PI INDUSTRIES LIMITED

TERMS OF REFERENCE: RISK MANAGEMENT AND ESG COMMITTEE

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1. Purpose and mandate

The Risk Management and ESG Committee ("Committee") is constituted by the Board of Directors ("Board") to assist the Board in discharging its oversight responsibilities with respect to:

- The Company's enterprise-wide risk management framework, including strategic, operational, financial, regulatory, cyber and sustainability-related risks; and
- The Company's Environmental, Social and Governance (ESG) strategy, performance and disclosures, in alignment with long-term value creation, stakeholder expectations and applicable regulatory requirements.

The Committee shall operate within the Company's overall governance framework and provide oversight and guidance to management level forums, including the Sustainability Council, and shall not duplicate the responsibilities of the Board or any other Board Committees.

2. Constitution and composition

2.1 The Board shall constitute the Committee from among its members and shall review the composition of the Committee every two (2) years. The Committee shall comprise a minimum of three (3) members, including an Independent Director.

2.2 The chairperson of the Committee ("Chairperson") shall be appointed by the Board and must be a member of the Board, preferably the Managing Director.

2.3 The Committee may invite CXOs and department head(s) as may be deemed necessary by the Committee to attend any meeting of the Committee, as special invitees.

2.4 The Committee will be supported and facilitated by the Chief Risk Officer ('CRO'), if appointed and Head of Sustainability & CSR of the Company in discharging its duties and functions.

3. Meetings and quorum

3.1 The Committee shall meet at least twice in a financial year, or more frequently as deemed necessary.

3.2. Notice of each meeting setting out the date, time, venue and agenda shall be sent to each member of the Committee at least seven (7) days prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed.

3.3 The quorum for meetings shall comprise two (2) members or one third of the members of the Committee, whichever is higher, but there should be a minimum of one independent director, as required under listing regulations.

3.3 The Company Secretary shall act as Secretary to the Committee and maintain minutes of the proceedings in consultation with Chief Risk Officer, if appointed and Head Sustainability & CSR.

4. Role and Responsibilities of Committee:

a) To formulate a detailed risk management policy which shall include:

i. A framework for identification of internal and external risks specifically faced by the listed entity and its affiliates, including financial, operational, sectoral, sustainability (particularly, Environment Social Governance related risks), information, cyber security risks, cyber security governance, IT security or any other risk as may be determined by the committee.

ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

iii. Business continuity plan.

iv. Documented roles and responsibilities of business heads and Chief Risk Officer, if appointed.

b) To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the company.

c) To monitor and oversee implementation of the risk management policy including evaluation of the adequacy of risk management systems.

d) To periodical review the risk management policy, at least once in two (2) years, including by considering the changing industry dynamics and evolving complexity.

e) To keep the Board informed about the nature and content of its discussions, recommendations, and actions to be taken.

f) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the committee.

g) Support the Board through periodic review of ESG trends, risks and opportunities relevant to the execution of the approved ESG strategy and monitor implementation of the ESG strategy and progress against Board-approved targets.

h) Oversee initiatives to improve the Company's ESG performance, including but not limited to:
    i. Climate related issues including Climate Strategy, Climate Risks and Opportunities, etc.
    ii. Biodiversity-related risks and impact
    iii. Supplier ESG program including sustainable supply chain management
    iv. Human rights, labor standards, health and safety, and employee well-being
    v. Diversity and inclusion initiatives
    vi. Materiality Assessments
    vii. Ethical standards and anti-corruption measures, etc.

i) **A. Environmental Oversight**

- Monitor compliance with environmental laws, permits, and industry standards, including chemical safety, emissions, effluents, waste, and biodiversity protection.

- Review policies and track progress on targets related to climate (Scope 1,2 and 3 emissions), energy efficiency, water stewardship, waste minimization, circularity, packaging, and sustainable sourcing of raw materials.

- Oversee product stewardship: active ingredient hazard/risk assessments, Responsible Care/Responsible Production practices, labeling, safe storage/transport, and end-user safety training.

j) **B. Social Oversight**

- Ensure adherence to human rights, labor standards, DEI, fair wages, and freedom of association across operations and supply chain.

- Review occupational health & safety performance, process safety management, and contractor safety, with focus on manufacturing sites and field operations.

- Oversee community engagement, grievance mechanisms, farmer education/outreach on responsible product use, and product access/affordability programs.

- Monitor customer safety, adverse event reporting, and stewardship communications.

k) **C. Governance Oversight**

- Integrate ESG risks into the enterprise risk management framework (including climate, water scarcity, regulatory changes, supply chain, product liability, and reputation).

- Ensure transparent, accurate ESG disclosures in annual report, sustainability report, regulatory reports and jurisdictional requirements.

- Oversee anti-corruption, anti-bribery, competition law, data privacy, and whistleblower mechanisms relevant to ESG matters.

- Review Board and management ESG roles, training, and accountability

The Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the Board.

5. Authority

The Committee shall have authority to:

- Review and provide guidance on recommendations submitted by management councils on risk management and ESG matters
- seek information from any employee of the Company and call for any information, documents, records from any officers of the company to ascertain the adherence to the policies, procedures and standards;
- obtain external legal, technical or professional advice from auditors or lawyers or experts, retain services of external consultants for redressing issues relating to and arising from risk management framework as it may deem appropriate;
- secure attendance of external experts, as it may consider necessary for the discharge of its responsibilities;
- approve ESG Strategy outlining long-term commitments and targets related to environment, social and governance KPIs; and
- Approving additional resources related to ESG.

6. Reporting to the Board

The Committee shall periodically report to the Board on:

- key enterprise risks and mitigation status;
- significant ESG developments, performance and disclosures; and

- recommendations requiring Board consideration or approval.
- ESG performance, risks, incidents, and opportunities

7. Review of Terms of Reference

The Committee shall review these Terms of Reference every Two Years and recommend changes to the Board, as required, to ensure continued relevance and regulatory alignment.

SECTION A : RISK MANAGEMENT – TERMS OF REFERENCE

A1. Enterprise Risk Management (ERM) framework

The Committee shall:

- oversee the Enterprise Risk Management framework of the Company and recommend the same to the Board for approval;
- review the adequacy and effectiveness of risk identification, assessment, monitoring and mitigation processes; and
- periodically review the Risk Management Policy, including methodology, governance structure and escalation mechanisms.

A2. Risk identification, assessment and mitigation

The Committee shall assist the Board in overseeing risks including, but not limited to:

- strategic and business risks;
- operational and manufacturing risks (including process safety);
- financial and treasury risks;
- legal, regulatory and compliance risks;
- cyber security and information security risks; and
- ESG-related risks, including climate, water, supply-chain, health & safety, product stewardship and reputational risks.

The Committee shall review the top enterprise risks, emerging risks, and management′s mitigation plans, including residual risk assessment.

A3. Risk appetite and reporting

- Review and recommend to the Board the Company′s risk appetite / tolerance, where applicable.
- Review periodic risk dashboards, key risk indicators and incident reports.
- Ensure timely reporting of material risks to the Board.

A4. Risk leadership and coordination

- Review the role, structure and resourcing of the risk management function.
- Coordinate with other Board Committees to ensure clear delineation of responsibilities and avoid duplication, particularly with the Audit Committee and Nomination & Remuneration Committee.

SECTION B : ESG – TERMS OF REFERENCE

B1. ESG strategy and governance

The Committee shall:

- Review and recommend to the Board the Company's ESG and sustainability strategy, including long-term priorities, commitments and targets proposed by the Sustainability Council
- oversee the ESG governance framework, including the structure, mandate and effectiveness of the Sustainability Council, which is responsible for the development, implementation and monitoring of ESG initiatives and recommend enhancements where appropriate; and
- Review the outcomes of ESG materiality assessments and stakeholder engagement processes.

B2. ESG performance and oversight

- Review periodic updates on ESG performance, key metrics and progress against targets
- Monitor significant ESG-related developments that may impact the Company's long-term sustainability, reputation or stakeholder trust.

B3. ESG risk integration (anti-duplication principle)

- Ensure that ESG-related risks are identified, assessed and monitored as part of the Enterprise Risk Management framework under Section A.

- ESG oversight under this Section shall focus on strategy, performance, disclosures and stakeholder outcomes, while risk quantification, controls and mitigation shall be addressed through the ERM process.

B4. ESG disclosures and regulatory compliance

- Review and recommend ESG-related disclosures, including the Business Responsibility and Sustainability Report (BRSR) and other sustainability disclosures, prior to submission to the Board.
- Oversee compliance with applicable ESG-related laws, regulations and reporting standards.
- To review, finalise, approve and oversee the adoption, amendment or revision of policies relating to Environment, Social, Governance, Health and Safety framework of the Company.

B5. Assurance and continuous improvement

- Review proposals for independent assurance of ESG metrics and disclosures, where adopted.
- Monitor management actions arising from assurance findings and regulatory observations.

Sd/-
Narayan K Seshadri
Chairperson

Date: August 11, 2026
Place: Mumbai