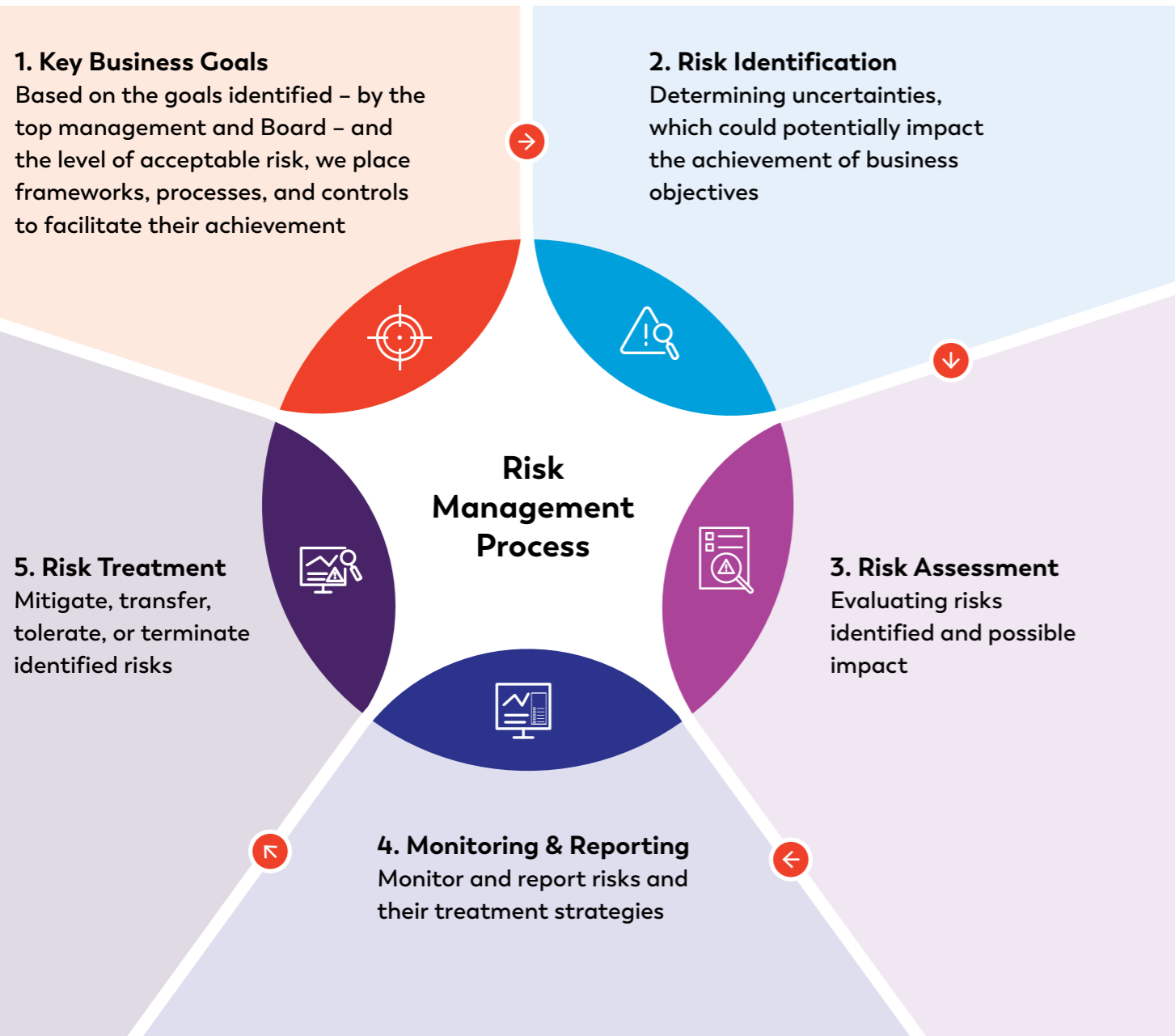




Risk Management

Internal and external risks are inevitable in a dynamic operating environment. To navigate this and stay ahead of the industry, we employ a comprehensive risk management process that allows us to adapt swiftly to unforeseen circumstances and seize the right opportunities. Through continuous monitoring and timely adjustments, we safeguard our operations, assets, and stakeholders' interests.



Risk Management Committee



Mr. T. P. Ostwal
Chairperson



Mr. Inder T. Jaisinghani
Member



Mr. Bharat A. Jaisinghani
Member



Mr. Nikhil R. Jaisinghani
Member



Mr. Gandharv Tongia
Member



Mr. R. S. Sharma
Member



Mr. Bhaskar Sharma
Member

Risk Rating Matrix

- Risk movement:** This refers to the change in the severity of a risk over time, indicating whether the risk is increasing, decreasing, or remaining stable.
- Risk likelihood:** This metric evaluates the probability that a risk event will occur within a specified timeframe.
- Risk impact:** This refers to the extent of damage or effect that an occurrence of a specific risk event would have on an organisation's objectives.
- Risk appetite:** This represents the level of risk that an organization is willing to accept in order to achieve its strategic objectives.
- Risk rating:** Risk likelihood x Risk impact

Risk	Likelihood	Impact	Appetite	Risk Rating
Threats to Information Security	Likely	Moderate	Low	High
Technological Lag and Inadequate Adaptation	Possible	Moderate	Moderate	High
Environment, Social and Governance	Possible	Moderate	Moderate	High
Geopolitical and Social Instability	Likely	Rapid	Moderate	Very High
Succession Planning	Possible	Slow	Moderate	Low
Threat from Competition	Likely	Slow	Low	Low
Foreign Exchange Rate and Commodity Price Fluctuations	Likely	Moderate	Moderate	High
Statutory Compliance Failures	Possible	Moderate	Moderate	High

Least Likely, Lowest Impact

Most Likely, Highest Impact





R1 Operational Risks

<p>I. Threats to Information Security</p> <p>Risk Movement ↑</p> <p>Likelihood Likely</p> <p>Impact Moderate</p> <p>Appetite Low</p>	<p>Risk Description Caused by unauthorised breach of our information network, leading to interruption in the normal functioning of systems – Material</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> • Robust IT security system and policies • State-of-the-art IT assets • Effective software system and servers • Cloud-based applications • Enhanced VAPT and RED teaming for IT infrastructure and Apps • Deployment of role-based access control and log monitoring
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>
<p>II. Technological Lag and Inadequate Adaptation</p> <p>Risk Movement ↔</p> <p>Likelihood Possible</p> <p>Impact Moderate</p> <p>Appetite Moderate</p>	<p>Risk Description Inability to evolve and address digital, channel/ business model innovation, automation, and evolving GTM needs, and keeping pace with market-driven changes ('technology laggards')</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> • Strict monitoring of execution of digital roadmap for both B2B and B2C • Utilisation of latest ERP system • Introduced latest tech to stay ahead of the peers: <ul style="list-style-type: none"> - Migrated both B2B and B2C dealers to a newer portal with better functionalities - Upgraded the Experts Loyalty Program, for retailers and electricians, with advanced features - Launched the Pro+ app for electricians, to aid the business development team in influencer management
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

R1 Operational Risks

<p>III. Environment, Social and Governance</p> <p>Risk Movement ↔</p> <p>Likelihood Possible</p> <p>Impact Moderate</p> <p>Appetite Moderate</p>	<p>Risk Description Risks due to inability to align business objectives with ESG goals – Material</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> • ESG Roadmap and Charter defined • Materiality matrix prepared and internal ESG goals adopted • KPIs/KRAs linked to achievement of ESG goals • External consultant onboarded to guide and drive ESG implementation within the organisation • Various product and site certifications ensure the highest levels of health and safety, such as <ul style="list-style-type: none"> - ISO 9001:2015 - 14001:2015 - OHSAS - UL - BASEC - IEC - 45001:2018 • Increased use of renewable energy, better water and waste management
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

R2 Strategic Risks

<p>I. Geopolitical and Social Instability</p> <p>Risk Movement ↔</p> <p>Likelihood Likely</p> <p>Impact Rapid</p> <p>Appetite Moderate</p>	<p>Risk Description Risks stemming from political and social situations, leading to disturbances within the business environment – Critical</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> • Geographic diversification of manufacturing, supply chain, and market. This ensures that location-specific issues do not bear an extensive impact on operations • Protection against disruption through insurances eg. Industrial All Risk (IAR) etc.
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

<p>Risk Movement</p> <ul style="list-style-type: none"> ↑ Increasing ↓ Decreasing ↔ Stable 	<p>Link to our Capitals</p> <ul style="list-style-type: none"> Financial capital Manufacturing capital Intellectual capital Human capital Social and Relationship capital Natural capital 	<p>Link to our Stakeholders</p> <ul style="list-style-type: none"> Investors Customers Employees Value Chain Partners Communities Environment
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R2 Strategic Risks

<p>II. Succession Planning</p> <p>Risk Movement ↔</p> <p>Likelihood Possible</p> <p>Impact Slow</p> <p>Appetite Moderate</p>	<p>Risk Description Inability to retain human capital, to build high performance team for enabling customer centricity and to have a structured succession planning process – Material</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> Plan and execute infusion of diverse talent at Senior leadership levels to ensure de-risking and enrich leadership capabilities across the board Targeted employer branding approach to enhance employee value proposition for both current and future workforce Skill-set assessment and training of middle and senior management
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>
<p>III. Threat from Competition</p> <p>Risk Movement ↔</p> <p>Likelihood Likely</p> <p>Impact Slow</p> <p>Appetite Low</p>	<p>Risk Description Risk from competition posed by both established players and new entrants, who employ aggressive pricing strategies</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> Strong branding: Partnering with ICC to become the official partner for ICC tournaments Strengthening product portfolio through investment in R&D to stay ahead of the competitor Capturing rapidly growing market segments with superior products Adopting targeted GTM and production innovation strategies B2C Secondary and Tertiary scanning improvement
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

R3 Financial Risks

<p>I. Foreign Exchange Rate and Commodity Price Fluctuations</p> <p>Risk Movement ↑</p> <p>Likelihood Likely</p> <p>Impact Moderate</p> <p>Appetite Moderate</p>	<p>Risk Description Risk related to fluctuating foreign exchange rates and volatility in pricing of input commodities, including metals such as copper and aluminium – Material</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> Risk Management Committee reviews compliance with Board- approved currency and commodity hedging strategy Documented commodity and foreign exchange risk management policy Robust hedging framework which encompasses contracts with embedded derivatives as well as forward contracts Automatic pricing module integrated with ERP Metal advance pricing module for the procurement team
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

R4 Compliance Risks

<p>I. Statutory Compliance Failures</p> <p>Risk Movement ↔</p> <p>Likelihood Possible</p> <p>Impact Moderate</p> <p>Appetite Moderate</p>	<p>Risk Description Risk related to non-compliance with statutory guidelines, including various rules and regulations under different statutes – Material</p>	<p>Mitigation Measure</p> <ul style="list-style-type: none"> Statutory and internal audit by reputed global audit firms Compliance tool and tracker implemented with compliance owner mapped Respective departments are given timely alerts to ensure adherence to regulations
	<p>Capitals Impacted</p>	<p>Stakeholders Impacted</p>

Risk Movement

- ↑ Increasing
- ↓ Decreasing
- ↔ Stable

Link to our Capitals

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social and Relationship capital
- Natural capital

Link to our Stakeholders

- Investors
- Customers
- Employees
- Value Chain Partners
- Communities
- Environment