

RISK MANAGEMENT POLICY

Iberia Pharmaceuticals India Limited

RISK MANAGEMENT POLICY

LEGAL FRAMEWORK

Risk Management is a key aspect of the Company's good Corporate Governance and Code of Conduct, which aims to improve governance practices across the Company's activities. Risk management policy and processes will enable the activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in its internal and external environments, limiting negative impacts and capitalizing on opportunities. The Policy follows Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and provisions of the Companies Act, 2013, as amended, which require the Company to lay down procedures about risk assessment and risk minimization.

OBJECTIVE OF THE POLICY

The main objective of this policy is to ensure sustainable business growth and stability, and to promote a proactive approach to assessing, reporting, evaluating, and resolving risks. To achieve the key objective, the policy establishes a structured, disciplined approach to Risk Management to guide decisions on risk-related matters.

The specific objective of this Policy is to formulate a comprehensive risk management plan that includes:

- (a) A framework for identifying both internal and external risks specifically faced by the listed entity. This should encompass financial, operational, sectoral, sustainability (especially ESG-related risks), information, cybersecurity, and any other risks determined by the Committee.
- (b) Measures for risk mitigation, including systems and processes to manage identified risks.
- (c) A business continuity plan.
 - Ensure appropriate methodologies, processes, and systems are in place to monitor and evaluate the risks associated with the Company's business.
 - Monitor and oversee the implementation of the risk management policy, including evaluating the effectiveness of risk management systems.
 - Periodically review the risk management policy at least once every two years, considering changes in industry dynamics and the evolving complexity of the environment.
 - Keep the Board of Directors informed about the nature and content of discussions, recommendations, and actions to be taken by the Committee.

The appointment, removal, and remuneration terms of the Chief Risk Officer (if applicable) shall be subject to review by the Risk Management Committee. current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized, and managed, i.e.,

APPLICABILITY

This policy applies to all areas of the Company's operations.

DEFINITIONS

- (i) **Risk Assessment-** The systematic process of identifying and analyzing risks. Risk Assessment involves a detailed analysis of threats, vulnerabilities, and the resulting exposure to various risks.
- (ii) **Risk Management-** The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.
- (iii) **Risk Management Process-** The systematic application of management policies, procedures, and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring, and communicating risk.

BACKGROUND AND IMPLEMENTATION

- The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be to identify, evaluate, monitor, and minimize identifiable risks.
- The requirement of risk management policy has stemmed from the Companies Act, 2013 and SEBI Listing Regulations, which is:
 - a. Provisions of Section 134(3)- there shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include- a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.
 - b. Provisions of Section 177(4)- every audit committee shall act in accordance with the terms of reference specified in writing by the Board, which shall, inter alia, include the evaluation of internal financial controls and risk management systems.
 - c. Provisions of Regulation 17(9) - (a) The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures; (b) The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.
- The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through a properly defined network.
- Head of Departments shall be responsible for the implementation of the risk management system as may apply to their respective areas of functioning and report to the Board and Audit Committee.

Risk Management Committee:

The Risk Management Committee, which was constituted with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

(a) To formulate a detailed risk management policy which shall include review, assess, and formulate a detailed risk management policy of the company from time to time and recommend an amendment or modification thereof, which shall include:

(i) 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 Risk Management Committee;

(ii) measures for risk mitigation, including systems and processes for internal control of identified risks; and

(iii) business continuity plan.

(b) to ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) to periodically review the risk management policy, at least once every two years, including by considering the changing industry dynamics and evolving complexity;

(e) to keep the Board informed about the nature and content of its discussions, recommendations, and actions to be taken;

(f) The appointment, removal, and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(g) To 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; and

(h) any other similar or other functions as may be laid down by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing Regulations.

DISCLOSURE IN THE BOARD'S REPORT

The Board of Directors shall include a statement indicating development and implementation of a risk management policy for the company, including identification therein of elements of risk, if any, which, in the opinion of the Board, may threaten the existence of the company.

COMPLIANCE AND CONTROL

All the Senior Executives and heads of departments under the guidance of the Chairman and Board of Directors have the responsibility for overseeing management's processes and results in identifying, assessing, and monitoring risks associated with the organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risks. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, action, including any external agency appointed by the company in this regard, and the actions taken or proposed resulting from those reports.

REVIEW

This Policy shall be reviewed at least once by the organization.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. A modification may be necessary, among other reasons, to maintain compliance with local, state, federal, and central regulations and/or to accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless it is notified to them in writing.

Communication of the Policy

This Policy shall be posted on the website of the Company.

Particular	Details
Policy Name	Risk Management Policy
Regulatory Reference	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)
Applicable Regulation	Regulation 17(9) – Risk Management
Adopted On	21-Jan-26
Approved On	21-Jan-26
Version	Version 1.0
Drafted By	Finance Department with CS & Legal Department
Approved By	Board of Directors