



RISK MANAGEMENT POLICY

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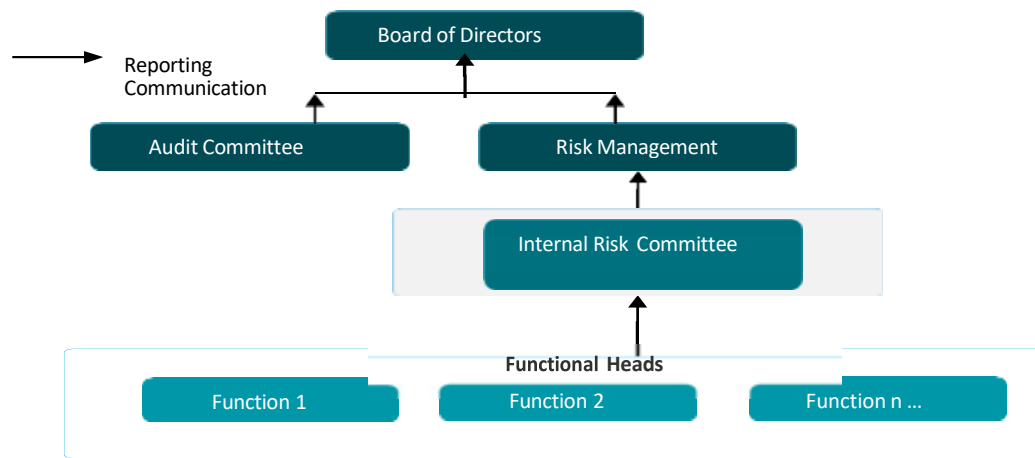
REVISION RECORD SHEET

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SL	Rev. No.	Date	Description of changes
1.	1	May 2014	Framework Adoption
2.	2	January 27, 2022	Adoption of the Revised Charter for Risk Management Committee
3.	3	May 12, 2022	Policy Adoption

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1. RISK MANAGEMENT POLICY

1.1. OBJECTIVE AND SCOPE

This risk management policy (“**Risk Management Policy**” or “**Policy**”) has been established by the management, to identify, assess, mitigate, monitor, and report the key risk categories (such as Strategic, Financial, Operational, Regulatory, Reputational, Third-party, Sustainability, Technological Risks) on a periodic basis. It also prescribes the risk management governance structure along with the roles and responsibilities of various stakeholders within the organization.

This Policy has been specifically designed to ensure achievement of the Company’s vision and strategic priorities in line with its core values, integrate risk management in the culture and strategic decision-making in the organization & enable compliance with appropriate regulations and adoption of leading practices.

1.2. APPLICABILITY

This Policy applies to all functions and units of Coforge Limited and its subsidiaries.

1.3. PHILOSOPHY

The Company has adopted an integrated approach for risk management wherein it ensures that all material risks are identified, analysed, assessed, monitored and mitigated for the long-term sustainability of the organization. In addition, the mitigation plans for all the key risks are aligned with the Company’s strategic business plans and performance management system which are reviewed by the senior leadership on a periodic basis.

The Company’s internal audit carries out reviews and the internal control advisory activities aligned to the key risks and their mitigation plans.

The Company also has well defined polices, standard operating procedures and controls in place to minimize and mitigate the financial and operational risks. This provides an independent assurance to the audit committee (“**Audit Committee**” or “**AC**”) on the adequacy and effectiveness of the risk management for operational and financial risks. Compliance with the Company’s Code of Conduct and Whistle Blower Policy also ensures ethical culture and responsible decision making within the organization.

2. REGULATORY REQUIREMENTS

As per the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“**Listing Regulations**”), every listed company is required to define a risk management policy covering the framework for management of key business risks. The board of directors (“**Board**”), the AC and the risk management committee (“**RMC**” or the “**Committee**”) is responsible to ensure that the Company has a robust risk management framework and monitors its effectiveness on periodic basis.

3. GOVERNANCE STRUCTURE

The Company has established three levels of risk management responsibilities in its governance structure as Risk Oversight, Risk Infrastructure and Management and Risk Ownership.

3.1. RISK OVERSIGHT

Board of Directors:

The Board shall be responsible for defining the risk management strategy and objectives, overseeing the implementation of the risk management process and setting the tone and culture towards effective risk management. The Board shall define the Policy and critically review the risk governance and monitoring mechanism.

The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan. It will also, review the Risk Management Policy at regular intervals.

Audit Committee:

Audit Committee shall be entrusted with the responsibility of periodic evaluation of risk management program and provide insight and direction to the risk management committee. The Audit Committee would have an oversight of the management of the Operational and Financial Risks faced by the Company. For this, the Audit Committee would rely on the internal financial controls and internal audit mechanism put in place by the Company.

Risk Management Committee (RMC):

Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices.

The RMC is chaired by an independent director and it shall meet at least twice in a year. The roles and responsibilities of the RMC have been defined as per the Board approved charter (attached as annexure).

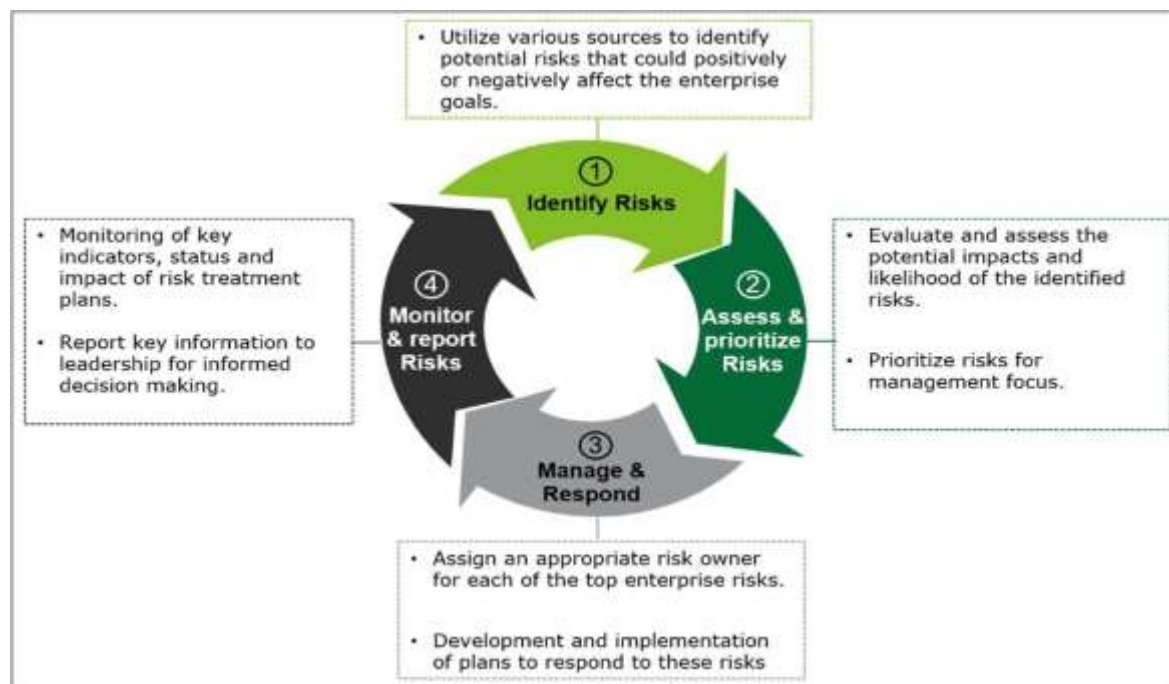
3.2. RISK INFRASTRUCTURE AND MANAGEMENT

Executive Risk Committee:

The Executive Committee comprising of CEO, CFO & EVP Finance and any other person/official as the CEO may deem fit, (“**Executive Risk Committee**”) shall be accountable to design and implement risk management processes within the organization. The primary responsibility shall be to implement the Risk Management Policy within the Company and maintaining a culture that helps improve organization resilience to critical business risks. They would support in identifying high priority risk, defining the right mitigation strategies and review the status of its mitigation plan on periodic basis.

4. RISK MANAGEMENT PROCESS

In order to manage risks in a systematic manner, the Company has followed the enterprise risk management framework.



4.1. RISK IDENTIFICATION

Risk Identification is the responsibility of each business/corporate function and is performed based on internal ideation, industry and market research, scanning the external environment, inputs from annual operating plans and long-term strategy and leadership inputs. The broad categories of risks include Financial, Operational, Reputational, Regulatory, Third-party, Sustainability, Social, Environmental and Technological Risks. The process followed includes every function / unit revisiting its key risks at periodic intervals.

4.2. ASSESSMENT AND PRIORITIZATION

The identified risks are assessed to classify them as per the criticality for the business. The process of assessment is based on two parameters –

- a. Risk probability
- b. Risk impact

These are rated in terms of High, Medium and Low scale. While prioritizing, risk velocity (which is the speed at which the risk can materialize) is also taken into consideration. Crisis management plan is defined for risks which have high impact and high velocity.

At the end of the risk assessment, top 10 risks at the Company level are then prioritized for monitoring and review by the Executive Committee and the Risk Management Committee on periodic basis.

4.3. RISK MONITORING AND REPORTING

The Executive Committee works with the respective Risk Owners to track status of mitigation plan for key risks which is reported to Risk Management Committee. Status of mitigation of the top 10 strategic and business risks are monitored by the Executive Committee on quarterly basis and RMC on a half yearly basis.

The Risk Management Committee meets at least twice in a year to review the risk management process and if required revisit the top risks at the company level.

4.4. Risk Management Activity Calendar

Forum	Timelines
Board of Directors	Annual
Audit Committee	Twice during the year and/or as and when required
Risk Management Committee	Twice/thrice during the year depending on the requirement of maintaining gap of 180 days
Executive Committee	Quarterly
Risk Owners	Ongoing

5. BUSINESS CONTINUITY PLAN

Business Continuity Plans (BCP) are required to be defined for risks corresponding to High Impact and High Velocity to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for areas like manufacturing units, sales offices, information technology function, etc.

Internal Crisis Management Committee (“**Crisis Management Committee**”) shall be responsible for laying out crisis response mechanism, communication protocols, and periodic training and competency building on crisis management. The Crisis Management Committee shall also conduct periodic disaster recovery mock drills to ensure that the organization is prepared to manage any crisis event quickly for business continuity.

6. POLICY REVISION

Risks are ever changing in this volatile business environment and hence there is a need to periodically revisit the approach towards risk management. Therefore, this Policy shall be reviewed once in two years. Any revision to the Policy shall be incorporated with the approval of the Risk Management Committee and the Board of Directors.

7. ANNEXURES

a. RISK MANAGEMENT CHARTER AND FRAMEWORK

1. Coforge Limited (erstwhile NIIT Technologies Limited) (“**Company**”) believes in encouraging a culture of informed risk taking to achieve growth. The objective of our risk management program is to facilitate informed and responsible risk taking by the organization. The risk management framework has been designed by looking at frameworks of COSO, ISO 31000: 2009 & best practices as followed by other companies, by incorporating elements of these frameworks and customizing them to the Company’s requirements. Risks to key business goals are identified and assessed under defined categories. Processes have been laid down to treat, monitor and report risks accordingly.

2. Purpose

The purpose of the Risk Management Committee (“**Risk Management Committee**” or “**RMC**”) shall be to assist the board of directors (“**Board**”) in fulfilling its corporate governance oversight responsibilities as required under the Companies Act, 2013 and Regulation 21 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended issued by the Securities and Exchange Board of India with regard to the identification, evaluation and mitigation of operational, strategic, financial and external risks.

The RMC has the overall responsibility for monitoring and approving the risk charter & policy and associated practices of the Company.

3. Applicability

This Policy is applicable to the Coforge group, including its subsidiaries.

4. Risk assessment methodology

1. Identification of relevant internal and external risk factors;
2. Ascertaining the likely impact and make record of finding; and.
3. Actions to mitigate the exposures in a timely manner (including initiatives and activities such as business continuity planning and disaster recovery planning & testing).

5. Composition

RMC is a committee constituted by the Board of the Company.

The committee consists of the following:

1. Mr. Basab Pradhan (Chairman & Independent Director)
2. Mr. Sudhir Singh, Chief Executive Officer & executive Director
3. Ms Mary Beth Boucher – (Independent Director)
4. Mr. Anil Kumar Chanana – (Independent Director)

6. Roles and responsibilities

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years including by considering the changing industry dynamics and evolving complexity
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

7. Meetings of RMC

At least twice in a year and as and when required.

The gap between two consecutive RMC meetings shall not exceed 180 days.

8. Invitees to the meeting

The Internal Auditor & Chief Financial Officer shall be an invitee to the Committee meetings.

The Company Secretary of the Company shall conduct the Committee meetings.

In addition, the Committee may from time to time, draw upon relevant resources within the Company, as well as external experts, who may also be invited to participate in parts of a meeting.

9. Quorum

Quorum of the Committee shall be a minimum of either two members or 1/3rd of the members whichever is higher including any one member of the Board in attendance.

10. Amendment

Any change in this Policy shall be [proposed by the Executive Committee and] approved by the Board of Director or the RMC. Further any subsequent amendments to the Listing Regulations shall apply to this Policy.