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# **UPL Enterprise Risk Management Policy**

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## **UPL Enterprise Risk Management**

### **1. Introduction:**

ERM Policy stipulates the general risk management principles to communicate the management's expectations in relation to risk management practices across UPL.

### **2. Purpose:**

ERM Policy establishes a common, organization wide understanding of ERM across UPL and highlight desired actions and behaviours from key stakeholders by defining key ERM principles to be adhered by all the employee across UPL.

### **3. Scope:**

ERM Policy covers risks across businesses, all functions and geographies, that are faced by the Company, considering the continuously evolving business context that may further impact the Company's business objectives if not managed proactively and effectively.

### **4. Applicability:**

This policy is applicable to all entities of UPL.

### **5. Enterprise Risk Management (ERM):**

ERM is a structured ongoing process to identify, assess, prioritize, mitigate, monitor, review and report the risks that an organization faces in pursuit of achieving its business objectives. ERM should facilitate the process of managing key risks within Company's overall risk appetite, to provide reasonable assurance regarding the achievement of company's objective.

### **6. Policy Statement:**

UPL is committed to build and encourage risk aware culture across the company for creating and protecting the stakeholder's value.

### **7. Principles of ERM Policy:**

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

- Encourage risk aware culture through continuous ERM trainings, initiatives and communications
- Define the acceptable nature and amount of risks that UPL is willing to bear within its overall Risk Appetite. Integrate risk strategy with business strategy to proactively mitigate emerging risks and enhance enterprise resilience.



- Ensure strategic business planning, performance review and critical projects and investments are implemented in a risk informed manner
- Establish clear roles and responsibilities of all the stakeholders across UPL.
- Ensure risks are managed in a comprehensive, methodical, and transparent way, using a common set of definitions and risk assessment matrices.
- Establish and leverage adequate channels for continuous communication and reporting of risks across UPL
- Encourage technology-enabled effective and efficient, monitoring and reporting of risk profile information across UPL
- Continuously improve ERM framework by benchmarking it with the regulatory requirements, leading risk management standards (such as ISO:31000 and COSO 2017) and best industry practices

## **8. Responsibility:**

Managing enterprise-wide risks is a collective responsibility of all the UPL employees. Under effective guidance and oversight of Board, the Risk Management Committee shall:

- i. Ensure the development and implementation of an effective risk management framework across the Company through active support and participation of all the employees, including Risk Champions.
- ii. Developed ERM framework shall assist organization to identify and manage internal and external risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- iii. Maintain an oversight to ensure management has defined adequate measures for risk mitigation including systems and processes for internal control of identified risks.
- iv. Ensure Business Continuity Plan (BCPs) is developed by the management. Maintain an oversight through periodic review and refresh of BCPs.

## **9. Review and approval:**

The Risk Management Policy shall be reviewed for annually, or whenever there is a significant change in UPL's business context.

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