



Quality

ENVIRO ENGINEERS LTD.

(Formerly known as Quality Enviro Engineers (P) Limited)

An ISO 9001 : 2015 Certified Company

Mfr. Importer & Supplier of: Waste Handling & Air Pollution Equipments



Regd. office : S-2, Dada Market, Sahibabad
Railway Station Road-II, Sahibabad,
Ghaziabad, Uttar Pradesh, India, 201005



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www.qualityenviroengineers.com
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CIN NO. U29190UP2016PLC082974

RISK MANAGEMENT POLICY

QUALITY ENVIRO ENGINEERS LIMITED

(Formerly Known as Quality Enviro Engineers Private Limited)

1. 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) Regulations, 2015, as amended (to the extent applicable), the Board of Directors of a company is responsible for framing, implementing and monitoring a risk management plan of the Company.

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 September 26, 2026 sets out the risk management guidelines of the Company. This Policy is intended to assist the Company to establish around system of risk oversight and management and internal control that will effectively:

- identify, assess, monitor and manage risk which may threaten the existence of the Company;
and
- 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

- financial;
- legal and regulatory;
- operating; and



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d. commercial risks, including health, safety and environment.

Our management regularly endeavors to focus on their identification and impact mitigation through 'avoid'/'reduce' approach that includes measures like business continuity plan/ disaster recovery management plan / specific loss insurance / policy advocacy etc.

2. PHILOSOPHY

Risk Management is integral to Quality Enviro Engineers Limited 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.

3. TYPES OF RISK

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

- a. Operational Risk: Adverse market conditions, process bottlenecks.
- b. Financial Risk: Liquidity, credit, currency fluctuation.
- c. Business Risk: Project viability, process risk, technology obsolescence/ changes, development of alternative products.
- d. Strategic Risk: Competition, lack of responsiveness to changing economic or market conditions, Mergers & Acquisitions.
- e. Compliance & Regulatory Risk: Non-compliance to statutes, change of regulations.
- f. Legal Risk: Intellectual property infringement, inadequate protection of commercial interests by legal agreements.
- g. Human Resources (People Risk): Health & safety, high attrition rate, inadequate succession planning.
- h. Reputational Risk: Brand impairment, irresponsible data management/ data breach of sensitive data.



- i. 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 of the Company from time to time.

4. 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

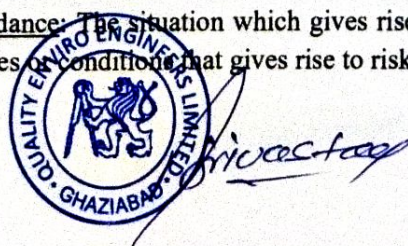
5. RISK EVALUATION

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 Chairman & Managing Director. Based on evaluation, each of the risks can be categorized as - low, medium and high.

6. 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 of 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.

7. 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;





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- 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;
- 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; and
- The Committee is responsible for evaluation of internal financial controls and risk management systems.

Internal, Statutory and Secretarial & Compliance Audit

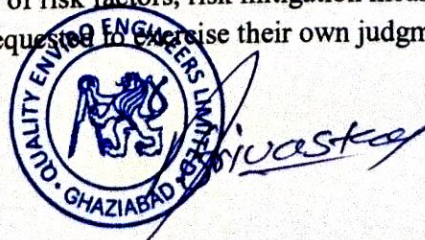
- The Internal, Statutory and Secretarial & Compliance Audit of the Company is expected to play a greater role in Risk Identification and Risk Mitigation exercise of the Company and to play an important role in Risk Management strategy of the Company.

8. BUSINESS CONTINUITY PLAN

- Business Continuity Plan (BCP) is a step-by-step guide to follow response to a natural or man-made crisis or any other incident that negatively affects the Company's key processes or service delivery. The objective of the Business Continuity Plan is to support the business process recovery in the event of a disruption or crisis. This can include short or long-term crisis or other disruptions, such as fire, flood, earthquake, explosion, terrorism, tornadoes, extended power interruptions, hazardous chemical spills, Epidemic and Pandemic and other natural or man-made disasters.

9. DISCLAIMER CLAUSE

The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated



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with the Company.

10. REVIEW OF THE POLICY

The Board of Directors of the Company shall periodically review the risk management policy of the Company at 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.

11. 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.

12. DISCLOSURE

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



Ashwani Srivastava
Ashwani Srivastava

(Chairman & Managing Director)

DIN: 07384826

Add: 975, Sector-3, Vasundhra
Ghaziabad, Uttar Pradesh, 201012

Date: September 26, 2026

Place: Ghaziabad

