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Enterprise Risk Management & Business Continuity Policy

Introduction

Tractors Farm and Equipment Limited (TAFE) has implemented an Enterprise Risk Management (ERM) plan to identify, assess, and mitigate potential risks that could impact its operations, ensuring business continuity and resilience. TAFE also maintains a Business Continuity Plan (BCP) to address unexpected internal and external events that may disrupt operations.

Purpose

The purpose of the policy is to sustain TAFE's business activities with minimal disruptions to customers by developing a robust business continuity plan. It outlines risk areas, mitigation strategies, and ensures stakeholder safety. It covers all TAFE entities, units, and offices under the TAFE Group umbrella.

Risk Identification and Assessment

TAFE's Risk Management Committee which consists of top management, plant heads and functional heads is responsible for capturing risks and evaluating the identified risk based on its impact, likelihood, and velocity. The committee undertakes the following processes to capture risks:

- Implements ERM strategies to proactively identify and mitigate risks before they escalate, ultimately improving decision-making processes and overall business performance.
- Understands risk categories such as financial, strategic, operational, technical, legal, environmental, business, cyber, geopolitical, customer, human capital-related, and catastrophic risks that may impact TAFE group's market size, share, profitability, investment opportunities, and reputation.
- Risks are then classified into major, moderate, and minor categories using Failure Mode and Effects Analysis (FMEA) or other techniques.
- Based on the risk type, incidents are treated and registered in the register detailing risks, consequences, controls, and risk scores and are then prioritized for action and escalation based on the scores.
- Risk management cards are created for high-risk categories, which capture risk consequences, preventive and responsive controls, residual risks, mitigation plans, and other details.



BCP Process

TAFE undertakes the following steps to develop its business continuity plans for identified risks:

- Identify potential disasters and assess their impact on business operations.
- Determine areas critical to business functions and prioritize them based on potential impact.
- Identify and prioritize equipment and assets essential for business continuity.
- Evaluate and understand the effectiveness of current controls in place for mitigating risks.
- Develop immediate response plans to mitigate the impact and undertake corrective action.
- Develop comprehensive plans for the full recovery of business functions and processes.
- Establish a plan for regularly testing and assessing the effectiveness of the overall BCP.

Critical Incident Management and Reporting

After an incident, TAFE personnel must promptly report it via the reporting portal to department heads, business leadership, or top management. This ensures swift action to mitigate harm to personnel, assets, and the organization's reputation. Incident data analysis provides insights into trends and root causes, informing proactive risk mitigation strategies. Immediate alerts are sent to top management and support desks as selected. TAFE leadership then takes necessary actions to close the incident.

Roles and Responsibilities in case of operational disruptions

Plant representatives are responsible for the following during operational disruptions:

- Oversee daily operations, monitor performance, and plan alternative processes to ensure safety.
- Assess the potential impact of risks on operations and implement measures to mitigate them.
- Address plant issues, ensure timely recovery, implement crisis management actions, and develop employee safety recovery plans.
- Provide support and guidance to teams, manage crises, and prioritize employee safety and welfare in recovery planning.
- Supervise and coordinate with team to mitigate disturbances and ensure business continuity.
- Test and maintain recovery procedures for business functions through regular reviews.
- Restore normal operations promptly and minimize adverse impacts.
- Maintain procedures to mitigate, recover, and restore business functions.

Roles and Responsibilities in case of labor unrest

During labor unrest, individual plant representatives are responsible for:

- Coordinating decision-making and collaboration during strikes.
- Understanding labor laws and legal implications.
- Managing inventory, communicating with transporters, and ensuring safety at external warehouses.



- Building safety stock, coordinating with stakeholders, and planning assembly at alternate plants.
- Communicating with government bodies and service providers, providing facilities for extended work hours, and maintaining stocked occupational health centers (OHC).
- Enabling work-from-home resources, ensuring regular data backups, and providing/restricting digital access as appropriate to personnel.

Policy Review Mechanism

This Policy is reviewed periodically by the relevant stakeholders/department and may be amended or modified based on any subsequent changes to applicable regulations or when deemed necessary to enhance our approach and commitment to business continuity.

Issuing Authority:



Sandeep Sinha
Chief Executive Officer, TAFE

