



Datamatics Global Services Limited

CORPORATE RISK MANAGEMENT POLICY

For the remaining part of this documents Datamatics Global Services Limited will be referred as “The Company”. The policy provide framework for management of risks and mitigation of threats arising out of environment under which the Company operates. This is a continuous and evolving process with change in business environment. The policy shall come in to effect from 13th August, 2021.

Objective of the Policy

Every business is prone to risks which are inherent in nature, the objective of the policy is to identify the risks, mitigate the threats arising out of those risks and if possible convert and capitalise the same in to opportunities. This is required is to ensure sustainable business growth with stability and also transparency in reporting the risks.

Meaning of Risk

Risk is defined as the chance of a future event or situation happening that will have an impact upon company’s objective. It is measured in terms of consequence and likelihood.

Risk Governance organisation Structure

Board of Directors	<ul style="list-style-type: none">• Formulate, implement and monitor risk management framework• Ensuring risk management is integrated in to board reporting and annual reporting.• Ensuring that the company has mitigation strategies for all significant risks.
Audit Committee	<ul style="list-style-type: none">• Mitigating risk in financial reporting process by ensuring proper internal control over financial reporting• Mitigating risk of non-compliances with various laws and regulations.
Management	<ul style="list-style-type: none">• To Ensure that risk management framework is properly implemented and in place and working.

Risk Management Process

- **Identification of Key Risks**

This is identifying uncertainties which could impact achievement of business objectives.

- **Assessment of Risks**

Evaluate each risk identified in step above and assess their possible impact on the Company.



- **Management of Risks**
Determine tolerance level (Risk Appetite) and put measure to mitigate or terminate beyond tolerance.
- **Monitoring and Reporting of Risks**
Monitor and report risks and their mitigation strategies

Risks framework for identified Key Risks

A) Market Risks

- **Uncertainties in Key markets like US and Europe**
Management – 1. US Market is definitely showing signs for improvements and US corporations are moving their spend toward digital transformation journey, The Company is well positioned to leverage this new wave with its suite of exciting digital products and services enabling digital transformation. 2. European markets also remains a key focus area and is being continuously monitored due to uncertainties and plans are being developed for different scenarios.

- **Customer Risks and Client concentration**

Risk of losing customer and revenue concentration with our few top clients

Management – 1. Regular customer satisfaction survey to check customer delight 2. Adding new customer and mining them over period so that client concentration can be reduced. 3. Ensuring long run relationship and long tenure contracts with large customers so that the effect is minimised.

- **Peer Risks**

We face competition from large and small players in our industry.

Management

1. More focus on digital offerings which differentiate us from many of the peers. 2. Our customer proposals put more emphasis on value adds and we always put customer first approach.

- **Legislations affecting business**

Like Anti outsourcing laws in various countries may significantly affect business -

Management – 1. These are not easy to implement as these has international ramifications so in our view these may not take full form of proposed intent in any country. 2. We continue to evaluate different models so that we remains compliant in such countries. 3. We continuously engage with NASSCOM and similar bodies to put a unified voice signifying benefit of outsourcing.

B) Organisational Risks

- **Financial and investments Risks**

Such as performance below expectation, inadequate cash flow to meet obligations, financial results are incorrect, failure to provide expected rate of returns on investments



or risk pertaining to return of capital invested, foreign currency rate fluctuations as significant portion of our revenue is in foreign currency and expense in Indian Rupee

Management

Regular review of businesses, cash flow, putting sound internal control over financial reporting and accordingly take decision to mitigate adverse impact of financial risks, a robust investment policy to evaluate every investment opportunity in details before a decision is made. Additionally we have a formal Board-approved hedging strategy that is reviewed periodically in light of macro-economic scenarios such as actions of the US Federal Reserve Bank, impact of Brexit, and other global events. Judicious hedging against adverse foreign exchange exposures helps us minimize the impact of exchange fluctuations.

- **Legal and compliance risks**

Risk due to contractual, tax and legal non-compliances in various geography in which we operate, Risk due to non-compliances of internal processes

Management

A dedicated in-house compliance team that manages compliance globally. 2. We also engage with specialist consultants across the globe, who support us in adhering to country-specific compliance and regulatory requirements.3. A dedicated data privacy team with members from cross-functional teams to roll out a data privacy framework compliant with GDPR requirements. This includes mandatory privacy training on GDPR.

- **Cyber Security Risk**

This is one of the Top Risk which has emerged over past few years and data security is one of the paramount business objective

Management

1. We have a cyber security framework which is at par with Industry
2. Cyber Security processes are certified to international standards such as ISO 27001:2013, SOC 1 / SOC 2
3. Processes incorporate GDPR and personal privacy requirements.
4. Firewalls, anti-malware software, Advanced persistent threat (APT) solutions, content filtering gateways, data encryption, password policies and data leakage protection systems etc.
5. Internal and external audits. The information security program is reviewed regularly by Management of Information Security Forum (MISF) and the Risk Management Committee of the Board.
6. Adequate insurance cover to mitigate financial losses due to cyber security issues.

- **Human Resource Risks**

Inability to attract and retain quality people, Inadequate succession planning, Inappropriate work culture and ethics, Inefficient whistle blower mechanism; and



Woman safety at work place.

- **Business continuity risks**

Potential natural or man-made hazards may impact business operations and even pose a risk to employee safety.

Management

1. A comprehensive Business Continuity Management (BCM) program that addresses disruptions at floor level, building level, city level, and country level.
2. Disaster Recovery Plan (DRP) to manage infrastructure outages
3. Mock Drills and audits for the preparedness.
4. Adequate insurance cover to mitigate financial losses due to business interruption.

Review of the policy

The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

Penalty for non-adherence of the clauses of policy

Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

Publication of policy

The key features of the Policy will be published in the annual report of the Company.
