



# **Anzen India Energy Yield Plus Trust ("Anzen Trust")**

**Risk Policy**

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## Risk Policy

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<b>Policy Effective Date</b>	
<b>Policy Reference</b>	
<b>Policy Owner</b>	
<b>Approved by</b>	

## 1. Introduction

The objective of the Risk Policy (the “Policy”) is to provide guidance regarding the management of risk to support the achievement of business objectives. The Policy also enables a proactive approach in identifying, evaluating, reporting, and managing risks associated with the business.

The Policy also addresses the requirements of regulation 26G of the InvIT Regulations, read with Regulation 17 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). The policy is framed by Edelweiss Real Assets Managers Limited (ERAML), the “Investment Manager” (IM) of the trust.

## 2. Applicability

This Policy is applicable to Anzen India Energy Yield Plus Trust (“Anzen Trust” or the “Trust”) from the date of issue and to existing and future portfolio assets acquired by the Trust, as adopted by them from time to time.

## 3. Risk Management Philosophy

The Trust’s philosophy is that the Risk Management is an “individual responsibility” and “collective responsibility”, and each employee / entity should believe in identifying; and owning the risk, with the end objective of achieving stable and sustainable growth.

## 4. Governance and Oversight Structure

To support effective implementation of this Policy, the Trust has identified key internal stakeholders, defined their roles & responsibilities, and set out a clear process for reporting and escalation. The structure adopted by the Trust is captured below:



## 5. Enterprise Risk Management Framework

The Trust has developed a detailed Enterprise Risk Management Framework (the “ERM Framework or the “Framework”) to enable the risk owners for effective adoption and implementation of this Policy. The Framework can be represented in a systematic 5-step process:

<b>Risk Identification</b>	<ul style="list-style-type: none"><li>• Risk identification is the mechanism of identifying exposure to uncertainty across the business. This involves identifying those events, occurring internally or externally, that could affect achievement of the objectives</li></ul>
<b>Risk Assessment and Evaluation</b>	<ul style="list-style-type: none"><li>• Involves quantification of the impact of risks to determine potential severity and probability of occurrence, measures the relative importance of each risk and enables decision making and allocation of resources in line with organisational priorities</li></ul>
<b>Risk Treatment</b>	<ul style="list-style-type: none"><li>• Determine actions to mitigate risks, select one or more options for managing risks, assign accountabilities for implementing such actions and determine monitoring activities and metrics</li></ul>
<b>Risk Recording</b>	<ul style="list-style-type: none"><li>• Recording of risks in a risk register across all risk categories are captured, along with risk mitigation plans</li></ul>
<b>Risk Monitoring and Reporting</b>	<ul style="list-style-type: none"><li>• Aggregate risk information and share with stakeholders as per governance structure</li></ul>

## 6. Integrating risk into business

Successfully embedding risk management into governance and working practices is vital to the overall effectiveness of the Policy. It requires to consider actively the ways in which one acts, behaves, and articulates risk to ensure that risk management becomes a core element of the culture.

A strong risk culture evolves to accommodate the structures, responsibilities and processes described in this Policy so that the risks identified do not result in a financial or reputational loss to the entities covered by this Policy.

## 7. Key roles and responsibilities

- **Board of Directors (Board)** - The Board shall constitute and define the roles and responsibilities of the Risk Management Committee. The Board may delegate monitoring and reviewing of the risk management plan to the Risk Management Committee and such other functions as it may deem fit.
- **Risk Management Committee (“RMC”)** - The RMC constituted by the Board shall assist the Board in:
  - Formulating the Risk Policy.
  - Ensuring appropriate methodologies and processes to monitor and oversee implementation of this Policy.
  - Evaluating the adequacy of risk management systems and evaluate risks associated with the business of the entities covered by this policy as per the Framework laid down by the Board of Directors.
- **Enterprise Risk Council (“ERC”)** - The council may include representatives / nominees of the Investment Manager, Project Manager and Sponsor (“Sekura Energy Private Limited”), as recommended from time to time. The ERC shall assist the RMC in:
  - Oversight for implementation of the Policy and the Framework.
  - Arrive at top priority risks to be escalated to Board or RMC at least once in six months.
- **Chief Risk Officer (CRO) or Risk Coordinator(s)** - The CRO or Risk Coordinator(s) will be appointed by RMC or ERC respectively. The CRO or the Risk Coordinator (s) will:
  - Work closely with ERC and ensure effective implementation of Risk Policy / Framework.

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- Be the primary point of contact for the Risk Owners.
- Facilitate in effective adoption of Risk Policy and/or ERM Framework and the reporting of risks to ERC / RMC.
- **Risk Owner** - Risk Owner has the accountability and responsibility to manage a risk and manage impact of residual risks and take appropriate measures to monitor and control the same.

### 8. Policy review, approval and revision

The Policy or any changes to the Policy shall be approved by the RMC. This Policy shall be effective from the date of such approval.

The Policy shall be reviewed at least once every two years by the RMC unless any changes in laws make the provisions of the Policy inconsistent with the applicable law. In such a scenario, the provisions of applicable law shall prevail over the Policy.