BELDING INDIA LIMITED

(FORMERLY KNOWN AS SYNTHIKO FOILS LIMITED)

ENTERPRISE RISK MANAGEMENT POLICY

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1. REGULATORY REFERENCE

(i) The Companies Act, 2013 (including any statutory modifications or amendment thereof);

(ii) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendment thereof);

2. OBJECTIVE:

Risk is inherent to a business and inevitably has an impact on the outcome of strategic decisions. The outcomes are determined by how a business is managed and, in turn they affect the management of business's operations. Risk Management is performing a series of activities designed to minimize this impact.

Enterprise risk is any risk that can have an impact (both negative as well as positive) on the achievement of the business's objectives and targets. The purpose of an Enterprise Risk Management (ERM) policy is to develop processes to minimize the negative impacts of risks and to enhance the positive impacts. This Policy focusses on the negative impacts and does not cover the management of opportunities (the positive aspect of risks). These processes include identifying, analysing, assessing, mitigating, monitoring, preventing, and governing any existing or potential risks. The systematic and proactive identification of risks and their mitigation enable effective and quicker decision-making, enable business continuity, and improve performance.

This document lays down the framework of Risk Management at Belding India Limited (Formerly known as Synthiko Foils Limited) and defines the policy for the same. It seeks to identify risks and provide guidelines to define, measure, report, control and mitigate the identified risks.

3. SCOPE AND EXTENT OF THE POLICY:

This policy covers all activities within or outside the company that have a bearing on the company's existing and future performance. The policy shall operate in conjunction with other business/operating /administrative policies. This policy applies to all functions and units of Belding India Limited (Formerly known as Synthiko Foils Limited).

Materiality of impact shall govern all the provisions of this policy. For that purpose, the impact shall be judged with reference to plans and objectives both, financial and nonfinancial.

It shall be under the authority of the Board of Directors of the Company.

4. ERM GOVERNANCE STRUCTURE:

The Company's Board is responsible for oversight of company-wide management of risk and igniting & maintaining a culture of risk-consciousness within the enterprise. Risk Management Policy will be implemented by Board of Directors or authorized person/committee of the Company.

5. RISK MANAGEMENT COMMITTEE

A Risk Management Committee must be formed if Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), 2015, applies to the company.

Pursuant to **Regulation 21** of SEBI (Listing Obligation and Disclosure requirement), 2015 stated that, The Board shall constitute a committee which shall be named as Risk Management Committee ("the Committee").

The composition of risk management committee shall be: -

The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors.

The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.

The Board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit, such functions shall specifically cover cyber Security.

Provided that the role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in **Part D of Schedule II**.

The provisions of this regulation shall be applicable to:

i. The Top 1000 listed entities determined on the basis of market capitalization as at the end of the immediately preceding financial year; and,

ii. A 'high value debt listed entity'.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

❖ **Roles and Responsibilities of the Committee**

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular 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.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

❖ **Meeting of the Committee and Quorum**

a. The Committee shall meet periodically but at least twice in a Financial year;

b. Not more than Two hundred and Ten days shall elapse between any two consecutive meetings.

c. The quorum for a meeting 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;

d. The CFO of the Company shall present a consolidated report related to risk and measures taken by the Company to the Committee;

❖ **Role of the Board**

The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit, such functions shall specifically cover cyber Security.

6. RISK MANAGEMENT PROCESS:

I. RISK IDENTIFICATION AND CATEGORIZATION:

❖ ***SOME OF THE WAYS THROUGH WHICH NEW RISKS CAN BE IDENTIFIED ARE***:

- Brainstorming within a group of functional/process heads across business units
- Interviews
- Lists of risks found in similar businesses/areas
- SWOT analysis
- Research reports/market intelligence
- Risk papers of consulting firms
- Risk factor disclosures in the annual reports of key business stakeholders
- Crowdsourcing, involving all stakeholders in the Company.
- Reports of not-for-profit global organizations, especially in the ESG field.
- Once risks are identified, they are categorized as one of the following: Existential, Strategic, Financial, Operational or Compliance.

❖ ***RISK CATEGORIZATION***:

Existential Risks:

• These are risks that, if they fructify, could threaten the existence of the company.

Strategic Risks:

• Risks that arise out of strategic plans or failure to take strategic decisions that could impact the result of the organization's objectives.

• Includes risks pertaining to innovation, market dynamics, mergers, acquisitions, divestments, failure to timely close or divest a business, the impact of the natural environment on the company and of the company on the natural environment and corporate governance.

Financial Risks:

• Risks that arise out of uncertainties and fluctuations in the financial environment, thereby impacting the company's financial objectives.

• Includes risks pertaining to liquidity, credit, insurance and accounting & reporting

Operational Risks:

• Risks that are embedded in the company's own operations.

• Includes risks pertaining to project proposals, execution, reputation, post-sales service, supply chain and employees.

Compliance Risks:

• Risks flowing from the legal and regulatory structure.

• Includes risks pertaining to ethics, code of conduct, foreign laws, government regulations and advocacy.

II. RISK ASSESSMENT AND PRIORITIZATION:

• Identified risks are assessed and rated by key process heads/owners and key stakeholders based on Probability (Likelihood of the risk actualizing), Impact (financial/non-financial effect on the company) and Velocity (speed at which the risk exposure can impact the organization).

• The scale for probability, impact, and velocity is from 1 to 5 each, with 1 being 'rare' in probability, 'insignificant' in impact and 'Very Slow' in velocity, and 5 being 'certain' in probability, 'catastrophic' in impact and 'Immediate' in velocity. The table below details the rating scale for probability and impact.

Scale	Impact	Probability	Velocity
1.	Insignificant	Rare	Very Slow
2.	Minor	Unlikely	Slow
3.	Moderate	Possible	Moderate
4.	Major	Likely	Rapid
5.	Catastrophic	Certain	Immediate

• The Risk criticality scores of the risks are compared to establish prioritization (risk with highest risk criticality score is given highest priority). The Risk Management Committee reviews all the identified risks and their scores to ensure no key risk has been under-prioritized.

• Risk is assessed at inherent (gross risk) and net risk (after considering risk mitigation plan) levels.

III. RISK STRATEGY AND MITIGATION PLAN:

• Mitigation strategies are discussed and finalized for each of the risks. Risk mitigation strategies could include risk avoidance, risk transfer, risk reduction, or risk retention.

• The mitigation plans are submitted to the Risk Management Committee/Authorized Person on a quarterly basis by the Risk Council/authorized person.

• Risk mitigation plans have risk owners assigned across all business units to ensure accountability during implementation of mitigation measures. The mitigation plan implementation also forms part of the risk owners' KPIs.

• Progress of mitigation plans vis-à-vis targets also forms part of quarterly reporting to the Risk Management Committee/Board of directors.

IV. RISK MONITORING:

• The Risk Council and Risk owners are responsible for monitoring and escalating any changes in risks including on the three parameters used for their assessment

• The risks and the effectiveness of the mitigation strategies are regularly reviewed by the Risk Management Committee/authorized person and are reported to the Board.

• The following risks should be regularly monitored by the authorized person.

a. BUSINESS CONTINUITY PLAN

A Business Continuity Planning (BCP) involves creating a comprehensive plan to ensure continued operations during disruptions or crises. BCP's are required for risks corresponding to High Impact and High Velocity. They focus on minimizing the impact of various risks, such as natural disasters, supply chain disruptions, or other unforeseen events, on the organization's operations. The goal of a BCP is to minimise downtime, protecting assets, and maintaining stakeholder satisfaction.

b. CYBER SECURITY

A comprehensive cyber security plan for a company involves protecting the organization's diverse range of business units, assets, and data from cyber threats. Keeping in mind that cyber security is an ongoing process that requires continuous adaptation and improvement, there should be regular reviews and updates to the plan.

c. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK

ESG risk, refers to the potential adverse impacts or threats posed by environmental, social and governance (ESG) factors that could affect the organization's financial performance, reputation, and overall sustainability. ESG factors encompass a wide range of issues that can impact a company's operations, strategy, and long-term viability or can, in turn impact its stakeholders.

It is important to address ESG risks using double materiality, i.e., the impact on the business as also by the business because ESG defines the responsibility of the business to its stakeholders. Unlike other risks, this is an outward focused risk process.

By effectively managing ESG risks, the organization can benefit its stakeholders by mitigating its own negative impacts upon them as also providing them business solutions to handle negative environmental impacts that they may be exposed to.

7. RISK REGISTER:

A comprehensive enterprise-wide risk register, with details for each legal entity and for each business segment, will be maintained by the Board of directors or authorised person/committee that will be periodically updated with new risks and updates of existing risks.

8. AMENDMENT TO THIS POLICY

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

9. DISCLAIMER

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the Law, rule, regulation or standard.

This Policy is lastly amended by the Board of Directors at its meeting held on February 12, 2026.

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