

Rayzon Solar Limited

(CIN: U29309GJ2022PLC133026)

Risk Management Policy

1. Introduction

The Risk Management Policy ("Policy") is formulated under the requirements of Regulation 21(4) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Regulation states as under:

2. Terms of Reference

- To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To formulate a detailed Risk Management Policy covering risk across functions and plan integration through training and awareness programmes which shall include:
 - a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks, legal and regulatory risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - Business continuity plan.
- To approve the process for risk identification and mitigation;
- To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- To consider the effectiveness of decision-making process in crisis and emergency situations;
- To balance risks and opportunities;
- To generally, assist the Board in the execution of its responsibility for the governance of risk;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- To consider 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 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;

- 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;
- To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations

3. Constitution of Risk Management Committee

- a. The Board has constituted the “Risk Management Committee” and it is in line with the requirements of the Listing Regulations. This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.
- b. The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

4. Philosophy and approach to Risk Management

Risk Management is integral to Rayzon Solar Limited’s strategy and to the achievement of the Company’s long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities created by our business and the markets, we operate in. In doing this the Company takes an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board’s agenda.

The Company defines risks as actions or events that have the potential to impact our ability to achieve our objectives. The Company identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy, if it does not strengthen brand equities or grow in growing channels. The Company’s Risk Management approach is embedded in the normal course of business.

5. Structural Elements:

• Governance of RSL, Organizational structure and Delegation of authority

RSL organizational structure is designed to respond to all the key risks that we face in the short, medium and longer term and reflects all relevant external requirements in relation to good corporate governance.

• Vision, Strategy and Objectives

Our Corporate Mission & Purpose frame our objectives and strategy setting – our Compass.

• Code of Business Principles, Code Policies and Standards

Our Code of Business Principles sets out the standards of behavior that we expect all employees to adhere. Day to day responsibility for ensuring these principles are applied throughout RSL, rests with senior management across functions. Our Code is supported by our Code Policies. Each policy identifies the key ‘must dos’ and ‘must not dos’ that every stakeholder must adhere to (in so far as they are relevant). These policies are broad ranging in their nature including such areas as employee health and safety, product safety and quality, the environment, ethical research, use of certain

ingredients in our products, accounting and reporting, share dealing and corporate disclosure, protecting RSL and consumer information, and safeguarding our assets.

- Risk and Control Frameworks
- Performance management and operational processes execution
- Compliance and assurance activities.

6. Imperatives:

All managers and above must implement RSL Principles of Risk Management as follows:

- **Accountability:** Identify and manage the risks that relate to their role;
- **Risk Appetite:** Determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is no significant threat to achieving their objectives; and
- **Risk Mitigation:** Put adequate controls in place, and ensure that they are operational, in order to deliver their objectives.

All Business & Functional Heads must ensure that the risk management activities, as outlined in Company's Risk and Control Frameworks, are being undertaken in their areas of responsibility.

All leadership teams must complete an annual holistic risk discussion during which:

- Key business risks for which they are responsible are identified;
- How those risks are being managed is reviewed; and
- Any gaps in their desired risk appetite are identified.

For those risks where significant gaps have been identified, leadership teams must perform regular reviews and ensure risks are mitigated as desired. All project leaders of transformational projects must, together with their teams, identify the key risks associated with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

7. Risk Oversight:

Board of Directors:

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall on recommendation of the Risk Management Committee adopt the Risk Management Policy and critically review the risk governance and monitoring mechanism. The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan.

Audit Committee:

The Audit Committee shall meet at least once in a year to oversee the risk management and internal control arrangements and shall also evaluate internal financial controls and risk management systems of the Company.

Risk Management Committee:

Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risks.

8. Business Continuity Plan

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems and processes etc.

9. Policy review

- a. This Policy is framed based on the provisions of the Listing Regulations.
- b. In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in the Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.
- c. The Policy shall be reviewed once in every two years by the Risk Management Committee. Any changes or modification to the Policy shall be recommended by the Committee and be placed before the Board of Directors for approval.

(This policy is approved by the Board of Directors at their meeting held on 3rd June, 2025)
