

JK INDIA eAGRITECH LIMITED

Enterprise Risk Management Policy & Governance Framework

1. EXECUTIVE SUMMARY & STATEMENT OF INTENT

JK INDIA eAGRITECH LIMITED is dedicated to transforming the agricultural ecosystem through modern e-agritech solutions, digital supply chains, agronomy advisories, and direct-to-farm services. Operating at the intersection of technology, supply chain logistics, and agriculture entails exposure to operational, technological, climate-related, regulatory, and market risks.

This Risk Management Policy establishes a comprehensive Enterprise Risk Management (ERM) framework designed to identify, assess, prioritize, mitigate, and monitor risks across all business dimensions. The objective is to protect organizational assets, ensure operational resilience, optimize farmer and partner satisfaction, and deliver sustainable value to shareholders.

2. PURPOSE & OBJECTIVES

The key objectives of this Risk Management Policy are to:

- **Standardize Risk Governance:** Define clear roles and responsibilities for managing risk across corporate offices, fulfilment hubs, and field operations.
- **Enhance Operational Continuity:** Ensure uninterrupted digital services, app uptime, supply chain resilience, and logistics efficiency.
- **Protect Data & Systems:** Safeguard proprietary e-agritech software, user data (farmers, vendors, institutional buyers), and financial transactions against cyber threats.
- **Ensure Regulatory & Environmental Compliance:** Comply with local agricultural laws, data privacy standards, food safety regulations, and environmental guidelines.
- **Promote Proactive Risk Culture:** Embed risk-aware decision-making into daily operational routines and strategic planning.

3. SCOPE & APPLICABILITY

This policy applies universally to all directors, officers, permanent employees, contractual staff, field executives, and third-party partners working for or on behalf of JK INDIA eAGRITECH LIMITED. It covers all operational domains including:

- E-Commerce Platform & Mobile Application Infrastructure
- Supply Chain & Logistics Management (Procurement, Storage, Cold Chain, Delivery)
- Agronomy Advisory Services & IoT Field Deployment
- Financial Transactions, Credit & Micro-Financing Partnerships
- Data Governance, Cybersecurity, and Privacy

JK India eAgriTech Limited

(Formerly known as JK Sugars & Commodities Pvt. Ltd.) | CIN: U51909PN2020PLC191361

Registered Office : 311, Elix Park, 3rd Floor, Shahupuri, Near Hotel Sayaji, **Kolhapur** - 416 001 (Mah.)

Corporate Office : 1911, One World, Near N.L.High School, S.V.Road, Malad (West), **Mumbai** - 400 064 (Mah.)

4. GOVERNANCE ARCHITECTURE & KEY ROLES

Risk management is integrated across all levels of organizational hierarchy:

Entity / Role	Primary Responsibilities
Board of Directors	Oversight of overall enterprise risk strategy, approval of the ERM framework, and periodic assessment of critical strategic risks.
Risk Management Committee (RMC)	Reviews quarterly risk reports, evaluates high-level risks, approves mitigation plans, and monitors execution across business lines.
Chief Risk Officer (CRO)	Drives ERM implementation, maintains the Corporate Risk Register, ensures cross-departmental coordination, and reports directly to the RMC.
Department / Hub Managers	Act as Risk Owners. Identify operational risks, enforce mitigation controls, and escalate emerging threats immediately to the CRO.
Employees & Field Agents	Adhere to safety, security, and operational protocols; report vulnerabilities and incidents promptly through standard operational reporting.

5. KEY AGRITECH RISK CATEGORIES & MITIGATION STRATEGIES

5.1 Technological & Cybersecurity Risks

As a platform relying on mobile applications, cloud databases, and real-time farmer advisory, system downtime or data breaches pose severe reputational and financial threats.

- **Mitigation:** Implement multi-region redundant cloud deployment, continuous data encryption (AES-256), strict ISO 27001 standards, routine vulnerability assessments, and automated daily backups.

5.2 Supply Chain & Inventory Risks

Disturbances in seed, fertilizer, and agri-input supply chains, along with spoilage during post-harvest handling, directly impact farmers and revenue.

- **Mitigation:** Multi-vendor sourcing for agri-inputs, IoT-enabled cold chain monitoring, predictive demand forecasting algorithms, and robust local warehouse contingency protocols.

5.3 Agronomic & Climate Volatility Risks

Unpredictable weather patterns, pest infestations, and climate impacts can degrade yield quality and disrupt planned demand cycles.

- **Mitigation:** Integration of satellite imagery and hyper-local weather AI forecasting, promoting climate-resilient farming techniques, and facilitating crop insurance options for registered farmers.

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5.4 Regulatory & Credit Risks

Changing agricultural policies, APMC market regulations, data privacy legislation, and defaults in credit programs extended to farmers or dealers.

- **Mitigation:** Continuous compliance monitoring by legal experts, strict credit-check algorithms, automated digital escrow processing, and collaboration with licensed NBFCs.

6. RISK ASSESSMENT MATRIX & EVALUATION FRAMEWORK

Risks are evaluated using a 3x3 Impact vs. Likelihood matrix to determine severity levels and prioritize responses.

Likelihood \ Impact	Low (Minor Operational Impact)	Medium (Moderate Business Loss)	High (Critical Service Disruption)
High (Likely)	Medium Risk (Yellow)	High Risk (Red)	Critical Risk (Red)
Medium (Possible)	Low Risk (Green)	Medium Risk (Yellow)	High Risk (Red)
Low (Unlikely)	Low Risk (Green)	Low Risk (Green)	Medium Risk (Yellow)

Mitigation Escalation Threshold: All High and Critical risks require an immediate action plan approved by the CRO and presented to the Risk Management Committee within 48 hours of detection.

7. INCIDENT REPORTING & CONTINUOUS REVIEW

Risk management is a continuous cycle. All employee and partner personnel are empowered to report potential risk vulnerabilities through the company's internal Incident Portal. The Enterprise Risk Register is updated quarterly, and a comprehensive policy audit is conducted annually by an independent internal auditor.

8. POLICY APPROVAL & ENDORSEMENT

This document represents the official Risk Management Policy of JK INDIA eAGRITECH LIMITED and has been formally adopted by the Board of Directors.

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