DHAMPUR SUGAR MILLS LIMITED
RISK MANAGEMENT POLICY

1. **Purpose**

   The purpose of this Risk Management Policy ("Policy") is to articulate the Company's approach to enterprise risk management and to provide a governance framework for the identification, assessment, mitigation, monitoring and reporting of risks that may affect the achievement of the Company's strategic and business objectives. The Policy aims to strengthen governance, support informed decision-making, enhance business resilience and promote sustainable growth.

2. **Scope**

   This Policy applies to all business activities, operations and functions of the Company and shall be followed across all departments and business units.

3. **Statutory Compliance**

   This Policy has been formulated in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. In the event of any inconsistency between this Policy and the applicable law, the provisions of such law shall prevail.

4. **Objectives**

- Provide a structured governance framework for enterprise risk management.
- Facilitate timely identification, assessment and management of material risks.
- Promote informed decision-making and effective internal controls.
- Support compliance with applicable laws and regulations.
- Strengthen business continuity and organisational resilience.
- Protect stakeholder value and support sustainable business growth.

5. **Risk Management Philosophy**

   The Company recognises that effective risk management is integral to achieving its strategic and operational objectives.

   The Company has established and maintains a structured enterprise risk management framework supported by appropriate policies, processes, methodologies, internal controls and reporting mechanisms for the effective identification, assessment, mitigation, monitoring and reporting of risks across its operations. The framework is reviewed periodically to ensure that it remains effective, relevant and aligned with the Company's business objectives and regulatory requirements.

6. **Risk Management Framework**

The Company has established appropriate methodologies, processes, tools and internal controls for the identification, assessment, mitigation, monitoring and reporting of risks. These processes operate on a continuous basis and are periodically reviewed to ensure their continued effectiveness.

- Identify material risks.
- Assess the likelihood and potential impact of identified risks.
- Implement appropriate mitigation measures and internal controls.
- Monitor material risks and the effectiveness of mitigation measures.
- Periodically review the effectiveness of the risk management framework.

7. **Categories of Risks**

- Strategic risks
- Operational risks
- Financial risks
- Compliance and legal risks
- Information technology and cyber security risks
- Environmental, Social and Governance (ESG) risks
- Health, Safety and Environment (HSE) risks
- Any other risks considered material to the Company's operations.

8. **Governance Structure**

Board of Directors

The Board shall have overall oversight of the Company's risk management framework and ensure that an appropriate governance structure for risk management is in place. The Board shall periodically review the adequacy and effectiveness of the risk management framework and provide strategic direction, wherever considered necessary.

Risk Management Committee

The Risk Management Committee shall function in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Committee shall oversee the implementation and effectiveness of the Company's risk management framework; periodically review the Company's risk profile, material and emerging risks and mitigation measures; evaluate the adequacy of the framework; recommend improvements wherever considered necessary; coordinate with other Board Committees, where appropriate; and perform such other functions as may be required under applicable laws and regulations.

Management

Senior Management shall be responsible for the effective implementation and continuous operation of the Company's risk management framework, including identification, assessment, monitoring and mitigation of risks within their respective areas of responsibility, and for ensuring that appropriate internal controls remain effective.

9. Business Continuity and Disaster Management

The Company maintains appropriate Business Continuity and Disaster Management Plans to support continuity of critical business operations and minimise the impact of disruptions arising from natural disasters, industrial accidents, cyber incidents, system failures, pandemics, regulatory changes or other unforeseen events.

- Identify critical business processes and resources.
- Maintain appropriate preventive, response and recovery measures.
- Ensure timely communication and coordination during emergencies.
- Periodically review the adequacy and effectiveness of Business Continuity and Disaster Management Plans.
- Promote organisational resilience through awareness, training and periodic testing, wherever considered necessary.

10. Monitoring

The Company has established processes for continuous monitoring of material risks and the effectiveness of mitigation measures. The Risk Management Committee shall periodically review the Company's risk profile, emerging risks and the adequacy and effectiveness of the risk management framework. Appropriate records relating to risk management activities shall be maintained in accordance with the Company's internal policies and procedures.

11. Review of Policy

This Policy shall be reviewed periodically, or earlier if considered necessary, to ensure its continued relevance, effectiveness and compliance with applicable laws, regulations and business requirements.

12. Amendment

The Board of Directors may amend this Policy from time to time to align it with changes in applicable laws, regulations or the Company's business requirements.

13. Disclosure

This Policy shall be hosted on the Company's website and such disclosures shall be made as may be required under applicable laws and regulations.