ENTERPRISE RISK MANAGEMENT POLICY

Purpose: ERM Policy outlines the risk management principles adopted by the Company to facilitate achievement of business objectives through robust risk-informed business decision-making process and enhanced resiliency towards uncertainties.

Scope: The scope of the ERM Policy covers risks across all levels of the organization, considering the internal and external context of the Company that may further impact the Company's business objectives.

Applicability: This policy is applicable to all employees of HIL across corporate, clusters, all sites and departments. Every HIL employee is expected to adhere to the ERM principles defined in the policy for an effective implementation of the ERM framework.

ERM Policy Principles:

To establish and implement an effective enterprise wide risk management framework, we shall:

- Define the acceptable nature and amount of risk that the Company is willing to take in pursuit of value while maintaining the optimal balance of risk and reward.
- Deploy and sustain an integrated Risk Management framework across the Company to facilitate effective management of the downside of the risks and harnessing the upside of the risks while achieving the business objectives.
- Encourage risk-enabled performance management by implementing the strategic business planning, performance review and critical investment approval process in an integrated manner with the ERM framework across the Company.
- Continually strengthen the coordination between the risk and other assurance providing functions to manage risks in a collaborative and holistic manner.
- Ensure ongoing benchmarking and refresh for completeness and relevance of HIL's risk universe through identification of strategic, preventable and external risks that matter.
- Establish ownership of risk management throughout the Company and develop a robust risk governance mechanism by means of collaborative approach across the Company
- Establish and leverage adequate and efficient channels for continuous communication and reporting of risk information and escalation of critical risks.
- Foster risk aware culture and develop desired skills and competencies in the area of Enterprise Risk Management through continuous ERM trainings, initiatives and communications.
- Encourage technology-enabled effective and efficient, monitoring and reporting of risk profile information across HIL to provide portfolio view of the risks to the management.
- Strengthen Risk Management systems through continuous improvement and benchmarking with applicable regulatory requirements, leading risk management standards (such as ISO 31000 and COSO) and best industry practices.

Responsibility: Managing enterprise-wide risks is a collective responsibility of all the employees of the Company. Under effective guidance and oversight of Board, the Risk Management Committee shall ensure the development and implementation of an effective risk management system across the Company through active support and participation of all the employees, including Risk Champions.

19th April, 2021

Mr. Satish Pai
Managing Director