

RISK MANAGEMENT POLICY

INTRODUCTION

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and the rules thereunder, each as amended and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, the Board of Directors of a company is responsible for framing, implementing and monitoring a risk management plan for the company.

Regulation 17(9) (a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) inter alia, mandates laying down the procedures for risk assessment and minimization. Further Regulation 17(9)(b) of the SEBI Listing Regulations, provides the Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan for the company.

Regulations 21(4) further provides that the board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security]. It further states that role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in Part D of Schedule II.

Risk is pertinent to virtually all business activities through the varying degree and forms. It is the constant endeavor of the company to identify access, prioritize and manage existing as well as emerging risks in a planned and cohesive manner. The Company recognizes that risk management is an integral part of good management practice. Risk management is an essential element in achieving business goals and deriving benefits from market opportunities. The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives. The Company will keep investors informed of material changes to the Company’s risk profile through periodic reporting obligations.

This risk management policy (hereinafter referred to as “**Policy**”) adopted by the board of directors of the Company (hereinafter referred to as “**Board**”) pursuant to a resolution dated December 09, 2025 sets out the risk management guidelines of the Company. This Policy is intended to assist the Company to establish a sound system of risk oversight and management and internal control that will effectively:

- (a) identify, assess, monitor and manage risk which may threaten the existence of the Company; and
- (b) inform investors of material changes to the Company’s risk profile.

The Board and the senior management of the Company will take a pro-active approach to risk management, ensuring that a Company-wide system is in place which addresses all

material internal and external risk factors facing the Company, which include:

- (a) financial;
- (b) legal and regulatory;
- (c) operating; and
- (d) commercial risks, including health, safety and environment.

PHILOSOPHY

Risk Management is integral to G. Surgiwear Limited's strategy and to the achievement of the Company's long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities created by our business and the markets, we operate in. In doing this the Company takes an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board's agenda.

The Company defines risks as actions or events that have the potential to impact our ability to achieve our objectives. The Company identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy, if it does not strengthen brand equities or grow in growing channels. The Company's Risk Management approach is embedded in the normal course of business.

TYPES OF RISK

The risks have been classified as follows. However, this list is only indicative and not exhaustive.

1. Operational Risk: Adverse market conditions, process bottlenecks.
2. Financial Risk: Liquidity, credit, currency fluctuation.
3. Strategic Risk: Competition, lack of responsiveness to changing economic or market conditions, Mergers & Acquisitions.
4. Compliance & Regulatory Risk: Non-compliance to statutes, change of regulations.
5. Legal Risk: Intellectual property infringement, inadequate protection of commercial interests by legal agreements.
6. Human Resources (People Risk): Health & safety, high attrition rate, inadequate succession planning.
7. Reputational Risk: Brand impairment, irresponsible data management/ data breach of sensitive data.
8. Other risks: Such as inadequate IT infrastructure, cyber security, potential risk arising from the geo-political or economic situations, ESG (Environmental, Social & Governance) and climate related or any such risk as may be identified by the Management, Board of Directors, the Audit Committee and Risk Management Committee of the Company from time to time.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

1. Pursuant to Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has constituted the “Risk Management Committee” and it is in line with the requirements of the Listing Regulations.
2. The Risk Management Committee shall consist of at least three members, the majority of whom shall be directors, including at least one independent director. In the case of a listed entity with outstanding Superior Voting Rights equity shares, at least two-thirds of the Committee shall comprise independent directors.
3. The Chairperson of the Committee shall be a member of the Board of Directors. Senior executives of the listed entity may be appointed as members of the Committee.
4. The Committee shall meet at least twice in a year.
5. The quorum for a meeting shall be two members or one-third of the Committee, whichever is higher, and shall include at least one director.
6. Not more than one hundred and eighty days shall elapse between any two consecutive meetings.
7. This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together. The terms of reference of the Risk Management Committee are as follows:
 - review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
 - review of operational risks;
 - review of financial and reporting risks;
 - review of compliance risks;
 - review or discuss the Company’s risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
 - review the extent to which management has established effective enterprise risk management at the Company;
 - inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company’s most significant enterprise-wide risk exposures;
 - review the Company’s portfolio of risk and consider it against it’s risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
 - review periodically key risk indicators and management response thereto.
8. The Risk Management Committee shall have 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

RISK MANAGEMENT FRAMEWORK

The Board is responsible for establishing and implementing a system for identifying, assessing, monitoring and managing material risk throughout the Company.

At present, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices. Regular consideration is given to all these matters by the Board. The Company has in place an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk. The framework can be described under the following headings:

- Continuous Disclosure/ Financial Reporting
- Operations Review
- Investment Appraisal

RISK EVALUATION

Risk Evaluation is analyzed by determining consequences and their likelihood, and other attributes of the risk. An event can have multiple consequences and can affect multiple objectives. Existing controls and their effectiveness and efficiency should also be taken into account. It includes the determination of the impact, if the risk occurs, on the business / likelihood of the risk occurrence. All identified risks shall be evaluated periodically by KMP/Senior Management led by Managing Director & Chief executive officer. Based on evaluation, each of the risks can be categorized as - low, medium and high.

RISK MITIGATION

Risk needs to be prioritized in the process of analysis and evaluation for their mitigation based on probability, impact and severity. Further, risk proximity (i.e. time window when the risks can surface), complexity of the mitigation plan and funding required are factors that can be considered for prioritizing the mitigation action. Accordingly, the risk can be avoided, reduced, transferred or shared by the Company as follows:

- i. Risk Avoidance: The situation which gives rise to the risk can be avoided by excluding the activities or conditions that gives rise to risk. This approach is recommended for the risks with high severity.
- ii. Risk Reduction: For the risks which cannot be avoided, measures to reduce either the impact of risk or probability of occurrence can be deployed.
- iii. Risk Transfer: Transfer of the total or partial risk to third party, e.g. client, third party vendor, sub-contractor, insurance company, etc.
- iv. Risk Acceptance: The risks with low severity may be accepted in cases where the cost of risk mitigation would be more than the risk exposure.

GOVERNANCE STRUCTURE

The Company's Risk Management Framework is supported by the Board of Directors, Management, Audit Committee, Internal, Statutory and Secretarial & Compliance Audit.

Board of Directors

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;
- Ensure that the appropriate systems for risk management are in place;
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks, financial risks, operational risks, investment risks, people's risk, legal and regulatory risks & compliance risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms.

Management

- Management is responsible for monitoring and whether appropriate processes and controls are in place to effectively and efficiently manage risk, so that the strategic and business objectives of the Company can be met;
- To assist the Board in discharging its responsibility in relation to risk management;
- When considering the Audit Committee's review of financial reports, the Board receives a written statement, signed by the Managing Director and Chief Financial Officer (or equivalents), that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks;
- The Committee is also responsible for monitoring overall compliance with laws and regulations.
- Reporting to the Board of Directors consolidated risks and mitigation strategies on a half yearly basis.

Audit Committee

- The Committee is delegated with responsibilities in relation to risk management and the

financial reporting process of the Company;

Internal, Statutory and Secretarial & Compliance Audit

- The Internal, Statutory and Secretarial & Compliance Audit of the Company is expected to play a greater role in Risk Identification and Risk Mitigation exercise of the Company and to play an important role in Risk Management strategy of the Company.

INTIMATION TO THE BOARD ABOUT RISK ASSESSMENT AND MINIMIZATION PROCEDURES

1. The Risk Management Committee shall on a quarterly basis, submit a report to the Board of Directors setting out details of risks identified, impact of such risks on the Company and its stakeholders, measures taken by the Risk Management Committee to mitigate and manage the risks and outlook for the coming quarter.
2. The Risk Management Committee shall periodically liaise with internal auditor and the audit committee with respect to any financial risks identified.

REVIEW OF THE POLICY

The Board of Directors of the Company and the Risk Management Committee shall periodically review the risk management policy of the Company least once in two years, including by considering the changing industry dynamics and evolving complexity so that management controls the risk through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and the Audit Committee. The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this policy in part or full as may be thought fit from time to time in their absolute discretion.

ASSESSMENT OF EFFECTIVENESS

The Audit Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework and the risk management systems and shall report its assessment to the Board.

DISCLOSURE

The approved Policy shall be uploaded on the Company's website.
