

## RISK MANAGEMENT POLICY

(The Board of Directors approved and adopted the policy on 10<sup>th</sup> December 2025)

### 1) Preface:

In line with the Company's objective towards increasing stakeholder value, a Risk Management Policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks. **Section 134 (3) (n) of the Companies Act, 2013** requires the Company to frame Risk Management Policy to identify various elements of risk and steps taken to mitigate the same. Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

Furthermore, Regulation 17 (9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

### 2) Definitions

- 2.1. "Board" means the Board of Directors of the Company.
- 2.2. "Risk" means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.
- 2.3. "Risk Management" is the process of systematically identifying, quantifying, and managing all Risks and opportunities that can affect achievement of a corporation's strategic and financial goals.



**People Services India Limited**



4. "Risk Management Committee" means the Committee formed by the Board in accordance with the Regulation 21 of the SEBI Listing Regulations.

5. "Risk Assessment" means the overall process of risk analysis and evaluation.

### 3) OBJECTIVE :

The Company is susceptible to implicit business risks. The main objective of this policy is to support tenable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the primary objective, the policy puts forth a systematic and strategic approach to Risk Management, in order to guide decisions on risk related issues. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

The Company is committed to develop an integrated Risk Management Framework:

- *To achieve the strategic objective while ensuring appropriate management of risks.*
- *To ensure protection of stakeholders' value.*
- *To provide clear & strong basis for informed decision making at all levels of the Company.*
- *To strive towards strengthening the Risk Management System through continuous learning & improvement.*

Every employee of the Company is recognized as having role in risk management for identification of risk to treatment and shall be invited & encouraged to participate in the process.

### 4) APPLICABILITY:

This Policy applies to all areas & activities of the Company and to all the employees of the Company.

### 5) RISK MANAGEMENT:

Principles of Risk Management:

- i. The Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
- ii. All concerned process owners of the company shall be responsible for identifying & mitigating key Risks in their respective domain.

- iii. The occurrence of Risk, progress of mitigation plan and its status will be monitored on period basis.

The Risk Management Committee shall at least consist of 3 members, with one member of the Committee being an independent director and two members from the Board of directors and senior executives. One such member shall be designated as Committee chair who is responsible for overseeing the Committee's functioning. The other person shall act as the secretary. The secretary shall compile and circulate the agenda and papers for the meeting. Additional members can be appointed by the Committee chair if the need arises.

The Committee shall meet at least twice a year and the quorum for the meeting shall be 2/3<sup>rd</sup> of its members. The meeting can be physical or through audio visual means.

## 6) RISK MANAGEMENT PROCEDURES:

Risk Management procedure includes four activities: Framework for Risk Identification, Risk Assessment, Measures for Risk Mitigation and Monitoring & Reviewing Risk.

**6.1. Framework for Risk Identification:** The purpose of Risk identification is to identify all possible events that can have an adverse impact on the achievement of the business objectives. In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, assessing the risk level and preparing action plans to address and manage the risk. The Company majorly focuses on the following types of material risks:

- human resource risks
- Business risk;
- technological risks;
- strategic risks;
- operational risks;
- quality risk;
- competition risk;
- realization risk;
- cost risk;

- financial risks;
- foreign exchange risk;
- Information technology Risks including Cyber Security Risks;
- Sustainability (Particularly ESG related) Risks;
- Business continuity Plans and
- legal/regulatory risks.

### 6.2 Risk assessment:

Assessment involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified Risk is assessed on two factors which determine the Risk exposure:

- Impact if the event occurs
- Likelihood of event occurrence Risk Categories.

It is necessary that Risks are assessed after taking into the existing controls, so as above assessments, each risk can be categorized as current level of risk, low, medium and high.

### 6.3 Measures for Risk Mitigation:

All identified risks should be mitigated by using any of the following Risk mitigation measures:

**a. Risk Avoidance:** By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

**b. Risk Transfer:** Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

**c. Risk Reduction:** Employing methods or solutions that reduce the severity of the loss.

**d. Risk Retention:** Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

#### **6.4 Monitoring & Reviewing Risk:**

The risk management system is dynamic and is designed to adapt to Company's developments and any changes in the risk profile over time. Compliance measures are used as a tool to address identified risks. The Risk Management Committee undertakes the following process to mitigate risks:

- i. The Committee shall communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.
- ii. It shall establish the risk management context in which the rest of the process will take place.
- iii. The Committee shall research and identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of Company's objectives.
- iv. The Committee shall document the risks that have been identified by maintain and tracking a risk register.
- v. The Committee shall identify and evaluate existing controls.
- vi. The Committee shall compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
- vii. The Committee shall develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs, communicate and educate the members of the Company.
- viii. The Committee shall monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement. Risks and effectiveness of treatment measures need to be monitored so that changing circumstances do not alter priorities.

#### **6.5 Risk Reporting: -**

While the Company will be monitoring, evaluating and responding to risks, the significant risks (or those that could become significant) need to be reported. Internal Reporting to be done to a. Audit Committee, b. Independent Directors, c. Board of Directors, d. Vertical Heads, e. Individuals.

External Reporting consists of communicating to the stakeholders on regular basis as matter of Corporate Governance.

## 7) AMENDMENT:

Any change in this Policy shall be proposed by the Risk Management Committee and shall be approved by the Board of Director. Further any subsequent amendments to the Listing Regulations, including any regulatory changes or updates issued from time to time by relevant authorities, shall apply to this Policy.

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