



RISK MANAGEMENT POLICY

The board of directors (“**Board**”) of Accentiv (India) Private Limited (“**the Company**”) has adopted a Risk Management Policy (“**the Policy**”) in compliance with the requirements of Section 134 of the Companies Act, 2013 (“**the Act**”). This Risk Management Policy ensures that the Board shall be responsible for framing, implementing, and monitoring the risk management plans for the Company.

OBJECTIVE: The objective of this document is to articulate an effective Risk Management Policy and process for Company to promote a proactive approach in identifying, evaluating, reporting, and mitigating risks associated with the business and, in turn to ensure sustainable business growth with stability.

RISK MANAGEMENT APPROACH: The Risk Management is meant to ensure continuity of business and protection of interests of the investors and thus covers all the activities within the Company and events outside the Company which have a bearing on the Company’s business.

The Board is responsible for framing, implementing, and monitoring the risk management plan for the Company. Further, as part of its oversight role, the Board expects it to be assured of a well- grounded organization wherein risk mitigation is considered in all aspects of its operations and strategy. It is therefore important to develop and implement an integrated risk management process through sound and proven methods which will minimize the impact of risk whilst protecting the staff/ employees and all of the Company’s assets.

APPLICATION OF A CONSISTENT AND EFFECTIVE RISK MANAGEMENT FRAMEWORK WILL:

- i. Enhance the organizational capabilities to anticipate the likely areas of risk and develop potential mitigation actions;
- ii. Support effective decision making and planning through better understanding of risk exposures;
- iii. Enable MD (referred as ‘M(m)anagement’) to respond in a manner that reduces the likelihood of downside outcomes and increases the upside;
- iv. Contribute to Company’s profits by substantially optimizing the overall cost of risk;
- v. Increase the likelihood of achieving the strategic objectives of the Company;
- vi. Exploit business opportunities and create value for stakeholders;
- vii. Enhance health and safety performance, as well as environmental protection;
- viii. Improve stakeholders’ confidence and trust; and
- ix. Support to comply with relevant legal and regulatory requirements and international norms.

APPLICABILITY: This Risk Management Policy applies to all Business Units, Divisions, and functions of Company, as per current and revised organizational structures that would evolve from time to time.

RISK MANAGEMENT: The Company is committed to having an effective ‘Enterprise Risk Management’ system in place to ensure that the significant risks the Company may face are appropriately identified, assessed, treated, monitored, reported, and reviewed.

The Risk Management Policy is adopted to make risk management an integral part of

decision- making process during regular business operations so as to strengthen the Company's management practices, demonstrable to the external stakeholders. A review of risks must be done concurrently with decision making for various projects or investments and all proposals must include the relevant risks along with mitigation actions and/or business cases, as appropriate.

RISK VISION: To develop the highest internal capabilities to ensure business continuity and address the issues, and be prepared for disaster management in optimum time, cost and efforts, enabled through the implementation of benchmarked processes, for risk identification, assessment, mitigation and review keeping future risk alleviation in mind.

RISK MANAGEMENT: Risk management is a set of activities undertaken to continuously monitor organizational risks so as to ensure that any unmitigated or emerging risk does not grow beyond the risk appetite of the organization.

Management response shall be to make and carry out decisions that will minimize the adverse impact of risk elements and, thereby, the accidental losses, upon the organization.

Risks to major key performance indicators are to be identified and cascaded to respective functions/ divisions for mitigation actions. Acceptable levels of tolerance are to be set for the identified risks.

The risk management process is vital to all the organizational resources and its stakeholders. In financial terms, it is vital to pursue the goals of the Company and to perform duties in an efficient and professional manner with manageable risks.

RISK MANAGEMENT GUIDING PRINCIPLES: For risk management to be effective, the Company shall at all levels comply with the principles given below:

- a) **Risk management creates and protects value:** Risk management contributes to the demonstrable achievement of objectives and improvement of performance in, for example, human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, product quality, project management, efficiency in operations, governance, and reputation;
- b) **Risk Management is an integral part of all organizational processes:** Risk Management is not a standalone activity, and not separate from the main activities or processes of the organization. Risk management is part of the responsibilities of management and an integral part of all organizational processes, including strategic planning and all project and change management processes;
- c) **Risk Management is part of decision making:** Risk management helps Management make informed choices, prioritize actions and distinguish between alternative courses of action;
- d) **Risk Management helps to manage uncertainty:** Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed;
- e) **Risk Management is systematic, structured, and timely:** A systematic, timely and structured approach to risk management contributes to efficiency and to consistent, comparable, and reliable results;

- f) **Risk Management is based on the best available information:** The inputs to the process of managing risk are based on information sources such as historical data, experience, stakeholder feedback, observation, forecasts, and expert judgement. However, decision makers shall inform themselves of, and shall take into account, any limitations of the data or modelling used or the possibility of divergence among experts;
- g) **Risk Management is tailored:** Risk management is aligned with the organization's external and internal context and risk profile;
- h) **Risk Management takes human and cultural factors into account:** Risk management recognizes the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organization's objectives;
- i) **Risk Management is transparent and inclusive:** Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the organisation, ensures that risk management remains relevant and up to date. Involvement also allows stakeholders to be properly represented and to have their views taken into account in determining risk criteria;
- j) **Risk Management is dynamic and responsive to change:** Risk management continually senses and responds to change. As external and internal events occur, context and knowledge change, monitoring and review of risks take place, new risks emerge, some change, and others disappear;
- k) **Risk Management facilitates continual improvement within the organization:** The Company shall develop and implement strategies to improve their risk management maturity alongside all other aspects of the business functions;
- l) **Risk Classification:** Risk classification of the functions shall be applicable to all its operational units, locations, projects and prospective investments. The review of risks shall include the following but not limited to:
- Strategic Risks
 - Financial Risks
 - Compliance Risks
 - Sectoral Risks
 - Sustainability Risks
 - Information Technology and Data Privacy Risks
 - Operational Risks
 - Business Continuity Plans
- m) **Risk Management Process:** In order to implement risk strategy, the management shall follow a uniform six-step risk management process:
- i. Risk Identification
 - ii. Risk Assessment
 - iii. Risk Prioritization
 - iv. Develop & Implement Risk Response
 - v. Develop Portfolio View
 - vi. Review & Monitoring



- n) **Integration of Risk Management Process:** Risk management is not a stand-alone discipline but needs to be integrated with the existing business processes to deliver the greatest benefits. As a minimum, risk management must be integrated with the core processes and all critical risks identified must be recorded and risk plans framed in risk register(s);
- o) **Risk Management Process Review by Board:** The Board shall review risk management process of the Company as frequently as may be considered necessary by the Management; and
- p) **Roles and Responsibilities of the Management:** The Management's responsibilities shall include the following:
- i. To formulate a detailed risk management policy which shall include;
 - a. A framework for identification of internal and external risks specifically faced by the Loyalty and Rewards organization, in particular including financial, operational, sectoral, sustainability, information technology & data privacy risks or any other risk as may be determined by the Management or Board;
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c. Business continuity plan;
 - ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity along with sectoral regulations; and
 - v. To keep the Board informed about the nature and content of review, recommendations and actions to be taken by the Management.

AMENDMENT: Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/or amend any part of the Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder and/or any other laws in this regard shall automatically apply to the Policy.

COMMUNICATION OF THIS POLICY: The Policy shall be posted on the website of the Company i.e. <https://www.edenredrewards.co.in/>

REPORTING:

- i. The Management shall report and update the Board periodically, on risk-related matters; and
- ii. The Annual Report of the Company shall disclose, details of Management, meetings, attendance, and any other applicable risk-related disclosures, as may be necessary to comply with the requirement.

