SKF INDIA (INDUSTRIAL) LIMITED

RISK MANAGEMENT POLICY

(Reviewed and approved by the Board of Directors in their meeting held on 3rd February 2026)

1. PURPOSE

This document lays down the framework of Risk Management at SKF India (Industrial) Limited hereinafter referred to as the 'Company') and defines the policy for the same. It seeks to identify risks inherent in any business operations of the Company and lays down the various mitigation methods which are periodically reviewed and modified in a manner commensurate with the size and complexity of the business.

The Risk Management Policy has been framed pursuant to the provisions of the Companies Act, 2013 ('the Act') read with applicable rules, if any and the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [including amendments thereof, from time to time].

2. OBJECTIVES OF THE POLICY

The objectives of Risk Management Policy inter-alia include:

a) To assess risks to the achievement of key business objectives by identifying internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risk or any other risks as may be determined by the Committee from time to time.
b) To ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.
c) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
d) To identify & implement measures for risk mitigation including systems and processes for internal control of identified risks.
e) To develop & implement Business Continuity Plan.
f) Any other matter related to the above and the growth of the Company in the domain of risk management.
An enterprise-wide risk management framework is applied in a manner such that the effective management of risks at different levels and different functions is an integral part of every employee's job.

3. STRUCTURE

a) The Risk management policy will be channelized through a Risk Management Committee ("the Committee") which shall be responsible for strategizing the policy and provide periodic feedback to the Board towards the implementation of the Risk Management Policy.
b) For fulfilling its responsibilities besides the ones noted above, the Committee will keep insight on the requirements of sound corporate governance and review periodic reports from identified full time

executives in relevant areas identified from time to time.

c) The Committee shall be constituted by the Board as per the requirement of the law and the Board shall re-constitute the Committee as and when required.

d) The Committee will have the oversight of the Risk management delivery framework of the Company.

4. TERMS OF REFERENCE / ROLES AND RESPONSIBILITIES

The Risk Management Committee shall meet at such frequency as required under the law. The Quorum for the meeting of the Committee shall be a minimum of two members or one-third of the Members of the Committee, whichever is higher, including at least one member of the Board.

a) The Risk Management Committee to periodically assess risks involved in effective execution of business strategy and review key leading indicators in this regard;

b) Oversee implementation of policy & evaluate adequacy of risk management systems;

c) Review/ give recommendation to the Board about framing, implementing and monitoring of the risk management plan, if any of the Company;

d) The Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner;

e) The Committee may form and delegate authority to sub-committees when appropriate. It can coordinate activities with other committees (including Audit Committee) in case of any overlaps;

f) The Committee shall review and reassess the adequacy of this Policy once in every two (2) years and recommend any proposed changes to the Board for approval;

g) The Committee may inform the Board about the nature and content of its discussions, recommendations and actions to be taken;

h) Review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

i) The Committee can seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

j) The Committee will be responsible for such other items as may be prescribed by the applicable laws or the Board in compliance with applicable laws;

5. RISK IDENTIFICATION

In order to identity and assess material business/ operational risks (both internal & external), the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company majorly focuses on the following types of risks:

- Business / Competition / Pricing Risk
- Technological Risk
- Foreign Exchange Risk
- Operational Risk

- Quality / Control Risk
- Finance Risk
- Human Resource/ IR Risk
- Legal/ Regulatory/ Compliance Risk
- Economic/ Environmental Risk
- Cyber/ Data Security / IT Risk

6. MEASURES FOR RISK MITIGATION

- Involve all functions in the overall risk identification and mitigation exercise
- The Committee shall have access to all information necessary to fulfill its responsibilities. It has the 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;
- The Committee may in its judgment periodically commission risk management analysis of the Company;
- The Board will review the risk Management status of the Company, based on the recommendations of the Committee at least once in a year;
- Adequate disclosures pertaining to the risks (including commodity risks) being faced by the Company, may be made as per the materiality criteria defined in the 'Policy for determination of materiality for disclosure of events or information' of the Company.

7. BUSINESS CONTINUITY PLAN

A Business Continuity Plan (BCP) is a document that outlines how a business will continue operating during an unplanned disruption in service. It's more comprehensive plan than a disaster recovery plan and contain contingencies for business processes, assets, human resources, and business partners- every aspect of the business that might be affected.

The plan ensures that personnel and assets are protected and are able to function quickly in the event of a disaster. The Business Continuity Plan must contain key applications and processes for continuous operations and Disaster recovery.

8. RISK TOLERANCE

The Company's risk tolerance is defined as the amount of risk the Company is willing to accept in pursuit of its objectives. The risk tolerance level will be determined by the Board and reviewed periodically.

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