



TALAWAKELLE TEA ESTATES PLC

Anti-Bribery and Corruption Policy

1.0 Purpose

The purpose of this policy is to:

- Define core principles: It outlines the Company's stance on bribery and corruption.
- Assign responsibilities: It clarifies the duties of stakeholders (including employees, suppliers, and customers) in adhering to the policy.
- Ensure compliance and provide guidance: The policy ensures adherence to all relevant anti-bribery and corruption laws and regulations and assists employees and other Company stakeholders in understanding and addressing related challenges.

2.0 Policy Statement

The Talawakelle Tea Estates PLC which comprises Talawakelle Tea Estates PLC and all its subsidiary companies are committed to conducting its business activities with integrity and in an ethical manner.

The Talawakelle Tea Estates PLC recognizes the importance of zero tolerance for bribery and corruption which has become a serious global issue;

The Talawakelle Tea Estates PLC recognizes the damage caused to societies and individuals globally due to bribery and corruption;

The Talawakelle Tea Estates PLC recognizes that bribery and corruption undermine the rule of law, leads to violation of human rights, distorts markets, and allows organized crime, terrorism and other threats to human security thrive and flourish;

- There is a significant increase of legislation around the world intended to create, or extend the reach and enforcement of anti-corruption laws
- It is critical for Talawakelle Tea Estates PLC to implement strong compliance measures in order to
 - Protect themselves from liability
 - Preserve interests of stakeholders
 - Minimize disruption to business
 - Protect corporate reputation

The Talawakelle Tea Estates PLC Anti-Bribery and corruption Policy is implemented with the objective of:

- Setting out the Talawakelle Tea Estates PLC core principles on Anti-bribery and corruption;
- Setting out the duties and responsibilities of the Talawakelle Tea Estates PLC 's Chairman, Directors, direct and indirect employees, suppliers, customers and other similar persons with regard to complying with this Policy;
- Ensuring compliance to all applicable laws and regulations relating to anti-bribery and corruption;

- Providing guidance and assistance to stakeholders on how to face challenges and issues that they may face due to bribery and corruption relating to any business and other matters relating to the Talawakelle Tea Estates PLC;

Commitments

The Talawakelle Tea Estates PLC is committed to:

- Upholding the Anti-Corruption Act No. 9 of 2023 as amended from time to time
- Upholding the 10 principles of the United Nations Global Compact (UNGC)

3.0 Definitions

Bribery is the direct or indirect offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Advantages includes money (in digital or virtual form) or any gift, loan, fee, reward, commission, valuable security or other property, interest in property or sexual favors. The intention of a bribe is to influence a person's actions or decisions in order to obtain an undue advantage or refraining from acting in the exercise of his or her official duties.

Corruption is defined as the abuse of entrusted power for private gain.

4.0 Applicability of this Policy

The Talawakelle Tea Estates PLC Bribery and Anti-corruption Policy (This Policy) is applicable to the Chairman and Board of Directors of Talawakelle Tea Estates PLC and all its subsidiary companies including all its employees and agents, residing or operating in Sri Lanka and in overseas locations.

This Policy is applicable to all Talawakelle Tea Estates PLC business operations

This Policy will be made available to our contractors, indirect employees if any, suppliers, distributors, advisers, consultants and all third-party service providers (Partners) through the Talawakelle Tea Estates PLC company' websites. Directors and Employees shall ensure that all contractual agreements and arrangements with our Partners shall include reference to this Policy with the objective of complying with the provisions of this Policy.

Reference to the terms 'You' and 'Your' in this Policy will be applicable to all those individuals or organizations to whom a part or the entirety of this Policy is applicable to.

Reference to a 'Third Party' in this Policy means any individual or organization that You come into contact with or deal with during the course of Your role, including but not limited to potential customers, competitors and organizations in the public sector, such as governments, public agencies and government-owned or controlled commercial enterprises.

5.0 Policy Governance and Maintenance

Responsibilities, and monitoring compliance of this Policy

The Directors of Talawakelle Tea Estates PLC and subsidiaries, and where applicable associate director boards, will have the overall responsibility for the promulgation of this Policy in support of its bribery and anti- corruption commitments and in compliance with its legal and ethical duties.

The Chief Financial Officer will be responsible to ensure that necessary procedures are in place to monitor compliance with this Policy and shall so monitor.

The Chief Financial Officer shall be responsible for drawing up operating procedures required for compliance with this Policy.

Monitoring and reviewing of this Policy

The Chief Financial Officer in conjunction with relevant personnel, will at least once a year monitor and review the implementation of and compliance with this Policy. This review will take account of any changes in laws, changes in the Talawakelle Tea Estates PLC organizations and businesses and new areas of risk.

The company will periodically undertake internal/external appraisals including independent audits relating to this Policy and the procedures drawn and implemented under this Policy in order to provide assurance that they are being complied with and remain effective in countering bribery and as necessary enhance their effectiveness.

6.0 Compliance with this Policy

The prevention, detection and reporting of bribery and corruption in any form is the responsibility of all Directors and Employees. The Talawakelle Tea Estates PLC's Whistleblowing policy shall also facilitate any reporting under this Policy.

Where any Director or Employee violates this Policy, such individual may face disciplinary action which may result in termination.

Where Our Partners violate this Policy all companies of the Talawakelle Tea Estates PLC having contractual relationships with such Partners, will seek to terminate the contractual relationship in accordance with the terms of the relevant contract. The same will apply to any Third Party with whom any contractual relationships exist.

Non-compliance of this policy should be raised /communicated immediately through defined reporting channels and subsequent investigations will be conducted confidentially.

Gifts, hospitality and other promotional expenses may be a breach of this Policy.

Gifts, hospitality related invitations, events and other promotional expenses offered or accepted by Directors and Employees may not always be a form of bribery.

The company recognizes that the occasional acceptance of nominal gifts which are customarily given and/or are of a commemorative nature, may be required in maintaining good business relationships.

However, you are requested to be cautious and take steps to identify any potential or imminent breach of this Policy in such circumstances. Such gifts, hospitality related invitations, events and other promotional expenses having regard to the monetary value and even if the monetary value is not significant if they are offered with the intention of gaining an improper business and commercial advantage then there may be a breach of this Policy.

If in doubt contact Your manager, supervisor or relevant Director of Your organization. The final decision will lie with the Chief Financial Officer.

Facilitating payments may be a breach of this Policy.

This Policy prohibits the payment or offering of gifts to public officials in order to expedite or facilitate an action or process, such as issue of licenses or permits, which may be commercially advantageous to the Talawakelle Tea Estates PLC. You may be criminally liable under Sri Lankan Bribery and Anti- corruption laws

This excludes legitimate payments made to fast-track a process; for example, legitimate fast-track processes for visa or customs clearance which is authorized by law.

This Policy prohibits payment or offering gifts to any person where the intention is to gain an illegal commercial advantage to You personally or to the Talawakelle Tea Estates PLC.

Political contributions and donations to politically connected persons are a breach of this Policy.

This Policy prohibits political contributions or donation to political parties and election candidates as such contributions and donations are viewed as bribes made with the intention of influencing business and official decisions relating to Your organization with the intention of obtaining commercial gain or similar advantage.

The Talawakelle Tea Estates PLC represent that they strictly do not participate in party politics as has been the ethos of the company since inception.

This Policy expressly prohibits making any political contributions or donations or incurring political expenditure on behalf of political persons or politically connected persons. The Term 'politically connected persons' will mean the term as is currently used in current legislation or any legislation that defines such term in the future in the country where such offence took place or where such jurisdiction applies.

Charitable Donations may be a violation of this Policy.

You are permitted to make a charitable donation on behalf of the company where such donation can be made legally and ethically under the laws of that country where the donation is made with all budgetary considerations followed. However, where a charitable donation is made with the intention of gaining an improper business advantage then it is a breach of this Policy. All donations and CSR activities must be carefully assessed for legitimacy and credibility ensuring that it is not being carried out to derive an undue business advantage.

Due diligence of Partners

There may be a risk that Partners may engage in bribery or corruption related activities.

The relevant Business Development Head will determine the level of due diligence required of our Partners. Such due diligence must be completed before the contract with the Business Partner is signed. The Chief Financial Officer together with the Group Head of Legal will decide on any anti-bribery clauses that will be required in relation to entering into any agreement or contract with Partners.

Payment of commissions to third parties

All fees, expenses, and commissions paid to any third party engaged to represent or provide a service to the company must be appropriate, justifiable and proportionate under the circumstances and will only be for legitimate services rendered.

Your responsibilities under the Policy

1. Read, understand and comply with this Policy
2. Avoid any activity that might lead to or suggest a breach of this Policy
3. Notify Your Manager or a Director as soon as possible if you believe or suspect that a breach or conflict with this Policy has occurred or may occur.

What is not acceptable?

It is not acceptable for You or someone on behalf of You to:

- Give, promise to give, or offer a payment gift or hospitality with the expectation or hope that a business advantage will be received or to reward a business advantage already given or
- Give, promise to give or offer a payment gift or hospitality to a government official agent or representative to facilitate or expedite a routine procure or
- Accept payment from a third party that You know or suspect that is offered with expectation that it will obtain a business advantage for them or
- Threaten or retaliate against another employee or individual who has refused to commit a bribery offence or who has raised concerns under this Policy

7.0 Record keeping

Many serious bribery and corruption offences often involve some degree of inaccurate record keeping.

All Talawakelle Tea Estates PLC Company Directors recognize that the company's records, and financial reporting must be transparent and accurately reflect each of the underlying transactions.

The Chief Financial Officer together with all is responsible for the integrity of the company's books, records and accounts.

The Talawakelle Tea Estates PLC companies must maintain accurate and proper books of record and financial reporting. In accordance with the company's accounting manual and defined procedures, all expenditure and expense claims must be supported by documentation that accurately and properly describe such expenditure. The reason for the expenditure must be specifically recorded.

No accounts must be kept off book to facilitate or conceal payments.

The Talawakelle Tea Estates PLC must maintain a register of gifts with specific guidelines drawn up on the quantum of the value of the gifts that should be maintained where You are responsible to declare such gifts. Such register of gifts will be subject to Board review.

8.0 Communication and training

This Policy is readily accessible for employees and external parties through the Group intranet and its website.

Adequate communication of this Policy and dissemination of this Policy is the responsibility of the Chief Financial Officer.

The Chief Financial Officer is responsible for this Policy and its procedures are embedded through its business and understood by all employees and Business Partners.

Any questions concerning any aspect of this Policy should be referred first to the to the company Chief Financial Officer.

The Chief Financial Officer is responsible for identifying employees who may face a risk of exposure to bribery. All employees must complete training programs on anti-corruption and bribery implemented by the Talawakelle Tea Estates PLC. Such training has to be recorded and such training is required to be regularly refreshed to take account of changes in the risks faced by the Talawakelle Tea Estates PLC and any changes in relevant legislation.

Whistle blowing

The Talawakelle Tea Estates PLC will not allow retaliation against anyone refusing to take part in bribery and corruption.

The Talawakelle Tea Estates PLC will not commence disciplinary action against any employee who reports bribery related actions of another where such reporting is done in good faith even if they turn out to be mistaken.

Refer to the Talawakelle Tea Estates PLC's Whistleblowing policy.

Effective date of implementation

The policy will be effective from 01st October 2024 and until that date the company was following Hayleys Group's Anti-bribery and corruption policy

This policy shall be effective and operative from 1st of October 2024.