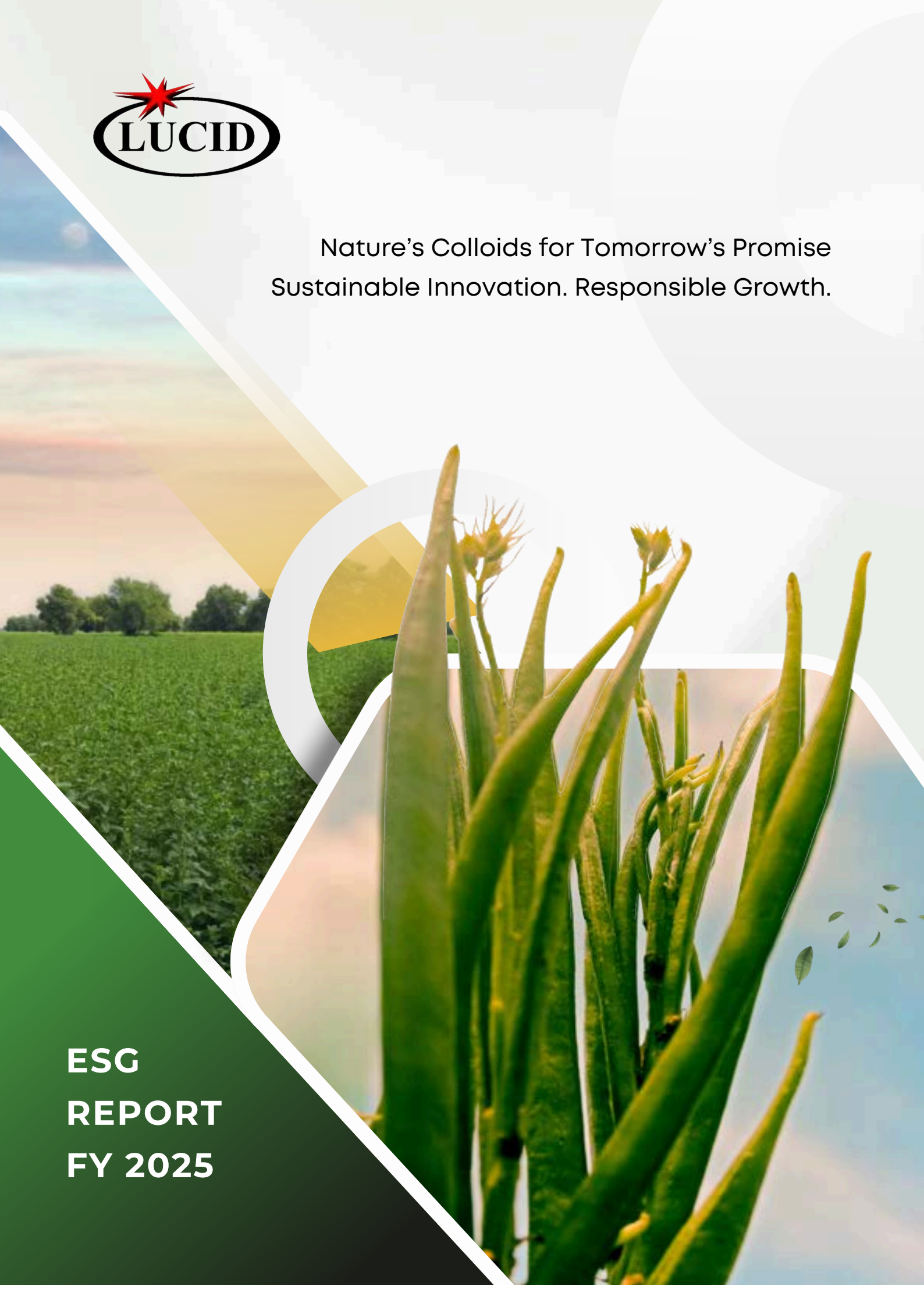





Nature's Colloids for Tomorrow's Promise  
Sustainable Innovation. Responsible Growth.

**ESG  
REPORT  
FY 2025**





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# THEME OF REPORT

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## **Nature's Colloids, Tomorrow's Promise Innovating Sustainably, Growing Responsibly**

For FY 2024–25, at Lucid Colloids Limited, our report theme—*Nature's Colloids, Tomorrow's Promise – Innovating Sustainably, Growing Responsibly*—reflects our heritage in nature-based hydrocolloid science and our responsibility towards sustainable value creation. Drawing inspiration from natural colloids such as guar, cassia, sesbania, and tamarind, we remain committed to delivering high-quality solutions while minimising our environmental and social impact.

Sustainable innovation lies at the core of our operations. Across our manufacturing facilities, research centres, and agri-based sourcing ecosystem, we continuously work to enhance resource efficiency, reduce emissions and waste, strengthen water stewardship and adopt responsible sourcing practices. Our focus is on integrating sustainability into product development, process optimisation, and supply chain management, ensuring resilience and long-term environmental stewardship.

Growing responsibly also means putting people and communities at the heart of our progress. We are committed to maintaining safe and healthy workplaces, building an inclusive and skilled workforce, and upholding ethical business practices across our value chain. Through community engagement and responsible operations, we aim to create shared value in the regions where we operate.

Strong governance underpins our approach to sustainability. Guided by transparency, accountability, and compliance with globally recognised frameworks, we continue to strengthen our ESG governance structures and decision-making processes. As we advance our sustainability journey during FY 2024–25, Lucid Colloids Limited measures success not only by business performance, but by the positive impact we create—transforming nature-led science into enduring value for today and tomorrow.

# ABOUT THE REPORT

As we continue our journey toward strengthening Lucid’s ESG foundation, this report reaffirms our commitment to responsible growth, transparency, and accountability. It highlights the progress we have made, the challenges we face, and the initiatives undertaken to integrate sustainability across our operations while contributing to global sustainability priorities.

This ESG Report presents disclosures for the period 1 April 2024 to 31 March 2025 (FY 2024–25) and covers all Lucid facilities, including Jhagadia, Jodhpur, Meglasiya, Mokheri (R&D Centre), and our Head Office in Mumbai. It provides a consolidated view of our performance across the three key pillars of Environmental, Social, and Governance (ESG).

The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, reflecting our alignment with globally recognised sustainability reporting practices. In addition, our ESG approach is aligned with the United Nations Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC), reinforcing our commitment to responsible business practices, human rights, environmental stewardship, ethical governance, and sustainable value creation for all stakeholders.

Through this publication, we aim to provide our stakeholders with a clear and transparent overview of how ESG principles continue to shape our business strategy, strengthen operational resilience, support global sustainability frameworks, and drive long-term value creation for our company, communities, and the environment.

## External Assurance

To enhance the credibility and reliability of our greenhouse gas (GHG) inventory, SGS India Private Limited (hereinafter referred to as SGS India) was engaged to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 1, Scope 2, and Scope 3 pertaining to the reporting period of 1st April 2024 to 31st March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted Limited Level Assurance for Scope 1, Scope 2, and Scope 3 Data. This assurance engagement was conducted in accordance with the “International Standard on Assurance Engagements (ISAE) 3410”. The assurance provider concluded that the GHG emissions data is fairly stated. The certificate is attached in the report on page no. 136 - 139.

## Feedback

We encourage stakeholders to share their feedback, suggestions, or inquiries regarding our sustainability performance. You may reach us at [admin@lucidcolloids.com](mailto:admin@lucidcolloids.com)

# MESSAGE FROM MANAGING DIRECTOR

“

**“Nature’s Colloids, Tomorrow’s Promise – Innovating Sustainably, Growing Responsibly”**

”



I am pleased to present Lucid’s ESG Report for FY 2024–25, marking the second year of our sustainability disclosure journey. This report reflects our ongoing commitment to transparency, accountability, and continuous improvement across all facets of our business.

Lucid continues to advance steadily in measuring and reducing its carbon footprint, reinforcing our long-term commitment to sustainable growth. In addition to emissions reduction, we are actively working to minimise our water and waste footprint. Resource efficiency remains a priority as we adopt improved water-use practices, expand recycling initiatives, and strengthen waste-management systems. As part of our ambition to move toward a zero-waste to landfill, we continue developing enhanced recycling and reuse methods to reduce our environmental impact.

At Lucid, workplace safety and employee well-being remain fundamental. We aim to maintain an environment that supports growth, learning, and security for all employees. Through ongoing training programs, open communication channels, and access to wellness resources, we ensure every individual feels supported, respected, and empowered to contribute to the company’s success. In FY 2024–25, we strengthened this commitment by achieving zero fatalities and zero work-related incidents across all plants, while ensuring that 100% of employees received comprehensive Health & Safety training.

Our commitment to community engagement continues to strengthen each year. We focus on initiatives that promote education, environmental awareness, and sustainable practices in the regions where we operate. These efforts help us build trust and create long-term value for local communities. In FY 2024–25, our CSR initiatives positively impacted more than 13,700+ lives, including extensive training sessions for farmers and Self-Help Groups (SHGs).

Driving innovation remains central to our long-term strategy. Our Research & Development team continues to optimise production processes and enhance guar yields. We are exploring scientific cultivation methods that can transform guar farming by increasing productivity while reducing environmental impact. We remain committed to supporting farmers in Rajasthan through advanced agricultural knowledge and technology. With over 1,400 farmers trained, including comprehensive coverage on agroecology, we continue to promote improved farming practices that lead to better yields, reduced water use, and healthier soils—helping build a more resilient agricultural ecosystem.

We strengthened our approach to ESG management by integrating digital systems into our data processes through the ESG Konnect platform. This portal enables our teams to access, organise, and review ESG data more efficiently across all units and plants, creating a more streamlined and consistent approach to sustainability reporting.



Looking ahead, Lucid Colloids Ltd. is well-positioned to reinforce its role as a global leader in guar-based innovation. By aligning economic growth with responsible environmental and social practices, we are prepared to meet the evolving expectations of our customers, partners, and communities. As we expand our operations, deepen community engagement, and accelerate innovation, Lucid remains committed to delivering sustainable, long-term value.

**Mr. Uday C. Merchant**  
Managing Director  
**Lucid Colloids Ltd.**

**14.2%**



Reduction in Scope 1 & 2 emissions intensity

**29.5%**



Recycled Water in the Facilities

**3000+**



Trees Maintained across all plants

**100%**



Permanent Employees Paid Living wages or above

**100%**



Safety training provided to all employees & workers

**38.3%**



Inputs directly sourced from farmers

**4900+ Lives**

Positively Impacted by CSR Initiatives in FY 24-25

**Rs. 65 Lakh**

CSR Spend under SURE Projects for uplifting farmer livelihood

**100%**



Human Rights training provided to all employees

**E**

**S**

**3 Units** 

Certified under ISO  
14001:2015 EMS

**6.35 tCO2e**

GHG Emissions Avoided Using  
renewable energy sources

**2 Facilities**

Operating with Zero  
Liquid Discharge

**0 Reported**

Cases related to POSH,  
Corruption, or Bribery

**40% Female**

Representation on the board,  
promoting gender diversity  
at the leadership level

**100% Employees**

Trained on data privacy,  
cybersecurity, anti-bribery,  
anti-corruption, and the  
code of conduct.

**100%** 

Attendance  
at Board Meeting

**0 Reported**

Incidents of non-  
compliance or regulatory  
violations in FY 24-25

**40% of Board**

Members are Independent,  
ensuring objective and  
transparent governance

**G**

# ABOUT LUCID COLLOIDS LIMITED

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- Company Overview
- Our Vision & Values
- Our Journey of Growth, Innovation & Responsibility
- Our Business Model
- Industry Sectors We Serve
- Awards & Certifications



# ABOUT LUCID COLLOIDS LTD.

## Company Overview

Lucid Colloids Limited is one of India's foremost manufacturers and global suppliers of natural and modified hydrocolloid derivatives. Established in 1999 following the restructuring of Indian Gum Industries Ltd. (IGI), this public limited company has grown to become a leader in the hydrocolloids industry. The company's primary activity, accounting for 100% of its turnover, involves manufacturing, marketing, and distribution of natural and modified hydrocolloids worldwide. Our operations are centrally managed from our Head Office in Mumbai.

Since our establishment in 1999, we have grown from a pioneering guar gum manufacturer into an innovation-led organisation serving customers across multiple industries and geographies. Over the years, we have built a strong reputation based on quality, reliability, and a commitment to delivering solutions that meet the precise needs of our global clientele.

Our steady expansion has been supported by advanced manufacturing capabilities, stringent quality-control systems, and a dedicated workforce equipped with deep technical expertise. Together, these strengths enable us to deliver consistent product performance, meet international standards, and support our customers' evolving application requirements.



With more than 500+ man-years of combined experience, Lucid brings a rich legacy of knowledge in hydrocolloid science and application engineering. Today, we serve customers in 30+ countries, providing a versatile portfolio of over 300 customised products across diverse sectors including Food & Beverages (F&B), Pharma & Nutrition, Home & Personal Care, Pet Food, and various industrial and technical applications.

Our commitment to innovation continues to be a defining aspect of our journey. Our in-house Research & Development plays a central role in advancing product performance, supporting customers with application development, and exploring new frontiers in guar-based technology. This has allowed us to remain a trusted partner to leading domestic and international companies seeking reliable, high-quality hydrocolloid solutions.

Sustainability is core to our identity and operations. We embed it across the entire value chain: empowering farmers with advanced cultivation techniques, optimising our manufacturing for resource efficiency, and creating products that enable cleaner, safer, and more sustainable end-use applications. As a natural, plant-derived ingredient, guar offers inherent environmental advantages, and we are committed to strengthening responsible sourcing and building long-term resilience within the guar ecosystem.

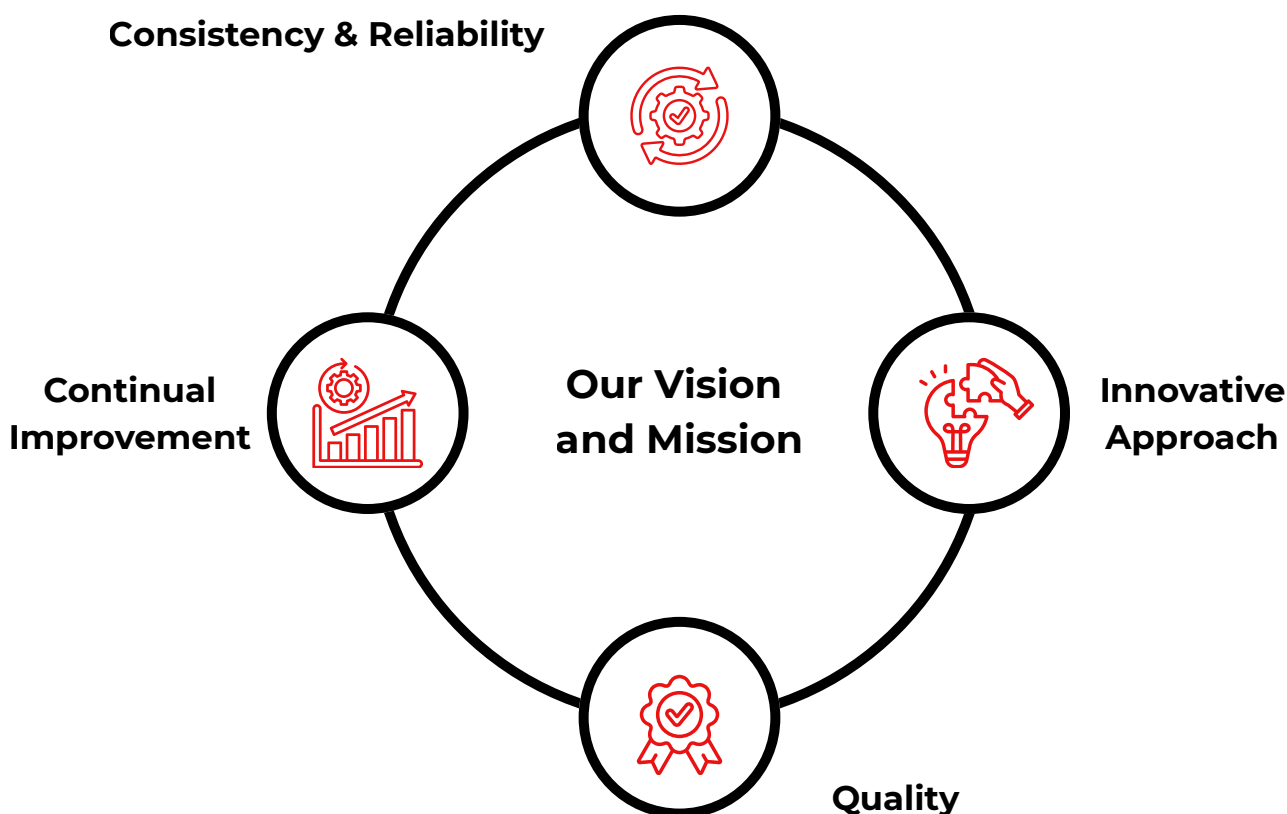
Our customer-centric approach drives us to engage closely with partners to understand application needs, co-create tailored solutions, and deliver consistent value. We view every relationship as a long-term partnership built on trust, transparency, and shared growth.

With a broad customer base, a diverse product portfolio, and a steadfast commitment to quality and sustainability, Lucid Colloids Ltd. stands ready to contribute to the future of hydrocolloid innovation. We take pride in being the partner of choice for customers seeking reliability, technical excellence, and sustainable performance

## Our Vision and Values

*“Lucid is driven by a commitment to quality, customer delight, and continuous innovation. We aim to maintain a leadership position by investing in Research, Development, and Application Technology while forming strategic partnerships to expand our reach.”*

Lucid’s vision and values are grounded in its unwavering commitment to excellence and integrity in every aspect of its operations. The company strives to deliver products of the highest quality, maintaining consistency and reliability that build long-term trust with stakeholders. Through an innovative mindset and a focus on continual improvement, Lucid aims to drive sustainable growth and set new benchmarks in the industry.



## Our Core Values

Our core values form the foundation of our commitment to responsible and sustainable growth. They guide every aspect of our operations—from the quality of our products to the way we support our people, partners, and communities. The following infographic highlights the principles that shape our culture and drive our long-term sustainability vision.



### Quality Excellence

Upholding the highest standards of quality in every product and process to ensure customer trust and satisfaction



### Customer Centricity

Placing customer delight at the heart of operations by offering responsive service and customised solutions



### Innovation & Continuous Improvement

Driving progress through ongoing research, development and adoption of advanced technologies



### Collaboration & Partnerships

Building strong, strategic relationships to foster shared growth and market expansion



### People Empowerment

Valuing employees as the company's greatest asset, promoting skill development, safety and engagement



### Operational Excellence

Ensuring efficiency, reliability and precision across manufacturing, logistics and socially conscious business practices



### Global Responsibility

Serving global markets responsibly while adhering to ethical, sustainable and socially conscious business practices

## Regions We Serve



**30+**  
Countries Served



**500+**  
Years of Team experience



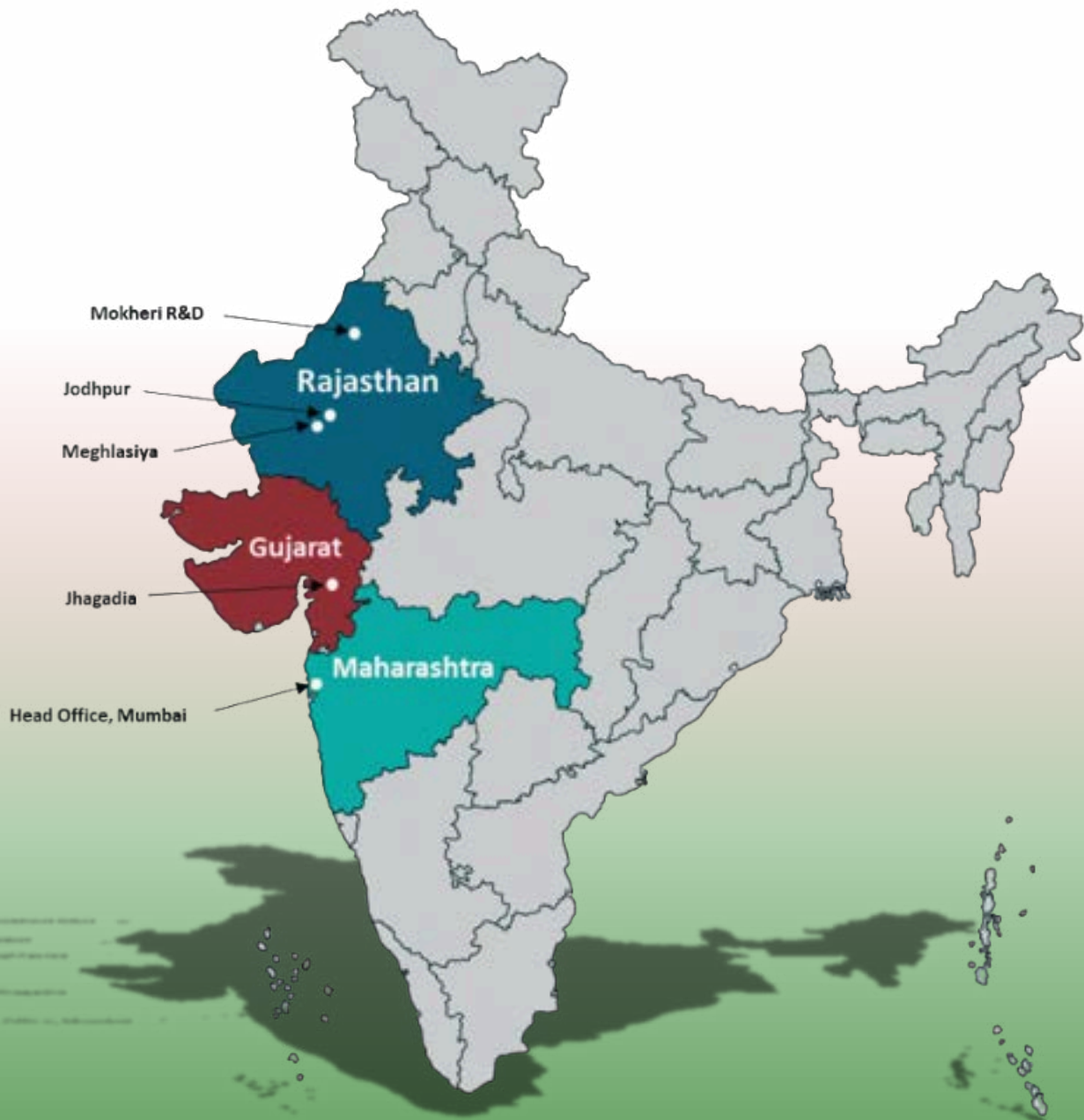
**300+**  
Customised Products



**40,000+**  
MT Annual Manufacturing Capacity

Lucid Colloids Limited maintains a strong international footprint, centrally coordinated from its headquarters in Mumbai, India, and supported by wholly owned subsidiaries in the United States and Europe. The company extends its products and services to customers in more than thirty countries worldwide through direct engagement and its wholly owned subsidiaries.

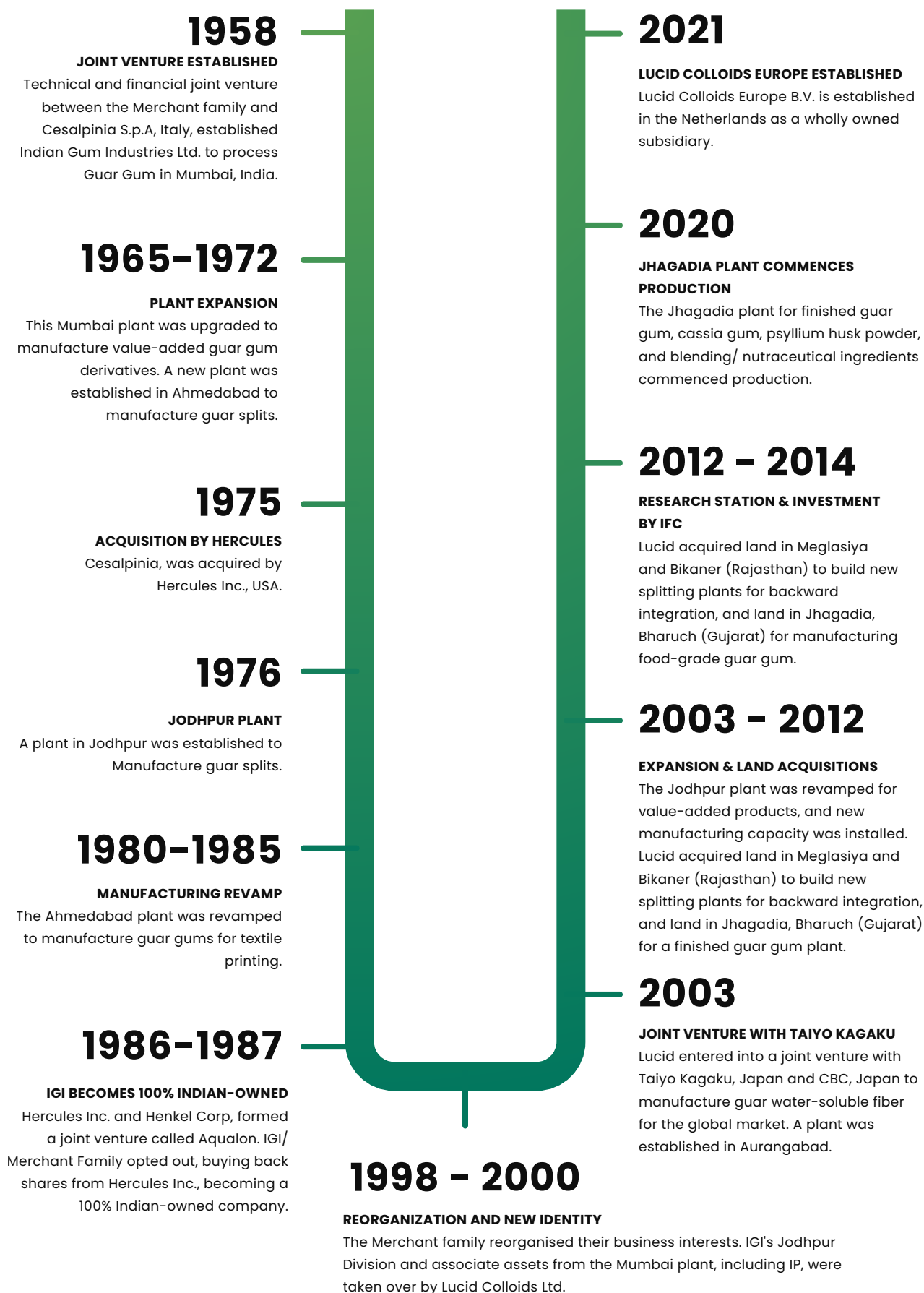
This global reach is strengthened by advanced R&D and application facilities, quality assurance laboratories, and pilot plants that ensure the consistent delivery of high-performance hydrocolloid solutions to diverse industries. Lucid's integrated global network positions the company as a dependable supplier with the technical depth, innovation capability, and operational scale expected by international stakeholders.



Lucid Colloids Limited's operational presence in India is anchored by its Corporate Headquarters in Mumbai, Maharashtra. The company's manufacturing strength is built on state-of-the-art production facilities located in Jhagadia (Gujarat), Jodhpur, and Meghlasiya (Rajasthan). Innovation across our portfolio is driven by two key facilities in Rajasthan. Our Mokheri centre advances agricultural research and provides vital education outreach to local farmers. Complementing our Agri Research, our Jodhpur site has a dedicated Research and Development team that specialises in product development, improvement, and optimisation, ensuring our current offerings are refined and new offerings come to market.

Together, these strategically located sites enable Lucid to uphold the highest standards of quality, efficiency, and customer responsiveness – forming the backbone of its global value chain.

# Our Journey of Growth, Innovation & Responsibility



# Our Business Model – Sustainable Impact, Driven by Innovation

Lucid serves a diverse spectrum of industries, including Food and Beverages, Pharmaceuticals and Nutrition, Home and Personal Care, Technical Applications, and Pet Food. Among its key offerings, Guar Gum stands out as a versatile, natural hydrocolloid derived from the seeds of the guar plant, which thrives in arid and sandy soils of Rajasthan, India.

Guar gum is a naturally occurring polysaccharide, composed of mannose and galactose subunits in a 2:1 ratio, which makes it a highly effective thickening, stabilising, and binding agent across a wide range of applications. In the food industry, Guar Gum plays a vital role in improving product texture, consistency, and shelf stability. It enhances the viscosity of sauces, dressings, dairy products, baked goods, and gluten-free formulations, ensuring uniformity and a desirable mouthfeel.



Beyond its culinary uses, Guar Gum is a crucial ingredient in several industrial sectors, including paper, textiles, cosmetics, and pharmaceuticals. Its unique rheological properties enable better control of viscosity, water retention, and moisture balance, thereby improving both product performance and process efficiency. Recognised for its versatility, biodegradability, and plant-based origin, Guar Gum continues to be a sustainable and dependable material that supports innovation across multiple industries.

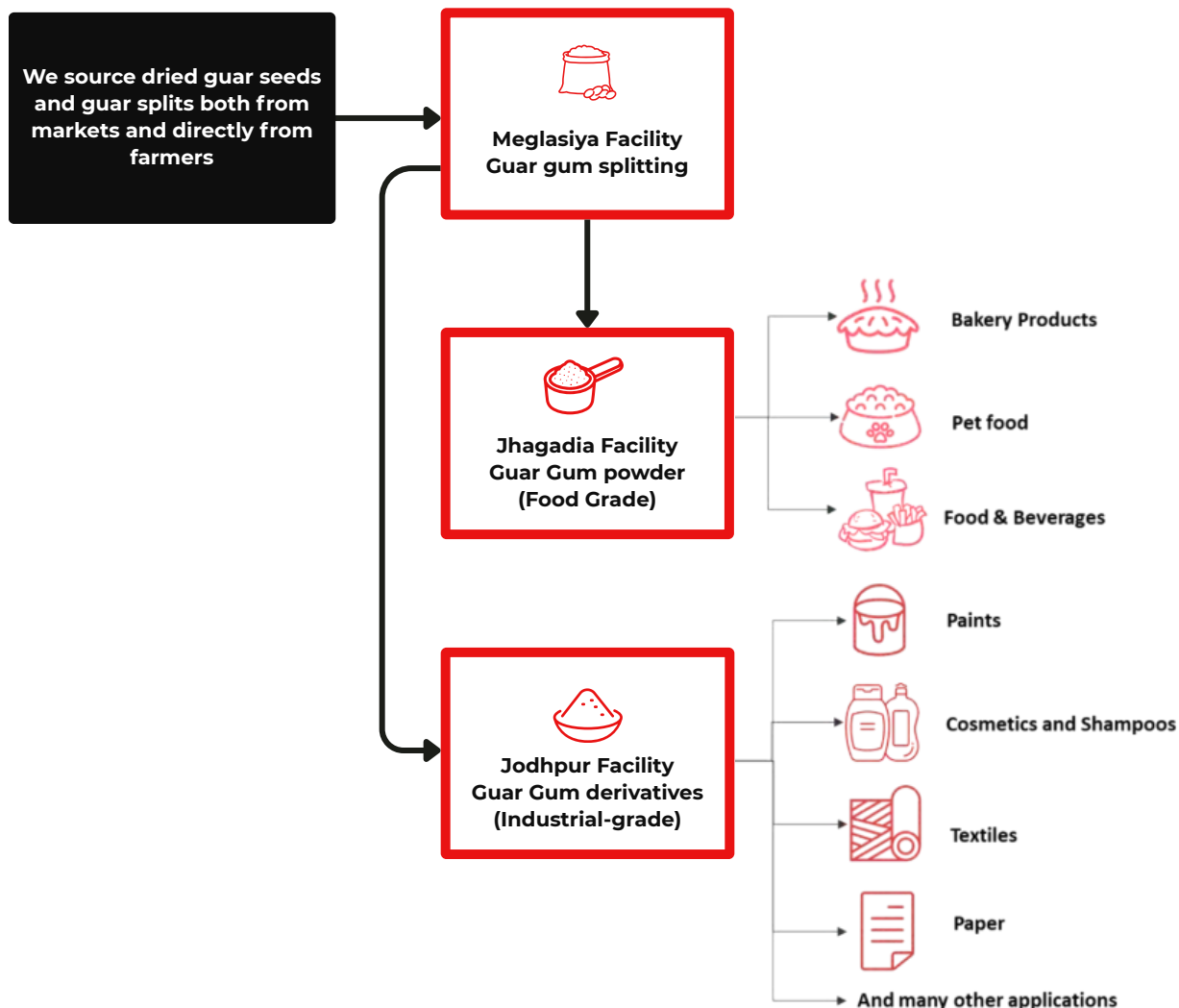
Lucid purchases raw material from the market or directly from farmers, depending on our customers' requirements. This dual-sourcing strategy guarantees a consistent supply of high-quality raw materials, which enhances the consistency and reliability of our final products.

At our Meglasiya facility, guar splits are extracted from guar seeds, forming the foundational raw material for downstream processing at our Jodhpur and Jhagadia units. This facility plays a critical role in our value chain by ensuring consistent, high-quality input materials that support the specialised manufacturing activities carried out across our production network.

At the Jodhpur facility, we focus on the production of industrial-grade guar derivatives, leveraging advanced processing technologies and stringent quality systems. The site manufactures a diverse range of performance-enhancing polymers and additives marketed under our established product lines, including Catcol®, Daicol®, Hemicel®, Rheoluc®, Minflo®, Latgel®, Techcol®, Thixoid®, Carpex®, and Galanol®. These products cater to multiple industrial applications and are recognised for their reliability, functionality, and technical efficiency.

Our Jhagadia facility is dedicated to producing food-grade guar gum, premium hydrocolloids, and customised blends that meet international food safety and quality standards. Products manufactured at this facility are marketed under reputed brands such as Edicol®, Stamulcol®, Luctoman®, Sofeze®, Carraluc®, Pectoluc®, Luctocel®, and Xanoluc®, serving a wide range of sectors including food and beverages, Pharma and Nutrition, personal care, and allied industries. The facility's robust processing infrastructure and strict quality controls ensure the delivery of safe, consistent, and high-performance ingredients to customers across domestic and global markets.

# Lucid Colloids Limited



Lucid's commitment to innovation, quality, and sustainable development can be seen in our Agri Farm and Research Station at Mokheri and our well-equipped research and development lab in Jodhpur. These two serve as a cornerstone of the company's commitment to innovation, quality, and sustainable development. The Jodhpur facility integrates advanced analytical capabilities with pilot-scale processing equipment, enabling Lucid to develop high-performance guar gum derivatives and tailor-made hydrocolloid solutions for diverse global applications. The Mokheri Centre actively supports sustainable agriculture through research on guar, pulses, and climate-resilient crops, contributing to improved farmer livelihoods and responsible sourcing practices. By combining scientific excellence with a strong focus on environmental stewardship, the centre reinforces Lucid's vision of delivering reliable, future-ready solutions while creating positive impact across its value chain.

Together, these facilities constitute an integrated manufacturing framework that empowers us to offer a comprehensive range of guar-based products for both industrial and food applications, while consistently upholding our commitment to quality, innovation, and responsible operations.

## Industry Sectors We Serve

### Food & Beverages



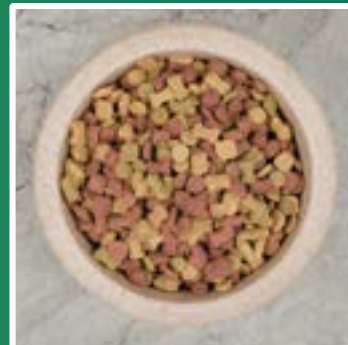
Our Products from Edicol<sup>®</sup>, Stamulcol<sup>®</sup>, Luctoman<sup>®</sup>, Sofeze<sup>®</sup>, and Carraluc<sup>®</sup> are used in food and beverage items such as dry instant powders, bakery products, noodles, meats, beverages, sauces & salad dressings, Ice-creams and frozen desserts, Milkshakes, and more. These additives act as thickening, stabilising, and binding agent in products and provide viscosity to the product. These additives add to the product quality and enhance their texture and mouthfeel hence providing customer satisfaction and better product quality.

### Pharma and Nutrition



In pharma and nutrition products, it acts as a binding and disintegrating agent, providing coating & finish to the tablets, and acts as a gelling agent for controlled release formulations. It also acts like a stabiliser in suspensions and emulsions, enhancing the viscosity and texture of the syrups.

## Pet food



For pet foods, these additives (Edicol<sup>®</sup>, Carraluc<sup>®</sup>, Pectoluc<sup>®</sup>, Xanoluc<sup>®</sup>) act as a stabiliser in emulsified pet foods and controls viscosity in gravy-based feeds. In both wet and dry pet food items, it thickens and stabilises feeds and provides suspension and uniform distribution of solids, and supports the shelf-life of the products.

## Home and Personal Care



Xanoluc is used as an additive in creams, lotions and shampoos and it stabilises foam, enhances thickness and acts as a suspending agent for actives and pigments. Catcol is used in a variety of personal hygiene (Hair care, skincare, bath products, handwash, sanitisers, facial cleansers) and homecare (fabric softeners) to enhance performance of the products and acts as a rheology modifier.

## Technical Applications



In agricultural applications, it serves as a binder, water absorbent, and tackifier. Its water-holding capacity supports seed germination and soil stabilisation, making it suitable for mulch, hydro-seeding, and soil conditioning. Hence, it is used in fertilizers & pesticide formulations, hydro-seeding, and additives for soil.

In mining and industrial applications, guar-based products are used as flocculants, lubricants, stabilisers, and viscosity enhancers. These products also prevent solid-liquid separation in many mining and industrial ETP operations. Guar is also used in cartridge and slurry explosives to control the ingress of water, maintain uniform ingredient distribution, and ensure reliable detonation.



In clothing and textiles applications, guar is used for printing on fabric. When guar is added to a dye solution and used for printing, it helps maintain good print definition and effective dye fixation.

Through this diversified portfolio, Lucid supports a wide spectrum of sectors, including Food and Beverage, Bakery, Home and Personal Care, Pharmaceuticals and Nutrition, Pet Food, Mining, Oil and Natural Gas, and Explosives—by delivering tailored solutions that meet their specific technical and functional requirements.

*“We aim to delight our valued customers with consistency and dependable quality ingredient solutions customised as per their requirements. All our products are backed by innovation, sustainability, and global reach and are customised to support evolving industry needs.”*

# Awards & Certifications

Lucid upholds the highest standards of quality, safety, and reliability, reinforced by the continued trust of its customers and stakeholders. The company has secured an extensive portfolio of nationally and internationally recognised certifications spanning food safety, organic and non-GMO standards, as well as comprehensive management and quality systems; thereby strengthening the credibility, consistency, and excellence of its products and services across global markets.



European Union Organic



Vegan Certification



Halal Certification



Brand Reputation through Compliance Global Standards



SEDEX Membership & Audit



Food Safety System Certification 22000



Current Good Manufacturing Practices



European Federation for Cosmetic Ingredients



Non-Genetically Modified Organism Certification



United States Department of Agriculture Organic Certification



Kosher Certification



National Programme for Organic Production



Social Accountability 8000 Certification



Occupational Health and Safety



Quality Management System

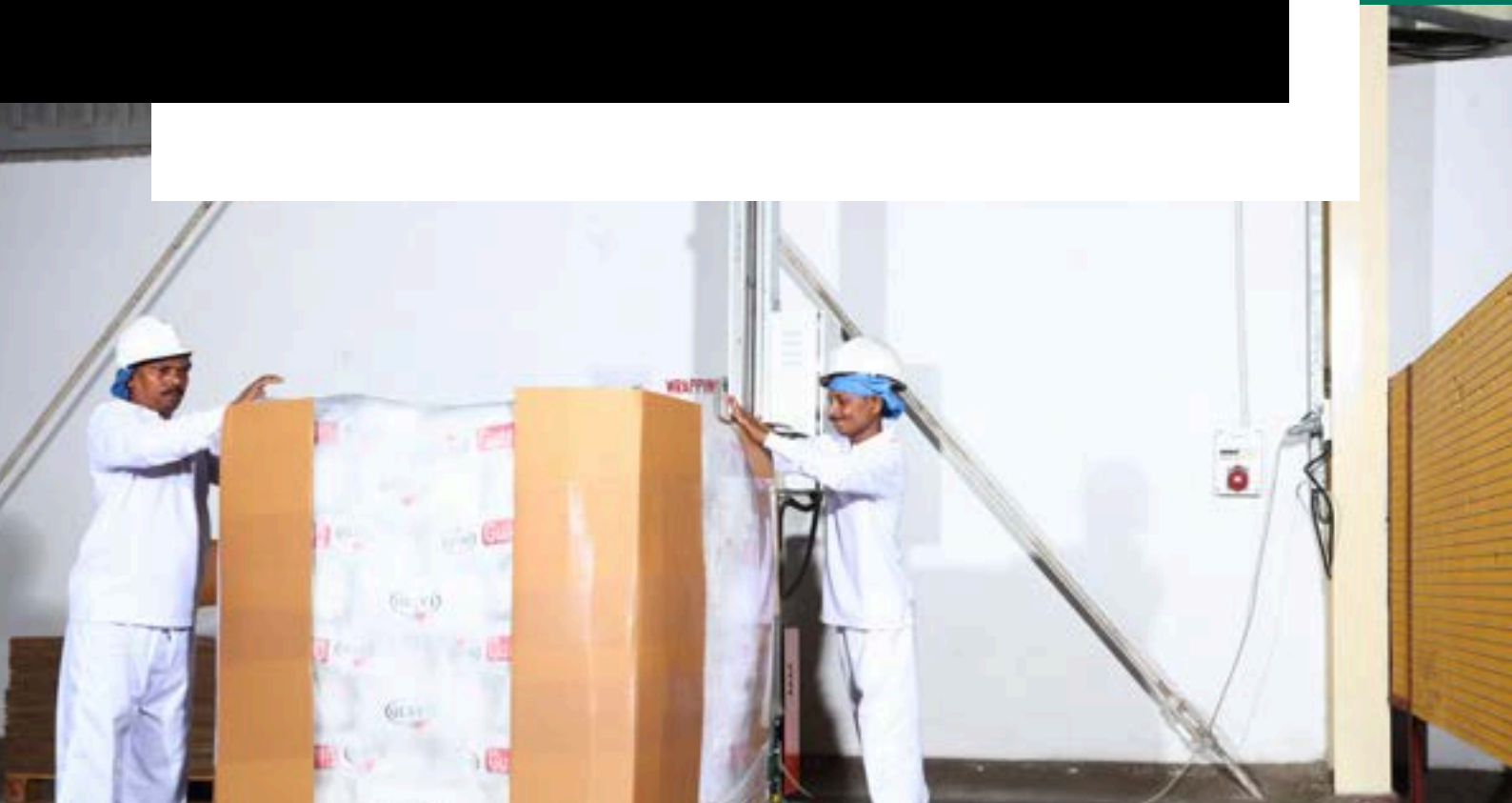


Environmental Management System

# DOUBLE MATERIALITY

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- Introduction
- Approach to Double Materiality Assessment



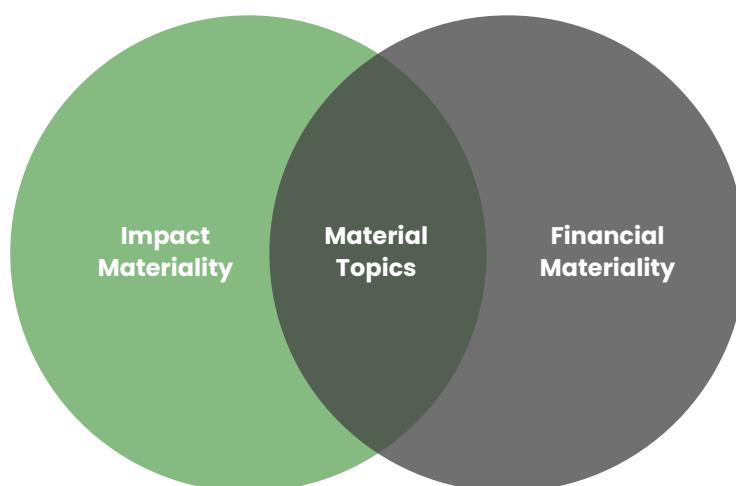
# DOUBLE MATERIALITY

## Introduction

Lucid Colloids Limited recognises that long-term business success depends on the balance between creating economic value and sustaining the ecosystems and communities that make this growth possible. In today’s evolving business landscape, sustainability issues can no longer be treated as externalities—they are integral to operational resilience, stakeholder trust, and financial performance.

To strengthen this connection, Lucid undertook a comprehensive Double Materiality Assessment (DMA) during FY 2024–25. This strategic exercise is central to our ESG management framework and provides the analytical foundation to prioritise the sustainability topics that matter most to our stakeholders and to our business model.

**The concept of double materiality recognises that material issues must be assessed from two complementary perspectives:**



Lucid’s effects on society and environment  
Sustainability factors affecting business performance

**Impact Materiality** - how Lucid’s operations, products, and value chain influence the environment and society; and

**Financial Materiality** - how sustainability risks and opportunities influence Lucid’s financial performance, enterprise value, and resilience.

By examining these perspectives together, Lucid ensures that its strategic decisions are informed by a holistic understanding of both its footprint and its future readiness. The outcomes of this assessment provide a data-backed roadmap for our ESG focus areas, investment priorities, and disclosure commitments.

This DMA covered all business units, product divisions, and geographies under Lucid Colloids Limited, including our guar-based product manufacturing, R&D, and distribution activities. It integrates insights from internal functions and external stakeholders, combining technical analysis with contextual understanding to identify the ESG themes most significant to Lucid’s purpose and growth strategy.

# Approach to Double Materiality Assessment

Lucid's Double Materiality Assessment followed a structured, evidence-based approach anchored in recognised global standards such as the Global Reporting Initiative. The assessment process integrated quantitative scoring models, stakeholder feedback, and expert validation to ensure balanced and credible results.

**The approach comprised four key stages: topic identification, stakeholder engagement, scoring and prioritisation, and validation and review.**

## Four Step Process- Lucid's Materiality Approach



## 1. Topic Identification

The process began with a thorough mapping of potential ESG topics relevant to Lucid's operations and its value chain.

To ensure comprehensive coverage, the following sources were reviewed:

- Global ESG frameworks
- Peer sustainability reports from companies within the same sector
- Internal sustainability policies and CSR priorities
- Industry regulations, environmental standards, and customer sustainability expectations

This exercise helped Lucid compile an initial universe of sustainability topics spanning environmental, social, and governance dimensions. Each topic was examined for its relevance, impact potential, and linkage to business continuity, forming the foundation for the next stage of assessment.

The identified topics reflected both operational realities—such as water use, waste management, and occupational safety—and broader systemic themes like climate resilience, supply chain traceability, and circular economy transition.

## 2. Stakeholder Mapping and Engagement

At Lucid, we believe that sustainability gains true meaning only when it resonates with those it impacts. To bring stakeholder perspectives to the heart of the assessment, a comprehensive stakeholder mapping and engagement exercise was undertaken.

Stakeholders were categorised based on their influence, dependence, and level of interaction with Lucid's value chain. The engagement process involved surveys, interviews, consultations, and workshops designed to capture nuanced insights from both internal and external stakeholders.

STAKEHOLDER GROUP	MODE OF ENGAGEMENT	KEY INSIGHTS
Employees	Workshops, training sessions, digital surveys	Emphasised workplace safety, performance recognition, inclusion, and learning opportunities.
Farmers and suppliers	Field visits, capacity-building sessions, sourcing assessments	Highlighted the need for fair procurement, sustainable farming practices, and traceability of guar supply.
Customers	Direct consultations, product stewardship dialogues	Focused on low-carbon product innovation, transparency, and quality assurance.
Communities	CSR partnerships, village consultations	Expressed the importance of water security, education, and rural livelihood enhancement.
Regulators and industry bodies	Compliance reviews, policy dialogues	Expected continued adherence to environmental norms, energy efficiency, and safety standards.

These interactions helped ensure that the assessment reflected both inside-out impacts and outside-in business implications, thereby capturing the essence of double materiality.

## 3. Scoring and Prioritisation

Each ESG topic was evaluated along two analytical dimensions:

- **Impact Materiality:** Determining the scale, scope, and likelihood of Lucid's actual or potential impact on the environment, employees, communities, and the economy.
- **Financial Materiality:** Assessing the extent to which sustainability-related risks or opportunities could affect Lucid's revenue, cost structure, market access, and enterprise value.

Quantitative scoring was carried out using weighted averages derived from stakeholder inputs, risk significance, and strategic relevance. These were then normalised to derive final impact and financial scores for each material topic.

The resulting data provided a clear representation of how each topic aligns with Lucid’s long-term strategic focus, ESG commitments, and external expectations.

The combined scores were plotted on a Double Materiality Matrix to visualise the relative importance of each topic, highlighting those that carry high significance in both dimensions.

#### 4. Validation and Review

The final prioritisation was reviewed and validated by senior leaders across Sustainability, EHS, Finance, Human Resources, Operations, and Procurement. This validation ensured that:

- The results accurately reflect Lucid’s operational realities;
- The topics are aligned with regulatory requirements and market developments; and
- The assessment provides actionable insights for ESG governance, risk management, and disclosure planning.

This process transformed the DMA from a technical evaluation into a strategic decision-support tool, guiding the integration of sustainability considerations into corporate strategy and performance measurement.

#### Key Material Topics and Insights

The Double Materiality Assessment identified priority ESG topics that hold the greatest importance to Lucid’s stakeholders and business success. These topics are categorised under the three pillars of sustainability:

**Environmental**

- Climate sustainability**  
Managing and reducing greenhouse gas emissions through renewable energy integration and operational energy efficiency.
- Responsible waste management**  
Enhancing waste recovery, valorisation, and by-product utilisation for a circular manufacturing approach.
- Holistic water management**  
Strengthening Lucid’s leadership in water-related practices through reuse, recycling, and conservation.
- Protecting Biodiversity**  
Minimising land-use impacts and supporting ecosystem restoration in guar-growing regions.

## Social

### **Employee diversity, inclusion and development**

Creating an inclusive workplace that promotes continuous learning, leadership growth, and career development.

### **Focusing on employee health, safety, & wellbeing**

Embedding a zero-harm culture while prioritising health, safety, inclusion, and leadership development.

### **Supporting communities**

Promoting rural livelihoods and education through targeted CSR initiatives.

### **Upholding Human rights**

Ensuring respect for fundamental human rights across all operations and the value chain.

### **Delivering safe and quality products to customers**

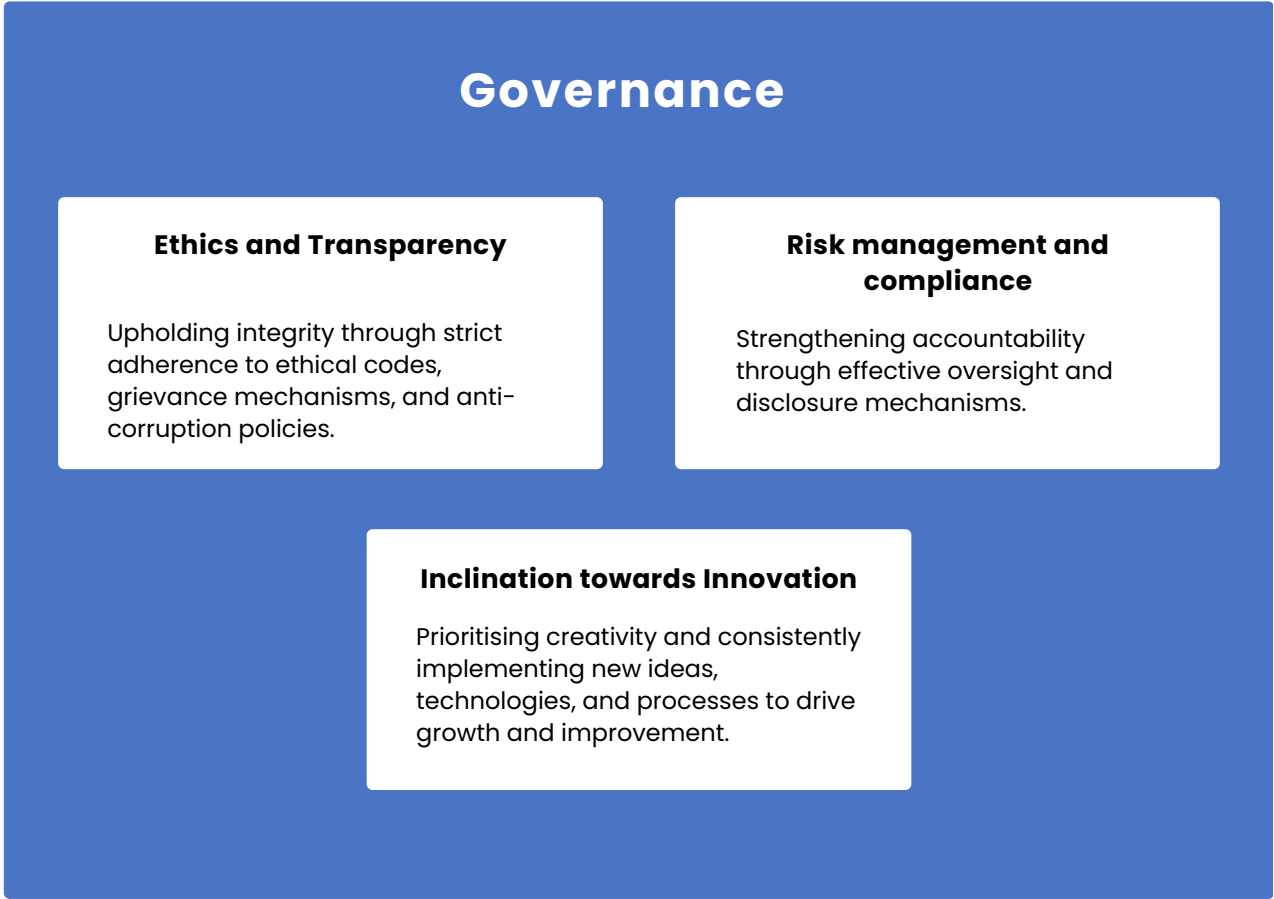
Ensuring compliance with international quality standards and providing products that meet customer expectations.

### **Sustainable sourcing of guar while empowering farmers and their families**

Environmentally responsible procurement that ensures fair income and supports farmers' livelihoods.

### **Collaborating closely with suppliers**

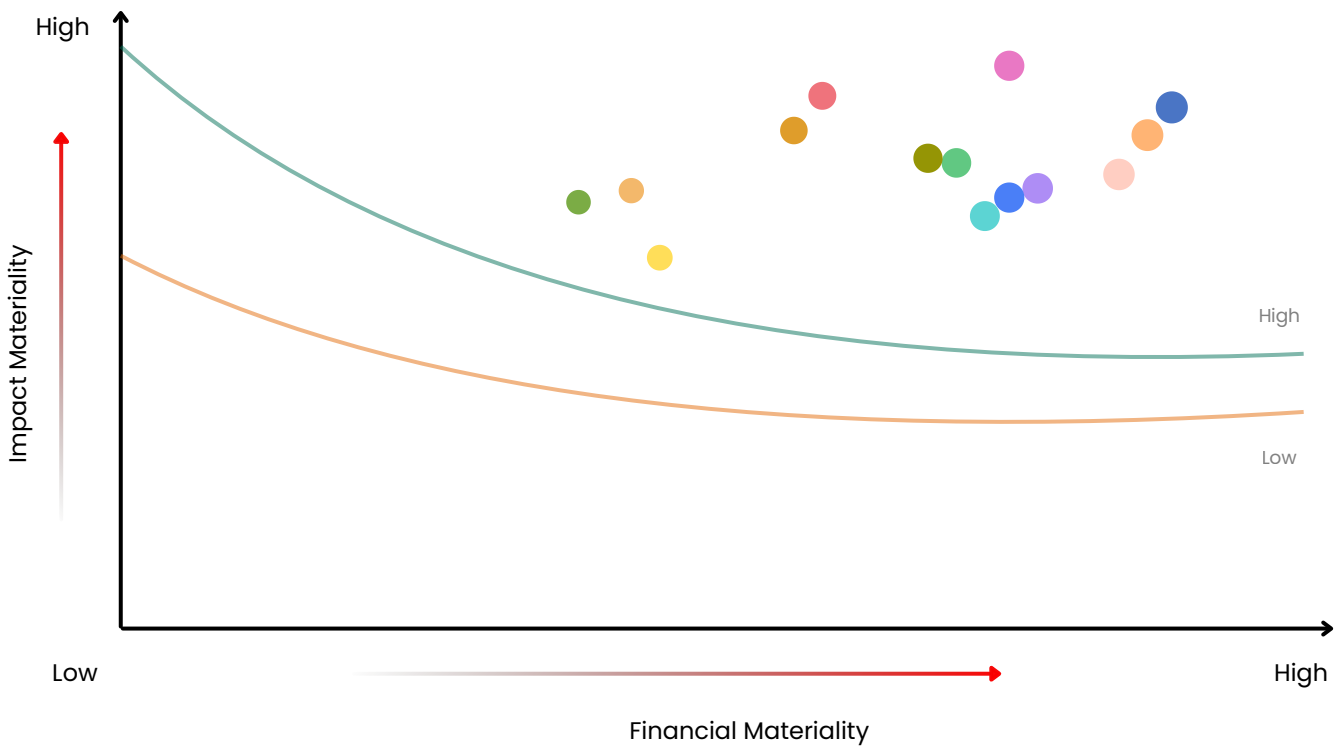
Building strong partnerships to ensure quality, efficiency, and mutual growth.



Each of these topics serves as a focal point in Lucid’s sustainability roadmap, representing areas where the company can create measurable shared value and build long-term resilience.

# Double Materiality Matrix

The results of the assessment are visualised in the Double Materiality Matrix below, mapping each ESG topic according to its impact and financial materiality significance.



- Ethics and transparency      ● Risk management and compliance
- Delivering safe and quality products to customers      ● Inclination towards innovation      ● Climate sustainability
- Upholding Human Rights      ● Holistic water management      ● Focusing on employee health, safety, & wellbeing
- Collaborating closely with suppliers      ● Employee diversity, inclusion and development
- Sustainable sourcing of guar while empowering farmers and their family      ● Responsible waste management
- Supporting communities      ● Protecting Biodiversity

## Interpretation and Strategic Outlook

The Double Materiality Matrix reveals that climate change, responsible sourcing, water management, occupational health and safety, and governance ethics emerge as the most significant priorities – positioned in the high-impact, high-financial significance quadrant.

These topics are central to Lucid's value chain and form the foundation of the company's sustainability agenda. They reflect Lucid's dual focus: mitigating environmental impact while strengthening its capacity to adapt to climate, market, and regulatory dynamics.

Insights from this assessment will guide the next phase of Lucid's ESG journey:

- Integrating material topics into strategic decision-making, risk registers, and performance indicators;
- Developing clear targets and KPIs to monitor progress across material issues;
- Enhancing disclosures in alignment with emerging sustainability frameworks; and
- Revisiting the materiality process periodically to ensure continuous alignment with stakeholder priorities and evolving sustainability trends.

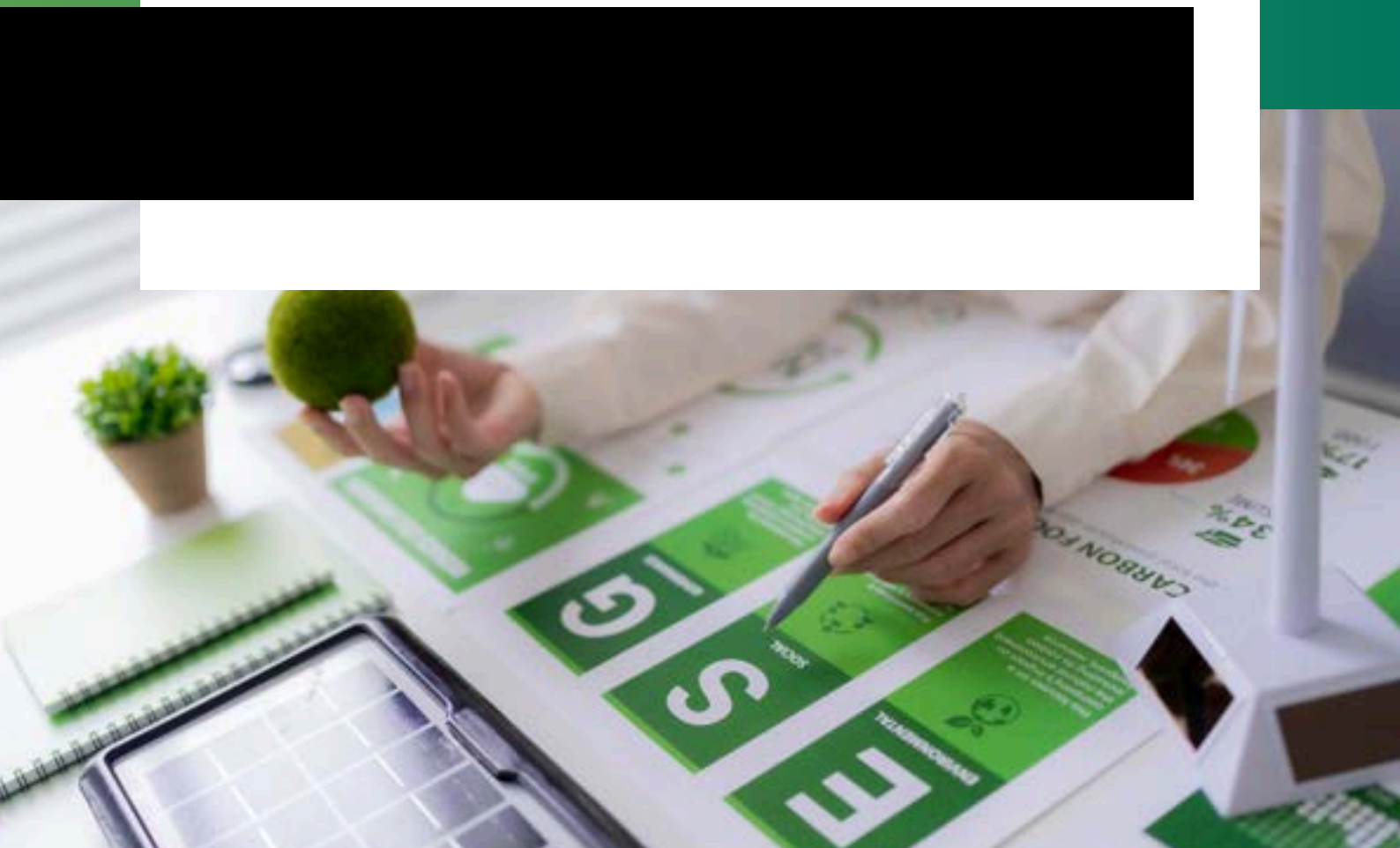
Through this process, Lucid Colloids reaffirms its commitment to a sustainability framework that is evidence-based, transparent, and forward-looking—a framework that not only meets stakeholder expectations but also strengthens Lucid's role as a responsible industry leader in the guar sector.

The Double Materiality Assessment thus acts as a strategic compass, guiding Lucid toward decisions that generate shared prosperity, environmental resilience, and long-term stakeholder value



# ESG STRATEGY

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# ESG STRATEGY

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Guided by the theme “Nature’s Colloids, Tomorrow’s Promise – Innovating Sustainably, Growing Responsibly,” Lucid has developed a comprehensive ESG Strategy to embed corporate responsibility into the core of its global operations. This strategy reflects Lucid’s commitment to advancing sustainable business practices while creating long-term value for all stakeholders.

Lucid’s ESG framework is built upon five strategic pillars and 14 focus areas, designed to strengthen the company’s environmental stewardship, social responsibility, and governance excellence. Through this structured approach, Lucid aims to fulfil its role as a responsible global corporate citizen by balancing economic performance with meaningful environmental protection and community empowerment.

## Our ESG Strategy



Lucid’s ESG Strategy is shaped by the identification of key focus areas through a double materiality assessment, evaluating both the company’s impact on society and the environment, as well as the financial implications of sustainability-related risks and opportunities.

This process involves active engagement with both internal and external stakeholders, including senior leadership, employees, customers, suppliers, and local farming communities. In addition, Lucid aligns its ESG priorities with internationally recognised standards such as the Global Reporting Initiative (GRI). These collaborative insights enable the integration of sustainability into strategic decision-making, supporting resilient growth while mitigating long-term risks.

## Integrating Sustainability Across Operations

Lucid's strategic objective is to ensure that sustainability principles are seamlessly integrated across every level of the organisation – from long-term strategy to daily operations. This vision is realised through:

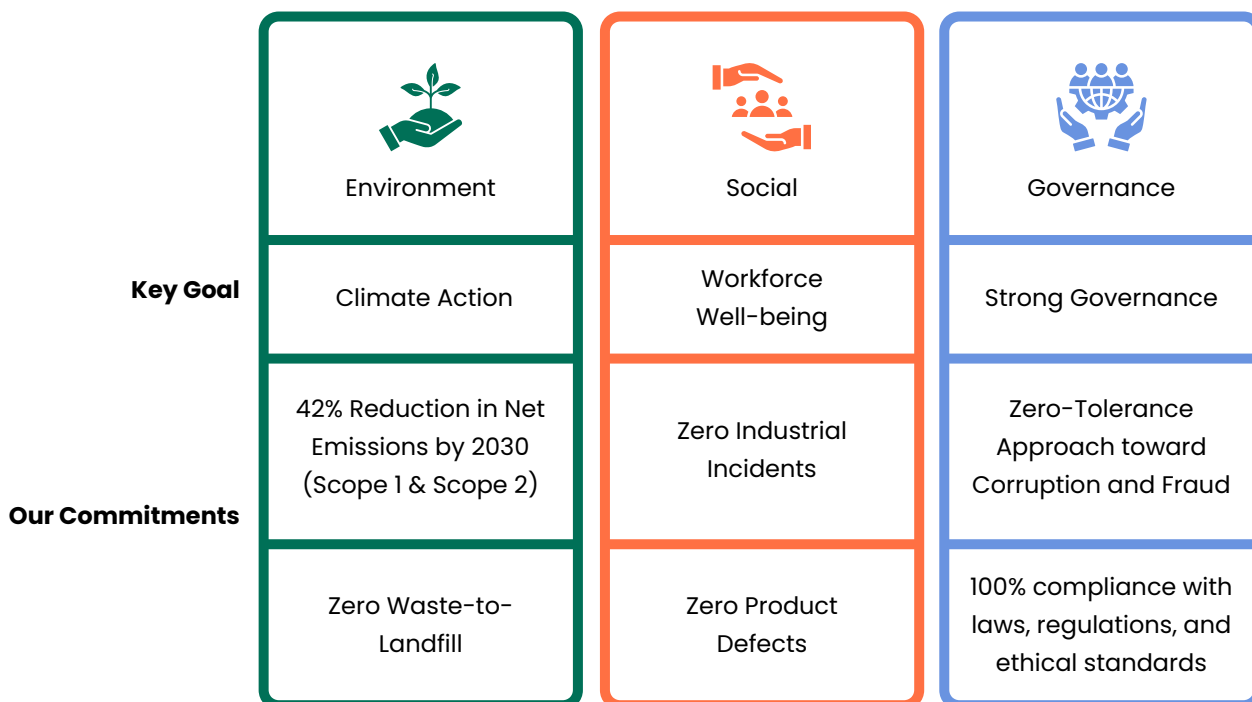
- Continuous innovation in research and development
- A steadfast commitment to ethical governance
- The highest standards of safety and quality across all facilities
- Strong long-term partnerships and sustainable sourcing practices

ESG priorities into its business model, Lucid strives to generate lasting value, strengthen stakeholder trust, and contribute to a more sustainable future.

## ESG Priorities and Commitments

Lucid's ESG commitments are anchored across the three core pillars of Environment, Social, and Governance:

### Lucid's ESG Commitments



## Environment

Climate action is a key environmental priority under Lucid's ESG Strategy. Greenhouse gas (GHG) emissions have emerged as a critical global challenge, and Lucid recognises the urgent need for decisive action.

In alignment with the Paris Agreement's goal of limiting global warming to well below 2°C, Lucid has undertaken the calculation of its GHG emissions footprint to identify opportunities for improvement. The company has aligned its near-term targets with the Science-Based Targets initiative (SBTi), aiming for a 42% reduction in net emissions by 2030.

These initiatives reinforce Lucid's dedication to minimising environmental impact and contributing to a low-carbon future.



## Social

Lucid is committed to ensuring the well-being, safety, and empowerment of its workforce and communities. The company prioritises safe operations, product quality, and responsible engagement across its value chain.

Through these goals, Lucid continues to strengthen its culture of safety, operational excellence, and stakeholder trust.



## Governance

Strong governance is fundamental to Lucid's long-term sustainability and business integrity. The company maintains a robust governance framework rooted in transparency, accountability, and ethical conduct.

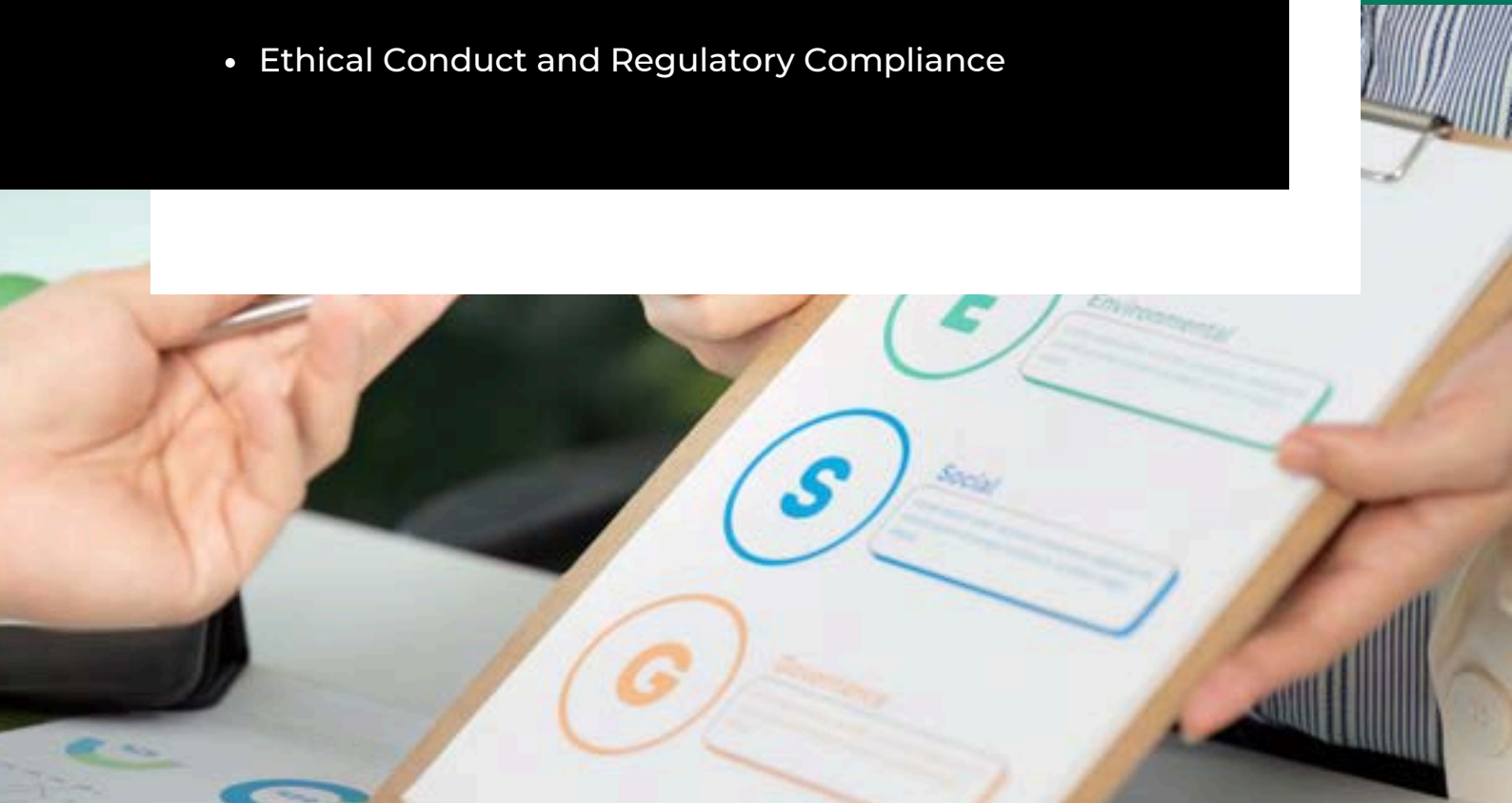
This ensures responsible decision-making and reinforces stakeholder confidence in Lucid's business practices.



# CORPORATE GOVERNANCE



- Governance That Builds Trust & Accountability
- Policies Anchored in Integrity, Transparency & Responsibility
- Ethical Conduct and Regulatory Compliance



# CORPORATE GOVERNANCE

At Lucid, we uphold the highest standards of corporate governance through transparency, accountability, and ethical leadership. Our governance structure ensures robust oversight of financial, operational and sustainability performance, with strong internal controls and a culture of responsibility designed to protect the interests of all stakeholders.



Our governance practices integrate structured risk management, ethical business conduct, responsible information management, and sustainable supply-chain oversight. These systems enable long-term value creation and strengthen resilience in a dynamic business environment.

## Governance that Builds Trust and Accountability

*"A strong governance structure ensures transparent decision-making, responsible leadership, and long-term value protection for all stakeholders."*

### Board Composition

#### Board Composition and Board Diversity

The Company's Board of Directors provides strategic direction and ensures adherence to statutory requirements. The Board comprises of both Executive and Independent Directors, offering diverse expertise across finance, sustainability, operational excellence, legal compliance, and stakeholder engagement.



Lucid’s Board of Directors continues to provide strong leadership and strategic direction, supported by the diverse expertise of its five members. Their broad experience across industries enhances our governance structure and strengthens our long-term sustainability priorities.

Our Board brings deep capability in all areas essential to responsible and resilient corporate management. They uphold the highest standards of ethics, transparency, and accountability—Which helps maintain a culture grounded in trust and integrity. Strong oversight of business continuity ensures that Lucid remains prepared for evolving market conditions and operational challenges. The Board is firmly committed to creating a safe, inclusive, and respectful workplace. Through guidance on prevention of sexual harassment (POSH) initiatives, they promote respect and equity across all levels of the organisation.

Risk management remains a central focus, with the Board actively overseeing the identification of emerging risks and strengthening mitigation frameworks. They also guide compliance efforts related to data protection and privacy, ensuring responsible management of stakeholder information.

Aligned with Lucid’s sustainability goals, the Board supports the ongoing enhancement of environmental management systems (EMS) aimed at reducing our environmental footprint and improving resource efficiency. Their strategic direction continues to drive Lucid’s resilience and sustainable growth.

## Board Skills & Capabilities

Our directors possess strong capabilities across the following areas:





**Leadership & Governance**  
Provide effective oversight, strategic direction and accountability through strong governance frameworks, ethical leadership practices and board-level decision-making.



**Global Business & Markets**  
Guide international market engagement, global partnerships and expansion strategies, leveraging experience in exports, collaborations and diverse market environments.



**Technical & Scientific Expertise**  
Contributes deep domain knowledge in biotechnology, chemistry and hydrocolloid applications, enabling informed oversight of product quality, innovation and technology adoption.



**ESG & Sustainability**  
Oversee the integration of environmental, social and governance considerations into business strategy, operations and long-term value creation.



**Innovation & Operations**  
Drive operational excellence and continuous improvement by overseeing product development, process efficiency and innovation-led growth.



**Strategy & Marketing**  
Support long-term strategic planning, market positioning and customer-focused growth through structured marketing and business development initiatives.



**People & Organisation Development**  
Support workforce development, employee welfare and organisational effectiveness through sound HR practices, capability building and engagement initiatives.



**Finance, Audit & Risk**  
Ensure financial integrity, regulatory compliance and robust risk management through oversight of audits, controls, taxation and financial reporting processes.

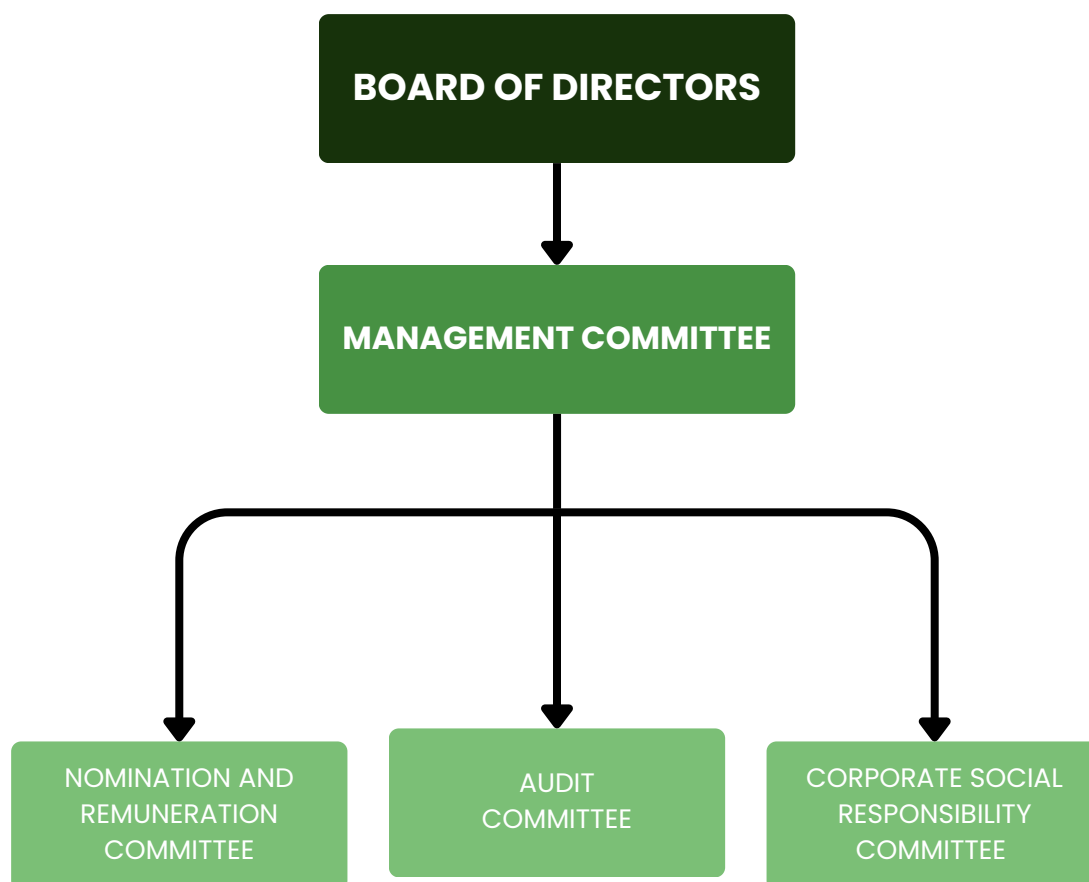
The Board continues to champion ethical conduct, workplace safety, inclusivity, and sustainable development through oversight of key systems such as Environmental Management Systems, POSH compliance, business continuity frameworks, and data protection mechanisms.

## Board Committees

At Lucid Colloids Limited, we are committed to maintaining the highest standards of Environmental, Social, and Governance (ESG) practices. Our governance framework is overseen by the Board of Directors, supported by a dedicated Management Committee, and further reinforced by specialised committees, including Nomination and Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee, and Works Committee.

This robust structure ensures that ESG principles are integrated into every aspect of our business operations, driving sustainable growth and positive impact on our stakeholders and the environment.

## Lucid Committees



The Board of Directors at Lucid Colloids Limited remains steadfast in its commitment to continuously evolve and reinforce the organisation's purpose, mission, strategic priorities, and policies aligned with sustainable development. The Board conducts regular reviews of comprehensive ESG performance reports, ensuring that any gaps or risks identified are promptly addressed through the formulation and implementation of effective policies and measures.

## Key Committees Overseeing Audit, CSR & Operations

Committee Name	Functions of the committee	Frequency of Committee Meetings
Nomination & Remuneration Committee	This committee is responsible for selecting and appointing qualified board members and senior executives, ensuring diversity, transparency, and fairness. This committee also oversees executive compensation, aligning remuneration policies with the company's sustainability goals and long-term value creation, engaging independent external consultants as per the requirement.	Annually
Audit Committee	This committee oversees the financial reporting process, internal controls, and compliance with legal and regulatory requirements. The committee ensures accurate disclosure of sustainability-related financial information and supports ethical governance and accountability.	Quarterly
CSR Committee	This committee leads the company's social and environmental initiatives, including community development, environmental protection, and employee welfare programs. This committee drives the implementation of sustainable practices that positively impact society and the environment.	Annually
Works Committee	This committee focuses on operational efficiency, workplace safety, and environmental management within company facilities. This committee ensures compliance with safety regulations and promotes sustainable practices in day-to-day operations.	As per Requirement at plant level

Other than the board committees mentioned above, we also have committees as per the national regulations at higher management and board level overseeing matters that require expertise and strict adherence to regulations.

## POSH Committee



The POSH committee consists of a chairperson and members of the Company along with an external member. The Committee is responsible for preventing, prohibiting, and addressing incidents of workplace sexual harassment through awareness initiatives, confidential grievance redressal, and fair inquiry processes. It plays a critical role in strengthening ethical governance, employee trust, and a safe and inclusive workplace culture.

## Safety Committee

Safety committees are established at the plant level and are chaired by Vice President (Operations). They consist of the Deputy General Manager, Senior Managers, Shift in-charge, security supervisor, and others. The Committee oversees occupational health and safety governance by reviewing safety performance, identifying risks, and guiding the implementation of preventive and corrective measures. It reinforces management accountability and employee participation in maintaining a safe and compliant workplace.



## Rewards System



At Lucid, we recognise the part our employees play in the overall development and growth of the company. Our "Best Suggestion of the Month" initiative encourages a culture of continuous improvement and employee-led innovation. The program invites practical, data-driven suggestions that enhance operational efficiency, cost optimisation, workplace safety, and productivity. Submissions are evaluated monthly by a dedicated selection committee, with eligible entries required to be submitted by the 7th of each month. Recognised ideas are acknowledged through awards based on the committee's assessment.

# Policies Anchored in Integrity, Transparency and Responsibility

*A robust policy framework provides clear guidance, minimises operational risks, and ensures consistent ethical behaviour across the organisation.*

To uphold our commitment to integrity, transparency, and responsible business conduct, we have established a comprehensive set of policies that guide decision-making across environmental, social, and governance domains. These policies serve as the foundation of our sustainability framework, ensuring that our operations remain compliant, ethical, and aligned with global best practices. They provide clear guidance to employees, strengthen accountability, and help embed responsible behaviour into everyday business activities. The following infographic presents the key policies that govern our business and support our long-term ESG objectives.

## Environmental Policies

 ESG Policy

 Biodiversity Policy

 IMS Policy


 Water Policy

## Social Policies

 EHS Policy


 Policy on POSH

 CSR Policy

 Policy to Prevent Discrimination at work

 Policy on Prohibition of Child Labour

 Policy on Freedom of Association

 SA 8000 Policy

 Food Safety Policy


## Governance Policies

 Information Security Policy

 Whistle Blower Policy

 Code of Conduct Employee & Directors

 Business Ethics Policy

 Responsible and Good Practices Charter

 Anti-Corruption Policy

## Policy Implementation & Awareness

- Policies are communicated through onboarding, training sessions, internal audits, and digital platforms.
- Management committees ensure alignment with regulatory expectations and ESG standards.
- Periodic reviews ensure policies remain updated and effective.

## Ethical Conduct and Regulatory Compliance

*Upholding ethical conduct and regulatory compliance protects the organisation's reputation, strengthens stakeholder trust, and ensures business resilience.*

Lucid has established a comprehensive suite of governance-related policies that uphold ethical conduct, transparency, accountability, and responsible business practices across all operations. The following commitments strengthen the governance framework and ensure consistent adherence to the global best-practice standards.

### Governance Commitments at a Glance



## 1. Anti-Corruption and Business Ethics

Lucid enforces a strict zero-tolerance approach toward bribery, fraud, facilitation payments, and money laundering. All employees, officers, and representatives are expected to act with integrity, avoid conflicts of interest, and ensure full compliance with applicable laws and internal policies.

To strengthen responsible business conduct, the Company has formalised the following commitments:

- Assessments are conducted to identify potential risks, evaluate their likelihood and impact, document updates, and establish corrective action plans where required.
- Approval procedures for gifts, hospitality, and sensitive transactions are clearly defined to ensure transparency, prevent undue influence, and maintain ethical standards in all interactions.
- Risk-based anti-corruption due diligence is performed on suppliers, contractors, and intermediaries to ensure that all third parties adhere to the Company's expectations on ethics, integrity, and legal compliance.

These governance measures reinforce a culture of ethical conduct and safeguard the organisation from potential misconduct.

### Anti-Corruption & Ethical Conduct

Strengthening integrity, transparency, and ethical behaviour across all levels of the organisation.

Number of corruption-related investigations: 0  
(No investigations resulted in confirmed cases of misconduct.)

Number of corruption incidents confirmed: 0

Percentage of employees trained on ethics & anti-corruption: 100%

Number of whistleblower complaints: 0

## 2. Information Security & Data Privacy

Lucid is committed to ensuring the confidentiality, integrity, and availability of information across the organisation. Robust controls govern how data is collected, processed, stored, accessed, and protected. These standards and procedures are collated in our Information Security Policy which provides streamlining and protection of confidential information of the company.

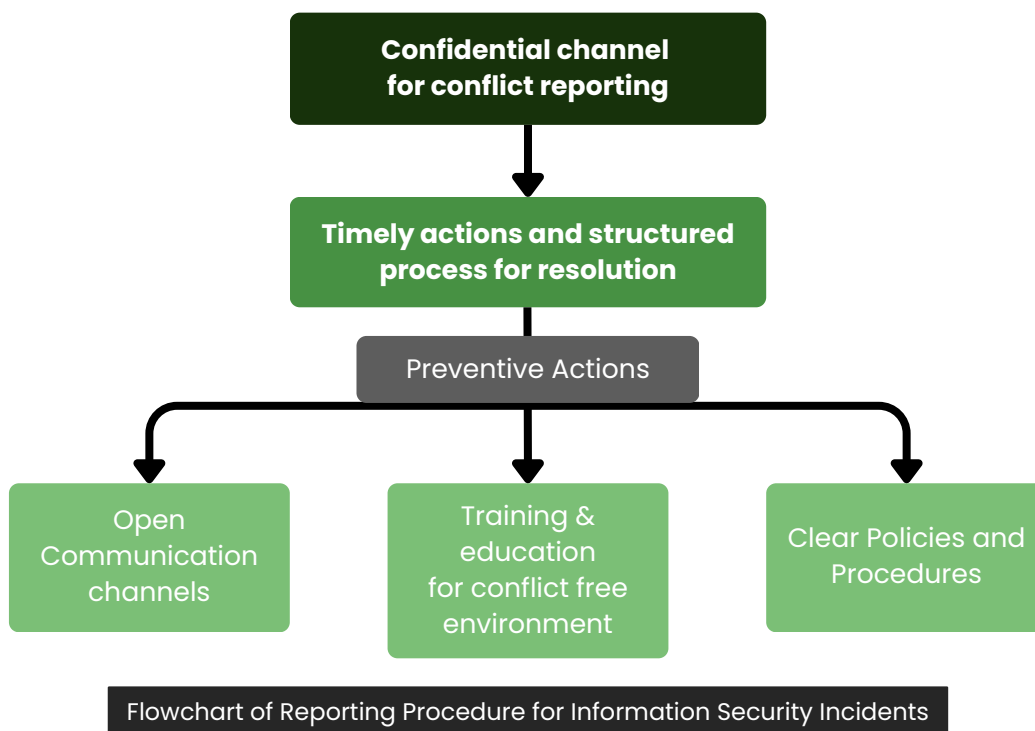
The Information Security Policy establishes clear guidelines for the secure, responsible, and ethical use of information technology resources. It aims to protect data confidentiality, ensure system integrity, and support efficient business operations while complying with applicable laws and internal standards.

## Information Security & Data Privacy

Ensuring secure handling, confidentiality, and responsible management of organisational and stakeholder data.

Percentage of employees trained on information security: 100%  
(All employees with system access completed the annual information security awareness training.)

Number of confirmed data breaches: 0  
(No data breaches were reported or verified.)



Flowchart of Reporting Procedure for Information Security Incidents

To further strengthen information governance, the Company has integrated the following commitments:

- Formal Information Security Risk Assessments are carried out periodically to identify vulnerabilities, assess threats, and implement corrective measures. Each assessment includes an evaluation of risks, documentation of findings, and implementation of action plans.
- The Company maintains a continually updated records retention schedule to ensure proper management, classification, and disposal of physical and digital records in accordance with legal and organisational requirements.

These measures ensure responsible data stewardship and safeguard sensitive information against unauthorised access or misuse.

### 3. Grievance Redressal & Whistleblowing

Lucid maintains accessible, confidential, and non-retaliatory reporting channels for both – internal (employees, workers) and external stakeholders (Farmers, suppliers) to raise concerns related to unethical or improper conduct.

Enhancements to strengthen the governance framework include:

- The grievance and whistleblowing mechanisms have been expanded to allow reporting of corruption risks, information security breaches, and any violation of Company policies.
- The Company is committed to providing annual training on ethics, reporting mechanisms, and responsible conduct, ensuring that all employees are aware of how to report concerns and understand their role in maintaining an ethical environment.

These measures uphold transparency, accountability, and trust across the organisation.

### 4. Sustainable Procurement (Responsible and Good Practices Charter)

Lucid promotes responsible sourcing and sustainable supply-chain practices through its Responsible and Good Practices Charter. All suppliers are expected to comply with standards relating to environmental stewardship, social responsibility, human rights, and ethical behaviour.

To reinforce sustainable procurement governance, the following commitments are implemented:

- Supplier contracts include mandatory environmental and social clauses that outline compliance expectations and incorporate sanctions—including suspension or termination—for non-adherence.
- Procurement staff receive annual training on sustainability-related topics, responsible sourcing principles, and the evaluation of supplier risks.
- The Company conducts periodic supplier risk assessments and on-site audits to evaluate compliance levels, identify potential sustainability risks, and ensure alignment with the Company’s expectations.

These measures promote a resilient, responsible, and ethically aligned supply chain.

### Codes of Conduct

Lucid’s Codes of Conduct for employees and directors articulate expectations related to compliance, confidentiality, conflicts of interest, workplace behaviour, communication protocols, and responsible use of company resources. Directors additionally provide an annual affirmation of compliance with the Code. We aim to create a conflict-resilient organisational environment through the structured integration of proactive conflict-management practices within our culture. By prioritising open communication, mutual respect, and collaborative problem-solving, we reduce the likelihood of disputes and strengthen a supportive, stable, and harmonious workplace.



Our commitment to corporate responsibility is underpinned by five pillars that guide our daily operations. We demonstrate Integrity through unwavering honesty and transparency in every transaction. Reliability defines our commitment to consistency and trustworthiness in delivering high-quality products and services. We champion fairness by promoting equitable treatment and opportunities across our value chain. Respect anchors our culture, ensuring that every individual is acknowledged, valued, and heard. Through collaboration, we cultivate strong, ethical partnerships that drive shared progress and create meaningful, positive impact for all our stakeholders.

## **Employee Code of Conduct**

- Employees at Lucid Colloids Limited must comply with all applicable laws and seek clarification whenever they are unsure about the appropriateness of any instruction or action.
- They must avoid situations that create conflicts of interest, refrain from offering or accepting bribes, and ensure that any hospitality provided or received remains modest and free from any sense of obligation.
- Confidential information must be protected at all times, and company communication systems and records should be used strictly for legitimate business purposes.
- Employees are required to follow all environmental, health, and safety guidelines and take proper care of company property and resources.
- The organisation expects honesty, integrity, and fair conduct, and any form of misconduct, dishonesty, or illegal activity will lead to strict consequences.
- Any violations or concerns should be reported to supervisors or relevant authorities, and employees are assured protection against retaliation when raising issues in good faith.

## **Director Code of Conduct**

Directors are required to act with honesty and in the best interests of the entire Company. Their duties demand care and diligence, ensuring decisions are fully informed and prioritise the Company's collective well-being over any single stakeholder's view. Key responsibilities include:

- Maintaining strict confidentiality and proactively managing conflicts of interest.
- Participating actively with an independent mindset.
- Avoiding unauthorised public statements and insider trading.
- Reporting compliance concerns directly to the Chairman.
- Annually affirming adherence to the Code of Conduct.

Lucid evaluates its commitment to Ethical Conduct and Regulatory Compliance through a structured set of Governance Transparency Metrics. These metrics enable the organisation to assess how effectively it upholds ethical behaviour, protects sensitive information, manages governance-related risks, and ensures responsible supplier practices. By monitoring indicators such as training coverage, incident reporting, compliance assessments, and supplier accountability, Lucid ensures that governance principles are not only embedded in policy but consistently implemented across operations. This approach strengthens the Company's governance culture and reinforces trust with stakeholders.

## Conflict Oversight

Lucid strengthened its oversight mechanisms to ensure that workplace concerns are managed with fairness, confidentiality, and accountability. Building on our commitment to ethical governance, we enhanced the accessibility of our confidential reporting channels and reinforced clear and timely steps for issue resolution.

Our governance teams introduced improved tracking and review protocols, ensuring that grievances are assessed objectively and managed within defined timelines. Escalation pathways were refined to ensure transparency at every stage, while safeguarding employees against any form of retaliation.

Preventive measures—such as refresher sessions on company policies, structured communication platforms, and targeted training on respectful workplace conduct—continue to support early identification and mitigation of potential issues. Through these strengthened oversight practices, Lucid remains committed to maintaining an environment where every concern is handled responsibly and every employee feels secure, respected, and heard.



# RISK MANAGEMENT

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- Our Governance Approach to Risk Management
- Risk Oversight and Accountability
- Risk Identification & Assessment
- Key Risks & Mitigation Measures



# RISK MANAGEMENT

Lucid adopts an anticipatory and holistic approach to risk management, integrating environmental, social, and governance (ESG) considerations into strategic planning and operational decision-making. Our framework emphasizes early identification of risks, proactive mitigation, strong internal controls, and continuous monitoring. This approach strengthens our resilience, ensures regulatory compliance, and enhances stakeholder confidence and has resulted in Zero non-compliances (monetary and non-monetary) in FY 2024-25.

## Our Governance Approach to Risk Management

The Board of Directors is responsible for overseeing ESG strategy, addressing related risks and opportunities in quarterly meetings. This governance ensures proactive decision-making and keeps the company informed of regulatory and market trends. This disciplined approach enhances risk management, aligns strategic priorities with sustainability goals, and ultimately fosters a culture that contributes to long-term stakeholder value.



*Depending on the nature of risks top managerial enterprise are Enterprise Risk Owners*

# Risk Oversight & Accountability

Risk management at Lucid Colloids Limited focuses on establishing strong practices and control mechanisms that support effective identification, assessment, and mitigation of risks across the organisation. This includes maintaining consistent risk measurement systems, supervising and reviewing risk-related activities, and ensuring that controls, procedures, and standards operate effectively. Clear reporting to senior management and the Board, along with comprehensive evaluation of risks across all functional areas, enables informed decision-making, strengthens organisational resilience, and supports timely responses to both existing and emerging risks.



Establish and implement risk management practices and control mechanisms to effectively identify, mitigate, and monitor risks across the organisation.



Develop and maintain risk assessment and measurement systems that enable consistent evaluation of risk exposure and support informed decision-making.



Supervise, guide, and review risk activities, ensuring timely identification of existing and emerging risks that may impact operations or strategic objectives.



Review and monitor the effectiveness of controls, procedures, and related standards, ensuring that business decisions are supported by a robust risk management environment.



Report the results of risk monitoring and assessments to senior management and the Board, providing insights on trends, exposure levels, and necessary mitigation actions.



Identify and evaluate risks across all functional areas, ensuring comprehensive coverage of operational, financial, environmental, social, and governance-related risks.

## Functions of Risk Owners

Risk Owners	Functions
Enterprise Risk Owner	<ul style="list-style-type: none"> <li>• Promote a risk-aware culture and highlight the importance of risk management across the organisation.</li> <li>• Ensure continuous identification and management of significant risks.</li> <li>• Oversee regular risk assessment and reporting by top management for their respective functions.</li> <li>• Implement enterprise-level compliance monitoring and surveillance.</li> <li>• Provide periodic updates on new risks and the status of existing enterprise risks (increased, constant, or reduced) and submit annual report to the Concerned person/team</li> </ul>
Functional Risk Owner	<ul style="list-style-type: none"> <li>• Continuously identify and address significant risks.</li> <li>• Support the Concerned person/team with risk information.</li> <li>• Participate in incident response and investigations.</li> <li>• Identify and assess regional compliance risks.</li> <li>• Monitor and oversee compliance within their business units.</li> <li>• Ensure regular risk assessment and reporting by managers and supervisors.</li> <li>• Provide an annual report to the Concern department.</li> </ul>

The internal audit function serves as an independent reviewer, providing objective assessments of the Company's internal controls, risk management processes, and adherence to operational procedures, internal policies, and regulatory requirements across the organisation.

## Risk Identification and Assessment

A structured and ESG-aligned approach is applied to identify and assess risks that could impact environmental performance, social responsibilities, and governance practices. Both traditional business risks and emerging sustainability-related risks are captured through cross-functional inputs, stakeholder consultations, regulatory updates, and industry monitoring.

Each identified risk is evaluated based on its likelihood and potential impact on operations, reputation, compliance, and long-term value creation. Environmental risks such as climate-related disruptions, social risks affecting workforce and community relations, and governance risks concerning ethical conduct and regulatory adherence are systematically assessed and prioritised.

## Lucid's Risk Management Approach

### Risk Identification

Capture traditional and emerging risks



### Risk Prioritisation

Systematically prioritise identified ESG risks



### Risk Evaluation

Assess likelihood and potential impact



### Ongoing Assessment

Regular updates to risk register

### Unmanaged ESG Risks

Potential negative impacts on operations








### Integrated ESG Management

Timely interventions and strengthened resilience

This ongoing assessment process ensures a forward-looking understanding of the evolving risk landscape. Regular updates to the risk register and alignment with sustainability objectives enable timely interventions, strengthen resilience, and support the integration of ESG considerations into business decision-making.







# Key Risks & Mitigation Measures




Physical Risk Categories	Business Implications	Mitigation Measures
<b>Acute Risk</b>		
<p>Increased intensity and severity of extreme climatic events</p> 	<ul style="list-style-type: none"> <li>• Reduced revenue due to lower production capacity from transport and supply chain disruptions.</li> <li>• Financial losses from damage to manufacturing facilities and assets in high-risk areas.</li> </ul>	  <ul style="list-style-type: none"> <li>• Leverage smart weather-resilient technologies, including advanced monitoring tools and durable materials, to withstand extreme conditions.</li> <li>• Keep emergency and recovery plans up to date, supported by initiatives like ZLD systems and enhanced recreational areas to manage water risks effectively.</li> </ul>
<b>Chronic Risk</b>		
<p>Altered rainfall trends and heightened fluctuations in</p> 	<ul style="list-style-type: none"> <li>• Fall in revenue as a result of decreased raw material production</li> <li>• Higher insurance costs and limited coverage options for assets in vulnerable locations.</li> </ul>	   <ul style="list-style-type: none"> <li>• <b>Water Stewardship:</b> Implement advanced water management (e.g., rainwater harvesting, efficient irrigation) to manage supply variability.</li> <li>• <b>Resource optimisation:</b> Maximize resource efficiency through strategic usage and reduced reliance on scarce materials.</li> <li>• <b>Energy Management:</b> Deploy energy-efficient technologies and practices to lower consumption despite rising temperatures.</li> </ul>

Transition Risk Categories	Business Implication	Mitigation Strategies
Market		
<p><b>Shifting consumer demands</b></p> 	<p>Demand reduction resulting from shifts in customer buying behaviour.</p>	   <ul style="list-style-type: none"> <li>• Negotiate favourable terms with suppliers to secure better raw material pricing.</li> <li>• Diversify product lines to attract and appeal to a broader customer base.</li> <li>• Reduce operating costs by implementing energy and water efficiency measures.</li> </ul>
<p><b>Higher procurement costs for raw materials</b></p> 	<p>Higher production expenses driven by fluctuations in input costs (e.g., energy, water) and evolving output requirements such as waste management</p>	
Technological		
<p>Adoption of low-emission substitutes in place of existing products</p> 	<p>Higher R&amp;D spending on developing new and alternative technologies.</p>	  <ul style="list-style-type: none"> <li>• <b>Diversify Product Portfolio:</b> Proactively expand product offerings to align with evolving market demands and strategically reduce exposure to areas experiencing declining consumer interest.</li> <li>• <b>Strategic Collaboration:</b> Form alliances with external partners, including organisations, universities, and research institutions, to collaboratively share the costs and resources necessary for technological advancement.</li> </ul>
<p>Investment required to shift to cleaner technologies</p> 	<p>Reduced demand for products associated with high CO<sub>2</sub> emissions during processing or manufacturing.</p>	

## Reputational

<p>Increased stakeholder dissatisfaction or negative reactions</p> 	<ul style="list-style-type: none"> <li>• Reduced revenue resulting from a decline in product demand.</li> <li>• Revenue loss driven by workforce management challenges, such as difficulties in attracting and retaining talent.</li> </ul>	  	<ul style="list-style-type: none"> <li>• <b>Market Penetration:</b> Intensify marketing efforts to significantly boost demand and effectively reach previously untapped customer segments.</li> <li>• <b>Revenue Diversification:</b> Strategically expand into new geographical markets or develop additional product lines to reduce dependence on a single revenue stream.</li> <li>• <b>Supply Chain Resilience:</b> Cultivate robust relationships with key suppliers and diversify sourcing channels to effectively mitigate the risk of supply chain disruptions.</li> </ul>
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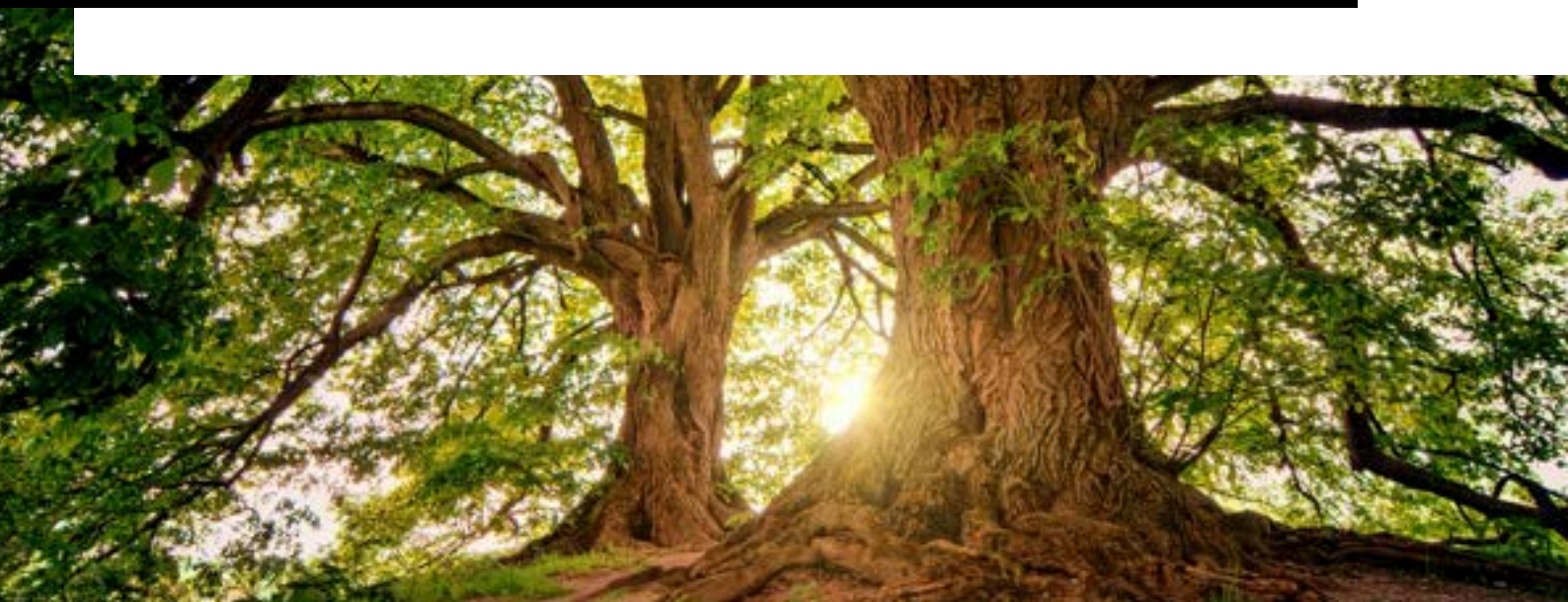
## Regulatory (Policy & Legal)

<p>Higher costs associated with GHG emissions.</p>	<ul style="list-style-type: none"> <li>• Higher expenditures associated with meeting compliance requirements.</li> <li>• Rising costs and/or declining product demand due to penalties or legal rulings.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Compliance Optimisation:</b> Streamline internal compliance processes to reduce associated costs and enhance overall operational efficiency.</li> <li>• <b>Mitigating Policy Impact:</b> Develop a strategic plan for asset replacement to mitigate potential financial impacts resulting from future policy or regulatory changes.</li> <li>• <b>Policy Effectiveness:</b> Conduct regular reviews and updates of company policies to ensure their continued relevance and maximum fulfilment.</li> </ul>
<p>More stringent requirements for emissions reporting.</p>			
<p>Regulatory mandates governing current products.</p>			

# ENVIRONMENTAL CARE & CONSERVATION



- Climate Conscious Growth
- Water Stewardship: Conserving Every Drop
- Sustainable Waste Practices
- Preserving Biodiversity



# ENVIRONMENTAL CARE & CONSERVATION

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Lucid recognises climate change as a critical global challenge and is committed to reducing its greenhouse gas (GHG) emissions through stronger energy management and improved operational efficiency. Our strategy emphasises expanding renewable energy use, optimising manufacturing processes and adopting efficient technologies to steadily lower energy intensity.

Energy conservation is a key environmental and operational priority for Lucid. By reducing direct and indirect emissions, shifting toward cleaner energy sources, and improving process efficiency, we aim to make a meaningful contribution to climate action while supporting sustainable, long-term growth.

## Climate-Conscious Growth

Lucid Colloids Limited recognises that climate change poses material risks to business continuity, supply chains, and resource availability. In response, we are strengthening our climate strategy with a clear focus on energy efficiency, expanding the use of renewable energy, and reducing greenhouse gas (GHG) emissions across our operations.

Our growth plans are aligned with the Paris Agreement's 1.5°C pathway. As we scale our business, we aim to lower the carbon intensity of our operations and supply chain through practical, measurable actions. This includes ongoing work to cut emissions, improve energy performance, and adopt cleaner energy options wherever feasible.

We regularly assess climate-related risks and opportunities to ensure our decisions support long-term resilience and a steady transition to a low-carbon future. Our priority is responsible growth, enhancing resource efficiency, reducing environmental impact and improving the sustainability of our products and processes.

## Emission Management

### Science-Aligned Approach to GHG Emissions

Lucid recognises the environmental implications of its emissions and has established a transparent, science-aligned approach to accounting and reporting Greenhouse Gas (GHG) emissions. Our emission sources primarily include process energy use, transportation and other operational activities.

Building on a detailed assessment of its Scope 1, Scope 2, and relevant Scope 3 emissions, Lucid has aligned its near-term climate commitments with the Science-Based Targets initiative (SBTi). We are working toward achieving a 42% reduction in emissions by 2030, in alignment with the Paris Agreement's goal of keeping global warming well below 2°C. This direction reinforces Lucid's long-term ambition to decouple growth from carbon impact and advance a low-carbon operating model.

### Transparent GHG Accounting & Reporting

Our GHG accounting and reporting practices follow the GHG Protocol Corporate Accounting and Reporting Standard, ensuring accuracy, comparability and adherence to internationally accepted principles.

Apart from GHG Emissions, Lucid also monitors air emissions to ensure compliance with statutory requirements and maintains good ambient air quality across all operational locations. Emissions from operations are managed and controlled through appropriate process measures and periodic monitoring, reaffirming our commitment to responsible and environmentally sound manufacturing.

## GHG Emission Inventory

Lucid maintains a structured and transparent Greenhouse Gas (GHG) inventory covering Scope 1, Scope 2 and selected Scope 3 categories in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This enables a consistent assessment of our climate impact across operations and the value chain.

### Scope 1: Direct Emissions

Scope 1 emissions include all GHG emissions from sources owned or controlled by Lucid. These primarily arise from fuel combustion for process heating, use of company-owned vehicles and refrigeration and cooling systems across our facilities. Continuous monitoring and targeted efficiency initiatives help minimise direct emissions from these operational activities.

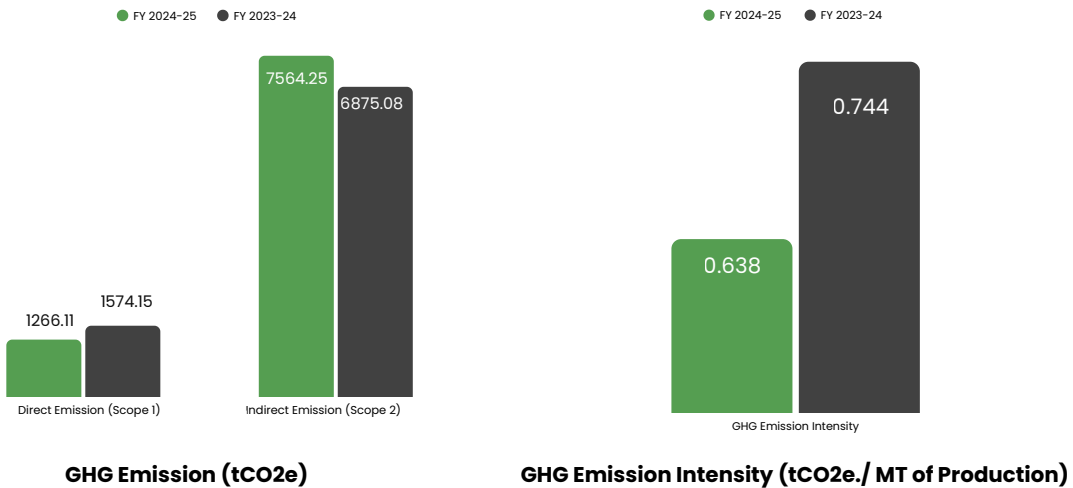
### Scope 2: Indirect Energy Emissions

Scope 2 emissions arise from electricity purchased for use at Lucid's manufacturing units. Electricity is primarily sourced from the grid, supplemented by on-site renewable energy generation. At the Mokheri facility, electricity generated through in-house solar installations is utilised to meet internal requirements, with surplus power exported to the grid.

Lucid is progressively increasing the share of renewable electricity in its overall energy mix. Enhancing energy efficiency and expanding the adoption of renewable energy remain key focus areas as the Company works to further reduce Scope 2 emissions over time.

## GHG Emission Summary

Scope	Category	Units	FY 2024–25	FY 2023–24
1	Direct Emissions (Scope 1)	tCO <sub>2</sub> e	1266.11	1574.15
2	Indirect Energy Emissions (Scope 2)	tCO <sub>2</sub> e	7564.25	6875.08
<b>Total GHG Emissions (Scope 1 &amp; Scope 2)</b>		<b>tCO<sub>2</sub>e</b>	<b>8830.36</b>	<b>8449.24</b>
<b>GHG Emission Intensity</b>		<b>tCO<sub>2</sub>e/MT</b>	<b>0.638</b>	<b>0.744</b>



### Scope 3: Other Indirect Emissions

Lucid's Scope 3 inventory covers selected categories that are most material to our operations. For FY2024–25, the assessment includes:

- **Category 1** – Purchased goods and services: Emissions from the transportation of all raw materials, components and services purchased by the company.
- **Category 2** – Capital goods: Emissions associated with the production of long-term assets such as machinery, buildings and equipment purchased or constructed by the company.
- **Category 3** – Fuel - and energy-related activities (not included in Scope 1 or 2): Emissions from the extraction, production and transportation of fuels and energy purchased by the company but not already included in Scope 1 or Scope 2.
- **Category 4** – Upstream Transportation and Distribution: Emissions associated with the inbound transportation of raw materials and packaging.
- **Category 5** – Waste generated in operations: Emissions resulting from the treatment and disposal of waste generated from the company’s onsite operations, handled by third parties.
- **Category 6** – Business travel: Emissions from employee travel for business purposes, including flights, hotels, car rentals and other modes of transport booked through third parties.
- **Category 7** – Employee commuting: Emissions arising from daily transportation of employees between their homes and the workplace.
- **Category 9**—Downstream Transportation and Distribution: Emissions arising from outbound logistics and the delivery of finished products to customers.
- **Category 12** – End-of-life treatment of sold products: Emissions resulting from the waste management, recycling, incineration or landfill disposal of products and packaging after they have been used by the end customer.

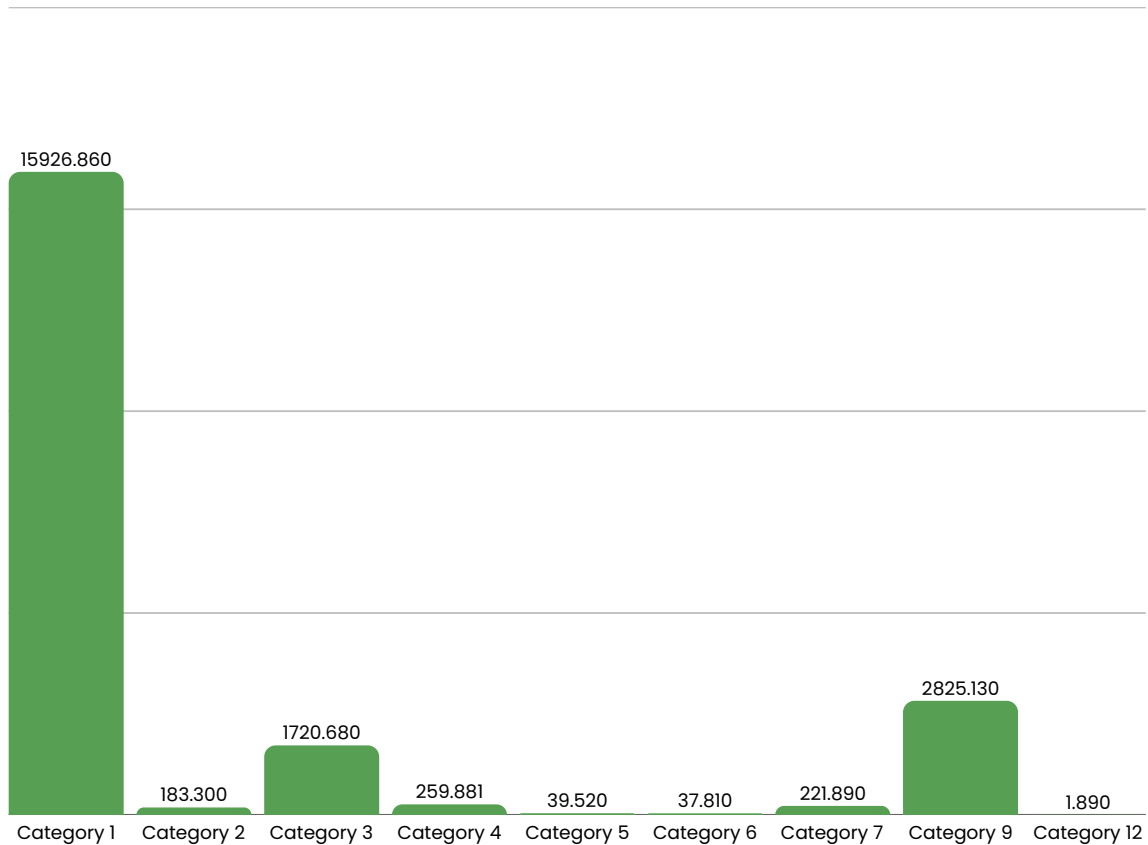
Scope 3 calculations for the reporting year utilise emission factors from credible and region-appropriate sources such as Ecoinvent, the India GHG Program and UK DEFRA, ensuring the accuracy and contextual relevance of our estimates.

## Scope 3 Emissions—Category-Wise Breakdown

Sr. No.	Category*	Category Description	Units	FY 2024–25	FY 2023–24
1	Category 1	Purchased Goods and Services	tCO <sub>2</sub> e	15926.86	5428.58
2	Category 2	Capital Goods	tCO <sub>2</sub> e	183.3	290.5
3	Category 3	Fuel and Energy Related Activities	tCO <sub>2</sub> e	1720.68	396.36
4	Category 4	Upstream Transportation and Distribution	tCO <sub>2</sub> e	259.881	1609.01
5	Category 5	Waste Generated in Operations	tCO <sub>2</sub> e	39.52	15.92
6	Category 6	Business Travel	tCO <sub>2</sub> e	37.81	43.91
7	Category 7	Employee Commuting	tCO <sub>2</sub> e	221.89	281.56
8	Category 9	Downstream Distribution of Products	tCO <sub>2</sub> e	2825.13	3369.39
9	Category 12	End of Life of Sold Products	tCO <sub>2</sub> e	1.89	7.37

**\*Note:** During the reporting period, the Company expanded its Scope 3 GHG inventory to include emissions from guar split raw material procurement, which were not included in the previous reporting period. As a result, total Scope 3 and overall GHG emissions have increased due to improved coverage and methodology, rather than any decline in operational performance.

## Scope 3 Emissions (tCO<sub>2</sub>e)



## Energy Management

### Energy Profile & Consumption

Lucid’s energy profile includes electricity for process and utility operations, and refrigerants for temperature-controlled systems. Fuel-based equipment such as boilers, hot air and hot water generators, DG sets, and logistics vehicles support core manufacturing processes. In recent years, Lucid has deliberately shifted toward cleaner and more efficient fuel options, including the replacement of conventional liquid fossil fuels with Piped Natural Gas (PNG) in manufacturing operations. The use of PNG results in lower emissions of particulate matter, sulphur oxides, and other hazardous air pollutants, while also eliminating risks associated with fuel storage and handling. This transition supports improved workplace safety, reduces the use of more hazardous substances and lowers the overall environmental impact of operations.

Building on a foundation of operational discipline, Lucid is advancing toward a more structured energy management approach that prioritises performance monitoring and the incremental adoption of renewable energy in the coming years.

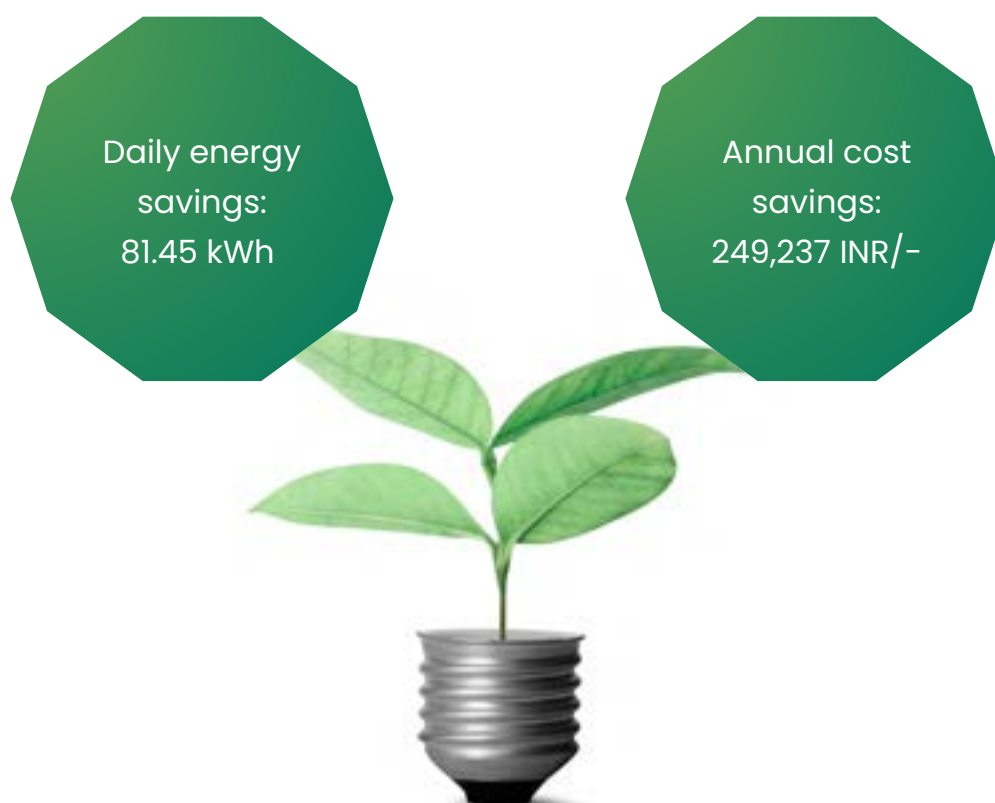
## Energy Conservation Initiatives

### Advancing Renewable Energy Integration

To improve energy efficiency at the facility level, we have transitioned to energy-efficient BEE star-rated LED lighting, replacing conventional lighting systems. Automated timers have also been installed to regulate lighting schedules, thereby reducing unnecessary consumption and minimising energy wastage during non-operational hours. These measures contribute to sustained reductions in electricity use.

We are advancing the integration of renewable energy into our operations. At Mokheri, on-site solar power generation supports partial substitution of grid electricity, with renewable energy utilised for internal consumption and surplus energy exported to the grid. During the reporting year, solar energy usage amounted to 31.43 GJ, contributing to reduced reliance on fossil-fuel-based power and enabling avoided emissions of 6.35 tCO<sub>2</sub>e.

Lucid conducts employee training and awareness programmes on energy conservation to strengthen understanding of energy-efficient practices and the role of employees in reducing energy consumption and GHG emissions. These sessions focus on energy-saving guidelines, operational best practices, and the adoption of improved processes where applicable. Through ongoing awareness and on-the-job guidance, Lucid encourages responsible energy use and supports the effective implementation of energy-efficiency initiatives across its operations. These efforts have delivered measurable energy and cost efficiencies, with quantified savings reported based on initiatives implemented in the previous year.



## Energy Efficiency Across Operations

Operational efficiency remains a core focus area. Lucid continues to upgrade equipment and optimise process parameters to minimise energy losses. High-efficiency motors, improved thermal systems, and enhanced insulation practices have contributed to sustained reductions in energy intensity across key production stages.

## Structured Energy Audits & Continuous Improvement

Energy audits are conducted at the Jhagadia facilities to identify new conservation opportunities. The insights from these assessments guide investments in technology upgrades, process improvements, and corrective actions that enhance overall energy performance.

## Diversified & Balanced Energy Mix

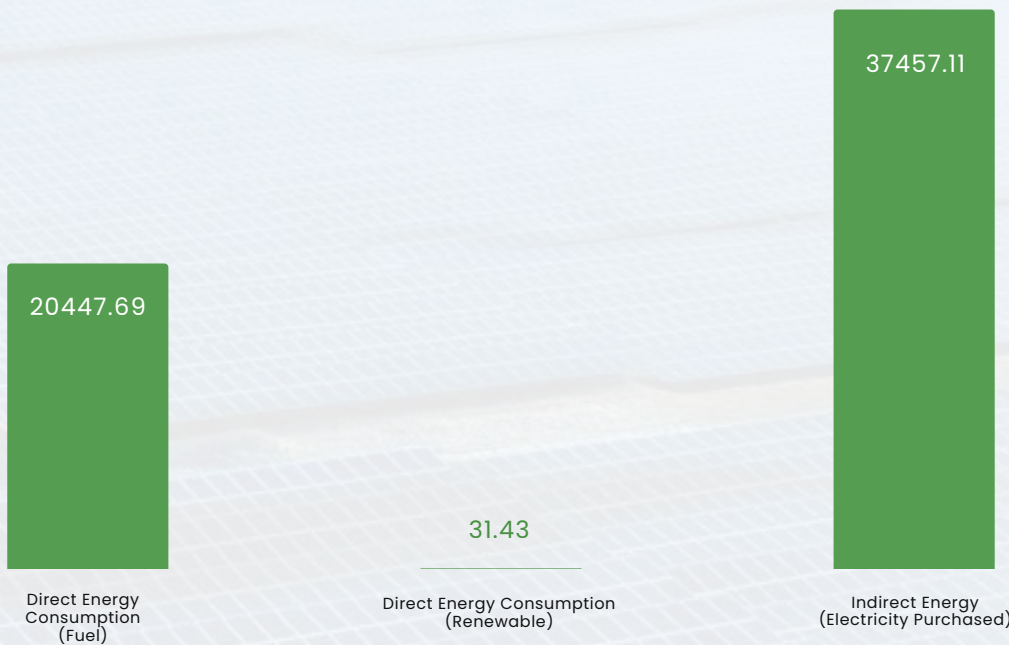
Lucid's energy architecture is built on a balanced mix of natural gas, diesel, grid electricity, and a growing proportion of solar power. This diversified energy portfolio enhances operational reliability while supporting the Company's broader sustainability objectives. By progressively increasing the renewable share and optimising fossil fuel use, Lucid is aligning its production footprint with long-term climate commitments.

These efforts resulted in improved energy performance, with specific energy consumption recorded at 4.186 GJ/MT during FY 2024–25.

## Energy Consumption Summary

Energy Source	Unit	FY 2024–25	FY 2023–24
Direct Energy Consumption (Fuel)	GJ	20447.69	21995.67
Direct Energy Consumption (Renewable)	GJ	31.43	—
Indirect Energy (Electricity Purchased)	GJ	37457.11	34615.82
<b>Total Energy Consumption</b>	<b>GJ</b>	<b>57,936.23</b>	<b>—</b>

### Energy Consumption (GJ)



### Energy Source

## Air Emissions & Monitoring

Lucid is committed to preventing and minimising atmospheric pollutants arising from its operations and to safeguarding local air quality in the areas in which it operates. Although hydrocolloid manufacturing processes are inherently low-emission in nature, we maintain a structured approach to the identification, monitoring and management of atmospheric pollutants.

Air Emission (in kg), FY 24-25	
Particulate matter (PM)	978.685
SOX	0.8003
NOx	2110.87

In line with applicable regulatory requirements, Lucid regularly monitors air emissions, including Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>) and Particulate Matter (PM). Monitoring results have consistently remained within prescribed statutory limits, reflecting both the low-emission profile of the operations and the effectiveness of existing control measures.

Beyond regulatory compliance, Lucid strives to reduce particulate matter, dust and other process-related emissions through preventive controls, good housekeeping practices and disciplined operational oversight, thereby limiting impacts on the local environment.

## Air Pollution Control Systems

Lucid has implemented air pollution control systems across its manufacturing facilities, including bag filters for capturing fine particulate matter, dust collectors to control airborne particles, and scrubbers to remove gaseous pollutants and residual particulates from exhaust streams.

These systems are supported by defined operating procedures, periodic inspections and preventive maintenance to ensure consistent performance. Together, these measures help minimise emissions of PM, NO<sub>x</sub>, SO<sub>x</sub> and dust while reducing potential impacts such as odour or localised air quality degradation.



To further manage fugitive emissions, Lucid has implemented a Leak Detection and Repair (LDAR) programme across relevant equipment and process lines. The programme includes periodic inspection of valves, pumps, flanges and other potential leak points using structured LDAR checklists. Identified leaks are promptly repaired and documented to minimise the release of fugitive emissions, including potential Volatile Organic Compounds (VOCs).

## Noise Emissions Management

Lucid Colloids is committed to maintaining a low-noise operational environment that safeguards employee wellbeing and minimises any adverse impact on surrounding communities. Noise management across operations is guided by a structured internal sound-level monitoring procedure, which defines monitoring frequency, roles and responsibilities, corrective actions, and preventive controls in line with applicable regulatory requirements.

“ZERO noise-related complaints were reported during FY 24-25”

Noise emissions arising from machinery, material handling, transportation, and other industrial activities are systematically monitored at identified operational points. Noise assessments are conducted on a quarterly basis across all functional areas, with additional measurements carried out whenever concerns are raised by employees, supervisors, or through safety reviews. This monitoring ensures that noise levels remain within permissible statutory limits and enables timely identification of any deviations.

During the reporting year, monitored noise levels remained within regulatory thresholds, consistent with historical performance. In the previous reporting cycle, measured noise levels ranged between 52 dB and 68 dB, confirming compliance with applicable standards and reflecting the effectiveness of existing noise-control measures.

Lucid’s noise-management approach integrates engineering controls, disciplined operational practices, and preventive maintenance to reduce noise at source. Engineering teams assess noise levels during equipment installation and commissioning, and corrective actions are implemented promptly where elevated noise levels are identified. Regular maintenance and routine inspections of equipment further support the prevention of excessive noise generation.

To protect employees working in designated high-noise areas, appropriate personal protective equipment (PPE), including hearing-protection devices such as earmuffs, are provided and enforced. During the reporting year, targeted training and awareness programmes were conducted to strengthen correct and consistent PPE usage, particularly in areas with elevated noise exposure. These initiatives were implemented in response to internal safety observations and form part of Lucid’s broader occupational health and safety improvement efforts.

The plant’s enclosed design, sound-management practices, and targeted mitigation measures help ensure that operations do not result in significant off-site noise impacts. Through structured monitoring, preventive maintenance, employee engagement, and continuous improvement, Lucid reinforces its commitment to regulatory compliance, workforce safety, and responsible operations that are mindful of community well-being.

# Water Stewardship: Conserving Every Drop

Lucid recognises water as a critical natural resource and is committed to managing it responsibly across all operations. With growing pressures on freshwater availability, the Company has strengthened its focus on efficiency, conservation, and responsible discharge practices. Our approach combines operational discipline with targeted interventions that reduce freshwater dependence and enhance overall water performance.

In FY 2024–25, we advanced our stewardship efforts through enhanced monitoring systems, efficiency-driven process improvements, rainwater harvesting expansion, and community water security initiatives. These actions align with UN SDG 6: Clean Water and Sanitation and reinforce Lucid’s commitment to building a water-secure future.

Water used in our processes undergoes controlled treatment to ensure regulatory compliance and environmental safety. Wherever feasible, treated water is reused within utility systems, helping to optimise consumption and conserve valuable resources. Lucid continually evaluates its processes to identify additional opportunities for recycling, efficiency improvements, and reduced withdrawal.

## Our Approach to Responsible Water Management

Lucid follows an integrated water management approach that focuses on:

- Reducing freshwater dependency through recycling, reuse, and process optimisation
- Strengthening wastewater treatment using ETPs and STPs designed for full compliance
- Increasing rainwater harvesting capacity and enabling groundwater recharge
- Supporting communities through structured water resilience projects
- Implementing real-time monitoring, including pH, TDS, TSS, BOD, and COD in accordance with PCB norms
- Achieving zero effluent discharge and maximising water recovery through Zero Liquid Discharge (ZLD) systems at our Jodhpur and Meglasiya facilities

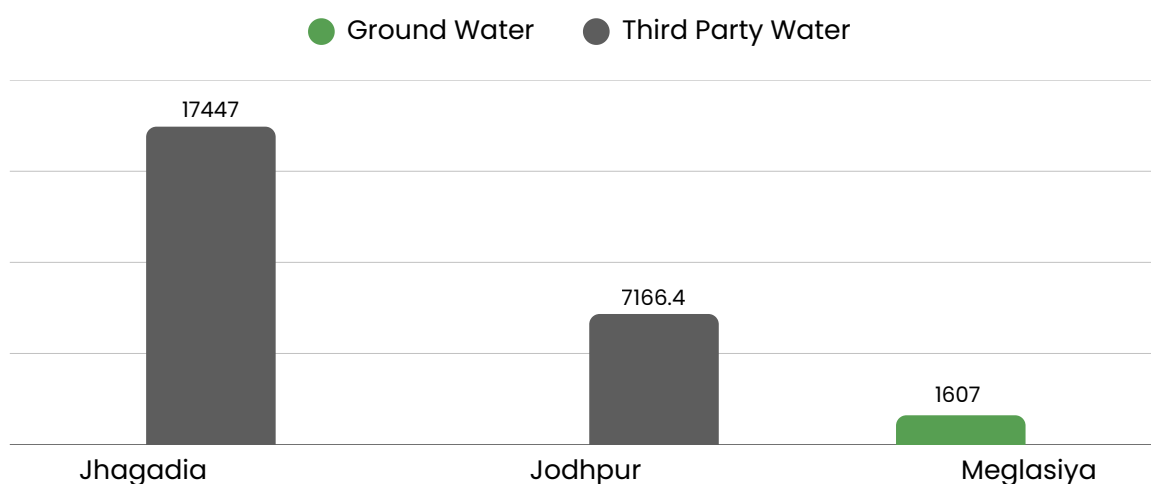
All water withdrawals, consumption, and discharge volumes are monitored using calibrated and metered systems for accuracy and transparency.

## Water Consumption and Withdrawal

During FY 2024–25, our water needs were met through groundwater extraction, municipal supplies, and treated Narmada river water (GIDC). All consumption is monitored to ensure compliance with regulatory thresholds.

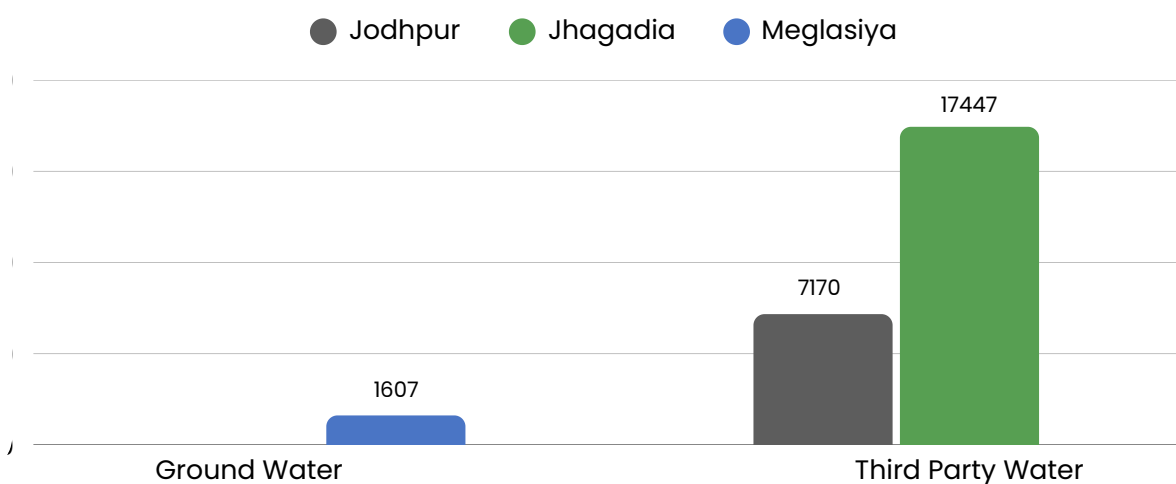
## Water Withdrawal (In KL)

Particulars (FY 24-25)	Jhagadia	Jodhpur	Meglasiya	Total
Ground Water	0	0	1607	1607
Third Party Water	17447	7166.4	0	24613.4



## Water Consumption (In KL)

Particulars (FY 24-25)	Jhagadia	Jodhpur	Meglasiya	Total
Ground Water	0	0	1607	1607
Third Party Water	17447	7170	0	24617



## Water Discharge

We prioritise reuse over discharge. At several locations, including Jodhpur and Meglasiya, our operations follow a Zero Liquid Discharge (ZLD) model, reflecting our commitment to minimising freshwater dependency and preventing industrial effluent from leaving the premises.

Effluents generated from manufacturing activities are treated through an Effluent Treatment Plant (ETP), where physical and chemical treatment processes are applied to reduce pollutant concentration, neutralise harmful constituents and prevent the release of untreated contaminants into the environment.

We have installed advanced Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) across all our manufacturing facilities, adhering to regulatory standards. The ETP employs advanced technologies to reduce oxygen-demanding pollutants, ensuring the removal of contaminants that elevate biochemical oxygen demand (BOD) and chemical oxygen demand (COD). The process involves primary treatment, where oil is skimmed, pH is adjusted, and effluent is dewatered. In secondary treatment, the effluent is aerated to degrade organic matter, followed by sludge removal. The final treatment includes filtration through a Multi Gravel Filter (MGF), Pressure Sand Filter, and Activated Carbon Filter (ACF) to remove solids, organics, colour, and odour. These processes are applied to reduce pollutant concentration, neutralise harmful constituents and prevent the release of untreated contaminants into the environment.

In addition, we use Soil Biotechnology (SBT) for wastewater treatment in STP, which operates on the principle of a trickling filter. This system combines physical processes such as sedimentation and infiltration with biochemical processes to remove suspended solids, organic and inorganic materials. Key agents like suitable mineral compositions, native micro-flora, and bio-indicator plants purify the water in an eco-friendly way that mimics natural filtration. These treatment systems are operated and monitored in line with regulatory requirements to ensure effective reduction of hazardous substance in wastewater streams. Treated water is reused for gardening, and its quality is tested in NABL-accredited laboratories to meet environmental standards.

Through the application of appropriate treatment methods, operational controls, and monitoring practices, Lucid limits the generation and toxicity of hazardous substances, supporting responsible materials and chemicals management.

Location	Water Discharge (FY 24-25)
Jhagadia	646 KL
Jodhpur	-
Meglasiya	-
<b>Total</b>	<b>646 KL</b>

The Company monitors and manages effluent discharge to ensure compliance with applicable environmental standards prescribed by statutory authorities.

Total effluent treated at every facility (%)	100
Total Output of approximate biological oxygen demand to the environment (MT)	0.14
Approximate annual biological oxygen demand concentration (mg/l)	42.75

## Recycled Water Consumption

Across our Jodhpur and Meglasiya facilities, we achieve ZLD. The treated water from the Effluent Treatment Plant (ETP) is systematically recovered and channelled back into suitable industrial processes, thereby reducing the need for fresh intake. Similarly, water treated through the Sewage Treatment Plant (STP) is reused for greenbelt development helping to conserve freshwater resources for critical uses. These integrated measures strengthen our long-standing commitment to Zero Liquid Discharge (ZLD), with robust control measures in place at our ZLD plants to prevent any contamination of groundwater.

Location	Total Water Recycled (KL)
Jhagadia	3650
Jodhpur	3504
Meglasiya	98.6
<b>Total</b>	<b>7252.6</b>

Our treatment systems are designed to deliver primary, secondary, and tertiary levels of purification, enabling the recycled water to consistently meet all applicable regulatory and quality standards. Regular monitoring, testing, and process optimisation help ensure that the recycled water remains safe for reuse and that our facilities continue to operate in full compliance with environmental norms.



## Water Conservation Measures

### Rainwater Harvesting & Groundwater Recharge

Rainwater harvesting has become a cornerstone of Lucid’s resilience strategy. In FY 2024–25, infrastructure coverage reached 75% of operational sites, helping reduce freshwater dependence.

- At the Mokheri agricultural R&D Centre, rainfall captured through the on-site pond enabled the collection of approximately 10,700 KL of water in FY 2025.
- At the Meglasiya Facility, we have a percolation well where around 3,675 KL of water was captured.
- At our Jhagadia facility, we have 13 percolation wells for rainwater capture, through which approximately 13,000 KL of water was recharged.

Together, these systems contribute meaningfully to replenishing local aquifers and improving long-term water availability in high-risk geographies.

Western Rajasthan faces chronic water scarcity due to low rainfall and depleting aquifers. To support gear-growing farmer communities, Lucid launched the Jala Vardhini Programme in partnership with SURE.

### The Initiative

- Construction of three community ponds at Junapatrasar, Shivbhakhri and Nand
- Designed to store monsoon runoff and provide year-round water availability
- Supports agriculture, livestock, and household needs

### Measured Impact

Impact Area	Outcome
Farmer Income	+43% improvement <i>(based on previous year income)</i>
Nutrition	Growth of kitchen gardens; improved dietary diversity
Rainwater Storage	Retains seasonal runoff for year-long use
Crop Diversification	Enabled cultivation of cumin, psyllium, mustard

*“By creating dependable water sources, we are helping farmers secure their future while building stronger, more resilient communities.”*

## Water Risks Assessment

We undertake water risk assessments using scenario-based analysis to identify basin-level physical water risks and understand their potential implications on operations and long-term resilience. This approach enables the evaluation of future water availability under different climate and socioeconomic pathways, supports informed strategic and financial planning, and reinforces responsible water stewardship across operations.

Parameter	Disclosure
Approach to Water Risk Management	The Company conducts basin-level water risk assessments to identify and manage physical water-related risks that may impact long-term operational resilience and business continuity.
Assessment Methodology	Water risk assessments are carried out using the WWF Water Risk Filter, a globally recognised tool for evaluating water-related risks at the basin level.
Site Covered	Jhagadia manufacturing facility, Gujarat
Nature of Risks Assessed	Physical water risks, with a specific focus on chronic risks associated with long-term changes in water availability and water stress conditions within the basin.
Climate & Socioeconomic Scenarios Considered	The assessment incorporates Representative Concentration Pathways (RCP 2.6, RCP 6.0, and RCP 8.5) along with Shared Socioeconomic Pathways (SSP 1 and SSP 3) to evaluate potential future climate and development trajectories.
Time Horizons	Short-, medium-, and long-term projections for the years 2020, 2030, and 2050 are considered to understand evolving water risks over time.
Key Assessment Outcome	The Jhagadia manufacturing site has been identified as facing high physical water risk, driven primarily by chronic water stress and long-term constraints on water availability in the basin.

Parameter	Disclosure
Potential Business Impacts	Identified risks include potential disruptions to manufacturing operations and possible future revenue impacts arising from water scarcity and availability challenges.
Strategic Relevance	The findings from the water risk assessment are integrated into the Company’s strategic and financial planning processes to enhance climate resilience and support informed decision-making.
Risk Mitigation Orientation	Assessment outcomes are used to guide water stewardship initiatives, efficiency measures, and long-term planning to mitigate identified water-related risks at the site level.
Review and Monitoring	Water risk assessments are periodically reviewed in line with updates to climate scenarios and internal risk management processes.



# Responsible Waste Management

Upholding environmental stewardship as a steadfast commitment to the sustainable future, At Lucid, we believe that waste management efficiency can be achieved through minimising waste generation at source and maximizing reduce and recycling efforts. Moreover, advancing technologies adepts to the waste management sector have ensured that critical topics of interest such as waste recycling and minimisation, circular economy as well as environmentally sound disposal of waste are given priority. This makes waste management an integral part of the process and the uphold our responsibility towards the environment.

## Waste Generation

Type of Waste (MT)	FY 2023-24	FY 2024-25
Hazardous Waste	0.312	2.154
Non-Hazardous Waste	3.3673	30.265
Battery Waste	-	1.392
Biomedical Waste	-	0.027
<b>Total</b>	<b>3.6793</b>	<b>33.837</b>
<b>Intensity (Waste/Production)</b>	<b>0.000324</b>	<b>0.00298</b>

## Waste Disposal

Responsible waste disposal becomes a priority when it poses a risk to climate and the environment, and we understand our role in proper disposal & recycling methods which are environmentally sound and focus on waste minimisation and reuse.



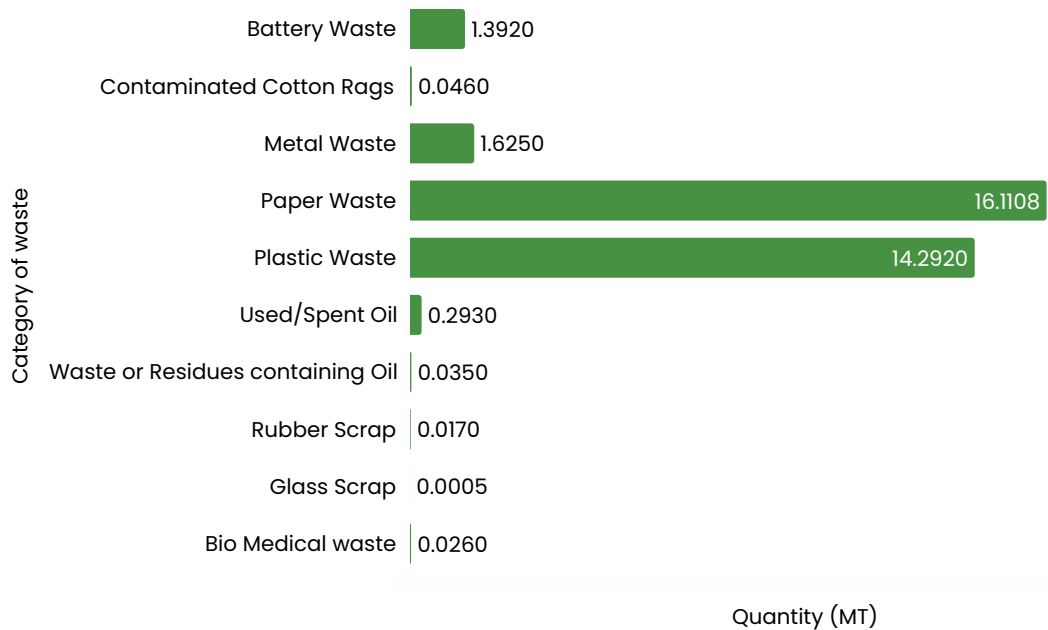
**Hazardous Waste:** During the reporting period, 0.274 metric tons of hazardous waste were generated and disposed off via incineration.

**Non-Hazardous Waste:** All non-hazardous waste generated during FY 2024 was either recycled or reused, resulting in 100% diversion from disposal. All Non-hazardous waste generated (Paper, Plastics, MS Scrap, Glass and Rubber waste) are diverted from landfills to recyclers following local compliance requirements.

Type of Waste (MT)	FY 2023-24	FY 2024-25
Recycled	3.374	33.757
Reused	0.3	-
Incineration	0.006	0.274
<b>Total</b>	<b>3.68</b>	<b>34.03</b>

### Category-wise bifurcation of waste generated

Categories of waste	Quantity (MT)
Battery Waste	1.392
Contaminated Cotton Rags & Cleaning Material	0.046
Metal Waste	1.625
Paper Waste	16.1108
Plastic Waste	14.292
Used/Spent Oil	0.293
Waste or Residues containing Oil	0.035
Rubber Scrap	0.017
Glass Scrap	0.0005
Bio Medical waste	0.0269



**Waste Generated (MT)**

Our teams continually identify opportunities for waste reduction, recycling, and reuse, ensuring that materials are managed with the highest regard for environmental safety. We also collaborate with authorized waste management partners to guarantee that hazardous and non-hazardous waste streams are treated and disposed of in a responsible and transparent manner.

**Extended Producer Responsibility**

Lucid follows the circular economy model by adapting Extended Producer Responsibility (EPR) for plastic waste management under the PWM Rules, 2016 and its subsequent amendments. We hire a contractual partner for collection and recycling plastic waste as applicable under the regulatory framework.

We comply with all national regulations on waste management and follow practices such as Extended Producer Responsibility (EPR), while supporting the circular economy to enable efficient recycling and responsible end-of-life (EOL) management of plastic waste. Under the EPR framework, we have filed our annual returns as a Brand Owner and Importer. During the reporting period, we fulfilled our plastic product packaging liability of 21 MT as a Brand Owner and 2 MT as an Importer.

We maintain 100% EPR compliance under PWM Rules, 2016 (& its subsequent amendments) and target to increase recycled plastic content to 40% by F.Y 2025 - 26

Through continued investment in awareness programs and sustainable technologies, we aim to foster a culture where waste is not viewed merely as a by-product, but as a resource that can be effectively managed and optimised for long-term sustainability.

This approach reflects our broader commitment to protecting natural ecosystems, supporting regulatory compliance, and creating a cleaner, safer environment for everyone.

# Preserving Biodiversity

During FY24–25, Lucid strengthened its commitment to environmental protection by formally implementing and disseminating its ESG Policy, which outlines clear principles for the conservation and responsible management of biodiversity across all operational sites. This policy guides our actions toward minimising ecological impacts, safeguarding local habitats, and integrating biodiversity considerations into decision-making processes.

## Biodiversity Status Around Operational Sites

No species categorized under the IUCN Red List or the National Conservation List were identified within or in the vicinity of our manufacturing facilities during the reporting period. Additionally, majority of our operations are located outside ecologically sensitive zones or designated protected areas, which helps ensure minimal disturbance to surrounding natural ecosystems.

We also confirm that no instances of habitat degradation resulting from wastewater discharge, surface runoff, or other operational activities were recorded across Lucid Colloids Limited facilities during the reporting period.

## Maintaining Ecological Assets Across Facilities

Across all Company facilities, we maintain a significant and diverse green cover that continues to enhance local biodiversity.

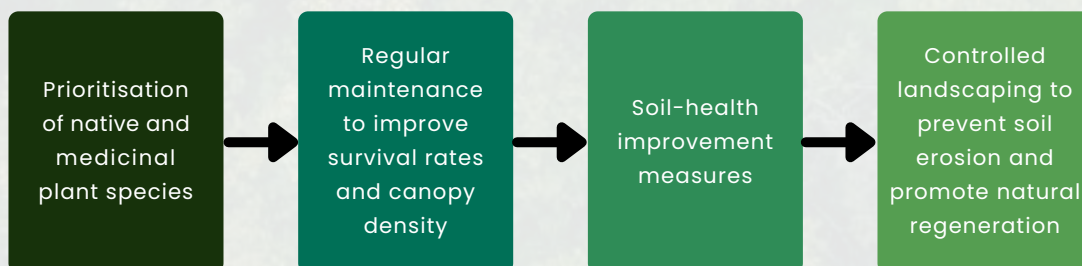
Our current ecological assets include:

- **Total Trees Maintained:** 3,000+ trees across manufacturing and R&D sites
- **Total Green Cover:** 32,662 square meters of sustained plantation and greenbelt areas
- **Tree Species Diversity:** 21+ native species (including *Saraca asoca*, *Mangifera indica*, *Neolamarckia cadamba*, *Vachellia nilotica*, Bamboo, *Moringa oleifera*, *Ziziphus mauritiana*, etc.)
- **Medicinal Species:** ~50% of all trees maintained are medicinal species

These plantations not only support improved air quality and soil stability but also serve as habitats for birds, pollinators, and other small fauna, thereby contributing to healthier local ecosystems.

## Green-Cover Enhancement & Habitat Strengthening

During FY24–25, the Company continued to focus on nurturing existing plantations and enhancing green areas through:



As part of our ongoing commitment to ensuring no net loss of biodiversity, the Company continued its afforestation and green-cover enhancement initiatives across its facilities. These efforts support habitat enrichment, promote native species growth, and strengthen ecological resilience within the areas where we operate.

# OUR PEOPLE, OUR PURPOSE



- Towards an Inclusive Workplace
- Employee Well-being & Development
- Upholding Human Rights & Responsible Labour Practices
- Health & Safety for Our People
- Community Well-being and Strengthening Farmer Livelihoods



# OUR PEOPLE, OUR PURPOSE

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At Lucid, our people are at the center of everything we do. Our success is built on a culture that values integrity, collaboration, diversity, and continuous learning. We strive to create a workplace where every individual feels respected, supported, and empowered to reach their full potential. Our people practices are designed to ensure fairness, uphold human rights, and maintain a safe and inclusive environment across all our locations.

## Towards an Inclusive Workplace

At Lucid, our people are the foundation of our progress, innovation and long-term resilience. We are committed to building a workplace where every individual feels respected, valued and empowered to contribute their best. Our approach to inclusion is grounded in mutual trust, fairness and a shared sense of purpose elements that strengthen collaboration, creativity and organisational agility.

As the industry evolves, we recognise the importance of equipping our workforce with the right skills, opportunities and support systems. Lucid invests in structured development programmes, targeted upskilling initiatives and transparent performance evaluations to help employees grow confidently in their careers. These initiatives enable our people to adapt to changing expectations while also preparing them for future leadership roles.

To create a culture where employees feel informed and connected to our values, we provide accessible resources such as our HR policies, behavioural guidelines and Code of Conduct. These frameworks reinforce ethical conduct, equal opportunity and respect in all workplace interactions.

Lucid remains deeply committed to nurturing an inclusive environment one where diverse voices are welcomed, contributions are recognised and individuals can thrive as part of a collaborative and purpose-driven organisation.

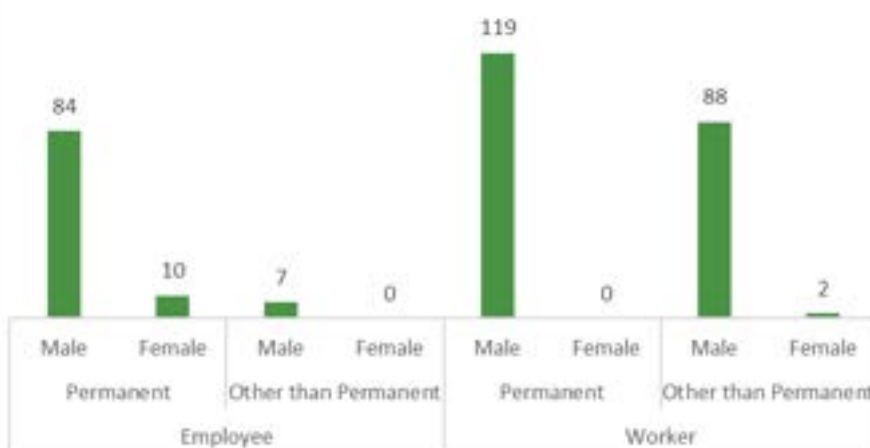
*“We recognise that gender-balanced and diverse teams drive stronger decision-making and long-term organisational resilience. Lucid has set an ambition to enhance women’s representation in leadership roles and promote the inclusion of persons with disabilities across functions. Recruitment practices and development pathways are progressively aligned to support these goals through merit-based selection processes, equal opportunity principles, and non-discriminatory hiring practices.”*

## Organisation Diversity

Gender diversity is embedded in the organisation's people and culture agenda. The company focuses on building an equitable workplace by enabling women's participation, career progression, and leadership development across functions. Women currently constitute approximately 40% of leadership roles, reflecting sustained efforts toward balanced representation at decision-making levels.

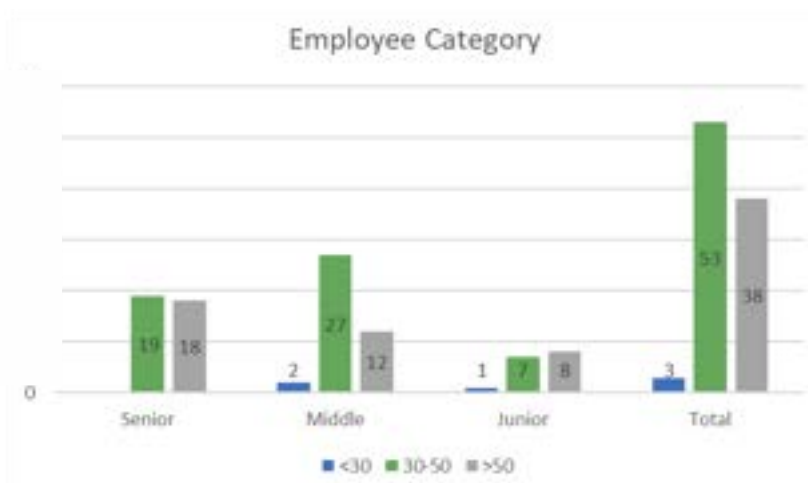
The company is strengthening inclusive workplace practices, reviewing role design where feasible, and implementing targeted initiatives to encourage greater participation of women in site-based functions. Although the physically demanding nature of work at our sites in Jodhpur, Meglasiya, and Jhagadia has resulted in lower female representation (approximately 4%). We remain actively focused on creating an inclusive work environment and are implementing targeted initiatives to progressively increase female participation in these roles.

Organisation Diversity (FY 24-25)							
Employee				Worker			
Permanent		Other than Permanent		Permanent		Other than Permanent	
Male	Female	Male	Female	Male	Female	Male	Female
84	10	7	0	119	0	88	2



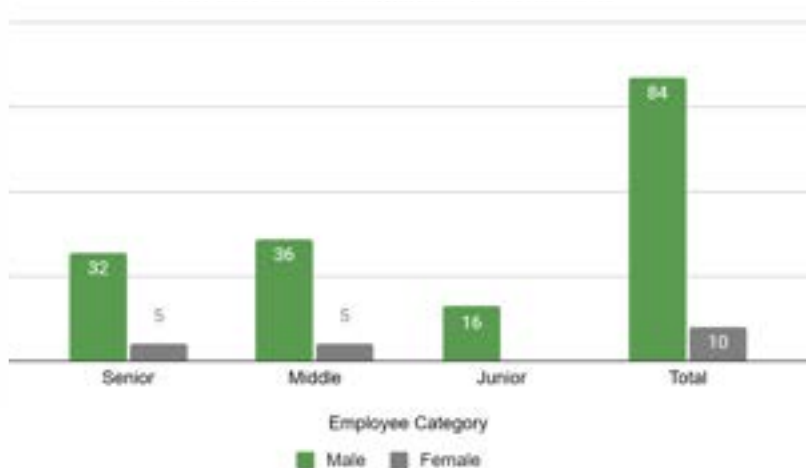
### Permanent Employee Age-wise

Employee Category	F.Y 2024 - 25		
	<30	30-50	>50
Senior	-	19	18
Middle	2	27	12
Junior	1	7	8
Total	3	53	38



### Permanent Employee Gender-wise

Employee Category (FY 24-25)	Male	Female
Senior	32	5
Middle	36	5
Junior	16	-
Total	84	10



## Contract Employee

Contract Employee	Male	Female
<30	1	-
30-50	-	-
>50	6	-
Total	7	-

## Workers

Worker Category	Male	Female
<30	69	-
30-50	109	2
>50	29	-
Total	207	2

*\*Workers Data includes Permanent & Other than Permanent Workers*

The organisation employs a total workforce of 310 employees and continues to advance gender diversity as a strategic priority. Compensation practices are governed by role-based and performance-linked frameworks.

Remuneration data is periodically reviewed to monitor pay equity across comparable roles and functions. As of the reporting period, the average remuneration ratio of women to men for comparable roles remains 1:1, reinforcing the Company's commitment to equal opportunity, equal pay for equal work, and fair employment practices.

## Workforce Engagement

Contractual employees play an important role in sustaining Lucid's operational efficiency and daily site functionality. We recognise their contribution to our business and ensure that they work in a safe, respectful, and well-regulated environment. All contractual personnel receive the same operational briefings, safety inductions, PPE provisions, and on-ground supervision as our permanent employees, reinforcing our commitment to equitable workplace standards.

Contractual staff support several non-core yet operationally critical functions across our sites, including:

- Industrial housekeeping and cleaning
- Material handling and warehouse activities
- Infrastructure and facility maintenance
- Daily plant upkeep and support operations

To ensure consistent protection and compliance, Lucid carries out regular oversight, statutory checks and skill-based training for all contractual workers. These measures enable safe execution of tasks while maintaining alignment with site-specific protocols and regulatory requirements.

# Employee Well-being & Development

At Lucid, the well-being and growth of our people are central to how we operate and evolve as an organisation. We believe that when employees feel supported, engaged and equipped with the right capabilities, they become catalysts for innovation and operational excellence.

Our approach to employee well-being encompasses physical, emotional and professional dimensions. We promote a healthy work environment through periodic health check-ups, wellness initiatives, workplace ergonomics and access to medical support when needed. Engagement activities, open communication forums and welfare programmes further strengthen the sense of belonging within our workforce.

To prepare our employees for emerging industry demands, we invest in continuous learning and capability building. Our training programmes are designed to enhance technical proficiency, quality awareness, safety practices and leadership competencies. Upskilling workshops, digital learning modules and structured career development plans enable employees to take charge of their professional growth. Regular performance reviews support clarity in goals, strengthen accountability, and ensure alignment with the company's strategic priorities.

Lucid Colloids maintains an impressive 99.36 % employee retention rate.

This strong retention is supported by meaningful employee recognition, continuous feedback mechanisms and a workplace culture that prioritises work-life balance and long-term engagement.

## Health Insurance

We provide comprehensive health insurance coverage to ensure the well-being of our employees and their families, offering financial protection against medical expenses.

## Gratuity

Gratuity benefits are extended to employees as a token of appreciation for their long-term service and commitment, supporting their financial security.

## Provident Fund

Employees are enrolled in the Provident Fund scheme, enabling systematic savings through monthly contributions and helping them build long-term financial stability.

Through these initiatives, Lucid cultivates a supportive and growth-oriented workplace that encourages individuals to reach their potential while contributing meaningfully to the organisation's long-term success.

## Learning & Development

Developing the skillset and knowledge base of employees is essential to unlocking their full potential and supporting long-term organisational performance. Recognising that a skilled and knowledgeable workforce is critical to maintaining high standards of quality, safety, efficiency, and ethical practices, Lucid continued to implement comprehensive learning and development programmes during FY 24-25.

Lucid delivered a broad and structured range of training programmes covering technological and process-related updates, behavioural and soft-skills development, human rights awareness, and occupational health and safety. Employees received regular training on Integrated Management Systems (IMS) and food safety, reinforcing adherence to stringent quality, safety, and regulatory standards across operations.

To promote fair and ethical labour practices, employees were trained on wage structures, overtime policies, and employee rights, ensuring awareness of applicable policies and statutory requirements. Emergency preparedness remained a key focus area, with employees trained to respond effectively to fire incidents, chemical spills, and other emergency situations, supported by drills and practical demonstrations.

In line with customer and regulatory expectations, employees received specialised training on requirements related to kosher and organic products, as well as on EFFCI Good Manufacturing Practices (GMP), Food Safety Training and Certification (FoSTaC), and Preventive Controls Qualified Individual (PCQI) standards. These programmes equip employees with the competencies required to maintain high levels of product quality, safety, and compliance.

Safety continued to be a top priority during the year. Employees underwent training in first aid and firefighting, enabling effective response during emergencies. In addition, targeted training initiatives were conducted to support women employees in skill development and career progression, reinforcing the Company's commitment to inclusive growth and equal opportunity.

Training needs are systematically identified through functional and behavioural competency assessments, the outcomes of which inform the development of Individual Development Plans (IDPs). These plans support focused capability building and continuous professional growth. The Company also undertook recruitment drives across multiple roles and levels, complemented by induction and role-specific training to ensure smooth integration into the workforce.

## Workforce Training

Training coverage and learning hours are monitored across key capability areas to ensure employees and workers receive relevant, role-appropriate training. Training programmes are delivered through a mix of sessions, on-the-job training, and awareness workshops, with attendance and training hours tracked to support compliance requirements, skill development, and continuous improvement of learning programmes.

Training (FY 24-25)	Employees*		Workers*	
	Total Employees Trained	Total Training Hours	Total Workers Trained	Total Training Hours
Technical	315	653	655	1358
Health & Safety	155	294	570	874
ESG	9	48	-	-
Skill Upgradation	17	40	32	53
Human Rights	46	84	174	287
Others (Housekeeping, Hygiene etc)	174	249	701	870

\*Employees include permanent & other than permanent employees, Workers include permanent & other than permanent workers

### Training Performance

During the reporting period, we delivered a total of 1,368 training hours to our direct employees across technical, health & safety, ESG, skill upgradation, human rights, and other functional areas. Training includes vocational, compliance, safety, and skill development programmes funded fully by Lucid Colloids.



Technical Training



Skill Upgradation



ESG Training



Human Rights Training



Health & Safety Training

**“Average training hours per employee for FY 2024–25 were 13.54 hours.”**

## **Bias Free Workforce**

Lucid is committed to building a bias-free workforce by promoting fair, transparent, and merit-based practices across recruitment, promotions, performance evaluations, and day-to-day operations. Our recruitment processes are structured to ensure equal access to opportunities through standardised job descriptions, competency-based assessments, diverse interview panels, and objective selection criteria.

Our approach to Diversity, Equity, and Inclusion (DEI) is embedded in organisational policies, behavioural expectations, and people management practices, ensuring equitable treatment and equal opportunity for all candidates and employees, irrespective of gender, background, or role.

To reinforce inclusive behaviours and prevent discriminatory or exclusionary practices, employees are sensitised through workplace policies, Code of Conduct, POSH awareness programmes, and ongoing engagement initiatives. These measures collectively contribute to building awareness around unconscious bias, respectful conduct, and equitable treatment, enabling all employees to thrive in a safe and inclusive work environment.



## Employee Activities

Lucid recognises that employee engagement and motivation are essential to sustaining a positive workplace culture. To acknowledge individual and team contributions, the Company has instituted structured recognition initiatives such as Employee of the Month and Employee of the Year awards. These programmes are designed to celebrate performance, commitment, and alignment with organisational values, while reinforcing fairness, transparency, and merit-based recognition.

Such recognition initiatives strengthen employee morale, promote a sense of belonging, and support an inclusive workplace culture where contributions are valued and encouraged across all levels of the organisation.

### Individual Development Plans (IDPs)

Individual Development Plans (IDPs) are prepared jointly by employees and their managers, outlining career interests, competency gaps, and targeted development actions. The plans are updated annually to reflect evolving responsibilities and future goals.

### Mentorship Opportunities

Employees are paired with experienced mentors who offer guidance, support, and practical insights, helping build a strong culture of learning and collaboration.

### Performance Reviews and Feedback

We conduct periodic performance reviews to offer clear feedback, highlight areas for development, and support employees in planning their career advancement.

### Acknowledging Employee Impact

We acknowledge the vital role our employees play in our success. To appreciate their dedication and consistent efforts, we honour outstanding performers through our Employee of the Month and Employee of the Year awards.

## Environmental Day Celebration

We organise Environmental Day activities to promote awareness and encourage employees to participate in sustainability-driven initiatives within the workplace.



## Birthday Celebrations

Monthly birthday celebrations create a positive work environment and strengthen team bonding by recognising employees on their special day.



## Employee of the Month

The Employee of the Month recognition highlights exceptional performance and dedication, motivating our workforce and reinforcing a culture of appreciation.



# Upholding Human Rights & Responsible Labour Practices

Operating in a diverse and interconnected business environment, we recognise that respect for human dignity, fair labour practices and safe working conditions are fundamental to responsible business conduct. Our long-term performance is closely linked to how effectively we protect the rights and well-being of employees, contract workers, and other stakeholders connected to our operations.

Lucid is committed to conducting business in an ethical, inclusive and transparent manner. This commitment is embedded through structured policies, management systems, and statutory compliance mechanisms that identify, assess, and mitigate human rights and labour-related risks across our operations and value chain.

## Human Rights

Lucid respects the human rights of all individuals impacted by its operations, including employees, contractors, local communities, and external stakeholders. Wherever we operate, we seek to avoid causing or contributing to human rights violations and to facilitate access to remedies. While governments have the primary responsibility to protect human rights, Lucid acknowledges and accepts its responsibility to respect human rights in line with internationally recognised standards.

Our Human Rights Policy is aligned with the Universal Declaration of Human Rights (UDHR), the International Labour Organisation (ILO) Core Conventions, and the United Nations Guiding Principles on Business and Human Rights (UNGPs). The policy applies to all operations and relevant business partners and sets out expectations related to non-discrimination, fair treatment, freedom of association, and respect for stakeholder rights.

Lucid maintains a strict zero-tolerance approach toward child labour, forced labour, or any form of involuntary or exploitative employment. Human rights due diligence is integrated into employee onboarding, contractor engagement, supplier selection, and contractual arrangements. All relevant contracts include human rights compliance clauses to ensure accountability across the value chain.

Inputs received through worker engagement, contractor interactions, and grievance mechanisms are reviewed to identify potential labour-related risks, including risks associated with child labour, forced labour, or coercive employment practices.

The Company also places emphasis on meaningful engagement with local communities and stakeholders affected by its operations, building transparent relationships built on mutual respect and trust. A grievance redressal mechanism is in place to enable employees and external stakeholders to report human rights concerns, with complaints reviewed and addressed in a timely manner.

### Human Rights Incidents and Grievances Redressal

Sr. No.	Indicator	FY 2024 - 25
1	Human rights grievances received from stakeholders	0
2	Substantiated human rights incidents involving stakeholders	0
3	Remediation actions taken	0

**Note:** Stakeholders include both internal and external groups. Internal stakeholders comprise employees, workers (including permanent, temporary and contractual workers), management etc. External stakeholders include contractors, third-party consultants, vendors and suppliers, customers and local communities etc



## Human Rights Training for Security Staff

Recognising the critical role that security personnel play in maintaining a safe and respectful work environment, the Company continued to provide human rights training to all security staff during FY 2024. This training is designed to ensure that security personnel understand and respect the human rights of employees, contractors, visitors, and the broader community.

During the reporting year, all security personnel underwent formal human rights training, which included a dedicated module on the Company's policies and procedures. The training covered key topics such as the appropriate use of force, the prohibition of inhuman or degrading treatment, anti-discrimination practices, and proper identification procedures. This ongoing training ensures that security personnel conduct their duties with respect for human dignity and in alignment with Company policies and recognised international human rights standards.

**4356.3 Hours**  
of Training provided to  
Employees & Workers

All security personnel  
on average received  
**1.35 hours of training.**

All security personnel  
across all three  
facility locations are  
**100% trained on  
Human Rights.**



## Prevention of Child Labour and Forced Labour

Lucid Colloids Ltd. maintains a zero-tolerance approach toward child labour, forced labour, involuntary labour, and human trafficking across its operations and contractor workforce.

As a part of its human rights assessment and internal control framework, we conduct periodic internal audits and compliance reviews across different sites, operating units, and contractors to identify and assess potential and actual risks related to child labour, forced labour, and human trafficking.

These assessments are designed to evaluate adverse impacts on employees and contract workers, rather than solely focusing on operational or business risks.

The reviews assess:

- Compliance with minimum age and employment eligibility requirements
- Working conditions, working hours, and wage practices
- Risks of forced or involuntary labour, including coercion, retention of identity documents, or restriction of movement
- Labour practices of contractors and high-risk suppliers

These reviews are carried out using structured tools by continuous monitoring, including the SEDEX Self-Assessment Checklist, employee record verification, and SOP-based compliance checks. Findings from these assessments are reviewed and corrective and preventive action plans are established to address identified gaps, with defined responsibilities and timelines.

Risks identified through these assessments are qualitatively reviewed based on their potential severity and likelihood of impact on affected workers, enabling prioritisation of mitigation and corrective actions.

In the event of any indication of child labour or forced labour, we follow a defined remediation procedure, including immediate corrective actions, protection of affected individuals, and rehabilitation measures in line with applicable legal and ethical standards.

Incident Monitoring Summary on Child Labour, Forced Labour, and Human Trafficking		
Sr. No.	Indicator	FY 2024 - 25
1	Child labour incidents identified	0
2	Forced or compulsory labour incidents identified	0
3	Human trafficking incidents identified- violations	0
4	Grievances related to child or forced labour	0

## Communication and Implementation of the Policy

The policy is disseminated to employees as part of the induction process and made accessible through the Employee Handbook. Contractors are informed of the policy through the Responsible Practices Charter to ensure awareness of applicable requirements. Oversight of policy implementation and compliance is managed by HR representatives at both unit and corporate levels. Employment records, including documents for age verification, are maintained and subject to periodic review. Any instances of non-compliance are reported and addressed promptly. Where child labour is identified, appropriate steps are taken to support the individual's reintegration into formal education. In cases involving employment without consent, corrective action is taken in line with applicable notice and separation procedures.

## Prevention of Sexual Harassment (POSH) at Workplace

Lucid has established a comprehensive framework to prevent workplace harassment and promote a safe, respectful, and inclusive work environment. In compliance with the Prevention of Sexual Harassment (POSH) Act, a formally constituted Internal Committee (IC) is in place to oversee prevention, monitoring, and redressal of workplace harassment concerns.

The Internal Committee is responsible not only for addressing complaints but also for monitoring workplace conduct, reviewing any reported concerns, and strengthening preventive measures across the organisation. The committee periodically reviews workplace interactions and supports management in identifying areas where additional sensitisation or communication may be required to prevent harassment risks.

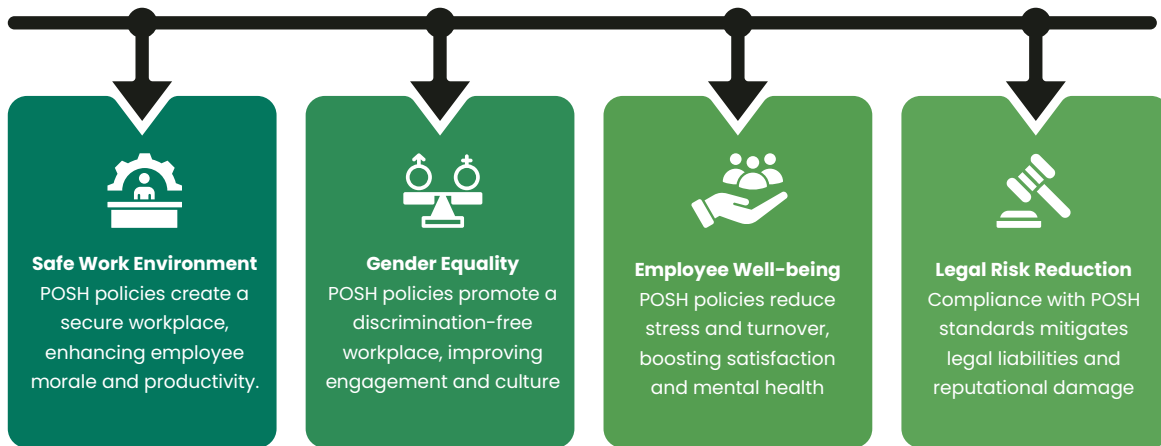
To reinforce prevention, Lucid communicates its zero-tolerance stance on harassment through multiple channels, including the Employee Handbook, Code of Conduct, internal policy circulation, and onboarding programmes. These communications clearly outline acceptable workplace behaviour, reporting channels, and the company's commitment to confidentiality and non-retaliation.

The Internal Committee comprises representatives from human resources, management, and external legal experts, ensuring impartial oversight and objective decision-making.



**“Zero cases were reported under the Prevention of Sexual Harassment (POSH) Act, 2013, during the reporting period.”**

## Enhancing Workplace Safety and Equality Through POSH Policies



### POSH Training Summary for F.Y 2024 - 25

**02**  
Training Sessions  
Conducted

**42**  
Employees Trained

**63**  
Total Training Hours

### Labour & Responsible Workplace Practices

Lucid is committed to fair employment practices and the creation of a safe, healthy, and inclusive workplace. We comply with applicable labour laws and statutory requirements, including provisions under the Factories Act and other relevant regulations governing wages, working hours, occupational health and safety, and employee welfare.

Robust due-diligence processes are followed during recruitment to verify age, identity, and medical fitness, ensuring compliance with legal working-age requirements. These processes apply uniformly to permanent employees and contract workers.

At Lucid Colloids Ltd., we are committed to protecting labour rights by ensuring fair wages, safe working conditions, and freedom of association, including participation in employee representation and collective dialogue through the Works Committee. We adhere to national labour laws and align with internationally recognised standards to promote dignity, respect, and well-being for every individual in our workforce.

The Company promotes safe working conditions through structured occupational health and safety systems, regular training programs, and awareness initiatives aimed at minimising workplace risks. Employees are encouraged to raise concerns related to workplace conditions, ethics, or labour practices through established internal reporting and grievance redressal mechanisms, without fear of retaliation.

Labour standards are also extended to contractors and suppliers through due diligence checks, supplier declarations, and contractual requirements, reinforcing responsible labour practices across the value chain.

“Committed to adhering to SA 8000 certification standards”

## Fair Compensation and Living Wage Practices

The Company is committed to ensuring fair, responsible, and equitable compensation practices that support employee well-being and long-term social sustainability. In line with this commitment, the Company recognises the importance of paying a Living Wage, defined as remuneration sufficient to meet basic needs such as food, housing, healthcare, education, transportation, and savings, which goes beyond statutory minimum wage requirements.

As of FY 24-25, we have ensured that 100% of our permanent employees are paid at or above a Living Wage. To reinforce this commitment, we have established a time-bound quantitative living wage target to maintain full coverage on an ongoing basis.

- **Quantitative target:** Maintain 100% Living Wage coverage for all permanent employees
- **Baseline year:** FY 2024
- **Commitment horizon:** FY 2026 and thereafter

This commitment applies across all operational locations.

Living wage levels are periodically assessed using recognised benchmarking approaches, including cost-of-living considerations, to ensure continued alignment with living wage expectations. Wage structures and benefits are reviewed regularly to reflect changes in economic conditions, statutory requirements, and internal compensation frameworks.

## Works Committee

The Works Committee supports harmonious industrial relations and the continuous improvement of workplace conditions by providing a structured platform for dialogue between employees and management. The Committee facilitates discussions on working hours, wages, employee welfare, and other employment-related matters, ensuring that employee concerns are raised, reviewed, and addressed in a timely and collaborative manner.

Inputs and feedback received through the Works Committee are formally documented and considered as part of the Company's periodic wage assessment and salary review process, as well as broader human resources decision-making. Wage-related discussions are reviewed alongside internal benchmarks and cost-of-living considerations to support fair compensation practices and the progressive alignment of employee wages with living wage expectations, where feasible and appropriate.

Living wage implementation and monitoring are overseen by the Human Resources function, with management-level accountability to ensure continued compliance and effectiveness.

Monitoring mechanisms includes periodic internal wage assessments, Review of wage structures, benefits, and statutory entitlements, and Monitoring of working hours and overtime practices.

Where assessments indicate gaps between current wages and living wage benchmarks, corrective actions are undertaken through the Company's salary review process, including adjustments to wage structures and benefits over time, subject to business feasibility. Progress is reviewed periodically to ensure sustained alignment with living wage levels.

Across our value chain, we have communicated expectations on fair compensation to vendors and contractors through the Responsible and Good Practices Charter. Suppliers are expected to comply with applicable wage laws, including payment of statutory minimum wages and legally mandated benefits, in line with responsible business conduct principles.

## Commitment to Freedom of Association

We fully respect employees' rights to exercise freedom of association and to engage in collective dialogue in accordance with applicable labour laws and internationally recognised labour standards.

While there is currently no formal labour union at our facilities, employees are free to form or join associations of their choice without fear of discrimination, retaliation, or interference.

These principles are upheld in alignment with the requirements of our **SA 8000 certification**, which we are committed to maintaining through continuous monitoring, internal reviews, and management oversight.

## Collective Bargaining

The Company recognises the right of employees to freedom of association and collective bargaining in accordance with applicable national labour laws and internationally recognised labour standards.

While there is no formally recognised labour union, a structured social dialogue mechanism is in place through employee representatives. Matters relating to occupational health and safety, working conditions, wages, working hours, training and career management, and diversity, discrimination and harassment are discussed through this mechanism.

These discussions are documented in writing and form part of the Company's collective engagement framework between management and employee representatives. The documented outcomes of such consultations guide workplace practices and are reviewed periodically to ensure continued implementation and compliance.

The Company's approach to social dialogue is aligned with the requirements of SA 8000 and is supported through committee meetings, recorded minutes, and defined responsibility for follow-up actions.



# Health & Safety for Our People

Safety is a core organisational value and an essential part of how we operate every day. Our approach to Occupational Health & Safety (OHS) integrates stringent process safety standards, proactive risk management, and a culture of shared responsibility. We are committed to ensuring that all individuals on our premises, including employees, contract personnel, transporters, and visitors, are protected through systematic controls and robust safety practices.



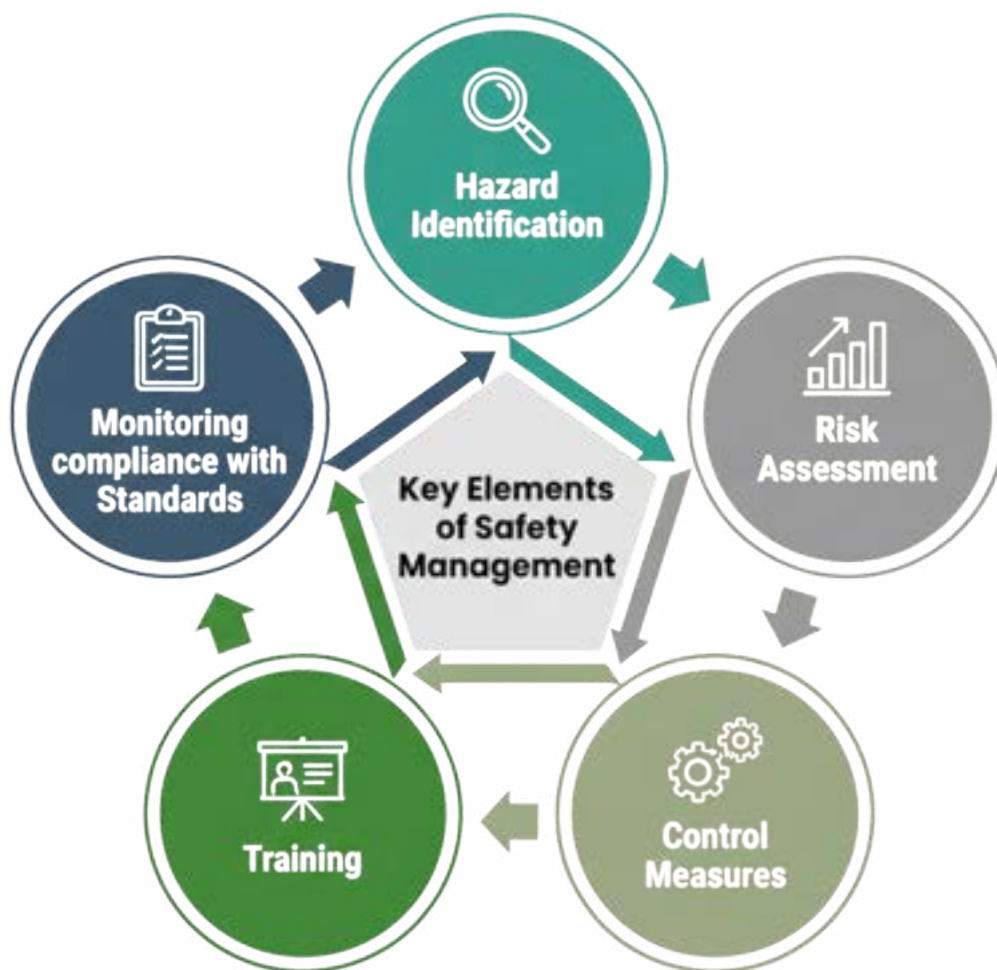
Lucid's OHS framework is guided by our formal safety policy and supported by internationally recognised systems, including ISO 45001 Occupational Health and Safety Management System (OHSMS) Certification across our manufacturing units. These standards strengthen our ability to identify, assess, and manage workplace hazards while ensuring compliance with regulatory requirements and internal protocols.

To maintain high levels of safety performance, we conduct comprehensive and role-based safety training covering operational hazards, emergency preparedness, safe equipment handling, and plant-specific risks. Regular toolbox talks, refresher sessions, and behavioural safety interactions help reinforce safety awareness across all shifts and departments.

## Zero Fatalities during FY 2024 -25

We follow a disciplined process for monitoring safety-critical activities such as confined space entry, equipment isolation and material handling to prevent unsafe conditions or practices. Near-miss reporting, incident investigation, and corrective action tracking form an integral part of our continuous improvement cycle.

Employee participation is a key pillar of our safety culture. We encourage employees and contract workers to actively engage in hazard identification, risk mitigation, and workplace safety audits. Insights from these engagements are reflected in our safety KPIs and reviewed at multiple management levels to strengthen accountability.



Lucid continues to invest in infrastructure upgrades, fire and emergency response systems, PPE, and process safety controls to reduce operational risks. Our sustained safety performance and adherence to high standards reflect our commitment toward building a zero-harm workplace one where every individual returns home safely, every day.

### Man Hours (FY 24-25)

	Jhagadia	Jodhpur	Meglasiya	HO Mumbai
Employees	67680	54144	13536	89856
Contract Employees	2256	4512	2256	12480
Workers*	334464	117312	69888	-

\*Workers manhours include permanent & other than permanent

## Mock Drills

Lucid conducts periodic mock drills as part of its emergency preparedness framework and in alignment with the Disaster Control Management Plan (DCMP). These drills are carried out to test emergency response procedures, clarify roles and responsibilities, and strengthen coordination among employees during potential emergency situations.

Mock drills cover a range of scenarios relevant to plant operations, including medical emergencies, evacuation procedures, and fire-related incidents in process areas. The drills help familiarise employees with emergency protocols, improve response time, and ensure readiness to manage unforeseen events effectively.



## Our Occupational Health & Safety Framework



Safety Culture



Training



Participation



Compliance

We follow a systematic approach to workplace safety, beginning with comprehensive Hazard Identification and Risk Assessment (HIRA) to evaluate and control potential risks. A clear and transparent incident-reporting mechanism ensures that all safety concerns, near misses, and incidents are documented and addressed in a timely manner.

Our occupational health framework includes strict adherence to safety procedures, provision of emergency medical support, and assurance of confidentiality and fair treatment for all employees.

We also promote active workforce participation in safety management. Employees contribute through involvement in safety committees, routine safety meetings, and a structured suggestion system that enables continuous improvement of workplace safety practices.

#### OHS MANAGEMENT SYSTEM

- 📄 IMS Certified standards- (9001, 14001, 45001)
- ⚙️ Sound OHSMS System
- 📅 Monthly GAP assessment
- 🎓 Regular Trainings

01

#### HAZARD IDENTIFICATION & RISK ASSESSMENT

- 📄 Procedure for incident and accident report.
- 👤 Procedure for reporting sexual harassment incidents.
- 👤 Procedure for Workplace Safety.
- 📅 Review & update of OHSMS system on a set interval

02

#### WORKERS PARTICIPATION & TRAINING ON OHS

- 👤 Workers safety committee.
- 🗳️ Free & fair elections for electing committee members.
- 📄 Grievance handling procedure.
- 👤 Suggestion policy applicable for all.
- 📄 Generic Training & Specific Training.

03

#### OCCUPATIONAL HEALTH SERVICES & PROMOTION OF WORKERS HEALTH

- 📄 Procedure for monitoring and measurement of OHS performance.
- 👤 Procedure for General Safety rules.
- 👤 Procedure for employees medical.
- ⚖️ Discrimination policy is in place.
- 📄 Health insurance & complete health check up.
- 🔒 Workers personal health confidentiality.

04



### Safety Performance Statistics (FY 24-25)

KPIs*	Jhagadia	Jodhpur	Meglasiya
No. of injuries from work-related accidents	0	0	0
No. Of fatalities from work-related accidents	0	0	0
No. Of ill health from work-related ill health	0	0	0
No. Of fatalities from work-related ill health	0	0	0
No. of Lost Time Injury (other than fatal)	0	0	0
Total lost days, including fatal accidents	0	0	0
Near Miss Accidents	0	2	1
No. of first aid cases	6	2	1

*\*Note: This data includes permanent employees & other than permanent employees, permanent workers & other than permanent workers*

**100% of our workers across all three plants are covered by an occupational health & safety management system**

**Jhagadia**

**Jodhpur**

**Meglasiya**

## Emergency Preparedness

The On-Site Emergency Plan outlines a systematic approach to identifying, assessing, and managing potential risks at the facility. It begins with a detailed risk assessment covering statutory requirements, site layout, hazard identification, and risk calculation. All identified risks are compiled into a risk register.

A consequence analysis is conducted to evaluate possible emergency scenarios such as fire, explosion, or toxic release. This assessment considers hazardous chemical storage details and uses different types of risk evaluations—including material-wise, activity-wise, and computer-model analysis to understand potential failure mechanisms.

# On Site Emergency Plan



Based on these findings, mitigation measures are defined to minimise risks. The plan concludes with an emergency control strategy that outlines roles, responsibilities, and response actions to ensure quick, coordinated, and effective handling of any on-site emergency.

# Community Well-being and Strengthening Farmer Livelihoods

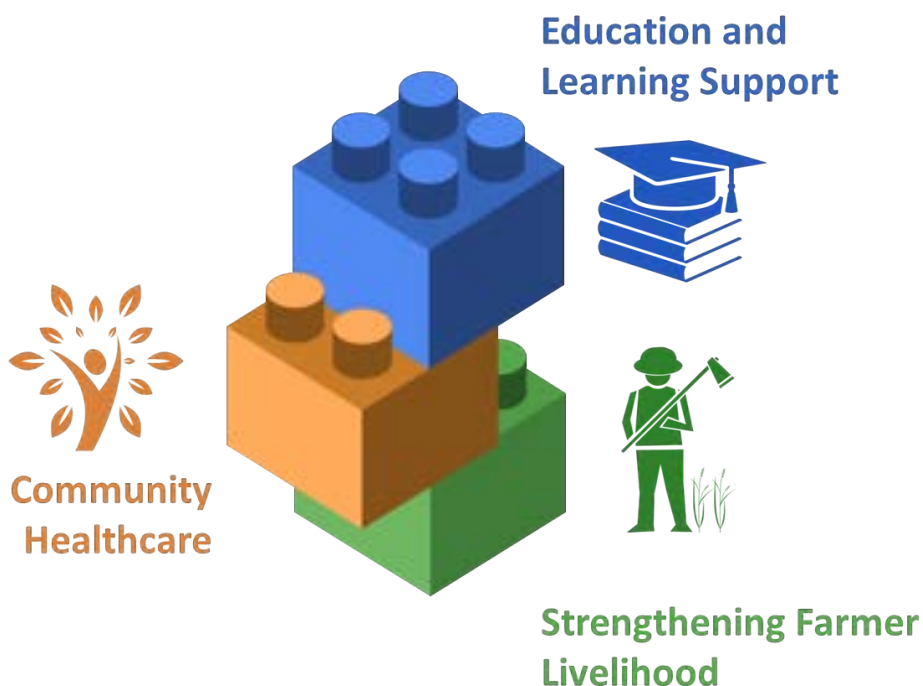
“At Lucid, we recognise the vital role that local communities play in our growth and remain committed to giving back in meaningful and sustainable ways. Our efforts continue to focus on the upliftment and empowerment of people and communities around us, ensuring that our impact extends well beyond business and contributes to enduring social progress.”

## Our Commitment Beyond Business

Our philosophy is founded on ethical practices, transparency, and a strong sense of responsibility towards our people and our planet. We focus on initiatives that empower local communities, enhance access to quality education, support health and wellness, and promote environmental awareness.

For FY 2024-25, we worked on 3 focus areas for CSR activities engaging local communities and workforce into subjects of health, environment and education.

### Our CSR Focus Areas for FY 2024-25



## CSR Activities in FY 2024-25

### Strengthening Farmer Livelihoods

We have always been aware of the value farmers bring to the industry and are committed to work for their upliftment, awareness and value addition. In collaboration with SURE – a local NGO, Lucid has initiated a drive in Barmer, Rajasthan to improve and develop livelihoods and enhance gender equality through women's empowerment.

Through this program, we aim to fulfill the following objectives:

- Propagate agroecological practices and promote sustainable water management to strengthen farmers' resiliency to insufficient and erratic rainfall.
- Provide farmers with remunerative and stable prices to build their overall financial condition.
- Enhance women's role and find sustainable solutions to alleviate their workload.
- Provide easy access to quality education in the children of farmer families and raise awareness on water conservation, biodiversity, and gender equality.

#### Agroecology training for farmers



Under this program, we provide training to farmers on various agro-ecological principles and methods such as natural fertilizers and pest treatment, livestock management, crop rotations, mix cropping, vegetable production, weed management tree plantation to retain water in the soil, etc. This results in skillful crop management and self-reliant farmers, enhancing soil fertility and reducing ecological footprint.

**1,483**

Total Beneficiaries

## Encourage collective organisation and support crop market linkages



We encourage small farmers' organisations such as cooperatives to increase incomes, reduce cost of input purchases and transaction costs. This exercise aims to provide added value to their operations by creating financial opportunities.

**904**

Total Beneficiaries

## Advancing gender inclusion and awareness on biodiversity to local women



Women from the local communities were made aware about their role in the farm and home and imparted awareness on biodiversity and its significance through a workshop. A total of 8 such workshops were carried out in the area, advancing gender equality and environmental education in local women.

**620**

Total Beneficiaries

## Creation of local Self Help Groups (SHGs) and Financial Education

Women were imparted with financial education and supported in creation of self-help groups in villages to empower local democracy and recognition of their rights.

**20**  
Self-help groups created

**249**  
Total Beneficiaries

## Raising awareness on water conservation, biodiversity and gender inclusion



We know that environmental and social issues, if taught on a young age can be most efficient in building a better society for the future. Awareness programs were held in the local schools in the villages to better aware of the significance of water conservation, biodiversity and gender inclusion.

**1,065**  
Total Beneficiaries

## Animal Health Camps for local Livestock

Rural communities are somewhat dependent on livestock for primary livelihood as it provides recurring income and acts as a reliable financial safeguard during unforeseen circumstances. This makes livestock health a major concern for the local farmers and hence, we facilitated veterinary services directly within the villages, ensuring they receive timely and convenient care for their livestock.



**351**

Farmers engaged

**8,720**

Animals benefitted



## Eye Health Camp at Bavarli, Jodhpur

**पत्रिका**

**निःशुल्क नेत्र चिकित्सा शिविर का आयोजन**

केन्द्र, भावराजी ग्राम पंचायत भवन में आयोजित शुक्र 11 मने ये दोपहर 4 बजे एक चतुर्भुज चौरधनदाम परदेसन व ताराबाई देसाई परिवेष्ट टुष्ट जोधपुर को ओर से निःशुल्क नेत्र चिकित्सा शिविर लणव मया। आयोजन समिति के संविप्रदास ठाडुर ने बताया कि शिविर में नेत्र रोगनिरोधक डी, राजीव देसाई व देवराजी देसाई ने 250

ग्रामीणों के आंखों को जांच कर 130 आंखों को चरमे प्रदान किए। शिविर में 42 ग्रामीणों को आंखों के अर्धेक्षण के लिए परीक्षा किया गया, जिनका ताराबाई देसाई नेत्र हॉस्पिटल जोधपुर में निःशुल्क अर्धेक्षण किया जाएगा। शिविर के आयोजन में भावराजी सारथी सभुतम परिवेष्टल, सभुतिल राजपुरोहित, ओमप्रकाश परिवेष्टल आदि ने शेरका लीं।

An Eye Health Camp was conducted at Bavarli village, Jodhpur (Rajasthan) on 31st December, 2024 where people from the local community assessed for a free eye check-up under the program. Over 130 people were provided with spectacles and 25 people were selected for free-of-cost operation at Tarabai Desai Eye Hospital, Jodhpur.



**250**  
Total Beneficiaries



## Blood Donation Camp at Meglasiya Unit

A Blood Donation camp was carried out at our Meglasiya Plant on 19th December, 2024 along with Chaturbhuj Gordhandas Foundation. The event witnessed a wholehearted participation from both – our on-site team as well as the regional communities and got social attention through a published article in the local newspaper.



## Art of Living Training for Local Police

An Art of Living Happiness training program was conducted for local law enforcement (Gujarat Policemen and women) providing training and awareness for a better life and stress management from 1st to 3rd of April, 2024. All the participants were provided with yoga mats, water bottles and comfortable clothing to continue the training, nurturing a healthy lifestyle for them.



**25**  
Total Beneficiaries

## Education and Learning Support

### Educational Kit distribution to Valiya Adivasi Girls School



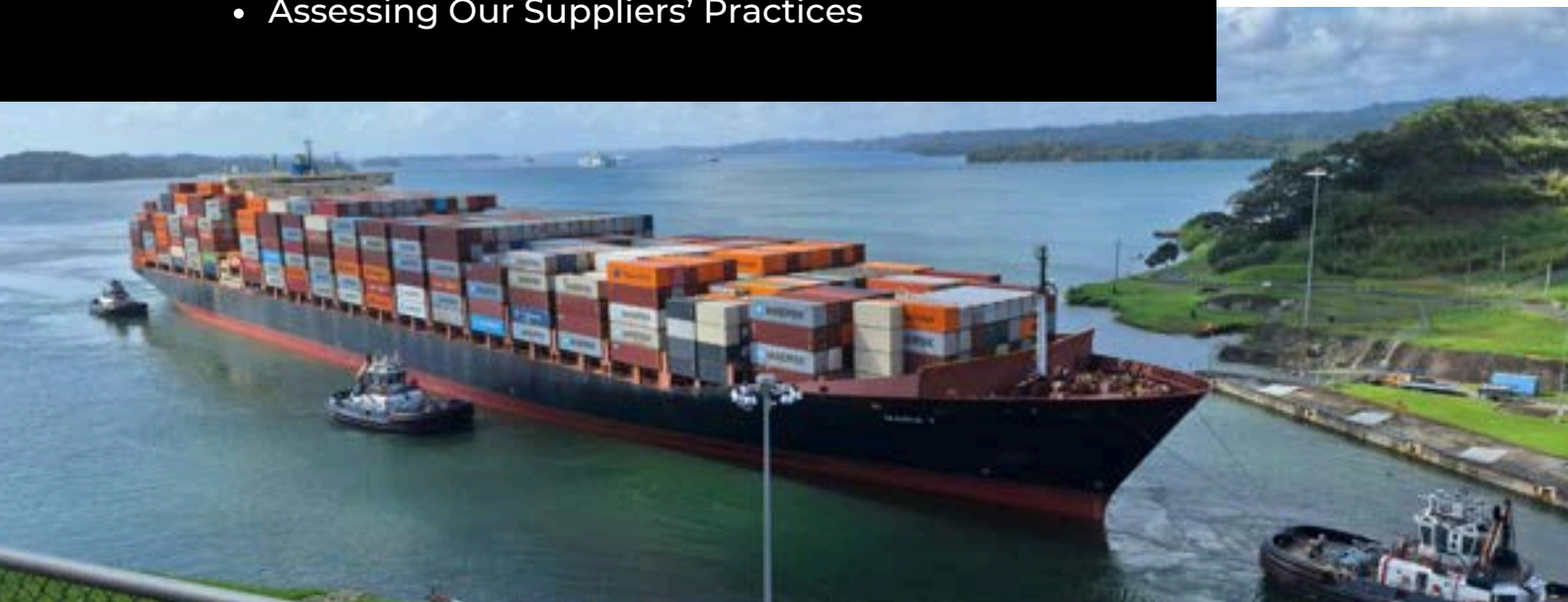
At Lucid, we believe that gender equality and women empowerment are crucial and backbone to the upliftment of a community. Putting this principle into practice, we donated and distributed essential items for education (stationary items, class textbooks & notebooks, umbrellas and diaries) to residing students at Valiya Adivasi Girls School, Village - Valiya, Bharuch through Chaturbhuj Govardhandas Foundation, Mumbai to make education easily accessible to female children from regional areas and villages.



# RESPONSIBLE BUSINESS PRACTICES ACROSS VALUE CHAIN

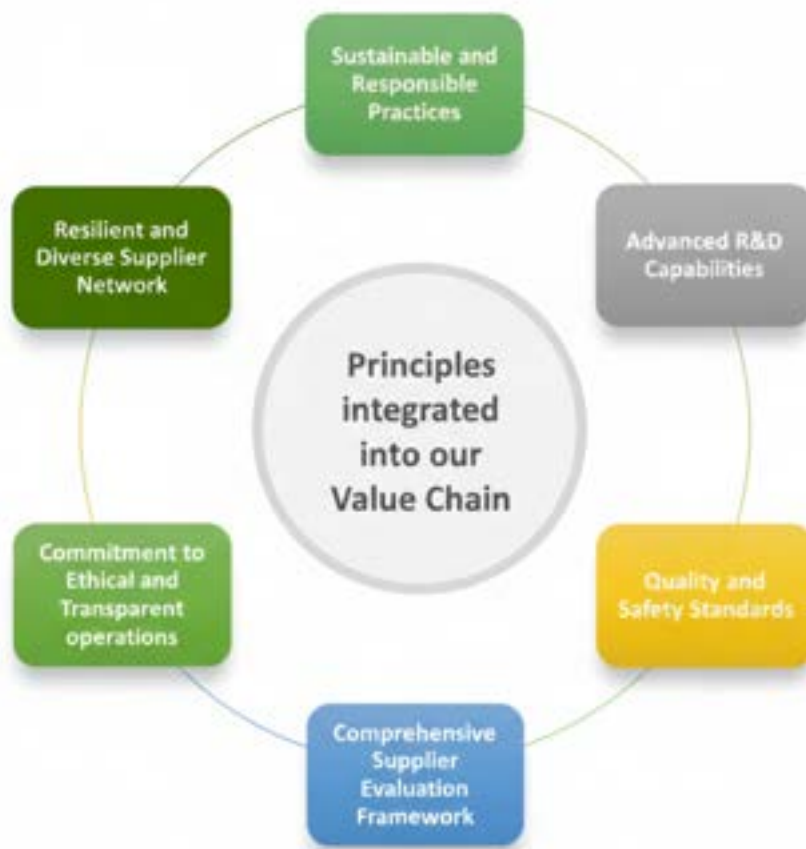


- 
- Sustainable Sourcing Practices
  - Commitment to Safe & High-Quality Products
  - Innovation & R&D for a Sustainable Tomorrow
  - Assessing Our Suppliers' Practices



# RESPONSIBLE BUSINESS PRACTICES ACROSS VALUE CHAIN

At Lucid, we believe that product quality and customer satisfaction, while upholding ethical business standards, are key to a responsible business – both of which are not possible without a reliable, consistent, diverse, and dedicated supply chain.



This holistic approach ensures that every supplier aligns with Lucid’s expectations for ethical, transparent, and high-performance operations, reinforcing the sustainability and governance excellence of the entire value chain.

## Sustainable Sourcing Practices

Lucid is committed to building a responsible, transparent, and sustainability-focused supply chain that ensures quality, traceability, and long-term resilience. With more than **790+ suppliers** across India—including farmers, processors, equipment providers, and packaging partners, small and micro establishments—the company prioritises local procurement and strong supplier relationships to minimise environmental impact and enhance regional value creation. This diverse supply chain consists of women and disabled persons owned businesses as well, creating a positive impact on the community and strengthens our society.



## Sustainable Guar Sourcing Project – SURE

We integrate direct procurement of dried guar seeds and guar splits from mandis with dedicated collaborations with farmers for organic guar cultivation, ensuring consistency, traceability, and adherence to customer-defined quality standards. For the same, we have implemented a “Sustainable Guar Sourcing Project” in collaboration with a prominent NGO based in Barmer, Rajasthan called “SURE (Society to Uplift Rural Economy)”. This initiative as of now spans 18 villages across the Barmer and Chauhtan blocks.

As part of strengthening responsible sourcing, Lucid works with guar farmers in Barmer and Chauhtan through a model focused on:

- Agroecological training for guar cultivation, including natural fertilisation, soil health improvement, water-efficient cultivation techniques, and sustainable pest and nutrient management.
- Capacity-building specifically related to improving guar farming practices, ensuring consistent quality and improved resilience to erratic rainfall conditions.
- Direct market linkage support for guar, strengthening integration of farmers into Lucid’s supply chain for more reliable, quality-assured sourcing.

**1480+**  
**Farmers Trained**

## Workshop for Women Farmers

To strengthen women's participation in agriculture included structured engagement through participatory workshops focused on biodiversity conservation. As part of these initiatives, "Women Farmers Day" was commemorated with 109 women participants, and 1,050 women were supported with drudgery-reduction tools accompanied by hands-on training to enhance their day-to-day farming efficiency.

## Sourcing-Focused Traceability and Sustainable Agriculture

Lucid adopts a structured sourcing approach that combines mandi-level procurement with direct engagement for organic guar cultivation. This model ensures:

- Full compliance with global responsible-sourcing standards, including EU Organic, USDA Organic, NPOP, and Non-GMO, which provide verification of natural, chemical-free, and sustainably cultivated guar.
- Farm-level traceability, ensuring transparency from seed to split and adherence to customer-defined sustainability and quality requirements.
- Support for organic farming systems, reducing reliance on synthetic inputs and promoting long-term soil health and resource efficiency.



## Commitment to Safe & High-Quality Products

Delivering safe, reliable, and high-quality products remains central to Lucid's business philosophy. The company operates with stringent quality assurance and quality control protocols across every stage of procurement, production, and distribution.

Our R&D site is equipped with advanced analytical capabilities, robust process control systems, and globally benchmarked safety practices to ensure product consistency, compliance, and integrity for our customers. We also maintain an aspect-impact register for environmental impacts of the use of the product. This builds customer trust and better product stewardship standard which we aim to maintain in the long run.

Our company uses guar gum derived from guar seeds, a renewable and bio-based agricultural material, as the primary input for production. The manufacturing process also recovers bio-based by-products such as tukdi, guar fine tukdi, churi and korma which are utilized for other applications. This approach promotes efficient use of natural resources, reduces waste, and minimises reliance on synthetic or fossil-based materials.

Our products, being natural and organic in nature, require no end-of-life treatment as they are integrated directly into the products of our customers. Moreover, we assess potential health impacts of chemicals used in our products and services by screening substances against recognised databases, including the EU REACH and U.S. EPA chemical databases, to support effective risk management and regulatory compliance.

As a part of the responsible production and to fulfil our commitment to deliver premium and benchmark quality products, Lucid adheres to a wide range of national and international standards such as FSSC 22000, Vegan & Halal certification, BRCGS Food Safety, USFDA cGMP and others which showcase our priorities namely – product safety, functional performance, and customer satisfaction. Continuous audits, certifications, and monitoring mechanisms further safeguard product quality, enabling Lucid to meet the evolving expectations of customers across food, pharmaceuticals, personal care, oil & gas, and other critical industries.

## Regulatory Compliance and Product Stewardship

Lucid's Corporate Regulatory Affairs team ensures that all products are supported with updated health and safety documentation. Safety Data Sheets (SDS), product labels, and compliance declarations are periodically revised in alignment with evolving global regulatory requirements. All chemicals used by the company are supported by SDS and reviewed for regulatory compliance, including POPs regulations under the Stockholm Convention. The company prevents use POP-listed substances, ensuring prevention of persistent environmental pollutants. These documents are also a part of the updated documents are proactively shared with customers, promoting transparency and safe handling throughout the supply chain.

## Continuous Audits and Quality Monitoring

Lucid maintains a rigorous audit ecosystem:

- Internal audits conducted periodically to ensure compliance with established procedures
- External audits by accredited bodies to validate conformity with global certification
- Corrective and preventive action (CAPA) mechanisms to promptly resolve any deviations

**19**

Number of External audits conducted in FY 2024-25

**Zero**

Incidents of Customer Health and Safety in FY 2024-25

**04**

Number of Internal Audits conducted in FY 2024-25

To assess customer satisfaction and ensure product responsibility, we follow a structured and systematic procedure. Each year, we conduct a Customer Satisfaction Survey (CSS), inviting customers to share their feedback via a dedicated Customer Response Form, which external stakeholders use to capture broader insights and expectations. This survey covers aspects of the product and its uses, providing insights into product quality & consistency, health and safety, logistics, technical support & service, and sustainability expectations.

### Customer Satisfaction Survey Framework

#### Setting CSS Targets

President (Marketing) sets annual goals for CSS at the beginning of the year

#### Notifying Customer

Customer is informed about the CSS process and its objectives in advance

#### Conducting Survey

Customer completes the Customer Response Form (CRF) during a meeting or via mail. CRF signed by both the customer and Marketing Manager

#### Feedback Analysis

Identify any dissatisfaction on specific parameters

#### Corrective Action

If dissatisfaction exists, corrective actions are taken within 60 days

#### Follow Up

Customer feedback on whether the issue is resolved is obtained

#### Review in MRM

Management Review Meetings (MRM) include results and action reviews. Record unresolved issues and reasons in MRM

# Innovation and R&D for a Sustainable Tomorrow

Delivering safe, reliable, and high-quality products remains central to Lucid's business philosophy. Our quality systems are designed to uphold the highest national and international standards, ensuring that every product consistently meets the expectations of our customers across food, pharmaceuticals, personal care, oil & gas, and other specialised industries.

Lucid follows stringent Quality Assurance (QA) and Quality Control (QC) protocols across the entire value chain—from raw material procurement to manufacturing and final dispatch. Advanced analytical systems, robust process controls, and well-established testing procedures support our effort to deliver products with uncompromising safety, purity, and functional performance.

## Advanced R&D and Process Control

We leverage a two-pronged R&D strategy, with distinct centers focused on agricultural innovation and commercial product development.

The R&D Centre at Mokheri is the cornerstone of our agri research, ensuring the quality and sustainability of our core raw material. This state-of-the-art facility, which operates with globally benchmarked safety practices, enables:

- Precise product characterisation at the agricultural source
- Continuous process optimisation in cultivation and harvesting
- Development of quality-enhancing innovations from farm to factory
- Validation of customer-specific performance requirements at the raw material level

Building on this foundation, our dedicated R&D and Application Development Centre at Jodhpur focuses on the next stage of the value chain. Here, our teams work to improve manufacturing process efficiency, enhance product functionality for specific applications, and explore innovative new guar-based derivatives for emerging global markets. This integrated approach reinforces product consistency and strengthens our long-term stewardship of the entire guar solutions ecosystem

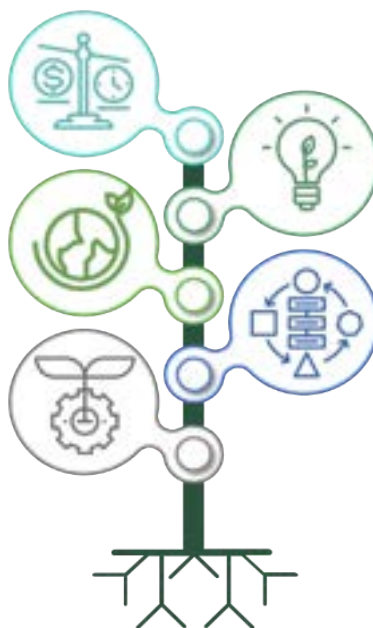


## Our Key R&D Focus Areas

**Cost estimation and ensures cost-effectiveness in the development of new products and processes**

**Enhanced production processes to reduce waste**

**Alignment with sustainable and environmentally responsible practices**



**Advanced and innovative methodologies**

**Improved overall resource efficiency**

Our skilled and experienced human resource play a vital role in brainstorming and devise novel, logical and resourceful solutions for product quality and process efficiency with financial feasibility, thereby accentuate our core values of continual improvement and innovative approach to the company. The facility employs Industry-grade high quality instruments which include HPLC, particle size analyzers, viscometers, moisture analyzers, UV spectrophotometers.

## Assessing our Supplier's Practices

We adopt a robust and methodical approach to evaluating supplier performance, ensuring that every partner in its value chain adheres to responsible business, environmental, social, and ethical standards.

### Supplier Assessment

We evaluate our suppliers based on our supplier assessment checklist. This checklist highlights ESG principles such as sustainable use of resources, waste management, fair labour practices, workplace safety, and human rights as clauses under the document to verify whether the suppliers meet our requirements for sustainability standards. All the suppliers post-assessment are provided their corrective actions regarding any non-compliances identified.

### Supplier Code of Conduct

In addition to the checklist, Lucid has also established and adopted a Supplier code of conduct which helps us assess the quality and regulatory adherence of our suppliers to the governance standards that we consider formidable and necessary for running a responsible business. This code of conduct is prepared in implementation of SA 8000/SEDEX (SMETA 4-pillar), which provides a strong backbone to the policy and ensures globally recognised compliance. Lucid is also signatory to the Responsible and Good Business Charter exhibiting our business accountability and sustainability performance.



**Responsible and Good Practices Charter**, which establishes a prerequisite set of principles for suppliers to comply with. We ensure that our employees under the procurement department are provided with training. We encourage suppliers to follow the Responsible and Good Practices charter as a mandate in order to uphold our standards and expectations.

The principles outlined in our Responsible and Good Practices Charter (which serves as our Supplier Code of Conduct) are as follows:



Compliance



Ethics



Labour



Human Rights



Environment



Quality



Confidentiality



Monitoring



Reporting

## Supplier Practices – Highlights

- Percentage of suppliers signing the Responsible & Good Practices Charter: **100% of new suppliers have signed the Charter.**
- Percentage of procurement staff trained on sustainable sourcing: **25%**
- Number of supplier non-compliances identified: **0 (No non-compliance cases were recorded during the reporting period).**
- Number of supplier contracts incorporating sustainability clauses: **100% (new and renewed contracts include environmental and social compliance clauses).**

Hence, through rigorous supplier assessments covering environmental performance, ethical conduct, quality systems, and regulatory compliance, Lucid ensures that every stakeholder in its ecosystem aligns with its standards for responsible business. These measures collectively strengthen material stewardship, enhance supply-chain visibility, and reinforce Lucid's commitment to sustainable operations.



# GRI INDEX

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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2	Statement of Use	About the Report	-	4
<b>GRI 2: GENERAL DISCLOSURES</b>				
2-1	Organisation Profile		-	
	(a) Name of organisation	About Lucid Colloids Limited	-	10
	(b) Nature of ownership and legal form	About Lucid Colloids Limited	-	10
	(c) Location of headquarters	About Lucid Colloids Limited	-	14
	(d) Countries of Operations	About Lucid Colloids Limited	-	13
2-2	Entities included in the sustainability reporting	About Lucid Colloids Limited	-	11
2-3	Reporting Period, Frequency and contact point			
	(a) Reporting period	About the Report	-	4
	(b) Specify the reporting period for financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this	1st April, 2024 – 31st March, 2025	-	
	(c) Report the publication date of the report or reported information		-	

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
	(d) Specify the contact point for questions about the report or reported information	Telephone: 022 4050 6500 Email ID: admin@lucidcolloids.com	-	
2-4	Restatements of Information	Nil	-	
2-5	External Assurance	About the Report	-	4
2-6	<b>Activities, value chain and other business relationships</b>			
	(a) Report the sector(s) in which you are active	About Lucid Colloids Limited	-	10
	(b) The organisation's activities, products, services, and markets served	Our Business Model - Sustainable Impact, Driven by Innovation	-	16
	(c) The organisation's supply chain	Responsible Business Practices Across Value Chain - Innovation and R&D for a Sustainable Tomorrow	5 , 8	113
	(d) The entities downstream from the organisation and their activities	Our Business Model - Sustainable Impact, Driven by Innovation	-	17
	(e) Report other relevant business relationships	Responsible Business Practices Across Value Chain	5 , 8	118
	(f) Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period	Nil	-	

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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2-9	Governance structure and composition	Governance That Builds Trust & Accountability	5	36
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2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance - Board Committees	-	39
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2-19	Remuneration policies	Corporate Governance - Nomination & Remuneration Committee	-	40
2-20	Process to determine remuneration	Corporate Governance - Nomination & Remuneration Committee	-	40
2-22	Statement on sustainable development strategy	Message from Managing Director, ESG Strategy	-	5
2-23	<b>Policy commitments</b>			
	(a) Describe its policy commitments for responsible business conduct	Corporate Governance - Policies Anchored in Integrity, Transparency and Responsibility & Ethical Conduct and Regulatory Compliance - Employee and Director code of conduct	-	41 - 43
	(b) Describe its specific policy commitment to respect human rights	Upholding Human Rights & Responsible Labour Practices	10 , 16	90

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
2-24	<b>Embedding Policy Commitments</b>			
	(a) Describe how company embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	Corporate Governance - Policies Anchored in Integrity, Transparency – These policies apply to all permanent and contractual employees, and all employees are expected to adopt and implement them.	-	41
2-25	<b>Processes to remediate negative impacts</b>			
	(a) Commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to	Ethical Conduct and Regulatory Compliance - Grievance Redressal & Whistleblowing, Assessing our Supplier’s Practices - Supplier Code of Conduct	5 , 8	43 & 119
	(b) Its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in	Ethical Conduct and Regulatory Compliance - Grievance Redressal & Whistleblowing, Assessing our Supplier’s Practices - Supplier Code of Conduct	5 , 8	43 & 119
2-26	Mechanisms for seeking advice and raising concerns	Ethical Conduct and Regulatory Compliance - Grievance Redressal & Whistleblowing, Assessing our Supplier’s Practices - Supplier Code of Conduct	5 , 8	43 & 119

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2-27	<b>Compliance with laws and regulations</b>			
	(a) Report the total number of significant instances of non-compliance with laws and regulations during the reporting period	Risk Management - Introduction	-	50
	(b) Report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period	Risk Management - Introduction	-	50
2-29	<b>Approach to Stakeholder engagement</b>			
	(a) Categories of stakeholders it engages with	Double Materiality - Stakeholder Engagement	-	25
	(b) Purpose of the stakeholder engagement	Double Materiality - Stakeholder Engagement	-	25
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2-30	Collective bargaining agreements	Upholding Human Rights & Responsible Labour Practices - Commitment to Freedom of Association	-	97

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**GRI 3-1: Process to determine material topics**

3-1	(1a) Describe the process followed to determine material topics	Double Materiality	-	24
	(1b) Specify the stakeholders and experts whose views have informed the process of determining its material topics		-	24

**GRI 3-2: List of material topics**

3-2	(a) List your material topics	Double Materiality	-	24
	(b) Changes in the reporting	Nil	-	

**GRI 3-3: Management of material topics**

3-3	(d-i) Actions to prevent or mitigate potential negative impacts	Double Materiality & ESG Strategy	-	24
	(d-ii) Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation		-	24
	(d-iii) Actions to manage actual and potential positive impacts		-	24

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**GRI 202: Market Presence**

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The ratio is 1. We follow local minimum wage rules.	2 , 5 , 8	96
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**GRI 204: Procurement Practices**

204-1	Proportion of spending on local suppliers	Responsible Business Practices Across Value Chain - Assessing Our Suppliers' Practices	8	119
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**GRI 205: Anti-corruption**

205-2	Communication and training about anti-corruption policies and procedures	Ethical Conduct and Regulatory Compliance - Anti-Corruption and Business Ethics	-	44
205-3	Confirmed incidents of corruption and actions taken	There was no incident of corruption in reporting period	-	44

**GRI 206: Anti-competitive behaviour**

206-1	Legal actions for anticompetitive behaviour, anti-trust and monopoly practices	No orders have been issued by regulatory authorities concerning anti competitive behaviour in reporting period	-	
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GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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**GRI 302: Energy**

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302-4	Reduction of energy consumption	Energy Management - Energy Conservation Initiatives	7, 12	63

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303-2	Management of water discharge related impacts	Water Stewardship: Conserving Every Drop - Water Discharge	6, 8, 11, 12	70
303-3	Water withdrawal	Water Stewardship: Conserving Every Drop - Water Consumption and Withdrawal	6, 8, 11, 12	69
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305-2	Energy Indirect (Scope2) GHG emissions	Emission Management - GHG Emission Inventory	7, 12, 13	59
305-3	Other indirect (Scope 3) GHG emissions	Emission Management - GHG Emission Inventory	7, 12, 13	61
305-4	GHG emissions intensity	Emission Management - GHG Emission Inventory	7, 12, 13	59
305-5	Reduction of GHG emissions	Emission Management - GHG Emission Inventory	7, 12, 13	59
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Air Emissions & Monitoring	7, 12, 13	66
<b>GRI 306: Waste</b>				
306-1	Waste generation and significant waste-related impacts	Responsible Waste Management	3, 12	75
306-2	Management of significant waste related impacts	Responsible Waste Management	3, 12	75
306-3	Waste generated	Responsible Waste Management - Waste Generation	3, 12	75
306-4	Waste diverted from disposal	Responsible Waste Management - Waste Disposal	3, 12	75

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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**GRI 308: Environmental Compliance**

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308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Business Practices across Value Chain	-	113

**GRI 400: Social Dimension****GRI 401: Employment**

401-1	Employment	Our People, Our Purpose - Towards an Inclusive Workplace	2 , 5 , 8 , 10	81
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**GRI 403: Occupational Health and Safety**

403-1	Occupational health and safety management system	Our People, Our Purpose - Health & Safety for Our People	3 , 6	98
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Our People, Our Purpose - Health & Safety for Our People	3 , 6	100
403-3	Occupational Health Services	Our People, Our Purpose - Health & Safety for Our People	3 , 6	100
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People, Our Purpose - Health & Safety for Our People	3 , 6	100

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
403-5	Worker training on occupational health and safety	Our People, Our Purpose - Health & Safety for Our People	3 , 6	100
403-6	Promotion of worker health	Our People, Our Purpose - Health & Safety for Our People	3 , 6	98
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People, Our Purpose - Health & Safety for Our People	3 , 6	98
403-8	Workers covered by an occupational health and safety management system	Health & Safety for Our People - Our Occupational Health & Safety Framework	3 , 6	100
403-9	Work related injuries	Health & Safety for Our People - Our Occupational Health & Safety Framework	3 , 6	102
403-10	Work related ill-health	Health & Safety for Our People - Our Occupational Health & Safety Framework	3 , 6	102

#### GRI 404: Training and Education

404-1	Average hours of training that the organisation's employees have undertaken during the reporting period	Our People, Our Purpose - Workforce Training Details	8	86
404-2	Training and assistance program to upgrade skills of employees	Our People, Our Purpose - Workforce Training Details	8	86

GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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**GRI 405: Diversity and Equal Opportunity**

405-1	Diversity of governance bodies and employees	Our People, Our Purpose - Towards an Inclusive Workplace	5, 8, 10	81
405-2	Ratio of basic salary and remuneration of women to men	Our People, Our Purpose - Towards an Inclusive Workplace	5, 8, 10	81

**GRI 406: Non-discrimination**

406-1	Incident of discrimination and corrective actions taken	No incident of discrimination occurred in reporting year. Upholding Human Rights & Responsible Labour Practices - Prevention of Sexual Harassment (POSH) at Workplace	10	94
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**GRI 407: Freedom of Association & Collective Bargaining**

407-1	Freedom of Association & Collective Bargaining	Upholding Human Rights & Responsible Labour Practices - Commitment to Freedom of Association	10	97
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**GRI 408: Child Labour**

408-1c	Measures taken by the organisation in the reporting period intended to contribute to the effective abolition of child labour	Upholding Human Rights & Responsible Labour Practices - Prevention of Child Labour and Forced Labour	-	93
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GRI Standard & Code	GRI Disclosure	Section in ESG Report/Explanation	Linkage to UN SDGs	Page no.
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**GRI 409: Forced or Compulsory Labour**

409-1b	Measures taken by the organisation in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	Upholding Human Rights & Responsible Labour Practices - Prevention of Child Labour and Forced Labour		93
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**GRI 410: Security Practices**

410-1	Security personnel trained in human rights policies or procedures	Upholding Human Rights & Responsible Labour Practices - Human Rights Training for Security Staff	10	92
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**GRI 413: Local Communities**

413-1	Operations with local community engagement, impact assessments, and development programs	Our People, Our Purpose - Community Well-being and Strengthening Farmer Livelihoods	3 , 4	104
413-2	Operations with significant actual and potential negative impacts on local communities	Our People, Our Purpose - Community Well-being and Strengthening Farmer Livelihoods	-	104

**GRI 414: Supplier Social Assessment**

414-1	New suppliers that were screened using social criteria	Responsible Business Practices across Value Chain	-	113
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# GHG Assurance Statement

## LucidColloids Limited

401A NavbharatEstate, ZakariaBunderRoad  
Sewri West, Mumbai, India

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Lucid Colloids Limited (the 'Company') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 1, Scope 2 and Scope 3 pertaining to the reporting period of 1st April 2024 to 31st March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted Limited Level Assurance for Scope 1, Scope 2, and Scope 3 Data. This assurance engagement was conducted in accordance with the "International Standard on Assurance Engagements (ISAE) 3410".

SGS India verified the following parameters given in the Table below:

### Scope 1, Scope 2 and Scope 3 Data

Scope	Actual emission (tCO <sub>2</sub> )
Scope 1 GHG emissions in metric tons of CO <sub>2</sub> eq.	1,266.11
Scope 2 GHG emissions in metric tons of CO <sub>2</sub> eq.	7,564.26
Scope 3 GHG emissions in metric tons of CO <sub>2</sub> eq.	21,216.98

Verification Statement no: BA\_ESG\_2411447\_GHG\_V1  
Statement Date: 12th February 2026.

This Statement is issued, on behalf of Client, by SGS India ("SGS") under its General Conditions for ESG Assurance Services. A full copy of this statement may be consulted at SGS India. This Statement does not relieve Client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client. This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

## INDEPENDENT ASSURANCE STATEMENT

### Independent Assurance Statement to Lucid Colloids Limited on its GHG Inventory for the FY 2024-25

#### The Board of Directors,

#### Lucid Colloids Limited

401A Navbharat Estate, Zakaria Bunder Road  
Sewri West, Mumbai, India

#### Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Lucid Colloids Limited (the 'Company') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 1, Scope 2 and Scope 3 pertaining to the reporting period of 01st April 2024 to 31st March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted Limited Level Assurance for Scope 1, Scope 2, and Scope 3 data. This assurance engagement was conducted in accordance with the "International Standard on Assurance Engagements (ISAE) 3410".

#### Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Lucid Colloids Limited's Stakeholders.

#### Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, calculation, and statements within the defined scope of verification, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific purpose, and it is not intended for use in interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the verification scope.

**Assurance Standard** SGS India has conducted Limited Level Assurance for Scope 1, Scope 2, and Scope 3 data. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3410. Our evidence-gathering procedures were designed to obtain a 'Limited Level of assurance' which involves the underlying assumption that the control environment and controls are reliable.

**Statement of Independence and Competence** The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Lucid Colloids Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.



### Scope of Assurance

The assurance exercise included the evaluation of quality, accuracy, and reliability of the GHG Inventory on Scope 1, Scope 2 and Scope 3 data for the period 01st April 2024 to 31st March 2025.

The scope of verification covers the following aspects:

- The reporting scope and boundaries includes 4 units located across India and the corporate office at Mumbai, India.

### Assurance Methodology

The assurance comprised a combination of pre-assurance research, interaction with the key personnel engaged in the process of developing the company's GHG inventory, on-site visits, and remote desk review & verification of data. Specifically, SGS India executed the following activities:

- Interaction with key personnel from the head office and selected manufacturing locations to understand and review the current processes in place for developing the Company's GHG inventory.
- Assessment of internal control mechanism to ensure the reliability and accuracy of emission data.
- Review of the data management system used for collection and consolidation of emission data.
- Review of consistency of data/information within the GHG inventory and between the inventory and source.
- Evaluation of the appropriateness of the quantification methods used to arrive at Scope 1, Scope 2, and Scope 3 emissions with respect to the specific requirements of the GHG Protocol.

Assurance of emission data on a sample basis, including conversion factors and emissions factors.

### Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope. Data review outside the operational sites as mentioned in the reporting boundary. Validation of any data and information other than those presented in "Findings and Conclusion." The assurance engagement considers an uncertainty of  $\pm 3\%$  based on materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.  
Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
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SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

### Findings and Conclusions

#### Scope 1, Scope 2 and Scope 3 inventory:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its GHG Inventory report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

**Scope 1, Scope 2 and Scope 3 Data:**

Description	FY 2024-25
<b>Scope 1: Direct carbon emissions from owned/controlled operations- Unit-tCO2Eq</b>	
a. Direct emissions from stationary combustion	1,197.63
b. Direct emissions from mobile combustion	37.71
c. Fugitive direct emissions	30.77
d. Direct Emission from Process	-
<b>Scope 1 Total Emission</b>	<b>1,266.11</b>
<b>Scope 2: Indirect carbon emissions- Unit-tCO2Eq</b>	
a. Indirect emissions from purchased/acquired electricity	7,564.26
b. Indirect emissions from purchased/acquired steam	-
c. Indirect emissions from purchased/acquired Heat	-
<b>Scope 2 Total Emission</b>	<b>7,564.26</b>
<b>Scope 3: Indirect carbon emissions- Unit-tCO2Eq</b>	
Category 1: Purchased goodsandservices	15,926.86
Category 2: Capital goods	183.30
Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	1,720.69
Category 4: Upstream transportation and distribution	259.88
Category 5: Waste generated in operations	39.51
Category 6: Business travel	37.81
Category 7: Employee commuting	221.89
Category 9: Downstream transportation and distribution	2,825.13
Category 12: End of life treatment of sold products	1.90
<b>Scope 3 Total Emission</b>	<b>21,216.98</b>

For and on behalf of SGS India Private Limited

 <p><b>Kalpesh Thombare</b> Technical Reviewer National Manager ESG &amp; Sustainability Services, SGS India. Mumbai, India 12th February 2026</p>	 <p><b>Chirag Bafna</b> Lead Verifier – ESG &amp; Sustainability Services, SGS India. Mumbai, India 12th February 2026</p>
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**Technical & Creative Partner:**

NEPRA Environmental Solutions Technologies  
Pvt. Ltd.

Address: 2<sup>nd</sup> Floor, Building C, Krish  
Cubical, Near Avalon Hotel, Sindhu  
Bhavan Marg, Thaltej, Ahmedabad,  
Gujarat 380059

[nestcommunications@nepra.co.in](mailto:nestcommunications@nepra.co.in)

[www.nepra.co.in](http://www.nepra.co.in)



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**Contact Number**

022 4050 6500

**Email Id**

admin@lucidcolloids.com

**Corporate Office**

**401A Navbharat Estates, Zakaria**

**Bunder Road, Sewri(W),**

**Mumbai, INDIA – 400 015.**