



Aster DM Healthcare Limited

Risk Management Policy Framework

Version	Date	Created By	Reviewed By	Approved By
1	1 st July, 2018	Group Internal Audit	Executive Director and Group Head- Governance and Corporate Affairs	Audit and Risk Management Committee
2	15 th July 2021	Head of Risk Management	Executive Director and Group Head- Governance and Corporate Affairs	Risk Committee and Board of Directors

Risk Management Policy Administration

Version No.	Effective Date	Date of Last Review
2	12 th August 2021	1 st July 2019

This revised policy framework document is effective from 12th August 2021 being the date of revision. This second version reflects the recent changes made in the Risk Management Framework such as formation of Cross Functional Team (CFT), and its responsibilities and modifications made in the risk identification and management process. The first version of Risk Management Policy was released on 1st July 2018.

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1. **Context**

Aster DM Healthcare (The Company) as part of its business operations, takes on risks on behalf of its shareholders, its customers and its clients. It generates shareholder value by selectively taking exposure to risks where the risk is adequately rewarded, and can be appropriately quantified and managed to safeguard the company's ability to meet commitments to its customers and clients, comply with regulation, and protect its reputation.

The Risk Management Policy Framework (RMF) defines the requirements for monitoring and managing the risk to which the business is exposed at a Group level. The Company operates a "three lines of defence" (3LOD) model to monitor and manage its risk exposure, maintain a strong solvency position, manage and address statutory and regulatory considerations, and to protect its brand and the sustainability of its business.

1.1 **Purpose**

The RMF provides a disciplined and structured process for the taking and management of risk. This is achieved through:

- describing the company's approach to risk management and the principles for taking and managing risk;
- outlining the governance structure by which the company operates;
- providing a common language and framework for managing all types of risk which is important for consistency and understanding the overall risk exposure;
- providing a reference point when considering risks, by defining and describing the company's risk appetite, risk categorization, risk policies, risk culture and risk management cycle;
- promoting a responsible risk culture across the whole business, supported by the recruitment and training of individuals to ensure the capabilities and behaviors needed to develop and control the business are in place; and
- outlining key processes for risk management and internal control that support compliance with relevant customer, statutory, regulatory and shareholder requirements

1.2 **Risk Definition**

Risk is defined as "the uncertainty that Aster DM faces in successfully implementing its strategies and objectives. This includes all internal and external events, acts or omissions that have the potential to threaten the success and survival of the company or the interests of its customers and clients".

1.3 **Scope**

This policy applies to all aspects of the company's business units (BU). It must be implemented across all BUs and each member of the company's Executive Committee is responsible for

ensuring that all areas under their responsibility appropriately adhere to and verify compliance with the policy requirements.

The RMF applies to the management of shareholder, customer and client (including third party business) exposures across the company. In addition, it is the responsibility of the company's executive management to ensure full compliance with all local regulatory and statutory requirements.

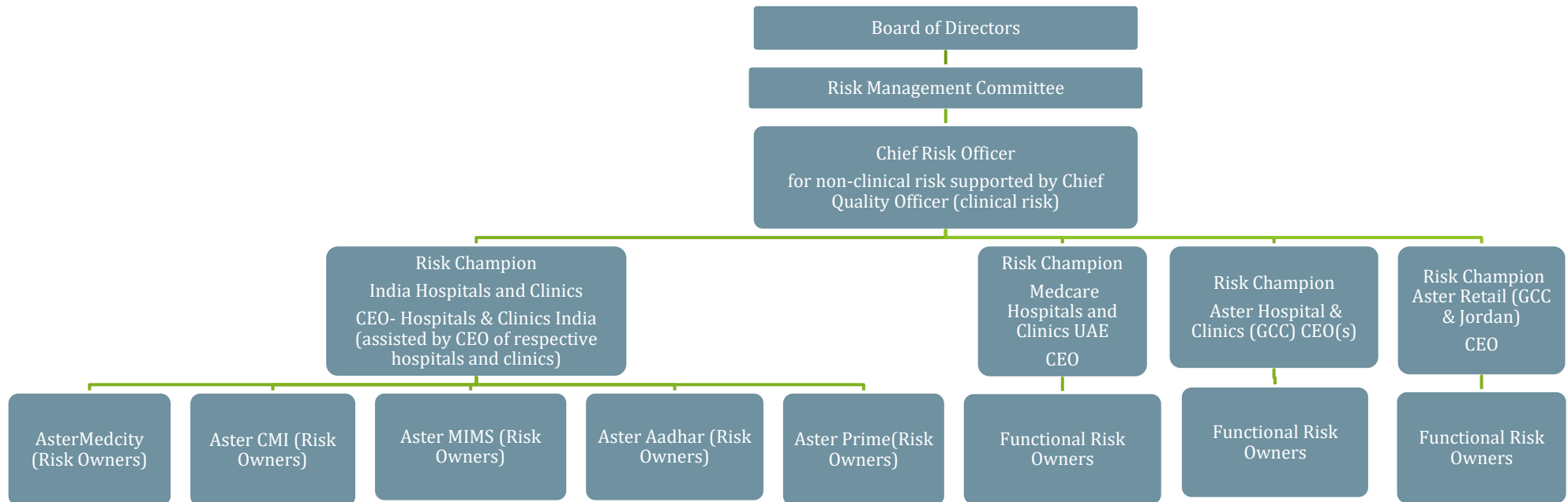
1.4 Policy refresh

This policy is to be refreshed once every two years and to be approved at the Risk Management Committee or Board as appropriate.

2 Policy Requirements

2.1 Risk Governance

Risk governance refers to the organizational structures, reporting relationships, delegation of authority, and roles and responsibilities that the Group establishes to make decisions and control activities on risk related matters. It establishes oversight and challenge of the company's risk profile underpinned by risk policies, risk appetite and limits and the regulatory and statutory requirements. The governance structure is important to the management of risk at the company.



Role	Definition
Board	<ul style="list-style-type: none"> ➤ The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity. ➤ Understand the extent to which management has established effective enterprise risk management of the organization and identify deficiencies. ➤ Review the entity's portfolio of risk and consider it against the entity's risk appetite. ➤ Be apprised by the Risk Management Committee of the most significant risks and whether management is responding appropriately ➤ Ensuring the integrity of the listed entity 's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. <p>The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.</p>
Risk Management Committee	<ul style="list-style-type: none"> ➤ Formulate/amend risk management policy which shall include: <ul style="list-style-type: none"> (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (including, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee (b) Measures for risk mitigation including systems and processes for internal control of identified risks (c) Business continuity plan ➤ Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity ➤ To monitor and oversee implementation of the risk management policy ➤ Advise the Board in relation to its determination of overall risk appetite, tolerance and strategy, taking account Aster DM's values purpose, as well as the current and prospective regulatory, macroeconomic, technological, environmental and social developments and trends that may be relevant for the company's risk policies. ➤ Provide advice and assurance to the Board by adopting a holistic and enterprise-wide view of the ➤ company and the key risks that it is exposed to, assessing the adequacy and effectiveness of the company's adoption of the Enterprise-Wide Risk Management Framework. ➤ Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken ➤ Undertake horizon-scanning of the risk landscape, including material risks, reputational impacts ➤ and undertake deep-dive reviews into significant risks at the request of the Board or where, in the Committee's view, further scrutiny is required. ➤ Consider and review the prevailing risk culture in the organization (values, beliefs, knowledge, attitudes and understanding about risk) and maintain oversight of relevant work streams and projects to bring about the desired risk culture.

Role	Definition
	<ul style="list-style-type: none"> ➤ Review the risk identification and management process developed by management to confirm it is ➤ consistent with the Company's strategy and business plan. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. ➤ Reviewing of the risk management plan including the plan on cyber security. ➤ Review management's assessment of risk at least annually and provide an update to the Board in this regard. ➤ Inquire from the management and the independent auditor about significant business, political, financial and control risks or exposure to such risk. ➤ Oversee and monitor management's documentation of the material risks that the Company faces ➤ and update as events change and risks shift. ➤ Assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance. ➤ Develop, oversee and monitor management's review, at least annually, and more frequently, if necessary, of the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks) and ➤ Review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled: <ul style="list-style-type: none"> a. management's tolerance for financial risks b. management's assessment of significant financial risks facing the Company c. the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks and d. to review with the Company's counsel, legal matters which could have a material impact on the Company's public disclosure, including financial statements. ➤ The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. ➤ The Committee shall coordinate its activities with the other Committees in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors ➤ The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
Chief Risk Officer	<p>Head of Audit is designated as the CRO</p> <ul style="list-style-type: none"> ➤ All key risks identified shall be documented in the Consolidated Risk Register/ Dictionary maintained by Chief Risk Officer ➤ To propose periodic updates in risk management policy. ➤ To monitor the mitigation plan for the risks identified in the consolidated/ Local risk register and place it for review of RMC in the meeting ➤ To coordinate meeting of Risk Management Committee (RMC) at least once in every six months.

Role	Definition
Risk	<ul style="list-style-type: none"> ➤ Supporting the Board and management in embedding and maintaining a supportive culture in relation to risk management ➤ Providing overall coordination and oversight of risk management processes and systems ➤ Coordinating the identification and assessment of key risks to establish the risk profile used as a basis for setting qualitative and quantitative limits, and the MI received by Board and Executive Risk Committees. ➤ Independently monitoring and reporting that risk exposures are managed within risk appetite and limits and in line with specified parameters and policies, with regular Risk MI, including on Top Risks, to Board and Executive Risk Committees. ➤ Testing the Group's internal controls and procedures for financial reporting.
Internal Audit	<ul style="list-style-type: none"> ➤ Evaluating the adequacy and effectiveness of the systems of internal control, including risk management, governance and operational processes ➤ Reporting to management on its findings, and its recommendations to remedy shortcomings ➤ Monitoring progress against these recommendations, and verifying the implementation of decisions taken on the basis of the recommendations ➤ Providing a control environment opinion frequently
Risk Champions	<p>CEO-Aster Hospitals & Clinics Medcare India and GCC (including retail) act as the Risk Champions.</p> <p>Financial Risks:</p> <ul style="list-style-type: none"> ➤ Evaluate the risk and mitigation plan recommended by Risk Owners ➤ Direct Risk Owners for mitigating the risks identified ➤ Draft risk analysis, risk treatment and control mechanism ➤ Coordinate with Risk Owners in the process of reviewing the LRR by CRO's and periodical reports to CRO's <p>Operational Risks:</p> <ul style="list-style-type: none"> ➤ Review and approve the Safety Programs along with COO of the entity ➤ Appoint, in writing, the Chairperson to the Health & Safety Committee in consultation with COO ➤ Review reports provided by the Chairperson, Health & Safety Committee and, when necessary and appropriate, direct the allocation of resources or emphasis to fulfill program requirements in consultation with COO and CMS of the entity. ➤ To coordinate with Head of Bio Medical with regard to risk associated with Bio Medical equipment. ➤ To coordinate with Head of Legal with regard to Medico Legal Issues ➤ To coordinate with other Risk Owners with regard to respective risks in their area.

Role	Definition
	Coordinate with Risk Owners in the process of review of the risk register by the Head of Audit and periodical reports to CRO's
Risk owners	<p>Cross functional team (CFT) of the respective HOD Finance, Head of Legal, Head of Bio Medical Equipment, Chief Medical Service (CMS), HOD (Other Departments if any) are the risk owners of Finance, Legal, Bio Medical & Clinical risks and Other Departments respectively. Risk Owners coordinate with Risk Champion for the Financial & Operational Risk Management.</p> <ul style="list-style-type: none"> ➤ Risk Owners are responsible for identification and mitigation of risk of their respective areas ➤ Risk Owners shall present the new risks identified along with proposed mitigation plan to Risk Champion for their approval ➤ Identify future risk, evaluate the criticality of the risk and formulate the steps of mitigation ➤ Periodical Review of the Local Risk register, updation of the Local Risk register and Periodic Reports to Risk Champion and CRO

2.2 Risk Appetite and Limits

Aster DM's attitude to risk can be summarized as follows:

"As a provider of medical and health care services, Aster DM recognizes that the managed acceptance of risk lies at the heart of the business. As a result, effective risk management capabilities represent a key source of competitive advantage for Aster DM.

By managed acceptance of risk, Aster DM seeks to generate shareholder value by selectively taking exposure to risks for which it is well compensated.

Aster DM will additionally accept exposure to risks for which it is not directly compensated, where these are an inevitable by-product of its business activities. These risks will be reduced to the extent it is cost-effective to do so.

In general, Aster DM's control procedures and systems are designed to manage risk, rather than eliminate it. However, at certain times, there may also exist some risks for which Aster DM has no tolerance and which are actively avoided. Examples include having insufficient resources to cover its outgoing cash-flows or failure to comply with relevant regulatory requirements."

Aster DM's risk appetite and tolerance to take on risk is specified through Risk Appetite Statements (RAS) and limits that are aligned to, and reviewed with respect to, the business model. Risk appetite is the amount and type of risk the organization is willing to accept in pursuit of its business objectives.

The Risk appetite statements (RAS) and their associated Key Risk Indicators (KRIs) enable the Business units and the Boards and Risk Committees, to monitor and assess the Group's performance against its appetite to take on risk.

2.3 Risk Categories and definitions

Sr No	Category	Definition
1.	Compliance Risk	The risk of financial or non-financial impact resulting from a failure to meet regulatory requirements or a failure to adequately consider regulatory expectations and standards. Such risks could be associated with healthcare licensing, accreditation as well as legal issues such as intellectual property.
2.	Financial Risk	The risk of loss or adverse change in the financial situation of our business or that of our customers and clients, resulting from fluctuations in the level of market volatility, costs associated with malpractice and insurance, capital structure, credit and interest rate fluctuations, capital equipment, billing and revenue cycle management.
3.	Fraud Risk	The risk of failure to have adequate systems and controls in place to protect our business and its customers from internal and external frauds and comply with applicable legislation and regulations.
4.	Health and Safety Risk	The risk of failure to have adequate systems and controls in place to protect the health and safety of our customers and employees and our inability to effectively respond and handle crisis and waste management.
5.	Healthcare Quality Risk	The risk of failure to have adequate controls in place to prevent interruptions in critical care, inadequate service and negligence from doctors, failure to follow evidence based practice, medication errors, hospital-acquired conditions, clinical incidents and so on.
6.	Information Security Risk	The risk of failure to have adequate systems and controls in place to protect the data privacy and secure the data of our customers leading to litigation in accordance with the applicable legislations and regulations. Furthermore healthcare has seen an explosion in the use of technology for clinical diagnosis and treatment as well as information storage and retrieval.
7.	Operational Risk	The business of health care is the delivery of care that is safe, timely, effective and patient-centred within diverse populations. Operational risks can be the financial or non-financial impact resulting from inadequate or failed internal or outsourced processes and controls, credentialing and staffing, documentation, chain of command and deviation from practice.
8.	Reputational Risk	The risk that Aster DM through its activities, behaviors, and/or communications does not meet stakeholders' expectations in ways which adversely impact trust and Aster DM's reputation- potentially leading to a decline in revenue,

Sr No	Category	Definition
		increased costs, the loss of key personnel and/or adverse regulatory reaction.
9.	Resource Risk	The risk of negative impact on quality and inability to meet business objectives due to insufficient employment retention programs, succession plans, delay in recruitment and ineffective performance management systems.
10.	Strategic Risk	The risk of loss for our business or failure to maximize decision-making opportunity resulting from ineffective, inefficient or inadequate senior management processes for the development and implementation of business strategy. Included within this risk category are issues resulting from healthcare reform and changes in patient priorities.

2.4 Risk and Compliance Policy Framework

Policies are high-level statements which provide guidance on how the business operates with the aims of ensuring consistency and efficiency in, and accountability of, business processes and controls, and assisting the business in meeting its legal and regulatory obligations.

A key element of the Risk management policy framework is the suite of risk and compliance policies that covers the key risk areas faced by the organization and supports the framework to facilitate effective risk management. The scope of these risk and compliance policies covers all risks (as defined within Section 2.3) The policies set out specific requirements to be applied in the management of each risk type.

2.5 Risk Culture

The Risk culture is reflected in the values and behaviors Aster DM displays when managing risk. AsterDM works to promote a responsible risk culture in the following ways:

- By the leadership and behaviors demonstrated by the management
- By requiring individuals to take responsibility for managing risks
- By building skills and capabilities to support risk management
- By emphasizing the importance of risk management in business decisions

Approach

Leadership

The Aster DM leadership promote a responsible culture of risk management by emphasizing the importance of balancing risk with profitability and growth in decision making, while encouraging compliance with regulatory requirements and internal policies. As part of this, they encourage all employees to be risk-aware, speak up and raise risks, to promote open dialogue around risk and to take personal responsibility for identifying and helping to address risk issues.

The Leadership team refrains from conflicts of interest and are held accountable for the decisions they make, specifically how they considered risk when making those decisions.

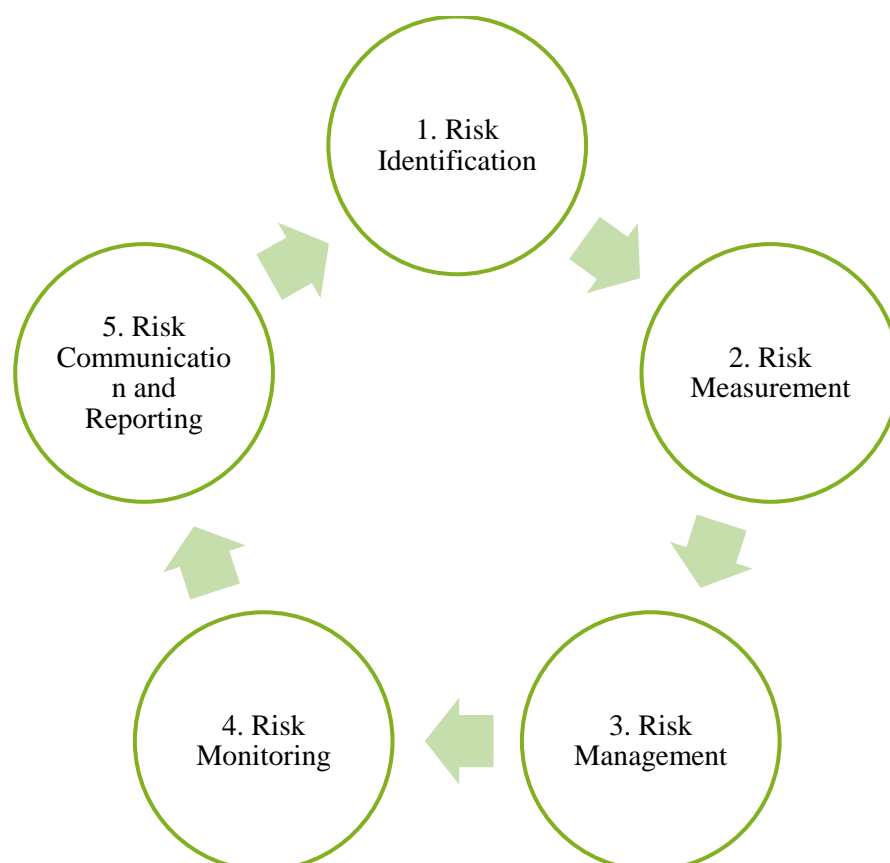
Risk Culture Requirements

All business units must:

- 1) Promote a responsible culture of risk management exemplified by the risk culture characteristics listed below and behaviors of the leadership teams including: -
 - articulation by the Business Unit Senior management, which is visibly supported by the decisions they take, on the need for good risk management as a way to realize long term value
 - employees understanding and caring about their role in managing risks for Aster DM and for customers and clients, they are aware of and openly discuss risks as a part of the way they perform their role; and
 - risk takers inviting open discussion on the approach to the management of risk
- 2) Identify and deploy adequate and appropriate skills and resources and promote ongoing training and development to build management capabilities that recognizes the consideration of risk in decision making
- 3) Include quantitative and/or qualitative risk management objectives in the performance evaluation, reward and compensation of relevant individuals
- 4) Embed risk management into decision making across the business units

2.6 Risk Management Cycle

The risk management cycle is the ongoing process of identifying, measuring, managing, monitoring, communicating and reporting the risks to which the business is exposed to.



2.6.1 Risk Identification –

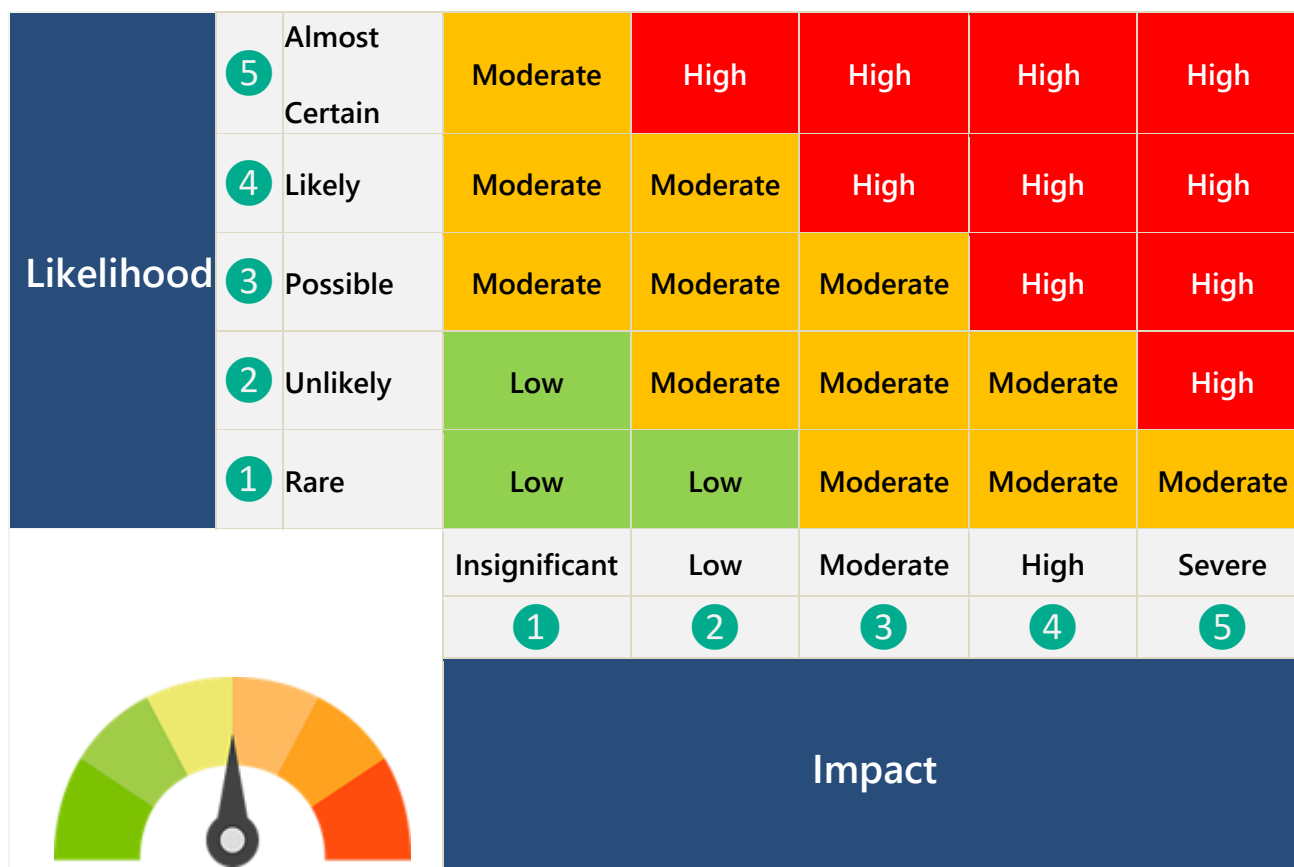
Regular bottom-up risk identification processes are undertaken to identify ‘key risks’ to which Aster DM is currently exposed or could be exposed to in the future. Structured processes apply, with the risks identified being categorized according to those risk categories and definitions laid out in section 2.3 of this document before being assessed for materiality. These processes include:

- Regular monitoring of a range of indicators by the business units and Risk team to confirm that all material risks are captured.
- Annual workshops with Subject Matter Experts (SMEs) to supplement regular monitoring above;
- Quarterly Risk and Controls Self- Assessments (RCSA)
- Risk identification processes embedded in key projects

An emerging risk process is in place to identify the risks to which the firm may be exposed but which are not yet quantifiable or wholly reflected in the bottom-up risk assessments.

2.6.2 Risk Measurement – Risks are measured using appropriate metrics as defined in setting of risk limits, triggers and indicators.

All risks are assessed based on impact and likelihood scales. Risks will be plotted as per the below heat map. The detailed impact matrix is included in the appendix section 3.1



2.6.3 Risk Monitoring- is an ongoing process to track the status of risks and is undertaken by both the risk owners and through oversight and assurance activities undertaken by Risk and Internal Audit.

2.6.3.1 Risk Control Matrix (RCM) maintained in accordance to Internal Finance Control (IFC) is an assurance process for internal financial controls documented in the form of risk matrices which enable the management and auditors to assess the design and operating effectiveness of the system of internal financial controls.

2.6.3.2 Risk based internal audit.

To be consistent with the Aster DMH Policy on Internal Audit and Institute of Internal Auditors (IIA) Standards, Internal Audit Department (IAD) undertakes an annual risk-based planning process to determine the internal audit priorities for the year.

2.6.4 Risk Management- Risks are evaluated, treated and managed against the defined risk limits, triggers and indicators in order to establish whether the business is operating within risk appetite. Where risk appetite is exceeded or in some instances the limit is



close to being exceeded, management are expected to take actions to appropriately treat the risk through mitigation, transfer, avoidance and acceptance. Specific actions to be undertaken in the event of a breach.

2.6.5. *Risk Communication & Reporting*- To ensure timely and appropriate decision making, the Board, Risk committee are provided with accurate and timely risk reports and management information. The main sources of reporting include:

- Quarterly reporting to Executive Leadership
- Quarterly reporting to the Risk and Audit committee
- Risk report in the Annual Financial statements

3 Appendix

3.1 Supporting documents

Name	Document
Clinical Risk management Policy	 Clinical risk Management Policy
Impact matrix	 Impact Matrix

3.2 Supporting Regulations

Regulation	Brief
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<p>Indian Companies Act, 2013</p>	<p><u>Responsibility of the Board:</u> As per Section 134 (n) of the Act, The Board of Directors' report must include a statement indicating development and implementation of a risk management policy for the Company including identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.</p> <p><u>Responsibility of the Board Audit and Risk Management Committee:</u> As per Section 177 (4)(vii) of the Act, the Board Audit and Risk Management Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.</p> <p><u>Responsibility of the Independent Directors:</u> As per Schedule IV [Part II-(4)] of the Act, Independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible.</p>
<p>Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</p>	<p><u>Responsibilities of the Board of Directors:</u> As per Clause Regulation 4 (2) (f)(ii) (7) Key functions of the Board of directors includes "Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards".</p> <p>As per Clause Regulation 4 2 (f) (iii)(9) Other responsibilities of Board of directors includes " The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk."</p> <p>As per Regulation 4 2 (f) (iii)(9) Other responsibilities of Board of directors includes " The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus</p> <p>Under Clause 17 (9) (a) (a) The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures.</p>

(b) The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Risk Management Committee: -

As per clause 21 The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security.

Role of Audit Committee: -

As per Para A Part C of schedule II "Role of the audit committee and review of information by audit committee" the role of Audit committee shall include evaluation of internal financial controls and risk management systems.

Role of the Risk Management Committee:-

As per Para C Part D of schedule II "Role of the Risk Management committee, the role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, 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 Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

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

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

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

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall 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 of directors

Corporate Governance: -

As per Schedule II Part A "Minimum information to be placed before board of directors " includes Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material

3.3 Glossary of Terms

Terminology	Description
Company	Means Aster DM Healthcare Ltd and its subsidiaries.
Risk Management Committee	Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.
Board of Directors / Board:	As per Section 2 of "The Companies Act, 2013", in relation to a Company, means the collective body of Directors of the Company.
Risk Management Policy (RMP)	RMP is a statement of the overall intentions and direction of an organization related to risk management
Key Risks	Risks identified as significant to the entity that if crystallized would seriously compromise Aster DM's ability to meet its strategic objectives or breach Risk

Terminology	Description
	Appetite Statement. Key risks are owned and monitored by the Business Units (e.g., on RCSAs).
Risk	Risk is an event which can prevent, hinder and fail to further or otherwise obstruct the enterprise in achieving its objectives.
Inherent Risk	Is an assessed level of raw or untreated risk; that is, the natural level of risk inherent in a process or activity without doing anything to reduce the likelihood or mitigate the severity of a mishap, or the amount of risk before the application of the risk reduction efforts.
Residual Risk	Upon implementation of mitigation plan, there will still be a degree of residual (or remaining) risk, with the expectation that an unacceptable level of residual risk would remain only in exceptional circumstances. Thus, Residual risk is the threat that remains after all efforts to identify and eliminate risk have been made.
Risk Owner	Person / Entity with the accountability & authority to manage the risk is the Risk Owner.
Emerging Risk	Newly developing or changing risks that are yet unclear in how they could impact the business and are therefore difficult to quantify (known, unknown). Emerging risks are typically issues that are perceived to be potentially significant, but which may not be fully understood, not yet quantifiable or not yet wholly reflected in the bottom-up risk assessments.
Risk Appetite	Risk appetite is the amount of risk that Aster DM is willing to take in pursuit of its strategic objectives. This is articulated in Aster DM's Risk Appetite Statements which are owned by the Board.
Risk Tolerance	Risk Tolerance is the amount of uncertainty Aster DM is prepared to accept in total against aggregated risk appetite or more narrowly within a certain Business Unit, a particular risk category or for a specific initiative. It is expressed in quantitative terms that can be monitored.
Risk and Controls Self-Assessments (RCSA)	The RCSA is an on-going cycle of activity used to develop Aster DM's forward-looking risk profile. RCSAs involve identifying, assessing, managing, monitoring and reporting key risks and the adequacy of associated controls.

Terminology	Description
Risk Profile	A risk profile is an overall evaluation of an individual or organizations risk and control environment.
Top Risks	Top Risks are intended to provide a forward-looking view of the evolving risk profile, detail current risks meriting specific attention and those with the greatest potential impact on operating results and financial condition.