

RISK MANAGEMENT POLICY OF LUCENT INDUSTRIES LIMITED

The revised policy is adopted by the Board of Directors in their meeting held on March 19, 2025.

1. Objective and Scope

This Policy details the Risk Management principles and framework along with the associated procedures for Marico Limited (hereinafter, referred to as the “Company”). This policy has been established by the management, to identify, assess, mitigate, monitor, and report the key risk categories (such as Strategic, Financial, Operational, Regulatory, Reputational, Third-party, Sustainability, Technological Risks) on a periodic basis. It also prescribes the risk management governance structure along with the roles and responsibilities of various stakeholders within the organization. This policy has been specifically designed, to achieve the following objectives:

- Ensure achievement of the Company’s vision and strategic priorities in line with its core values;
- Integrate risk management in the culture and strategic decision-making in the organization;
- Enable compliance with appropriate regulations and adoption of leading practices;
- Anticipate and respond to changing economic, social, political, technological environmental and legal conditions in the external environment.

2. Philosophy

The risk management philosophy of the Company is built based on its vision and strategic goals. Since, risk is an integral part of every business activity, the Company aims to embed risk management in its regular course of business. This ensures that risk management is not seen as a traditional silo-based activity but is practiced by individual functions/business as a part of their day to day operations.

The Company has adopted an integrated approach for risk management wherein it ensures all material risks are identified, assessed, and mitigated for the long-term sustainability of the organization. In addition, the mitigation plans for all the key risks are aligned with the Company’s strategic business plans and performance management system which are reviewed by the senior leadership on a periodic basis.

The Company also has well defined policies, standard operating procedures and controls in place to minimize and mitigate the financial and operational risks. The Company’s internal audit carries out reviews and the internal control advisory activities aligned to the key risks and their mitigation plans. This provides an independent assurance to the Audit Committee (AC) on the adequacy and effectiveness of the risk management for operational and financial risks. Compliance with the Company’s Code of Conduct and Whistle Blower Policy also ensures ethical culture and responsible decision making within the organization.

3. ROLE OF THE BOARD:

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for implementing and monitoring the Risk Management Plan for the Company;

- The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee along with any other functions as it may deem fit;
- Ensure that the systems for risk management are updated and sufficiently extensive;
- The Independent Directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible; Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;
- Be satisfied that an appropriate accountability framework is implemented and is delivering the desired results;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms

4. Regulatory Requirement

As per Regulation 17(9) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and section 134(3) Companies Act, 2013 read with every listed company is required to define Risk Management Policy covering the framework for management of key business risks. The Board of Directors, the Audit Committee is responsible to ensure that the company has a robust Risk management framework and monitor its effectiveness on periodic basis.

5. Definitions

"Company" means "Lucent Industries Limited", a Company constituted under the provisions of Companies Act, 1956.

"Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the Lucent Industries Limited (the 'Company').

"Policy" means Risk Management Policy.

"Risk" in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

"Risk Management" is the systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

6. RISK FACTORS

The operations of the Company are subject to both external and internal risks that are enumerated below: -

a) External Risk Factors

- Economic Environment and Market conditions
- Political Environment
- Competition
- Technology Obsolescence
- Legal

b) Internal Risk Factors

- Risks Relating to our Business and Industry
- Regulatory, legislative or self-regulatory developments regarding data protection
- Operational Efficiency
- Risk of loss of proprietary information
- Quality Assurance
- Human Resource Management

7. RISK MANAGEMENT FRAMEWORK

Before proceeding to the policy attention is drawn to the roles that the Board and Audit Committee are required to play under the above regulations governing Risk Management:

- a)** The Board's role to ensure framing, implementing and monitoring risk management plan, having in place, systems for risk management as part of internal controls with duty being

cast upon Independent Directors to bring unbiased approach during the Board's deliberations on making risk management systems very strong and effective.

- b)** The Audit Committee's role is to evaluate the risk management systems.

- c)** This policy shall complement the other policies of the company in place e.g. Related Party Transactions Policy, to ensure that the risk if any arising out of Related Party Transactions are being effectively mitigated.

8. RISK IDENTIFICATION AND ANALYSIS

Every employee of the Organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

9. COMPLIANCE AND CONTROL

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

10. REVIEW

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization. This Policy can be modified at any time by the Board of Directors of the Company.
