

# ION Exchange India Limited

## Enterprise Risk Management Policy



# Enterprise Risk Management (ERM) Policy

## Policy Statement

ION Exchange India Limited ("ION Exchange" or "the Company") is committed to promoting a risk-aware culture across the organization. This approach supports the achievement of its business objectives and protects the interests of all stakeholders. ION Exchange shall adopt a structured and comprehensive method to identify, assess, and manage emerging risks, ensuring alignment with its strategic goals.

## Introduction

Risk-taking is an inherent aspect of business operations. However, the evolving business landscape, characterized by increasing unpredictability and complexity, necessitates the development of a robust risk-informed culture. In alignment with this need, ION Exchange India Limited is committed to establishing and maintaining a comprehensive risk management framework that enables proactive identification, assessment, and mitigation of risks in support of its strategic objectives.

## Purpose

The purpose of this Enterprise Risk Management (ERM) Policy is to establish a consistent, organization-wide understanding of risk management across ION Exchange India Limited. It outlines the key principles that will guide the actions and decisions of relevant stakeholders in managing risks effectively. This Policy serves as the foundation for implementing the Risk Management Framework throughout the Company.

## Applicability

This Policy is applicable to ION Exchange and all of its subsidiaries.

## Scope

This Enterprise Risk Management (ERM) Policy applies to all business units, functions, and geographies within ION Exchange. It encompasses the full spectrum of risks faced by the Company, taking into account the dynamic and continuously evolving business environment.

## Enterprise Risk Management (ERM)

Enterprise Risk Management (ERM) is a structured and continuous process designed to identify, assess, prioritize, mitigate, monitor, review, and report risks that may impact the achievement of the Company's business objectives. A well-implemented ERM framework enables effective management of key risks and provides reasonable assurance towards the realization of ION Exchange's short-term and long-term strategic goals.

## Principles of ERM Policy

To establish and implement an effective enterprise-wide risk management process, ION Exchange shall:

- develop and deploy an integrated Risk Management Framework across the organization to enable effective management of both downside risks and opportunities, in alignment with business objectives;
- define the nature and extent of risk the Company is willing to accept in pursuit of value creation, while maintaining an optimal balance between risk and reward;
- ensure that all current and potential risk exposures are systematically identified, assessed, and addressed in a timely and appropriate manner;
- strengthen coordination between risk management and other assurance functions to promote a collaborative and integrated approach to risk oversight;
- integrate the ERM Framework into core business processes, including planning and performance reviews, to support risk-informed decision-making;
- periodically review and update the Company's risk universe to ensure its relevance and completeness in light of the evolving business environment;
- manage risks in a structured, transparent, and consistent manner using standardized definitions, enablers, and assessment methodologies;
- establish clear ownership of risk management across all levels of the organization and foster a strong governance mechanism through cross-functional collaboration;
- maintain effective channels for continuous communication, reporting, and escalation of critical risk information;
- promote a risk-aware culture and build organizational capabilities in Enterprise Risk Management through ongoing training, awareness initiatives, and communication;
- evaluate necessary technology to enable efficient monitoring and reporting of risk profiles across the Company;
- continuously enhance the Risk Management system through benchmarking against applicable regulatory requirements, recognized standards (such as ISO 31000 and COSO), and industry best practices; and
- provide ongoing guidance and advisory support to business units for effective management of emerging risks.

## Risk Governance and Oversight

Managing enterprise-wide risks is a collective responsibility of all the employees at ION Exchange. Under effective guidance and oversight of the Board of Directors, the Risk Management Committee shall:

- ensure the development and implementation of an effective Enterprise Risk Management (ERM) Framework across the Company, supported by active participation from all the employees, including designated Risk Champions;
- corroborate that relevant internal and external risks are identified, including financial, operational, sectoral, sustainability (with emphasis on ESG-related risks), information security, and cyber risks, as well as any other risks deemed relevant by the Committee; and
- maintain oversight to ensure that appropriate risk mitigation measures are defined and implemented by management, including robust systems and internal controls for managing identified risks.

## Review and approval

This Enterprise Risk Management (ERM) Policy shall be reviewed on biennial basis, or earlier if there is a significant change in the Company's business environment, strategy, or risk profile.

Any revisions to the Policy shall be subject to approval by the Board of Directors of ION Exchange India Limited.

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| *Policy approved by: The Board of Directors of Ion Exchange (India) Limited*<br>*Original date of approval: June 8, 2021*<br>*Last Modified on: May 26, 2026* |