC meeting. Risks related to operations, compliances and systems are reviewed in detail by the Audit Committee.

6. Risk Oversight:

The Board shall constitute an RMC which shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices and in identification and management of risks to which the Company is exposed.

The Board shall define the roles and responsibilities of the RMC and may delegate monitoring and reviewing of the risk management plan including cyber security to the RMC and such other functions as it may deem fit. The Committee shall also act as a forum to discuss and manage key strategic and business risks.

7. Composition of Risk Management Committee:

- a) RMC shall have a minimum of three members with a majority of them being members of the Board, including at least one Independent Director.
- b) Senior executives of the Company may be members of the said Committee.
- c) The Chairman of the Committee shall be a member of the Board.

8. Meetings of the Risk Management Committee:

The Risk Management Committee shall meet at least twice in a financial year. 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.

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.

9. Roles and responsibility of Risk Management Committee:

- a) A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
- c) Business continuity plan.

10. Risks, Impact and Response Strategies:

Sr. No.	Type of Risk	Impact	Risk Response Strategies
1.	Adverse market conditions	Reduction in the value of investments in Investee company	Tracking of market trends
2.	Dip in the Investee Company's performance	Reduction in the value of Investments in Investee company	Tracking performances of Investee companies
3.	Operational risks faced by Investee companies like raw material security, manpower, infrastructure and logistics, Finance etc.	Reduction in the value of Investments in Investee company	Tracking performances of Investee companies
4.	Concentration of Investment	Company's investments are in Associate / group companies. Any risk to the group companies can jeopardize Company's investments	Tracking performances of Investee companies

5.	Compliances as Core Investment Company	Any non-compliance can lead to penalties	Regular tracking of changes in regulations and ensuring compliance; Review by Statutory Auditors.
6.	Policies and processes	Non-adherence to policies and processes can affect operations	Ensuring adherence to policies and processes; Review by Internal Auditors.
7.	Loans to group companies	Delay in repayment by borrower can affect liquidity and scope for re-deployment	Track liquidity of borrower companies
8.	Pledge of shares held by company as third party security	Lender may invoke pledge for any delay/non-repayment of secured loan	Tracking performances of pledgee companies, constantly monitoring and ensuring timely release of pledge

11. Approval and Review:

This policy is approved by the Risk Management Committee in accordance with Regulation 21 read with Part D of Schedule II of the Listing Regulations.

Further, the RMC shall review this policy at least once in two years and make necessary changes considering the changing industry dynamics and evolving complexity. Thereafter the Committee shall recommend the same to the Board for its approval.
