



**J. K. CEMENT LIMITED
RISK MANAGEMENT POLICY**

DOCUMENT CONTROL

Created By	Company Secretarial Department
Reviewed By	Chairman, Risk Management Committee
Recommended By	Risk Management Committee
Approved By	Board of Directors
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1. OBJECTIVE AND SCOPE

This Risk Management Policy (Policy) sets out the principles, governance structure, and high-level framework for identification, assessment monitoring, and mitigation of risks faced by J. K. Cement Limited (Company)

The Policy aims to support achievement of the Company's strategic objectives, protect stakeholder value, and ensure long-term sustainability by embedding risk management into decision-making at all levels.

2. APPLICABILITY

This Policy applies to:

- J. K. Cement Limited
- All its Subsidiaries, business units, to the extent applicable.

3. RISK MANAGEMENT PHILOSOPHY

The Company recognizes that risk is inherent in all business activities and that effective risk management is essential to sustainable value creation.

Accordingly:

- Risk management is integrated into strategy formulation, operational planning, and performance management.
- The Company seeks to maintain an appropriate balance between risk and reward.
- Risks are managed proactively rather than reactively.
- Ethical conduct, strong internal controls, and transparency form the foundation of the risk culture.

4. REGULATORY REQUIREMENTS

The policy is framed in compliance with:

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Companies Act, 2013.

5. RISK APPETITE

The Company adopts a measured and responsible risk appetite, consistent with:

- Its strategic objectives,
- Capital structure,
- Regulatory obligations, and
- Stakeholder expectations.

The Board, through the Risk management Committee, periodically reviews the Company's risk appetite and tolerance levels for key financial, operational, ESG, and compliance risks.

6. RISK CATEGORIES

For the purpose of enterprise-wide risk management, risks are classified into the following categories:

- ✓ Strategic and Sectoral Risks
- ✓ Financial Risks
- ✓ Operational Risks
- ✓ Information Technology and Cyber Security Risks
- ✓ ESG, Sustainability and Compliance Risks
- ✓ Reputational and Residual Risks

Detailed risk definitions and assessment criteria are maintained under the Risk Management Framework.

7. GOVERNANCE AND OVERSIGHT

7.1 Board of Directors (the Board)

The Board has overall responsibility for:

- ✓ Approving the Risk Management Policy;
- ✓ Reviewing material risks and emerging risks;
- ✓ Monitoring adequacy and effectiveness of risk management system;
- ✓ Providing guidance on risk appetite and mitigation strategies.

7.2 Risk Management Committee (RMC)

The RMC assists the Board by:

- ✓ Overseeing implementation of this Policy;
- ✓ Reviewing material risks and emerging risks;
- ✓ Monitoring adequacy and effectiveness of risk management system;
- ✓ Providing guidance on risk appetite and mitigation strategies.

7.3 Audit Committee

The Audit Committee oversees:

- ✓ Internal Financial Controls;
- ✓ Risk management systems relating to financial reporting and compliance; and
- ✓ Alignment between risk management and internal audit.

7.4 Chief Risk Officer (CRO)

The CRO is responsible for:

- ✓ Enterprise-wide risk identification, assessment, and monitoring;
- ✓ Periodic reporting of key risks to the RMC and Board;
- ✓ Maintaining the Risk Management Framework; and

- ✓ Coordinating mitigation efforts with functional heads.

7.5 Management and Risk Owners

Functional Heads act as Risk Owners and are accountable for:

- ✓ Identifying and managing risks within their areas;
- ✓ Implementing approved mitigation actions; and
- ✓ Reporting risk status to the CRO.

8. RISK MANAGEMENT PROCESS (High-Level)

The Company follows a structured risk management process comprising:

1. Risk Identification
2. Risk assessment and prioritization
3. Risk Mitigation
4. Risk monitoring and reporting

The detailed methodology, tools, matrices and reporting formats are set out in the Risk Management Framework.

9. BUSINESS CONTINUITY AND CRISIS MANAGEMENT

The Company maintains Business Continuity and Crisis Management arrangements to ensure resilience against high-impact events, including low-probability, high-impact (“black swan”) events.

Detailed continuity plans and crisis response procedures are maintained separately under the Risk Management Framework.

10. REVIEW AND AMENDMENT

This Policy shall be reviewed at least once every two years or earlier if required due to regulatory changes or material shifts in the Company’s risk profile.

Any amendment shall require approval of the Risk Management Committee and the Board of Directors.