



POLICY ON RISK
MANAGEMENT AND INTERNAL
CONTROLS
OF
LANKA MILK FOODS(CWE) PLC

Lanka Milk Food (CWE) PLC (“LMF”)

Statement on Risk Management and Internal Controls

Introduction

LMF is dedicated to fostering a robust risk management framework that protects the interests of all stakeholders and ensures business continuity. This Policy outlines our commitment to identifying, assessing, and managing risks in alignment with applicable regulations.

Scope and Application.

This Risk Management and Internal Controls Policy applies to all directors, officers and employees of LMF, ensuring that every level of the organization understands and actively participates in risk management practices.

Risk Identification and Assessment.

The Group employs systematic processes to identify and assess risks that could affect its operations. Risks are evaluated based on their potential impact and likelihood, utilizing input from various stakeholders to maintain a comprehensive view.

Risk Mitigation Strategies.

For identified risks, LMF implements effective mitigation strategies, which may include avoidance, reduction, transfer, or acceptance of risks. Internal controls are established and regularly reviewed to ensure their effectiveness in managing identified risks.

Monitoring and Reporting.

Key risk indicators are developed to facilitate ongoing monitoring of risk exposure. Regular reports are presented to the Board of Directors and senior management, ensuring that significant risks and any changes to the risk landscape are communicated promptly.

Governance and Oversight.

The Board of Directors oversees the implementation of this Policy, with the Board Audit Committee responsible for monitoring compliance and effectiveness. The Committee ensures that risk management practices align with the Group’s strategic objectives and regulatory requirements.

Review and Revision.

This Policy will be reviewed periodically by the Board Audit Committee to ensure its continued relevance and effectiveness. Any amendments require Board approval and will be communicated to all stakeholders as necessary.

