

## **ENTERPRISE RISK MANAGEMENT POLICY (ERM)**

**The Board of Directors in its meeting held on Monday, the 2<sup>nd</sup> November, 2015 adopted Enterprise Risk Management (ERM) as recommended by the Risk Management committee.**

### **Policy statement**

To develop Organisation wide capabilities in Risk Management by defining and implementing robust processes so as to ensure efficient and effective assessment and management of risk in the achievements of objectives of Indsil Hydro Power and Manganese Limited (hereinafter referred to as "INDSIL") on an ongoing basis. Risk Management strikes an optimal balance between growth objectives and related risks which should consider contingent or unforeseen risks, in all its manifestations.

### **Aims and Objectives**

The aim of the INDSIL risk management policy is to manage and in the long term, achieve a substantial reduction in INDSIL's risk exposure and maintain it at acceptable levels.

The objective is to strike a balance between compliance and performance. In order to achieve this objective, the following are the essential precursor activities to be performed within INDSIL.

- Establish and implement an ERM (Enterprise Risk Management Policy) framework that will define interrelationship and linkage between the various components of Risk Management.
- Identify, maintain and periodically review Risk Categories for classification of risks.

- Establish and implement a consistent, replicable, flexible, systematic and Organisation wide process to identify, assess, escalate, treat, monitor and report risks.
- Establish a Risk Management Organisation and Governance structure with clearly defined roles and responsibilities and updating the structure on continual basis.
- Maintain necessary documentation (including Risk Register, Risk Assessment Template, Risk Profile, Loss Database and Risk Escalation Matrix) for each stage of risk management process.
- Perform risk reporting on a quarterly basis and prepare Risk Management Report to be presented to the Board.
- Perform periodic risks review of all risks recorded in the risk register and risk profiles to ensure that the current assessments remain valid.
- Promote risk aware culture throughout INDSIL by organizing periodic training and awareness sessions / campaigns.
- Ensure that the HR Policy or other HR supporting documents define risk management objectives / activities / responsibilities as appropriate for each level in INDSIL and also further define the metrics / measurement criteria to measure performance against the established objectives.

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