

## **THIS DOCUMENT CONTAINS FOLLOWING POLICIES**

- 1. POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**
- 2. POLICY ON BOARD COMMITTEES**
- 3. CORPORATE GOVERNANCE POLICY**
- 4. REMUNERATION POLICY**
- 5. CORPORATE DISCLOSURE POLICY**
- 6. POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS**
- 7. POLICY ON INTERNAL CODE OF BUSINESS CONDUCT AND ETHICS**
- 8. ANTI-BRIBERY AND CORRUPTION POLICY**
- 9. WHISTLEBLOWER POLICY**
- 10. POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS**
- 11. POLICY ON ENVIRONMENT SOCIAL AND GOVERNANCE SUSTAINABILITY**
- 12. SHAREHOLDER AND INVESTOR COMMUNICATIONS POLICY.**



## TALAWAKELLE TEA ESTATES PLC

### POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

#### A. PURPOSE

The Purpose of the policy on matters relating to the Board of Directors ('this Policy') is to establish a comprehensive internal governance structure within which the Board of Directors of the Company is expected to carry out their duties in compliance with the provisions of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange and the Articles of Association of the Company.

This Policy is adopted to ensure effective execution of the Directors' responsibilities and will be reviewed by the Nominations and Governance Committee of the Board as appropriate.

#### B. SCOPE

This Policy is applicable to Talawakelle Tea Estates PLC(TTE).

#### C. DEFINITIONS

The Company – refers to TTE

The Listing Rules – refers to the Listing Rules of the Colombo Stock Exchange

The Board – refers to the Board of Directors of TTE

The Companies Act – refers to the Companies Act No 7 of 2007

#### D. RESPONSIBILITY OF THE BOARD

The Board of Directors ('the Board') in performing their duties shall act in good faith and in the best interest of the Company. The Directors in overseeing the management of the Company's business and affairs must consider the interests of the shareholders of the Company.

#### Overall Responsibilities

- Ensure formulation and implementation of business strategy
- Appointment of Senior Independent Director
- Ensuring that Key Management Personnel have the required skills, experience and knowledge to implement strategy
- Succession planning
- Approval of budgets and major capital expenditure

- Ensuring effective systems to secure integrity of information, internal controls, business continuity and risk management
- Ensuring compliance with all laws, regulations and ethical requirements
- Ensuring that key stakeholder interests are considered in corporate decisions
- Ensuring the development, approval and update of strategies, policies and targets related to sustainable development
- Ensuring adoption of appropriate accounting policies and fostering compliance with financial regulations
- Establishing a process for monitoring and evaluation of progress on implementation of strategy, budgets, plans and risks
- Overseeing the processes to identify and manage the organisations' impacts on the economy, environment and people

In discharging their obligations, directors are expected to rely on the honesty, integrity and expertise of the Company's senior executives and its outside advisors and auditors. Board members are expected to review meeting materials in advance, to attend and actively participate in all Board meetings and meetings of Board committees on which they serve, either physically or via audio visual communication. Directors who join via audio visual communication shall be counted for the quorum.

Directors are expected to devote adequate time to discharge their responsibilities appropriately. Directors are required to abide by the internal Code of Business Conduct and Ethics for all Directors and employees including policies on trading in the entity's listed securities.

The Nominations and Governance Committee will oversee an annual self- evaluation of the Board to determine whether the Board and its committees are functioning effectively.

## **E. BOARD COMPOSITION**

### ***Size of the Board.***

The Board shall have a minimum of Five (05) and maximum of Fourteen (14) Directors. The number of Directors can only be changed by a special resolution of the shareholders.

### ***Positions of Chairman and Chief Executive***

The functions of Chairman and Managing Director (Chief Executive Officer) are vested in two separate individuals which ensures a division of responsibility and authority. The Chairman shall be an Executive Director having an in depth understanding of the business operations and industry. The Board is of the view that this is the most appropriate arrangement for the Company.

The Chairma.n of the Board of Hayleys PLC shall be the Chairman of the company unless otherwise stated in the Articles of Association or Joint Venture Agreements.

### ***Role of the Chairman***

The Chairman's role is to preserve good corporate governance, and be responsible to preserve order and facilitate the effective discharge of Board functions.

### ***Senior Independent Director***

The Board shall appoint a Senior Independent Director since the chairman is an executive director.

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Duties of the Senior Independent Director include:

- Set corporate values facilitating an equitable balance between key stakeholder interests
- Uphold high standards of ethics, integrity and probity
- Support executive leadership whilst monitoring their conduct
- Preside over the meetings of independent directors, without the presence of the executive directors, at least once a year or as often as deemed necessary to discuss matters relating to the Company and the operation of the Board.
- Preside at meetings of the Non Executive Directors without the presence of the executive directors at least once a year, to appraise the Chairman's performance and on such other occasions as are deemed appropriate.
- The SID shall have a casting vote at these meetings.
- Report the results of the meetings to the Chairman
- Provide feedback as required to the other directors on the issues discussed with the Chairman,
- Serve as a liaison with the Chairman and independent directors,
- Call for meetings of the non executive directors and independent directors as and when necessary,
- Ensure that he or she is available for consultation and direct communications with major shareholders as appropriate.
- Be available to shareholders in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors
- Act on the results of any performance evaluation of the Chairman
- Maintain sufficient contact with major, significant and minority shareholders, assisting the Board to develop a balanced understanding of their issues

### **Non Executive Directors**

Since the Chairman is an executive director, majority of the Directors shall be Non Executive Directors.

### **Independent Directors.**

One Third (1/3<sup>rd</sup>) of the total number of directors shall be Independent in terms of Rule 9.8.2 of the Listing Rules. The criteria for independence are set out in Rule 9.8.3 of the Listing Rules and in Appendix A.

## **F. DIRECTOR SELECTION**

The Nominations and Governance Committee is responsible to recommend candidates for Board membership. General criteria for nomination of Director candidates include, but are not limited to the strategic demands of the Company, the highest standards of integrity and ethical behavior, the ability to provide wise and informed guidance to management, a willingness to pursue thoughtful, objective inquiry on important issues before the Company, and a range of experience and knowledge commensurate with the Company's needs as well as the expectations of investors and other relevant stakeholders. The Nominations and Governance Committee must also consider whether the candidate enhances the diversity of the Board. Such diversity includes professional backgrounds, competencies, skills, knowledge of specific industries and geographic experience, age and gender.

The Nominations and Governance Committee must consider the following criteria in relation to fitness and propriety when recommending candidates for Board membership;

- Honesty, integrity and reputation
- Competence and capability
- Financial soundness

The Directors shall confirm on an annual basis that they have continuously satisfied the Fit and Proper Assessment Criteria as set out in Rule 9.7.3 of the Listing Rules during the financial year and at the date of such declaration.

The Nominations and Governance Committee must consider whether candidates recommended for Board membership are employed or on the boards of competing companies and determine whether or not such a candidate can be recommended.

### **Retirement and Re- Election of Directors**

Any Director who is over seventy (70) years shall retire in terms of Section 210 of the Companies Act and subject to the recommendation of the Nominations and Governance Committee, stand to be re-appointed by an ordinary resolution of the shareholders in terms of Section 211 of the Companies Act.

In terms of the Articles of Association of the Company, at every Annual General Meeting one third (1/3<sup>rd</sup>) of the Directors, or if their number is not three (3) or a multiple of three (03), the number nearest to but not exceeding one third (1/3<sup>rd</sup>), shall retire from office, provided however

that the Chief Executive or the Managing Director whilst holding that office shall not be subject to retirement by rotation or be taken into account in determining the retirement by rotation.

### Director Orientation

The Company will conduct an orientation program for new Directors that includes presentations by senior management. Additionally, management will provide opportunities for all Directors to obtain an understanding of the Company's strategic plans, business and operations, significant financial, accounting and risk management issues, material ESG matters and impacts and other matters of importance to the Company. This will include visits to the Company's significant facilities.

### Continuing Education and Awareness

The Board shall be kept abreast of any new laws that impact boards, changes to Listing Rules, Policies of the Company and any legislation that is relevant for the Board to perform their duties diligently.

Where necessary the Company will send Directors to the Sri Lanka Institute of Directors, for training on corporate governance and other relevant matters.

## G. CHANGES IN PROFESSIONAL RESPONSIBILITY.

Where there is a change in a Director's board position or business affiliation which may result in a conflict with the business of the Company, the Director shall promptly inform the Chairman.

The Chairman shall determine whether such conflict of interest may require the Director to resign from the Board and shall inform the determination to the said Director who shall forthwith submit a letter of resignation.

Prior to accepting any other Board position, the Directors should keep the Chairman informed.

### ***Additional Board Service.***

The Chairman of the Group shall serve as Chairman of all companies within the Group. He shall not serve on the Boards of more than **Twenty Five (25) listed companies**.

The maximum number of directorships in listed companies that may be held by Directors is **Twenty Five (25)**.

Each Director must annually declare to the Board all the directorships held by him/her in listed companies, unlisted public companies and private companies

## H. DIRECTOR REMUNERATION

It is the policy of the Board to provide compensation to Non-Executive directors who are not employed by Hayleys PLC or the Company. Proposed changes in the director compensation initially shall be reviewed by the Remuneration Committee and any changes shall require the approval of the Board. The Remuneration Committee periodically shall review the status of directors' fees in relation to other comparable companies and other factors the Committee deems appropriate, and shall discuss the results of its review with the Board.

## **I. BOARD MEETINGS**

### ***Agendas***

The Chairman will establish the schedule and agendas for meetings of the Board. Any suggestion by Directors may be taken into account. Board papers will be provided to the Directors at least 7 days before each meeting by the Company Secretaries.

### ***Information***

Directors may request for additional information at the meeting to make informed decisions.

Board decisions may be taken by way of written resolutions circulated to directors as provided in the Articles of Association.

Directors shall maintain strict confidentiality of Board discussions and all information received in their capacity as Directors and Committee members.

### ***Meeting Schedule***

By 31<sup>st</sup> December, the schedule of the meetings for the ensuing year will be distributed to the directors.

### ***Number of Meetings***

- The Company shall hold Board meetings on a quarterly basis. A minimum number of Four (4) Board meetings per year must be held.
- The Company shall hold Audit Committee and Related Party Transactions Review Committee meetings on a quarterly basis.
- Remuneration Committee meetings shall be held at least once a year.
- Nominations and Governance Committee meetings shall be held twice a year or more frequently as and when the need arises.

Committee meetings may be held via audio visual communication.

### ***Attendance at Meetings.***

Any Director who is unable to attend the meetings physically may participate via audio visual communication and shall be marked as present and be counted for the quorum.

A Director is required to attend at least two (02) Board meetings ( If 4 Board meetings are held ) or 50% of the Board meetings held during the Financial Year.

A Director who is absent for more than fifty percent (50%) of the Board meetings during the year, shall be considered as having vacated the post and is required to forward a letter of resignation, conditional upon acceptance by the Board.

### ***Presentations***

Senior management, officers and other key associates maybe invited to Board meetings to provide additional insight into items being discussed, or whom senior management believe should be given exposure to the Board.

#### **J. BOARD INTERACTION WITH INVESTORS, MEDIA AND OTHERS.**

The Board believes that the Chairman and Managing Director speaks for the Company. The Directors shall not discuss matters relating to the business of the Company without prior approval of the Chairman.

The Directors shall not disclose to any third party or the media any price sensitive or material information about the business, which has not been disclosed by the Company to the Colombo Stock Exchange.

#### **K. TRADING IN SECURITIES OF THE COMPANY AND GROUP COMPANIES**

The Directors shall adhere to Rule 8.6 of the Listing Rules of the CSE and Section 200 of the Companies Act.

Connected persons are prohibited from trading in securities on the basis of price sensitive or privileged information which has not been disclosed to the public. It is the policy of the Company that connected persons shall not trade up to **three (03) market days** after the information is released to the CSE, excluding the date on which the information was disclosed the CSE.

Connected persons include:

- Directors of the Company or Directors of a related company, or a spouse of a Director and children under 18 years,
- A person holding the position of an officer of the Company (other than a Director) or employees of the Company or a related company, or a position involving a professional business relationship which can reasonably be expected to give him access to unpublished price sensitive information.



Where a Director or a connected person or a company in which he is a Director (relevant interest) buys or sells securities of the Company in which he serves as a Director, the Director has an obligation to inform the Board forthwith, through the Company Secretary, about the connected parties dealing in shares of the Company and this shall be disclosed to the CSE within 5 market days.

For the purpose of Section 200 of the Companies Act, a person has a **relevant interest in shares** if :

- he is the beneficial owner of the share,
- has the power to exercise any right to vote attached to the share,
- has the power to acquire or dispose the share,
- has power to control the acquisition or disposal of the share by another person OR
- under or by virtue of any trust or agreement, arrangement or understanding relating to the share, has the power to control the right to vote, buy or sell, or control the buying or selling by another person.

In addition to the above, Directors of the Company are required to refrain from dealing in the securities of the Company or group companies before the publication of price sensitive information.

#### **L. BOARD COMMITTEES**

The Company shall at all times have an Audit Committee, a Nominations and Governance Committee, a Related Party Transactions Review Committee and a Remuneration Committee. The Chairman of all the committees shall be an Independent Director. The Senior Independent Director shall be the Chairman of the Nominations and Governance Committee.

Majority of the members of these committees will be independent directors. The Committees shall not comprise any executive directors except the Related Party Transactions Review Committee. These Committees shall be governed by the Listing Rules.

Each of the committee shall have a Charter and the Nomination and Governance Committee will review the charters of the committees on an annual basis.

**Appointment of Committee Members.** The Nomination and Governance Committee will recommend to the Board for its approval Directors to serve as members and chairs of each committee.

**Committee Meetings.** Committee chairs, in consultation with other committee members and appropriate management personnel, will determine the frequency, length and agendas of meetings consistent with the Committee's charter, and will communicate agendas and meeting dates to the other members as far in advance of the meetings as practicable. The chair of each committee will report on committee matters to the full Board.

The Board may appoint and any other committee such as ESG Committee, Risk Committee etc. as deemed appropriate, which will have their own policies and procedures.

#### **M. APPRAISAL OF BOARD PERFORMANCE AND APPRAISAL OF THE CHIEF EXECUTIVE**

The Board and Committees shall appraise their own performance annually to ensure that board responsibilities are satisfactorily discharged.

An annual self evaluation shall be carried out by the members of the Board on the performance of the Board, its committees and the Chairman, non executive directors and executive directors.

The collective outcome shall be compiled and evaluated by the Nominations and Governance Committee which shall consider the results of the evaluation and make recommendations to the Board on initiatives, actions required to improve the balance of skills, experience, independence, industry knowledge and training and other relevant factors.

The performance of the Managing Director shall be evaluated by the Board in line with the short, medium and long term objectives of the Company, financial and non- financial targets that should be met by the Managing Director during the year.

#### ***Succession Planning and Management Development.***

There will be an annual report to the Board on succession planning and development of the Management of the Heads of Department and above, which will be reviewed and approved by the Board.

#### **Publication**

The Company's website will disclose the existence of the Policy on matters relating to the Board of Directors and a summary may be shared with the shareholders of the Company upon request made to the Company Secretary.

#### **Review and Update**

This policy shall be reviewed and updated at least once every two (2) years. The required updates and modifications shall be recommended to the Chairman and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. The company reserves the right to modify/amend the policy at any time.

#### **Effective date of implementation**

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.

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## **TALAWAKELLE TEA ESTATES PLC**

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### **POLICY ON BOARD COMMITTEES**

#### **PURPOSE**

The Purpose of the policy on Board Committees ('this Policy') is to establish a comprehensive and structured framework within which the Board Sub Committees Company are expected to be established and to function in accordance with the Listing Rules of the Colombo Stock Exchange

This Policy is adopted to ensure effective execution of the Sub Committees responsibilities and will be reviewed by the Nominations and Governance Committee of the Board as appropriate.

#### **SCOPE**

This Policy is applicable to Talawakelle Tea Estates PLC (TTE) and its subsidiaries.

The Company shall establish the following Board Sub Committees from among its Board of Directors to perform specific tasks :

- I. Audit Committee
- II. Related Party Transactions Review Committee
- III. Remuneration committee
- IV. Nominations and Governance Committee

Each Committee shall have its own Terms of Reference, approved by the Board, setting out the scope of work and its responsibilities,

- The Chairperson of each Committee shall be an Independent Non Executive Director.
- Majority of the members shall be independent Directors
- Except the Related Party Transactions Review Committee, non of the other Committees shall have executive directors on the Committee
- The Audit Committee and the Related Party Transactions Review Committee shall meet on a quarterly basis or more often if the need arises.
- The Nominations and Governance Committee shall meet at least twice a year or more often if the need arises.
- The Remuneration Committee shall meet at least once a year or more often if the need arises.
- Committee Meetings may be held via audio visual communication.
- Minutes of committee meetings must be tabled at the board meetings.
- Decisions of the Committees may be taken by resolutions in writing circulated to all the members and signed by all the members.
- A dissenting member may note his dissent in the resolution or in a meeting of the committee.
- Consent of the majority of the members is required to pass a resolution.

The Minutes of all Committee meetings must be maintained in written form, signed by the Chairperson of the meeting or the Chairperson of the subsequent meeting and circulated to the Board of Directors.

The Company Secretaries may act as the Secretaries to the Committees

The Company may also establish the following committees

- I. Finance & Investment Committee
- II. Risk Management Committee
- III. ESG Committee

**Board Responsibility for Committee Action-** The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

**Committee Reporting-** Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the Charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

**Effective date of implementation**

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.

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# TALAWAKELLE TEA STATES PLC

## CORPORATE GOVERNANCE POLICY

### 1. Purpose

The Purpose of this policy is to establish a comprehensive and structured framework which ensures that the organisation is governed with integrity and transparency while safeguarding the interest of all stakeholders. The provisions included in this policy are complementary to the requirements regarding the Board and Board members contained in the legislation, regulations, and the Articles of Association of the Company.

### 2. Scope

The policy is applicable to Talawakelle Tea Estates PLC (TTE) and its subsidiaries.

### 3. Board of Directors

#### 3.1 Board Composition

- a. The Board, in consultation with the Nominations and Governance Committee, shall prepare a profile of its size and composition, considering the nature of the Company's business and its subsidiaries, and the desired expertise and experience of the Board members (the "Board Profile").
- b. The Board shall have a minimum of 5 and a maximum of 14 members.
- c. Non-Executive Directors should comprise the majority of the Board while no less than 1/3<sup>rd</sup> of the Directors shall be independent in accordance with the criteria set out in the Listing Rules of the Colombo Stock Exchange.
- d. At least one Board member shall be a member of a professional accounting body having expertise in financial administration and accounting.
- e. Board members will have sufficient expertise to perform his/her role within the determined profile
- f. Board shall be diverse in terms of skills, gender, age and experience encouraging diverse points of view
- g. All Directors shall at all times fulfill the Fit and Proper criteria set out in Section 9.7.3 of the Listing Rules
- h. The Chairman of Hayleys PLC will be the Chairman of all Group companies.

### 3.2 Appointment and Removal

Appointment of Directors will be carried out in accordance with the Articles in line with the formal procedure set out by the Company's Nominations and Governance Committee. The following additional guidance is provided regarding the appointment and removal of directors to ensure compliance with best practice:

- a. Profiles of directors being nominated for appointment shall state the following
  - i. the candidate's name and his or her profession,
  - ii. the amount and nature of any shares held in the Company,
  - iii. the nature of his expertise in relevant functional areas
  - iv. Whether Executive, Non-Executive or Independent
  - v. the number and names of companies in which the Director holds directorships/ serves as Key Management Personnel indicating whether such companies are listed or unlisted
  - vi. Any other information relevant to assess his or her suitability as a member of the Board.
- b. The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation.
- c. Past performance of Board members must be considered prior to recommending a member of the Board for reappointment.
- d. The appointment of Board members to the Company, must be informed to the Colombo Stock Exchange within 24 hours of such appointment together with a brief resume of the director as set out in Section 3.2 (a) above and any shareholding in the Company held by the Director.

### 3.3 Board Independence

Independence of Directors will be determined annually in accordance with the criteria set out in Listing Rules of the Colombo Stock Exchange, the currently applicable Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, subject to any additional requirements that may be imposed by relevant regulators. In case of ambiguity or conflict, regulatory requirements will prevail over the "Code".

### 3.4 Roles and Responsibilities

Powers and duties of Directors are set out in the Articles of Association and Section 187 of the Companies Act No.7 of 2007 and Section A.1.2 of the Code.

- a. General Responsibilities- The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight.

- b. **The Board Acts in the Interest of the Company-** The Board shall act in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders and other stakeholders. Board members shall perform their duties independent of any particular interest in the Company. Members should not support one interest without regard to the other interests involved.
- c. **Responsibility for Securing Information:** The Board and its individual members each have responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties.
- d. **Supervision of Management:** The Board should consider the achievement of strategic objectives, strategy and risks, structure and operation of internal risk management and audit systems, financial reporting process, sustainability impacts and compliance among others.
- e. **Supervision of Financial Reporting:** The Board, in consultation with the Audit Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly financial reports and any other financial information prepared for regulators or shareholders. The Board, through the Audit Committee, also supervises the internal control and audit mechanisms for external financial reporting
- f. **Duties regarding the Board and performance of the Board** which includes nomination of Board members, establishment of committees, conduct board self-assessments among others
- g. **Duties regarding nomination and supervision of external auditor**

### 3.5 Other Positions

- a. **No Excess Memberships -** Members of the Board shall limit their other positions so as to ensure they can perform their duties as members of the Board. Outside directorships are capped at 25 Board seats on Listed entities.
- b. **Notice of Outside Positions -** Board members must inform the Chairperson of the Board and the Company secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board. The Company secretary shall keep a list of the outside positions held by each Board member.

## 4. Chairman

The functions of Chairman and Managing Director (Chief Executive Officer) are vested in two separate individuals which ensures a division of responsibility and authority. The Chairman shall be an Executive Director having an in depth understanding of the functions of the Sectors due to the diversity and scale of operations of the Group and the Board is of the view that this is the most appropriate arrangement for the Company. The Chairman of Hayleys PLC shall be the Chairman of the Subsidiary Companies in the Group unless otherwise stated in the Articles of Association or Joint Venture Agreement.

### 4.1 Roles and Responsibilities

- a. The Chairman of the Board is primarily responsible for the activities of the Board and its committees. She/ he shall act as the spokesman for the Board and is the principal contact for the chief executive officer (CEO). The Chairman of the Board presides over the general assembly.
- b. The Chairman ensures that:
  - i. Board members, when appointed, participate in an induction program and, as needed, additional education or training programs;
  - ii. The Board members receive all information necessary to perform their duties effectively;
  - iii. The Board has sufficient time for consultation and decision-making;
  - iv. The committees function properly;
  - v. The performance of the Board members is evaluated annually;
- c. In addition, the Chairperson is primarily responsible for:
  - i. Ensuring the Board satisfies its duties;
  - ii. Determining the agenda of Board meetings, chairing such meetings and ensuring that minutes are kept of such meetings;
  - iii. Consulting with external advisors appointed by the Board;
  - iv. Addressing problems related to the performance of individual Board members; and,
  - v. Addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result.



## **5. Appointment of Senior Independent Director**

- a. The Board shall appoint a Senior Independent Director since the Chairman is an Executive Director and the appointment shall be disclosed in the Annual Report.
- b. The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been adequately considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company.
- c. The Senior Independent Director should participate in all meetings with majority, significant, and minority shareholders and be made aware of their concerns by the Company Secretary.
- d. The Senior Independent Director shall have a meeting with the Independent Directors without the presence of the other Directors to discuss matters and concerns relating to the Company and the operation of the Board. The Senior Independent Director shall provide feedback to the Chairman and the Board.
- e. The Senior Independent Director shall also chair a meeting at least once a year with the Non-Executive Directors without the presence of the Chairman to appraise the Chairman's performance.
- f. The Senior Independent Director has a casting vote at these meetings.

## **6. Board Committees**

- a. Establishment of Committees- The Board shall appoint the following committees from among its members to perform specific tasks.
  - i. Audit Committee
  - ii. Remuneration Committee,
  - iii. Nominations and Governance Committee
  - iv. Related Party Transactions Review Committee

The Company may establish the following Committees

- v. Finance & Investment Committee
  - vi. Risk Management Committee
  - vii. ESG Committee
- b. Charters of Committees – Each Committee of the Board will have a Board approved Charter setting out the scope of work and responsibilities.

- c. **Board Responsibility for Committee Action-** The Board remains collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.
- d. **Committee Reporting-** Each Committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board member has unrestricted access to all Committee meetings and records. The Board shall, as set forth in the Charter of the Committee concerned, receive a report from the Committee describing the Committee's actions and findings.

## **7.0 Board meetings**

### **7.1 Frequency, notice, agenda and venue**

- a. **Frequency -** The Board shall meet as often as necessary, but not less than 4 times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board or two other members of the Board.
- b. **Notice and Agenda**
  - i. Meetings of the Board are called by the Chairman. Save in urgent cases, as determined by the Chairman, the agenda for a meeting shall be sent to all Board members at least seven calendar days before the meeting.
  - ii. Board members who have taken part in a meeting may not object against resolutions adopted at the meeting on grounds of an invalid notice.

### **7.2 Attendance**

- a. **Undue Absence -** If a Board member is frequently absent from Board meetings, she/he shall be required to explain such absences to the Chairperson.
- b. **Attendance by Non-Members –** shall be through invitation by the Chairman or GCFO of the Company.
- c. **Directors are required to attend a minimum of 50% of the Board meetings.**

### **7.3 Chairman of meetings**

- a. **Chairman -** Board meetings are presided over by the Chairman of the Board or, in his or her absence, a nominee Director recommended by the Chairman. If both are absent, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.

- b. Minutes - The Company secretary (or any other person designated for such purpose by the Chairperson of the meeting) shall prepare the Minutes of the meeting which shall describe the decisions made at the meeting. The Minutes shall be adopted by the Board at the next meeting and signed by the Chairman as a correct record of the proceedings.

## **8.o Ethics and Integrity**

Directors are bound by the Internal Code of Conduct- the Hayleys Way, which serves as the Group's Ethical Roadmap. The Board is collectively responsible for setting the tone at the top and upholding ethical principles throughout the organisation. The organisation's ethics framework is also supported by its Whistleblower Policy, Bribery and Anti-Corruption Policy and Commitment to the United Nations Global Compact's 10 principles.

## **9.o Performance Evaluation**

- a. At least once a year, the Board and Sub-Committees shall discuss and appraise its own performance and those of its individual members (including Executive and Non-Executive Directors), the effectiveness of Board activities, and the composition and competence of the Board.
- b. The findings of such evaluations should be made available to the Nominations and Governance Committee, which should make recommendations to the Board on actions required to improve factors relevant to the effectiveness of the Board and Sub-Committees.

## **10.o Director Remuneration**

- a. Remuneration Committee - The Board shall determine the compensation of the executive and non-executive Board members on a proposal by the remuneration committee and based on a formal and transparent procedure formulated by the Remuneration Committee
- b. Reporting on Remuneration – The Annual Report of the Company shall include the following disclosures on remuneration:
  - i. A Statement of Remuneration Policy;
  - ii. Details of remuneration of the Board as a whole;
  - iii. Names of Directors (or persons in the parent company's committee in the case of a group company) comprising the remuneration committee, contain a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.

### **11.0 Director training and Induction**

- a. Induction Program - Upon his or her election, each Board member shall participate in an induction program that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member.
- b. Directors must be kept abreast of Listing Rules and new legislation that is relevant for the directors to perform their duties.
- c. Review of Training - The Board shall review and identify areas where the Board members require further training or education.
- d. Costs of training - The costs of the induction course and any training or education shall be paid for by the Company.

### **12.0 Holding and trading of Securities**

- a. Long-Term Investment - Any share-holding in the Company by Board members is for the purpose of long-term investment.
- b. Trading Company Securities – A Director shall not trade in any shares of the Company or any company within the TTE based on price sensitive information received by him by virtue of his directorship, which is not known by the general public. Directors should also refrain from trading in the company's listed securities 3 market days after a board/sub-committee meeting. A Director shall not trade in shares of the Company for 3 market days after the release of the quarterly financial results, announcement of dividends or any other price sensitive information. Directors are also encouraged to seek the counsel of the Company Secretary or the Group Chief Financial Officer prior to trading in the Company's/ Group company's listed securities.
- c. If a Director or a Connected Person to a Director buys or sells shares in the Company, the Director shall inform the Company Secretary of such transaction immediately. The Company Secretary shall inform the Board and the Colombo Stock Exchange within the stipulated timelines of the Listing Rules. Where the Director has a relevant interest in shares of the Company, he shall inform of any purchase or divestment of the Company's shares.

### 13.0 Confidentiality

- a. Duty to Keep Information Confidential - Unless required to do so by law, no Board member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Company and which s/he knows or should know to be of a confidential nature. A Board member shall not use such confidential information for his or her personal benefit.
- b. Return of Confidential Information - At the end of each Board member's term of office, s/he shall return all confidential documents in his or her possession to the Company or guarantee their disposal in a manner that ensures confidentiality is preserved.

### 14.0 Policy Review and Amendments

This policy shall be reviewed and updated at least once every two (2) years by the Company Secretary. The required updates and modifications shall be recommended to the Chairman & Chief Executive and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. The company reserves the right to modify/amend the policy at any time.

#### **Effective date of implementation**

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.

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### 1. Objectives

This policy details how the organisation's total rewards should be managed with the aim of aligning rewards and remuneration with the organisation's business strategy, objectives, risk tolerance levels, values and long-term interests. The policy drives high performance while precluding excessive risk-taking. Key objectives of the policy are,

- Drive the achievement of the organisation's strategic aspirations
- Attract, motivate and retain high-performing employees with the right experience and skills
- Promote internal equity through fair and transparent remuneration schemes
- Promote the optimum allocation of resources driving positive outcomes
- Nurture ethical, responsive and responsible corporate citizenry

### 2. Scope

The policy applies to Talawakelle Tea Estates PLC (TTE). Furthermore, if there are other agreements entered to with specific categories of employees regarding compensation and benefits the provisions of such agreements would supersede the provisions in this policy.

### 3. Remuneration Governance

The Board Remuneration Committee is mandated to govern and provide oversight on all aspects of remuneration and operates in line with defined Terms of Reference, which includes the following:

- Determining the compensation of the Executive Directors and Senior Managers.
- Laying down guidelines and parameters for the compensation structures of all management staff taking into consideration industry norms.
- Formulating guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- Reviewing information related to executive pay from time to time to ensure same is in par with the market/industry rates.

- Recommending annual salary increments and bonuses.

#### 4. Remuneration Principles

- **Transparency:** The policy is accessible to all employees and each individual should have an understanding on the criteria that will be used to determine their remuneration. The performance management process should be documented and available to all employees
- **Fair and free from discrimination:** Reward and remuneration structures should encourage equity and ethical outcomes, based on objective, job-related criteria
- **Strategic alignment and performance orientation:** Reward and remuneration structures should motivate employees to deliver high levels of performance and drive the execution of the organisation's strategy while being cognisant of the risk exposures
- **Market competitiveness:** The guaranteed elements of pay should be positioned at comparable levels established by the peer group of companies while talent dynamics and affordability should be considered in determining if the organisation positions particular roles in upper quartiles. The variable elements of remuneration are positioned at par with the peer group.

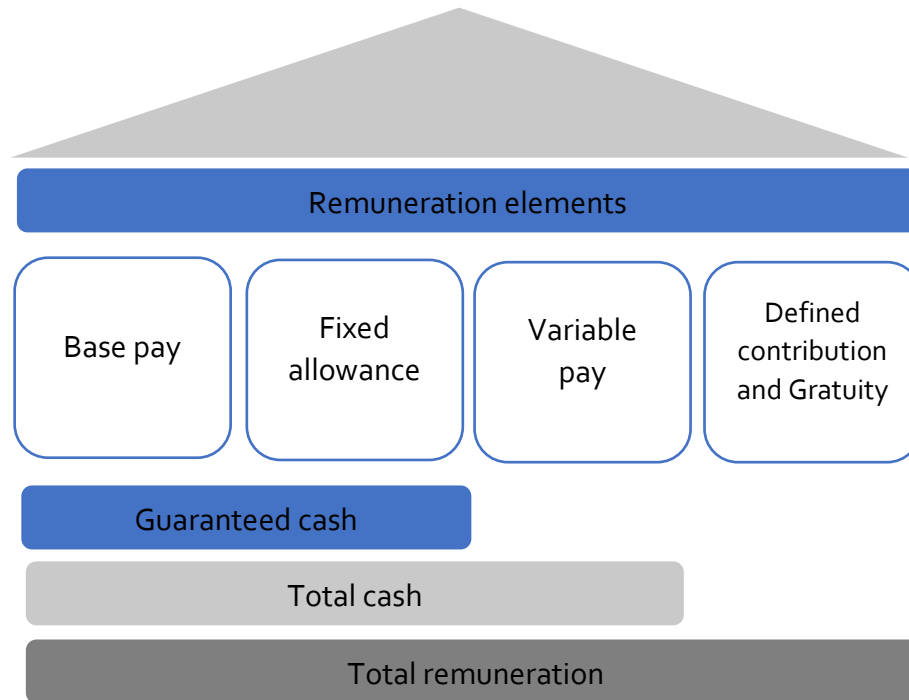
#### 5. Performance Management

The performance management framework aims to align individual and team performance objectives with the organisation's strategic objectives, enabling the translation of our strategic priorities into individual and departmental action plans. Key principles of the organisation's performance management framework is as follows:

- Performance management is a key input in determining remuneration, thereby ensuring appropriate differentiation in remuneration based on performance
- Performance objectives comprising a combination of financial, non-financial and competency-based metrics are used to evaluate performance
- The framework is applied consistently to all employees across the company

## 6. Remuneration Framework

The organisation's remuneration comprises guaranteed and variable elements, which ensure fair, equitable pay structures that motivate performance. Key elements are set out below:



### 6.1 Base Pay

Base pay, generally terms as 'salary' reflects the prevailing 'rate for the role' within a job grade/level depending on the competencies and experience of the employee. Jobs with similar duties, responsibilities and requirements are classified under a grade/level, creating a transparent framework for managing roles and determining pay scales. Market comparability also place a key role in determining base pay and benchmarking is conducted against comparable organisations to assess market competitiveness.

### 6.2 Fixed Allowances

Vehicle , Travelling , Fuel and other allowances: Based on the employee category.

### 6.3 Variable Pay

Variable pay comprises periodic or lump-sum pay-outs linked to organisational and individual performance, to drive the achievement of strategic goals. The Annual Bonus is designed to reward and recognize the successful execution of our business strategy each year. Financial and business targets are established during the budgeting process, and bonus levels are determined by the Remuneration Committee based on performance against these targets.



There is no guaranteed bonus or performance incentive in any given year and variable remuneration is determined primarily based on performance.

#### 6.4 Defined contribution and gratuity

**Defined contributions-** The organisation has in place a defined contribution plan under which the entity contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

**Gratuity-** Gratuity payments are aligned to the requirements of the Payment of Gratuity Act No. 12 of 1983 with the half of lastly drawn monthly salary dependent on the length of service .

### 7. Rewards

#### 7.1 Annual package increase

Annual increases in remuneration are primarily guided by market competitiveness. Subsequently, adjustments are also influenced by collective and individual performance, as detailed in the table below. Individual performance evaluations take into consideration performance against defined objectives, competencies and values. This dual approach enables the organisation to align with market standards while recognising and rewarding employee contributions.

Sector performance dimensions		
Metric	Criteria	Increase
Individual merit increase		

*If a particular senior management personnel manages several business entities within the Group, he/she will be evaluated based on the performance of all companies within the Sector.*

#### 7.2 Salary increases in case of Promotions/ Upgrading

Individuals moving to a higher Job Grade as a result of promotions/ upgrade can be given a salary increment in line with market competitiveness in line with the respective role following the approval of the Human Resources Manager/ Business Partner, relevant GMC Member and Chairman.

### 7.3 Salary corrections

Immediate supervisor is entitled to recommend any salary corrections for the purpose of rectifying any reward anomalies that may prevail .

### 7.4 Annual bonus

Overall Sector performance metrics (ROE (Return on Net Assets), CAGR (Compound Annual Growth Rate- Revenue & PAT) & Previous Year Budget Achievement) are used to ascertain the affordability of the annual bonus.

## 8. Non-Executive Director's Remuneration

All Non-Executive Directors (other than Directors who are employed by Hayleys PLC and TTE) receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related remuneration or employee benefits. The fees of Non-Executive Directors are reviewed annually.

## 9. Review and revision to this Policy

This policy shall be reviewed and updated at least once every two (2) years by the Group HR. e . The required updates and modifications shall be recommended to the Chairman & Chief Executive and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. The Company reserves the right to modify/amend the policy at any time.

### Effective date of implementation

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.

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# TALAWAKELLE TEA ESTATES PLC

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## CORPORATE DISCLOSURE POLICY

### 1. Objectives

This Corporate Disclosure Policy is designed to promote transparency, accountability, and integrity in meeting the information requirements of stakeholders. It aims to ensure that Talawakelle Tea Estates PLC (TTE) complies with all applicable legal and regulatory requirements regarding the disclosure of material information.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions of investors. This includes, but is not limited to:

- Financial results and projections
- Changes in senior management
- Mergers, acquisitions, or divestitures
- Legal proceedings and regulatory actions

Material information must be disclosed in compliance with the Companies Act No. 7 of 2007, the CSE Listing Rules, and any relevant SEC regulations. All material disclosures must be approved by the Disclosure CFO/CEO and, where required, by the Board of Directors before being made public. Once approved, disclosures will be disseminated through appropriate channels, including the Colombo Stock Exchange, the company's website, and other relevant media.

TTE is committed to full compliance with the following local regulations:

- Companies Act No. 7 of 2007: TTE will prepare and disclose audited financial statements, annual reports, and other required documentation as mandated by this Act.
- Colombo Stock Exchange (CSE) Listing Rules: TTE will adhere to continuous disclosure obligations, including the timely submission of quarterly financial statements and immediate disclosure of any price-sensitive information.
- Securities and Exchange Commission of Sri Lanka (SEC): The Group will follow SEC regulations regarding market conduct, insider trading, and disclosure of significant shareholdings.

Hayleys Group will comply with all continuous disclosure obligations under Sri Lankan law and the rules of the Colombo Stock Exchange. This includes promptly disclosing any material changes in the company's financial condition or operations, as required by the CSE and SEC.

## 2. Scope

It covers all forms of external communication, including financial reports, press releases, presentations, regulatory filings, and social media posts.

## 3. Our Commitment

The TTE committed to the following principles.

Ensuring that all material information related to Hayleys Group is disclosed promptly and accurately to the market, in a way that is clear and understandable to all stakeholders	Accurate and timely reporting
Ensuring information is disclosed consistently across all communication channels.	Consistent reporting
Compliance with local regulatory requirements, including the Companies Act, Colombo Stock Exchange (CSE) Listing Rules, and the Securities and Exchange Commission of Sri Lanka (SEC) regulations.	Compliance
Protection of confidentiality of sensitive information where necessary. All non-public information must be treated as confidential.	Confidentiality
Protection of the integrity and reputation of the TTE in the eyes of its stakeholders.	Brand equity / Goodwill

## 4. Responsibility

To ensure effective implementation of this Disclosure Policy, specific roles and responsibilities are assigned as follows:

- **Board of Directors:**
  - Ultimately responsible for ensuring the company's compliance with disclosure requirements.
  - Approves key disclosures, including financial statements, major corporate announcements, and changes in corporate governance practices.
  - Reviews and approves the Disclosure Policy and any significant updates to it.

- **Chief Financial Officer (CFO)**
  - Ensures the accuracy and completeness of financial disclosures, including quarterly and annual financial statements.
  - Ensures that financial disclosures are made in a timely manner and comply with the Sri Lanka Accounting Standards (SLFRS). Oversees the implementation of the Disclosure Policy and ensures that all disclosures are made in compliance with applicable regulations.
  - Reviews and approves all material disclosures before they are made public.
  - Provides guidance to employees on disclosure obligations and ensures that disclosure controls and procedures are in place.
  - Monitors compliance with the policy and reports any breaches to the Board of Directors.
  
- **General Manager – Group Corporate Communications:**
  - Manages the dissemination of approved disclosures through appropriate channels, including the company website, press releases, and official social media channels.
  - Coordinates with the Group Disclosure Committee to ensure that all public communications align with the company's disclosure obligations.
  
- **Head - Group Legal:**
  - Provides legal advice on disclosure obligations and ensures that all disclosures comply with relevant local and international laws, including the Companies Act, CSE Listing Rules, and SEC regulations.
  - Advises on matters related to confidentiality and insider trading to prevent unauthorized disclosure of material non-public information.
  
- **Company Secretary:**
  - Manages the dissemination of approved disclosures through the Colombo Stock Exchange.
  - Ensures that the company's disclosures follow corporate governance requirements, including those outlined in the Code of Best Practice on Corporate Governance.
  
- **Employees and Representatives:**
  - All employees and representatives of TTE is responsible for maintaining the confidentiality of non-public information and for reporting any potential material information to their immediate supervisor

- Employees must avoid sharing or trading on material non-public information. Insider trading laws prohibit trading in TTE' securities by anyone in possession of material non-public information.
- Employees and representatives are prohibited from disclosing confidential information to any third party unless required by law

## 5. Compliance and Training

Compliance with this policy is mandatory. Any violations of this policy must be reported to the Disclosure CEO/CFO or through the TTE Whistleblowing mechanism. CEO/CFO will monitor adherence to the policy and report any breaches to the Board of Directors. All reports will be investigated promptly and thoroughly. Disciplinary action may be taken against individuals who fail to comply with the policy.

Regular training will be provided to ensure understanding and adherence to disclosure requirements.

### Review and Updates

This policy shall be reviewed and updated at least once every three (3) years by the Chief Financial Officer. The required updates and modifications shall be recommended to the Chairman & Chief Executive and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. TTE reserves the right to modify/amend the policy at any time.

### Effective date of implementation

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

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TALAWAKELLE TEA ESTATES PLC

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POLICY ON RISK MANAGEMENT  
AND INTERNAL CONTROLS

## 1. Objectives

The Talawakelle Tea Estates PLC (TTE) operates in a dynamic and rapidly evolving landscape, underscoring the critical importance of proactive risk management practices in building a resilient business model.

Key objectives of the Group's Risk Management Policy are set out below:

- Optimise risk-return dynamics and ensure sustainable business growth through effective management of all risks
- Establish consistent and systematic procedures to effectively identify, measure, manage and mitigate risk exposures
- Enhance the effectiveness and efficiency of the entity's operations, which in turn leads to improvements in resource allocation and decision-making
- Promote prudent risk-based decisions through nurturing a risk conscious culture
- Fulfill all relevant reporting requirements including financial and non-financial internal and external reporting
- Ensure compliance to all laws and regulations the Group is subject to

## 2. Scope

This Policy applies to all locations and entities within the Talawakelle Tea Estate PLC (TTE) including all support functions

## 3. Risk Classifications

The Group is exposed to a wide array of risks under both the internal and external dimensions. These risks are classified as follows:

- **Market risk-** Potential for financial losses or adverse outcomes resulting from fluctuations in market variables, such as prices, interest rates, exchange rates, and other market conditions
- **Strategic risks:** Risks that arise from the misalignment of the organisation's strategy with business opportunities and developments in the external environment
- **Operational risks:** Risks arising from activities carried out by the organisation, stemming from structure, systems, products or processes
- **Financial risks:** Risks arising from financial operations and include credit risk, interest rate risk, liquidity risk and currency risk among others
- **Information technology risks:** Risk of technological obsolescence and ISS risks which arise from aspects such as external and internal vulnerabilities to the information systems, lack of disaster recovery and back-up procedures



- **Sustainability-related risks:** Environmental and social risks that arise from an entity's lack of recognition of environmental and social sustainability factors affecting society and the entity
- **Governance risks:** Risks arising from the failure to manage other risks due to a lack of robust governance systems

## 4. Approach to Risk Management

TTE'S approach to risk management is based on the COSO Enterprise Risk Management model, which enables integration with strategy and planning through embedding risk management across all departments and functions. This approach enables the organisation to position risk in the context of the Group's performance allowing it to anticipate risks in a more proactive manner. The components of the Group's Risk Management Framework are described below:

### 4.1 Governance and Culture

The Board holds apex responsibility for the management of risk and is assisted by the Audit Committee in discharge of this duty.

#### 4.1.1 Roles & Responsibilities

##### Responsibility of the Board

- Approval and review of the Risk Management Policy
- Define the organisation's risk appetite and tolerance levels
- Delegate monitoring and reviewing of risk management to the Audit Committee or any other functions as it may deem fit
- Oversee the development of the TTE's risk management framework and ensure adequate monitoring and reporting
- Conduct a robust assessment of principal risks facing the organisation (as defined in Section 3 of this Policy), including those that would threaten its business model, future performance, solvency or liquidity
- Set the tone at the top for nurturing a risk management culture, ensuring that it aligns with the organisation's strategy and objectives
- Ensure effective systems are in place to secure the integrity of information, internal controls, cyber security and business continuity

##### Responsibility of the Audit Committee

- Obtain and review assurance from the Chief Executive and management team on the adequacy and effectiveness of the organisation's risk management and internal control systems

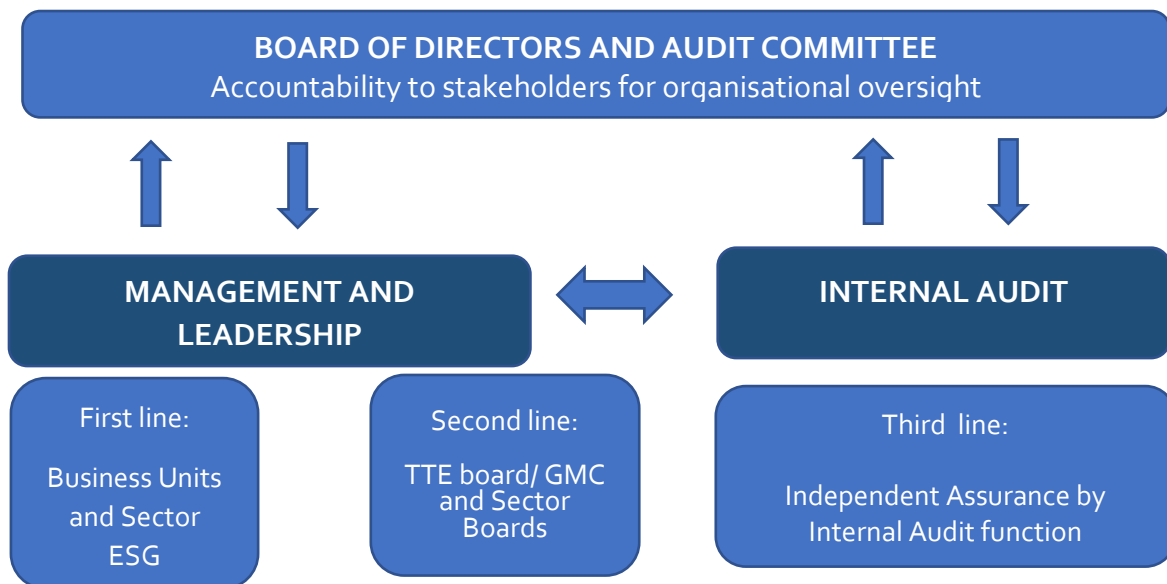
- Oversee the processes to ensure that the organisation's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Accounting Standards
- Review and assess the organisation's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks
- Conduct a review of internal controls covering financial, operational and compliance controls and risk management
- Take corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the risk appetite and tolerance levels determined by the Board

#### Responsibility of the ESG Committee

- Identify ESG related risks, opportunities and impacts and recommend the implementation of appropriate measures to effectively address these dynamics
- Review emerging trends and issues in the ESG areas and assess potential impact on the Group
- Receive updates at least quarterly or as and when required, on ESG matters including progress against targets, key KPIs and strategy implementation.

#### 4.1.2 Risk management structures

Roles and responsibility allocation for risk management is based on the Three Lines of Defense model which ensures transparency and accountability across the organisation.



#### 4.1.3 Risk Culture

The Hayleys Way serves as the Group's Code of Conduct and functions as the ethical roadmap in nurturing a culture of compliance and risk awareness. It is reinforced through regular training, including a session for new recruits at the Group's induction programme.

### 4.2 Strategy and Objective

Risk appetite is defined as the type and amount of risk the organisation is willing to accept in the pursuit of its strategic aspirations. Defined targets/KPIs are reviewed at monthly review meetings. Performance against defined risk KPIs are monitored at quarterly by Audit Committee meetings while the relationship between key sector-specific risks and the achievement of business objectives are also assessed. Targets and KPIs are reviewed and revised on an annual basis.

### 4.3 Performance

#### 4.3.1 Risk Identification

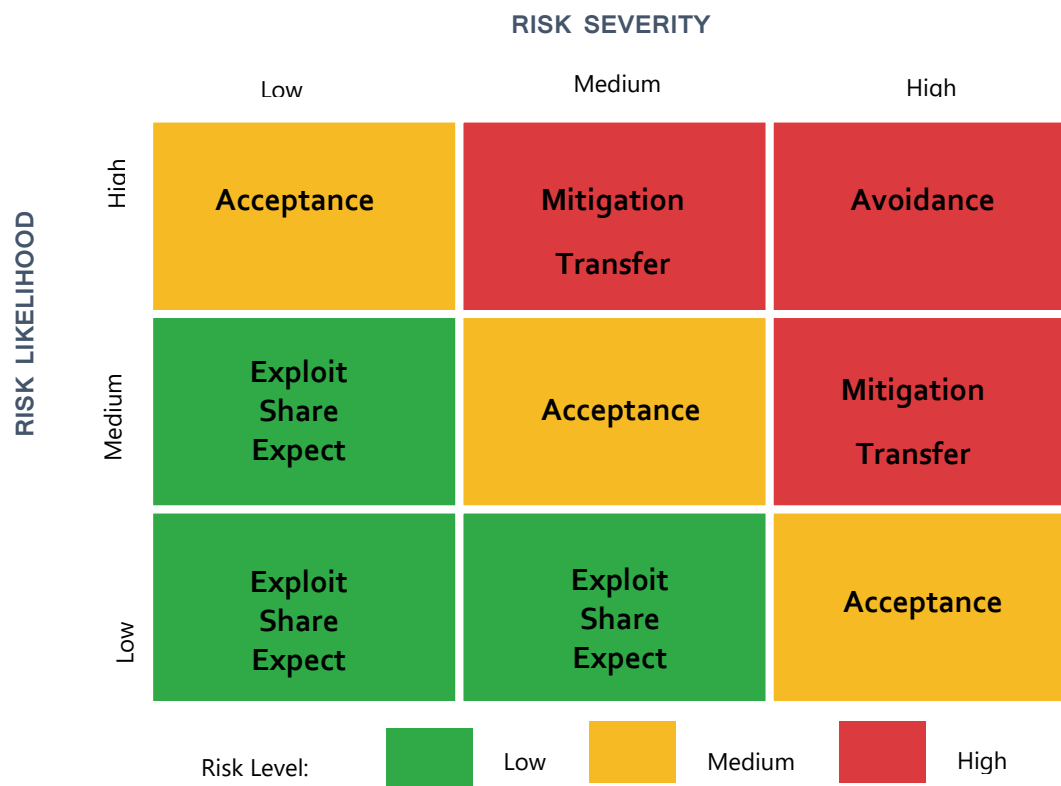
Risks are identified at Business Unit level, with the inputs of key employees across all functional areas. Risk identification occurs through leadership meetings, assessment of the external operating landscape, materiality analysis, strategic performance updates and engagement with both internal and external stakeholders among others. A risk inventory, cataloging potential risk exposures (including sustainability-related risks) that could impact the organisation has been formulated at TTE PLC level and is applicable across the Company

#### 4.3.2 Risk Assessment and Prioritisation

Risks are assessed in terms of severity and likelihood; the former ranges from 1 to 3 (low, medium and high impact) and factors to be considered include financial impact, customer/reputational impact, employee, social and environmental implications among others. Likelihood of risks are assessed from 1 to 3 (low, medium and high impact). Risks assessment and prioritisation is done through a standardised Risk Register, which is administered to all Sectors. Risks are assessed on the three time periods of short, medium and long-term.

#### 4.3.3 Risk Response

Risk response is defined as the action taken to address identified risks in order to mitigate their impact or likelihood.



#### 4.4 Review and Revision

Substantial changes in the company's risk landscape are continuously assessed through periodic re-evaluation. Potential drivers of change include organisational strategies and objectives, changes to processes, people and technology, emerging stakeholder requirements, changes in regulations and societal expectations among others. The review of risks is an organisation-wide discipline, with dedicated departments discharged with the responsibility for the review of specific risks as listed below:

Area of focus	Division
Group financial performance and resilience	Finance Department
Formulation and negotiation of the Group's insurance programme	Group Risk and Insurance
Review PESTEL risk from a portfolio perspective	Finance Department
Liquidity and foreign exchange risks Funding risks	Finance Department
Supply chain risks	Performance Monitoring Unit/Group Sourcing
Safeguarding the digital infrastructure and information assets	Group and Company IT
Environmental, social and governance risks	ESG Committee

The monitoring of performance against defined risk metrics and assessing the adequacy of the organisation's internal control frameworks is carried out by the Group Internal Audit Function, which conducts comprehensive audits based on the annual audit plan. Risk performance is assessed in the context of industry dynamics and peers. A direct line of communication between the Head of Internal Audit and the Chairman of the Audit Committee ensures that concerns are escalated to the Board of Directors as required.

#### **4.5 Communication and Reporting**

Risk Registers are updated quarterly and submitted to Audit Committees for review. Meanwhile, key findings from the audits conducted by the Internal Audit Division are escalated to the Audit Committee for corrective action.

#### **5.0 Review and update**

This policy shall be reviewed and updated at least once every three (3) years by the Chief Financial Officer. The required updates and modifications shall be recommended to the Chairman & Chief Executive and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. TTE PLC reserves the right to modify/amend the policy at any time.

#### **Effective date of implementation**

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.





# TALAWAKELLE TEA ESTATES PLC

## POLICY ON INTERNAL CODE OF BUSINESS CONDUCT AND ETHICS

### 1. Purpose

The Hayleys Way is an ethical road map for all Hayleys employees and companies, and provides the guidelines by which the Talawakelle Tea Estates PLC (TTE) conducts its businesses and operations.

#### Scope

The TTE is committed to conducting its business operations with honesty, integrity and with respect to the human rights and interests of all stakeholders.

The company and employees are required to comply with the laws and regulations of the country. Every employee shall be responsible for the implementation of and compliance with the Code in his / her environment. Failure to adhere to the Code could attract severe consequences, including termination of employment.

### 2. Policy Statement

#### Competition

TTE believes in and supports the development of appropriate competition laws and will market the company's products and services in accordance with the principles of fair competition and all applicable regulations and laws and will not make any unfair and/ or misleading statements about competitors' products and services.

#### Employees

The TTE is committed to providing equal opportunities to all its employees without regard to their race, caste, religion, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability. We will comply with all local labour laws, while encouraging the adopting of international practices.

All employees will be treated with respect and dignity and the right to freedom of association. We will strive to provide all employees with a safe and healthy work environment and we will not use any form of child labour or forced or compulsory labour.

#### Business Integrity

The company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended,

or perceived, to obtain uncompetitive favours for the conduct of its business. The company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption.

However, the company and its employees may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given and / or are of a commemorative nature.

### **Environment**

TTE shall strive to make continuous improvements in the management of environmental impacts and prevent the wasteful use of natural resources and be committed to improving the environment, particularly with regard to the emission of greenhouse gases, and shall endeavor to offset the effect of climate change in all spheres of its activities

### **Consumers**

TTE is committed to providing world class quality products and services which consistently offer value in terms of price and quality and which are safe for their intended use. The quality standards of the company's goods and services shall meet applicable national and international standards. All products and services will be properly labelled and advertised and communicated.

### **Corporate Responsibility**

The company is committed to good corporate citizenship, not only in the compliance of all relevant laws and regulations but also by fulfilling our responsibility to improve the quality of life of the people in the communities in which we operate with no harm to human rights and act in the best interest of all stakeholders.

### **Public Activities**

TTE will co-operate with governments and other organisations, both directly and through bodies such as trade associations in the development of proposed legislation and other regulations which may affect legitimate business interests. TTE does not support or favour any political party nor contribute to the funds to any party to promote party interests.

### **Shareholders**

The TTE shall be committed to enhancing shareholder value and complying with all regulations and laws that govern shareholder rights.

The Board of Directors will provide timely, regular and reliable information on our activities, structure, financial situation and performance to shareholders in accordance with relevant regulations and agreements.

### **Conflict of interest**

All TTE's employees shall always act in the interest of the company, and ensure that any business or personal association which he / she may have does not involve a conflict of interest with the operations of the company and his / her role therein.



TTE's employees must not seek gain for themselves or others through misuse or their positions.

**Regulatory compliance**

Employees of TTE company, in their business conduct, shall comply with all applicable laws and regulations in all the territories in which they operate. If the ethical and professional standards of applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

Directors of the company shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position.

**3. Policy Administration**

Procedure Any breaches to the Code must be reported in accordance with the procedures specified by the Head of Legal. The Board of Hayleys expects Hayleys employees to bring to their attention or to that of Senior Management, any breach of suspected breach of these principles. Provision has been made for employees to be able to report in the strictest of confidence and no employee will suffer as a consequence of doing so.

**4. Effective Date for implementation**

This policy shall be effective and operative from Jan 1st, 2014.

## **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;

	Talawakelle Tea Estates PLC	
	<b>Anti-Bribery and Corruption Policy</b>	

- 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.

## **Anti-Bribery and Corruption 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.

## **Anti-Bribery and Corruption 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.

## **Anti-Bribery and Corruption Policy**

### **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.



	Talawakelle Tea Estates PLC	
	<b>Anti-Bribery and Corruption Policy</b>	

### **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 01<sup>st</sup> 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 1<sup>st</sup> of October 2024.



# TALAWAKELLE TEA ESTATES PLC

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## WHISTLEBLOWER POLICY

### 1. Purpose

Talawakelle Tea Estates PLC (TTE) is committed to the highest standards of ethical, moral and legal conduct in operating its businesses. In line with this commitment, this Whistleblower Policy is primarily to provide a mechanism for employees to raise concerns where the interest of the organization is at risk and is expected to provide an assurance that employees raising such concerns will be protected from reprisals and victimization. This Policy applies to all individuals working at all levels (both permanent and contract) within the company.

### 2. Definitions

The following words and terms as used in this Policy shall unless the context clearly requires otherwise, have the respective meaning set below;

- 2.1. 'Affiliate' shall mean any legal entity which is directly or indirectly controlled by TTE, the term "control" in relation to an entity, being the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities or rights of such entity or controlling the majority of the composition of the board of directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly
- 2.2. 'Committee' shall mean the committee constituted under this Whistle-blowers Policy to consider and redress concerns raised by a Whistleblower.
- 2.3. 'Management' shall mean those persons that are in a managerial position in a Company who can reasonably be regarded as having the authority to make an initial assessment of the concern/ allegation made by a Whistleblower.
- 2.4. 'Policy' shall mean this Whistleblowers' Policy
- 2.5. 'Whistleblower' or 'Complainant' shall mean a person who raises a concern and/or allegation under this Policy

### 3. Scope

This Whistleblower Policy is intended to cover concerns raised by staff on matters such as;

- Incorrect financial reporting;
- Financial fraud;
- Unlawful or improper conduct;
- Breach of the Code of Business Conduct, Values and other Policies of the Company;

- Any other improper activity that may have a negative impact upon the ability of the Company to achieve its corporate objectives and which may cause damage to its image and reputation

This Policy does not require the Whistleblower to prove the truth of the allegations made. Whistleblowers are required to raise such allegations in good faith and in an independent and unbiased manner. The Whistleblower may also need to provide sufficient information for the Management to take appropriate steps.

Where a genuine concern is raised under this Policy, the Whistleblower shall not be at risk of suffering any form of victimization or retribution from the Company. However, allegations in bad faith may result in disciplinary action.

A Whistleblower is able to lodge concerns confidentially and/or anonymously.

Management would take all possible measures to ensure that the complainant would not be penalized for making a complaint. Further if such an event occurs, appropriate disciplinary action will be taken against the parties involved in making the complainants' life difficult. Accused will be treated as genuine until the proceedings are concluded and a decision is made. The management will take appropriate actions if needed in the event any harassment is levelled against the accused

#### **4. Procedure to raise a concern**

- 4.1. Concerns may be raised face to face or by telephone or in writing. A written report will require the background and history of the issue at hand, in chronological order together with the reasons pertaining to the concerns expressed.
- 4.2. These concerns shall be raised with the Chief Executive Officer, Managing Director and chairman of TTE

#### **5. Management Response**

Once a concern is raised, the following steps will be taken:

Receipt will be acknowledged where identity is disclosed

Management will proceed to make an initial assessment and decide on one of the following actions as appropriate.

- To be investigated internally by an internal inquiring committee appointed in the manner described herein under;
- To be referred to the Police or any other legal authority where such concerns discloses information of a criminal nature;

- To be referred to the internal or the external auditors;
- To be the subject of an independent inquiry

In the event the Management decides to conduct an internal investigation through the internal inquiring committee as laid down in this policy, a decision would be taken and communicated to the relevant parties within 3 months time from the date the inquiry commenced.

The Whistleblower will be provided with feedback on actions taken if s/he has so requested. However, it must be noted that the Management may not be able to make full disclosure where an infringement of a duty of confidentiality to another person could occur, or where the information is sensitive so as not to be able to make full disclosure which otherwise would have been made.

## **6. The Internal Inquiry Process**

- 6.1. Where an initial concern/allegation is made, the Management will discuss the matter with the Complainant. If s/he has a personal interest in the matter, s/ he will be required to disclose this at the onset. Where the concern/allegation falls more appropriately within the Grievance Procedure s/he will be advised accordingly.
- 6.2. The Committee appointed in terms of clause 7 herein, shall immediately proceed with the inquiry and communicate the same to the Complainant where necessary and to the person/s against whom the concern/ allegation is made.
- 6.3. The Committee shall prepare and hand over the statement of allegations to the person against whom the allegation(s) is/are made and give him / her an opportunity to submit a written explanation if s/he so desires within 7 days of receipt of the same.
- 6.4. If the person/s against whom the concern/allegation is made desires any witness/es to be called, s/he shall communicate in writing to the Committee the names of witness/es whom s/he proposes to call.
- 6.5. The Committee shall call upon all witnesses mentioned by the person/s against whom the concern/allegation is made and any other persons that the Committee may wish to obtain statements or evidence from.
- 6.6. The Committee shall provide every reasonable opportunity to the person/s against whom the concern/allegation is made, to defend his/her case.
- 6.7. The Committee shall complete the “Enquiry” within a reasonable period but not beyond three months and communicate its findings and its recommendations for actions to the Human Resources Department of TTE
- 6.8. The decision of the Committee will be conveyed to the Complainant and the person/s against whom the concern/ allegation is made
- 6.9. Human Resources Department will direct appropriate action in accordance with the recommendations proposed by the Committee.

## **7. Internal Inquiring Committee**

The Committee shall constitute

- Managing Director
- Chief Executive Officer

- Director – Plantations
- Director- Finance/CFO
- Head of HR

The Committee would include at least 3 members (Including MD and CEO)

A quorum of 3 members is required to be present for the proceedings to take place.

A committee member shall cease to be a member of the Committee forthwith on the occurrence of any of the following events:

- Resignation from the Committee by written notice to the Company
- Removal by notice in writing by the Managing Director and Chief Executive of TTE for just and reasonable cause
- Ceasing to be an employee of the company
- On death or any legal incapacity

Any vacancy can be filled by the Committee on the recommendation of Managing Director and Chief Executive of TTE

The Committee at its discretion may from time to time review and propose amendments to this Policy

If the complaint is against a committee member or if there is a conflict of interest that shall be known before or at any time during the inquiry with any committee member s/he will immediately step down from the Committee and the Managing Director and Chief Executive of TTE will appoint a suitable temporary replacement committee member. In the event the member is cleared of all charges, he/she will be immediately reinstated and the temporary member will step down

## **8. Confidentiality**

Where the Complainant wishes to raise a concern in confidence under this Policy and requests the Company to protect his/her identity, the Company will make its best efforts to do so unless the matters raised requires investigation by law enforcement agencies or is required to be taken up in a court of law where it may not be possible to resolve the matter without the disclosure of identity. In such a situation the Management will discuss with the Complainant on how best to proceed.

This Policy while encouraging the Whistleblowers to identify themselves, allows Whistleblowers to raise their concerns anonymously. However, this may result in the Company facing difficulties and taking more time in its investigations with no avenue for followup questions and feedback from the Whistleblower. Where a Whistleblower wishes to raise a concern anonymously, s/he

will need to provide sufficient facts and data to enable the Management look into the matter without the person's assistance.

## **9. Right of Appeal**

If the Whistleblower or the party against whom the concern/allegation is made is not satisfied with the decision of the Committee, the unsatisfied party may appeal to the Managing Director or Chief Executive of TTE in writing within 10 days of the decision of the Committee who will respond within 14 days. If no appeal is made within 10 days, the decision of the Committee shall be final and conclusive.

## **10. Effective Date for implementation**

The policy will be effective from 01<sup>st</sup> October 2024 and until that date the company was following Hayleys Group's Whistleblower policy



## TALAWAKELLE TEA ESTATES PLC

### POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

#### 1. Objective

This policy establishes the framework for the management of the organisations' assets throughout their lifetime. It aims to ensure the effective and efficient use of assets to achieve organizational objectives while minimizing risks and costs. The policy also aims to clearly define the roles and responsibilities of the stakeholders involved in managing company assets in order to ensure accountability.

#### 2. Scope

This policy applies to all users of the Talawakelle Tea Estates PLC's (TTE) assets, including employees, contractors and third parties. The following asset categories fall within the purview of this Policy

- Long-term (assets utilized for more than a year) physical assets including (but not limited to) land, building, machinery, office equipment and vehicles which are used in the production, or supply of goods and services, for rental to others, or for administrative purposes
- Shareholder investments- financial assets of the entity including investments in shares, deposits, government securities and debt securities

#### 3. Roles and Responsibility

The Board of Directors (BOD) are the custodian of all assets and liabilities of the Company. However, it is the responsibility of the relevant Departmental Heads/Estate Managers to carry out the process of acquisition, use, maintenance, and disposal of their respective divisional assets.

#### 4. Acquisition, transfer, disposal and write-off of capital assets

All capital expenditure (CAPEX) should be approved by the respective Sector Management Committee (GMC) member. Any CAPEX above Rs. 25mn should be submitted to the Group Strategic Business Development Unit (SBDU) and the Board of Directors for approval. All CAPEX items should be informed to the sector GMC member and the board on a quarterly basis.

All unbudgeted CAPEX in significant amounts should be submitted to the respective GMC member approval or Chairman approval as appropriately

Transfer of assets within the company can be done at the agreement of the relevant Heads of Department/Estate Managers and CEO. Inter-company transfers of assets within the Hayleys Group requires the approval of the respective GMC members who will agree on the consideration.

Disposal of assets require an approval from the CEO and Sector GMC member.

For an asset to be written-off, the respective HODs/Estates Managers has to inspect the asset and obtain approval from the respective CEO and the BOD.

## **5. Insurance coverage**

Insurance coverage should be obtained as per the guidelines of the Group Risk and Safety Department which will be kept informed the changes to the entity's assets when there are changes.

## **6. Documentation and tracking**

All physical assets are required to be tagged with a bar code and tracked throughout the lifetime of the asset. A fixed asset verification should be conducted once every three years in order to ensure the physical existence of the company assets.

## **7. Shareholder investments**

Shareholder investments are equity and debt investments made by the company. This includes investments in other Hayleys and non-Hayleys companies as well as other financial instruments such as government securities, corporate securities and deposits. Group Treasury should be consulted on interest rates on investments.

All strategic share acquisitions should be vetted and approved by the Hayleys PLC Strategic Business Development Unit and the Board of Directors.

## **8. Review and Revision to this policy**

This policy shall be reviewed and updated at least once every two (2) years by the Group Chief Financial Officer. The required updates and modifications shall be recommended to the Chairman & Chief Executive and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. TTE reserves the right to modify/amend the terms of this policy from time to time.

### **Effective date of implementation**

This policy shall be effective and operative from 1<sup>st</sup> of October 2024.

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# Social Policies

## Engaged Team

The TTE team represents the 's most valuable asset and the is committed to creating a conducive and rewarding environment in which employees can thrive. The Employment Policies have been formulated to ensure that all businesses align to a consistent set of guidelines which provide a foundation for effective

human resource management across the .

The suite of HR policies addresses key people management aspects such as recruitment, performance management, training and development and grievance handling, among others and provides

guidelines for the equitable treatment of all employees across the .

ESG strategies relating to the management of our people, targets and annual key performance indicators are set out in Table I: People Management Strategies, Targets and KPIs form an integral part of this standard.

### I.1.1 Industrial Relations Policy



## TALAWAKELLE TEA ESTATES PLC

## INDUSTRIAL RELATIONS POLICY

## SUSTAINABILITY POLICY / MANUAL

### I. Purpose

This policy provides guidance to all those who are involved with Industrial Relations to ensure cordial relations, social dialogue and a productive work environment. The intention is that through joint problem solving mutually beneficial results could be achieved for the greater benefit of all stakeholders.

#### Definitions

Industrial Dispute – “Any dispute or difference between an employer and a workman or between employers and workmen or between workmen and workmen connected with the employment or non-employment or the terms of employment or with the conditions of labour or the termination of the services or the reinstatement in services of any person.

“Workmen” include a trade union consisting of workmen.

### 2. Scope

Given the large number of employees in the in the various categories, employees are the most valuable asset in the that needs to be managed in a mutually beneficial manner.

Many of the employees are members of unions and collective bargaining and problem solving is an integral part of the smooth functioning of work places.

### 3. Methods for settlement

- i. Discussion and Consensus
- ii. Conciliation
- iii. Arbitration – Compulsory or Voluntary

iv. Industrial Courts

### 3.1 Discussion and Consensus

Collective agreements and check off agreements set out the procedure that needs to be followed in the event an industrial dispute arises.

In the event of a dispute arising parties should endeavour to resolve such dispute in the following manner:

- i. Firstly, efforts should be made at the location level. The employee and/or the Branch union and the Management should attempt to settle such issue/ dispute at the location level.
- ii. In the event of non-resolution of the dispute at stage (i) above attempts should be made with the involvement of the Human Resources Division to resolve the dispute.
- iii. In the event of non-resolution of the dispute at Stage (ii) above, parties agree to meet at the Employers Federation of Ceylon (EFC) in order to resolve such dispute.

# Social Policies

## 3.2 Conciliation

- iv. In the event of non-resolution of the dispute at Stage (iii) above, parties should endeavour to resolve the relevant dispute in accordance with the conciliation proceedings in terms of the provisions of the Industrial Disputes Act

## 3.3 Arbitration

Arbitration may take two forms:

Voluntary arbitration – where the parties' consent to a reference of an industrial dispute by the Commissioner General of Labour to an Arbitrator chosen by the parties or chosen by the Commissioner General, if the parties cannot agree on a common nominee.

Compulsory arbitration – where the Minister of Labour refers such dispute for settlement to an Arbitrator appointed by him or to a Labour Tribunal notwithstanding that the parties do not consent to such a reference.

## 3.4 Industrial Court

The members of an Industrial Court are selected from a panel appointed by the President of the Democratic Socialist Republic of Sri Lanka from time to time. A matter comes before an Industrial Court only where the Minister of Labour refers an industrial dispute to it.

## 4. Trade Unions

No employer shall require an employee to join or refrain from joining, any trade union, or to withdraw from, or to refrain from withdrawing from, his membership of a trade union which s/he is a member.

An employer will bargain with a trade union which has in its membership not less forty per centum (40%) of the workmen in the particular category of workers on whose behalf such trade union seeks to bargain.

Where one employer had two or more work places and the general demand in respect of one may be applicable to the other work places, the necessary representation required will be not less than forty per centum (40%) of the total workforce in that category of employees in all work places.

### 4.1 Check Off

The deduction of Union subscriptions from the salaries of employees and a remittance of same by the employer to the Union "check-off" is granted at the discretion of the employer.

It is recommended that prior to granting "check off" a check off agreement containing a dispute resolution procedure be entered into with the trade Union. Collective Agreements too could contain provisions with regard to the granting off check off facilities and the conditions relating to same.

## 5. Meetings with Branch Unions/ Employee Councils

It is recommended that meetings are held at regular intervals with branch unions/employee councils. It is further recommended that a predetermined agenda is used for such meetings and that minutes are maintained and shared.

## 6. Correspondence with Unions

In the event any correspondence is received from a Parent Union/ Branch Union it is recommended that the Management respond to same as expeditiously as possible. Where required the matter should be brought to the attention of HR and advice sought with regard to same.

If a response is provided in writing, the said response should be provided in a clear and unambiguous language. A Sinhala/Tamil version of the written correspondence should be provided where appropriate/practicable.

## Responsibility

The heads of each business sectors, along with the heads of each business units and heads of HR will be responsible to ensure this policy is valued and adhered.

## 1.1.2 Disciplinary Policy



# TALAWAKELLE TEA ESTATES PLC

## HR POLICY / MANUAL

## DISCIPLINARY POLICY

### 1. Purpose

This policy provides guidance to all employees who may be concerned or involved, either directly or indirectly in whatever capacity with disciplinary issues within the TTE . It is intended to ensure fair and just implementation of the disciplinary procedure and to ensure that full and speedy consideration is given to all relevant facts.

#### Definitions

1.1 Misconduct – “An act which is inconsistent with the fulfilment of express or implied conditions of service or if it has a material bearing on the smooth and efficient working of the concern”

1.2 An “Act” where relevant would include an “omission”

1.3 HR (GHR) – Human Resources Division of TALAWAKELLE TEA ESTATES PLC

Types of acts or omissions which would amount to misconduct are set out in Annexure I. This list is not exhaustive or exclusive

Holding a disciplinary inquiry improperly is almost as objectionable as an inquiry

not being held.

### 2. Scope

The disciplinary procedure set out herein is to apply to all categories of employees’ subject to the condition that some employees could be governed by Collective Agreements which stipulate certain procedures that need to be adhered to and restrictions that need to be complied with. The nature of the particular business or the position held or occupied by the employee concerned maybe relevant to consider in deciding whether an act or omission amounts to misconduct. The types of punishments that could be imposed are set out in Annexure II (the list of punishments is not exhaustive or exclusive).

### 3. Preliminary Investigation

Where an act of misconduct is committed by an employee that warrants disciplinary action:

3.1 Obtain written statements

3.1.1 Witnesses to furnish their own statements (preferred) or

3.1.2 A person in authority recording their statements and having them signed by the witness in question

3.1.3 The “accused” to be asked to furnish his statement (preferred) or

3.1.4 A person in authority recording the statement and having it signed by the “accused”

3.2 If the charges relate to goods or articles they should be carefully preserved, marked and sealed (where possible).

3.3 Sketches and photographs to be made or taken where relevant.

3.4 CCTV & other relevant recordings relating to the incident to be provided.

#### 4. Suspension Pending Inquiry

4.1 Instances when suspensions should be considered

4.1.1 Where the charges if proved would normally result in the termination of employment and/or

4.1.2 Where the presence of the accused would cause a breach of the peace or damage to property or disturbance to the business and/or

4.1.3 Where his/her presence for some other reason is deemed undesirable

4.2 If the employee being suspended is governed by the terms of a collective agreement the time frames and provisions set out therein should be adhered.

## Social Policies

4.3 Where there is no collective agreement, when an employee is being suspended, at the time of suspension or within a reasonable time thereof the employee should be informed in writing the reason for such suspension. The suspension letter should be signed by the head of the location or by someone authorised to do so on their behalf. (A sample suspension letter pending inquiry is given in Annexure III)

### 5. Show Cause Letter

5.1 The show cause letter would be issued in English and where relevant a Sinhala/Tamil version would be provided.

5.2 The show cause letter should specify the charge or charges against the employee.

5.3 In certain circumstances a show cause letter may take the form of recounting of all the incidents relating to the charge/s, followed by the formulation of specific charges based on those incidents.

5.4 Wherever possible it is advisable to avoid the use of criminal law terms e.g. Theft, Misappropriation etc. (as these offences have specific connotations in criminal law and there is no need for the employer to assume the burden of proving the ingredients of those criminal law offences).

5.5 The show cause letter should also contain

5.5.1 The date, time, and place of commission of the act/s of misconducts where relevant

5.5.2 The time limit within which an explanation in writing should be tendered (if there is a collective

agreement the period set out in same or at least three (3) full working days where no collective agreement is applicable

– (If a reasonable extension of time is requested it should be allowed unless there are compelling reasons to refuse the request)

5.5.3 An intimation to the employee that should s/he fail to submit his/her explanation in writing by the specified date it would be presumed that s/he has no cause to show and action will be taken on that basis.

5.6 Where an employee is suspended the show cause letter should specify that s/he is suspended from work without pay (if such is the case) until further notice.

5.7 Where possible the show cause letter should be handed over to the accused employee in person and his/her signature obtained on the duplicate as evidence of receipt.

5.8 Where 5.7 is not possible the show cause letter should be transmitted by registered post/courier to his/her address. However, to expedite delivery the show cause letter could be scanned and sent via email / WhatsApp where sending by registered post/courier is not practically possible. GHR to be kept informed if this mode of communication is used and outcome of same.

5.9 Where a letter sent by post / courier is returned undelivered GHR should be consulted immediately.

### 6. Letter of Explanation

6.1 On receipt of the letter of explanation the employer must decide whether the explanation is acceptable or not. If acceptable and the employee is

suspended s/he should be reinstated in service with full pay for the period of suspension.

6.2 If the explanation is not acceptable – where an employee denies the charges, s/he should be informed in writing that his/her explanation is unsatisfactory and unacceptable and that an inquiry will be held on a specified date and time and that s/he should be present at the inquiry with his/her evidence and witnesses, if any.

6.3 Where an employee admits to the charges unconditionally there is no necessity to hold a domestic inquiry. However, if the admission is made in qualified terms it is advisable to hold a domestic inquiry. It is also advisable to hold a domestic inquiry where it appears that there could be extenuating or mitigating circumstances.

6.4 Where the accused employee fails to tender his/her explanation within the stipulated time action can be taken on the basis that s/he has no cause to show. However, it is prudent to afford a reasonable time to him/her to submit his/her explanation before taking such action.

6.5 If an accused employee requests to examine the documents prior to furnishing his/her explanation, which could arise where an employee cannot be reasonably expected to answer the charges without reference to documents in the employer's possession, a date and time may be fixed for the employee to examine the documents in the presence of an Executive. Copies of documents should not be given, and the employee should not be permitted to peruse the statements of witnesses.

## 7. Domestic Inquiry

### 7.1 When to hold a domestic inquiry

7.1.1 When the explanation given is unsatisfactory

7.1.2 Even where the employee does not furnish an explanation it could be useful to hold an inquiry to have the advantage of recorded statements of witnesses for use at a later stage before labour fora and also bona fides of the employer are strengthened.

7.2 Who should hold the domestic inquiry

7.2.1 Official of the Company not below the rank of Executive

7.2.2 Inquiring Officer should hold a position above the rank of the accused employee

7.2.3 Should not be a witness to the charges

7.2.4 In exceptional circumstances it may be prudent to get the services of an external inquiring officer.

### 7.3 Representation at domestic inquiries

7.3.1 Under no circumstances should the accused employee be represented by any person from within or outside the company.

7.3.2 The accused employee is entitled to have present at the inquiry an observer (who must be an employee of the company in a similar grade/rank) The observer cannot make statements or cross examine witnesses but can take down notes of the proceedings.

### 7.4 Holding of the Inquiry

7.4.1 The inquiry should be conducted in a language that the accused employee is conversant in. A translator's services may be used where such services are necessary to proceed with the inquiry.

7.4.2 The inquiry will commence with the accused employee being asked whether s/he is guilty or not of the charges preferred against him/her.

7.4.3 If s/he pleads guilty s/he should be afforded an opportunity to make a statement in that connection as s/he could show extenuating or mitigating circumstances.

7.4.4 If the accused employee pleads not guilty the recording of the evidence on behalf of the employer should be done.

7.4.5 If an accused employee has been informed of the date and time of the inquiry but is absent but has made a request for a postponement such request should usually be complied with.

7.4.6 Where the accused employee is absent without explanation or request, one further opportunity should be given to attend the inquiry but, in the letter informing him/her of the new date it must be stated that if s/he persists in his/her absence without explanation the inquiry will be held ex parte.

7.4.7 If a witness is unable to give evidence in the language in which the inquiry is being conducted and if the accused employee is not conversant with the language in which the witness is able to give evidence the evidence should be translated and explained to the accused employee.

7.4.8 Evidence should be recorded in direct speech or as questions and answers.

7.4.9 The accused employee should be given the opportunity to question any witness and if s/he declines or once s/he finishes questioning it should be recorded that s/he has no further questions for the witness.

7.4.10 The accused employee can call witnesses on his/her behalf only after s/he himself/herself has given evidence.

7.4.11 Witnesses can be recalled, where it is deemed necessary.

7.4.12 Documents and productions should be kept in the possession of the inquiring officer during an inquiry.

### 7.5 Findings

7.5.1 A written report should be submitted by the inquiring officer to the General Manager – HR / Head - HR

7.5.2 The conclusion in respect of each of the charges as to whether the inquiring officer finds the accused employee guilty or not guilty should be stated.

7.5.3 Inquiring officer can find an accused employee guilty of a lesser charge

7.5.4 Inquiring officer can draw attention to extenuating and aggravating circumstances where such exist.

7.5.5 The General Manager – HR /Head of HR will share his/her views on the report so submitted with the HR Head of the employee's company and the GMC member where applicable to decide on a punishment (if any).

## Social Policies

7.5.6 Within a reasonable time or within the time stipulated by the collective agreement the accused employee should be informed of whether s/he has been found guilty or not guilty of the charges preferred against him/her and the punishment if s/he has been found guilty.

### 8. Punishment

8.1 Punishment for acts of misconduct would vary on the gravity of the misconduct committed, length of service of the employee, his/her past record and the position occupied by the employee.

8.2 The possible attitude of the labour courts should also be considered in deciding the punishment.

8.3 When the punishment is short of dismissal the accused employee's signature should be obtained on the duplicate of the letter communicating the punishment.

### 9. Post Inquiry

9.1 If an employee's services are terminated a signed copy of the termination letter, inquiry report, inquiry proceedings, preliminary investigation documents and documents produced and marked at the inquiry, show cause letter, reply and other correspondence relating to the inquiry should be placed in the personal file and the personal file together with other objects produced at the inquiry (if any) should be kept in the custody of GHR to be used if needed at labour fora.

9.2 If the punishment is less than dismissal the acknowledgement copies of the letter of punishment, inquiry report, inquiry proceedings,

preliminary investigation documents and documents produced and marked at the inquiry, show cause letter, reply and other correspondence relating to the inquiry should be placed in the personal file. If there are other objects they should be returned to the company or to the relevant party.

9.3 Even where an employee is found not guilty the letter informing him/her that s/he is not guilty, and the other documents connected with the inquiry should be placed in the personal file.

### 10. Responsibility

The Heads of all business sectors, along with the Heads of HR will be responsible in ensuring that this policy is valued and adhered to.

#### ANNEXURE I: Types of Misconduct

- Dishonest conduct
- Failure to account for company funds
- Violating the company's rules and regulations
- Neglect of duty
- Failure to carry out lawful instructions of the superior officer
- Insubordination
- Misuse of company property
- False or incorrect information in applications for employment
- Sleeping whilst on duty
- Being rude and abusive to a superior officer
- Being rude and abusive to a colleague or subordinate
- Keeping away from work without authority
- Keeping away from work in excess of leave entitlement

- Late Attendance
- Acting in a manner unbecoming of an employee of the company
- Intoxication during working hours
- Malingering
- False or misleading statements
- Smoking in a prohibited area
- Chewing betel in a prohibited area
- Taking mobile phones into a prohibited area without authority
- Assaulting a superior/colleague or subordinate

#### ANNEXURE II: Types of Punishments

- Verbal Warning
- Written Warning
- Deferment of an increment
- Stoppage of an increment
- Reduction of bonus
- Stoppage of bonus
- Suspending from work without pay
- Dismissal

#### ANNEXURE III: Suspension Letter Pending Inquiry

It is reported that on ..... at ..... a.m./p.m. you have (acted in the following manner.....)

You are hereby suspended without pay pending inquiry. A show cause letter will be sent to you in due course. You are prohibited from entering the premises of this company or any of its subsidiary or associate companies or the premises of TALAWAKELLE TEA ESTATES PLC or any of its subsidiary or associate companies without the written permission of the undersigned or the GM – Human Resources Management or the Head of HR.



### 1.1.3 Grievance handling Policy



## TALAWAKELLE TEA ESTATES PLC

### GRIEVANCE HANDLING POLICY

## HR POLICY / MANUAL

#### 1. Purpose

The purpose of this policy and associated procedure is to provide a structured grievance handling framework for the complainants as well as complaint recipients, and to provide guidelines on how to lodge a grievance and how that grievance will be resolved to ensure fair and equitable treatment to all our employees.

#### 2. Definition

A grievance may be defined as a state of mind and dissatisfaction arising out of a course of action or decision made by a supervisor. Hence from the employee point of view such actions or decisions would be unfair, unjust or inequitable. Therefore, the employee naturally seeks relief and solutions.

#### 3. Scope

This policy and procedure sets out the essential elements for the management of grievances of all employees across the from inception to final outcome.

#### 4. Responsibility

NO.	JOB TITLE
1	Sector GMC member
2	Immediate Superior
3	Sector HR Manager

#### 5. Policy Administration Procedure

##### 5.1 Informal Procedure

Wherever possible, employees (or a representative from the respective union) are encouraged to discuss with the immediate Supervisor or Line Manager. However, if the grievance cannot be resolved through an informal discussion the following formal procedure would apply.

##### 5.2 Formal Procedure

5.2.1 If the grievance is not satisfactorily resolved with the immediate supervisor, the employee may submit a formal grievance in writing to the next higher-level supervisor/ department head.

5.2.2 The next higher-level supervisor/ department head will analyse the facts and arrive at a satisfactory solution in respect to the grievance.

5.2.3 In the event of the grievance not being resolved at the level of the next higher-level supervisor/ department head, the grievance will then be discussed with the relevant GMC member, company head and /or a representative from HR.

5.2.4 The grievance review request form with the comments of the line manager should be referred to the GMC member. Such discussion will be arranged within 3- 5 days of request made by the employee to the GMC member.

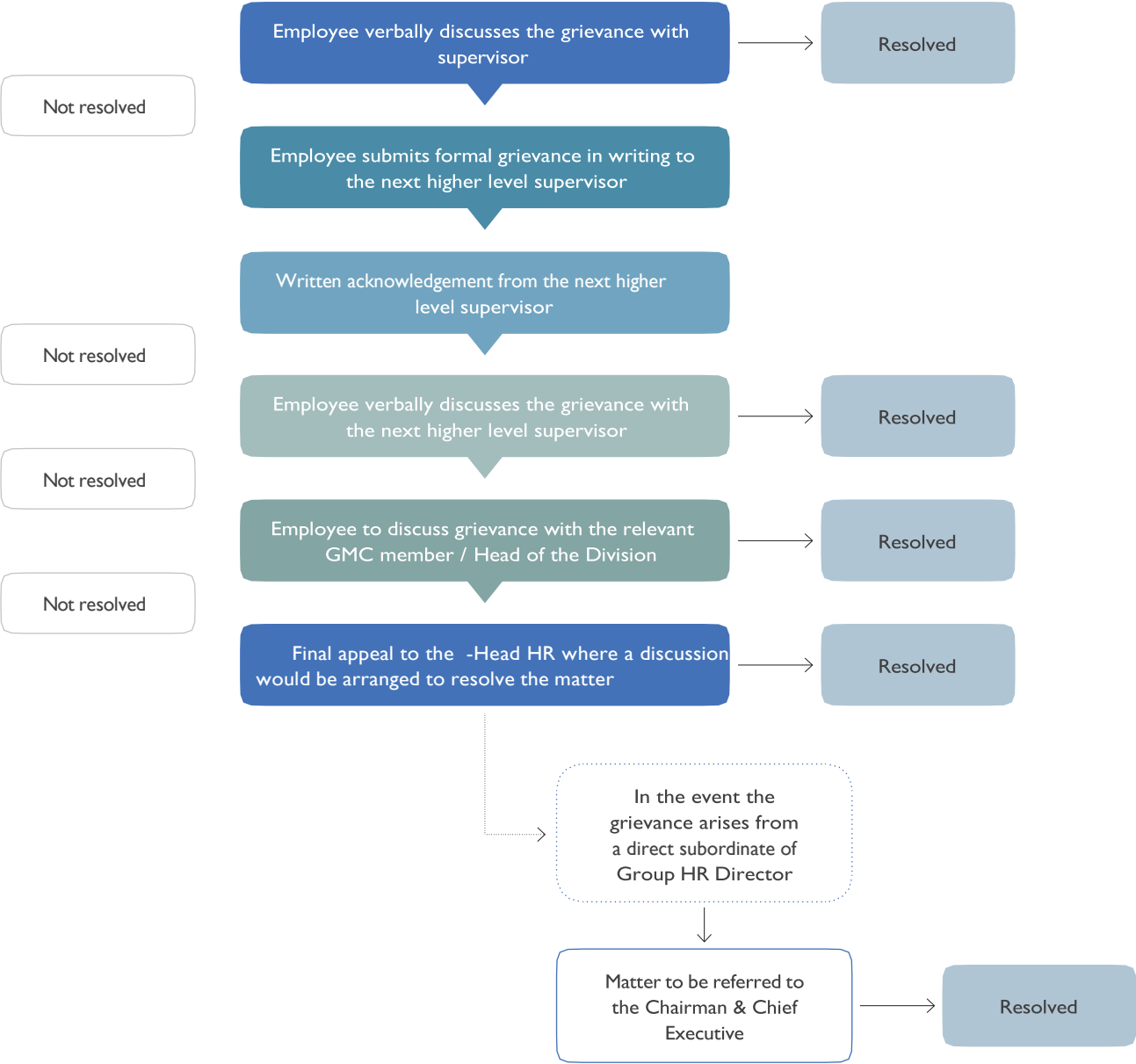
5.2.5 Further discussions will be conducted with the initiative of the GMC member and the respective supervisors and line managers will be called upon with the concerned employee with adequate notice.

5.2.6 The GMC member at his/her discretion refer any unresolved employee grievances to the Head- HR

In the event the grievance arises from a direct subordinate of the Head of HR then the matter will be referred to the Chairman and Chief Executive of TALAWAKELLE TEA ESTATES PLC or a senior Non-Executive Director of TALAWAKELLE TEA ESTATES PLC.

# Social Policies

## 6. Employee Grievance Process



## 7. Responsibility

The Heads of all business sectors, along with the Heads of HR will be responsible in ensuring that this policy is valued and adhered to.

## 1.1.4 Recruitment Policy



# TALAWAKELLE TEA ESTATES PLC

## HR POLICY / MANUAL

## RECRUITMENT POLICY

### 1. Introduction

#### 1.1 Philosophy

At TTE, we believe that people make the difference between a good organisation and an excellent one. The aspirations, competencies and commitment of our people are at the heart of all our achievements.

Our Work environment facilitates;

- Recognition and rewards for performance
- Learning, development and empowerment
- Sharing of managerial experience, exposure and expertise
- Personal, Professional and Career growth
- Creativity and Innovation
- Equality and Fair play
- Social responsibility in all that we do

What we offer our employees is the opportunity to enhance their potential, perform and achieve their career ambition.

#### 1.2 Objective

This Recruitment policy is developed with a view,

1.2.1 to provide a clear understanding of the recruitment process at TTE .

1.2.2 to hire the right persons at the right time for vacant positions.

1.2.3 to ensure that they possess the required competencies at the required level to perform their jobs in an effective and an efficient manner.

#### 1.3 Scope

1.3.1 This process applies throughout the TTE for which candidates shall be sourced internally and externally.

#### 1.3.2 Employment Categories

Employees are categorised in the following grades of the Company.

- Managing Director
- CEO
- General Manager
- Senior Manager
- Manager
- Assistant Manager
- Senior Executive
- Executive
- Junior Executive
- Officer
- Clerical
- Manual Staff

### 2. Position Request

#### 2.1 Vacancies

Sector HR Heads are required to provide details of current head count as well proposed head count at the time of manpower planning for the budgeting process in respect of each financial year.

A Position Request may occur due to the following:

- a. Creation of a new position
- b. Replacement of an existing position.

Suspension or No-pay leave of an employee does not create a vacancy. In case of such 'Temporary Vacancy,' another employee may be assigned to cover the work of the position or based on business needs an incumbent could be hired on a temporary contract basis.

#### 2.2 The Position

A vacancy in the approved cadre is always for a specific position and has a specific evaluated Job Description (JD). A JD will include the Job Title as indicated in the Organisation chart, the job purpose, responsibilities, qualifications and experience required.

## Social Policies

### 2.3 Employment Vacancy Request

All vacancies at TTE shall be filled through internal recruitment; if no suitable person is found within the company, external recruitment will take place.

#### 2.3.1 The Position Request Form

2.3.1.1 The PRF shall contain the following details:

- Company Department
- Job Title Category
- Number of Vacancies to be filled
- Reason for vacancy (e.g. replacement for person x)
- Cadre - Budgeted/Unbudgeted
- Advertising Method
- Approval for recruitment

2.3.1.2 The specific evaluated Job Description needs to be attached at the time of forwarding the PRF to the recruitment section in TTE HR (GHR).

#### 2.3.2 Role of Sector/Sector Human Resources

2.3.2.1 Sector/SBU HR Managers should raise a PRF for all vacancies in their Companies:

All Replacements should be approved by the Head of the respective Company

All New positions (budgeted and unbudgeted) should be approved by the GMC member for that sector

2.3.2.2 The Line Manager will also be required to justify the need for the new positions (budgeted and unbudgeted) to the SBU/Sector Head at the time of raising the PRF

## 3. Sourcing

### 3.1 Internal Recruitment

Will be done by way of Internal Vacancy Notice (IVN) or identified employees from the succession pool.

### 3.2 External Recruitment

If external hiring is approved, candidates for such positions would be sourced through press advertisements, TTE Careers website, CV Data Bank, Online Advertising, Head hunting, Recruitment Agencies, employee referrals, participation at job fairs etc.

#### 3.2.1 Advertising

The closing date for all press advertisements will be 07 days from the date of publication.

TTE Careers email:

[hr@ttel.hayleys.com](mailto:hr@ttel.hayleys.com)

- No late applications shall be entertained

### 3.2.3 Internships

An Intern would be a student/ undergraduate, participating in a program of temporary, supervised work in a particular field where the Company grants an opportunity for the potential intern to gain practical experience. Internship opportunities are granted solely for the benefit of the students/undergraduate in order to provide exposure to a professional work environment and sharpen the desired skills and competencies needed for the corporate world.

The placement of such students to any Company/SBU should have approval from the respective Head of the Company.

#### 3.2.4 Local and Expatriate Recruitment (for Senior Management of the )

The Management reserves the right to use its discretion to identify and appoint candidates to identified positions in the Company.

### 3.3 Initial Evaluation and Short Listing of Applications

All applications received shall go through an initial evaluation and short-listing as per the requirements of the advertisement and as detailed in the qualification matrix by the Company HR Division. The applications shall be forwarded to the Line Managers thereafter for further evaluation.

## 4. Interview Process

Interviewing is considered to be one of the most important stages in the selection process and shall be conducted in a fair and impartial manner.

### 4.1 Preliminary Interviews

The Company/SBU will facilitate the preliminary interview process within 05 working days of finalising the initial shortlist of candidates.

#### 4.1.1 Panelists

Panelists for the preliminary Interview will consist of:

- SBU Head
- Immediate Supervisor
- Location HR Executive/Manager / TTE HR (if required)

### 4.2 Second/Final Interviews

#### 4.2.1 Panelists

Panelists for the second/final Interview will consist of:

- Assistant Manager and Executive - Immediate Supervisor + Company HR Head + SBU Head
- Manager and DGM - SBU Head + Company HR Head + GMC Member
- GM and above - SBU Head + Company HR Head + GMC Member + Head TTE HR

## 5. Testing Candidates

### 5.1 Aptitude Tests

Aptitude test will be administered as and when required considering the role.

5.1.1 Aptitude tests will be as follows:

- General Aptitude Test
- Management Trainee Aptitude Test

### 5.2 Psychometric Tests

A psychometric test is a series of written or practical tasks which assess a clearly defined area of human behaviour. It measures less tangible or hidden qualities that cannot be directly experienced through our senses.

Psychometric testing would be administered as and when required considering the role.

## 6. Pre-Recruitment Formalities

### 6.1 Approval to Hire (ATH) Form

The ATH form is the source document to generate the letter of appointment. The ATH form will have to be approved by the respective Company/SBU Head of the respective sector.

The signed ATF form along with the CV, Personal Information sheet, Interview summary will be handed over to HR services by the Recruitment team to proceed with onboarding formalities.

### X-I GRADE

A candidate (who at present is in a grade lower than the evaluated grade of the job for which the interview is held) identified as not meeting the expected level (grade) to perform the job for which he/she was interviewed, a job offer may be made as a X-I or X-2 situation. This means that the job offer is for a grade lower than the evaluated grade of the job and a fixed period of time up to 2 years shall be allowed for improvement. The decision to confirm in the evaluated grade is then based on performance where an appraisal is done in order to confirm staff in the evaluated position. The decision to offer an X-I or 2 positions must be communicated to the candidate and agreed at the final interview.

### X+I GRADE

In instances where sourcing of candidates has been difficult, and the required competencies are identified in a person who has applied for a higher position, the Chief Executive Officer has the discretion to offer a higher grade than the evaluated grade of the job. In such instances a person is given the job on a "Personal to Holder" basis where the person is placed at a grade higher than the job and the job continues to be in the lower grade.

### 6.2 Reference and Credential Verification

A minimum of 2 reference checks inclusive of two former employers (if employed previously) should be completed. Reference checks will be done on the telephone and would be documented. References are confidential and must be maintained in the personal file of the employee.

## Social Policies

### 6.3 Communicating Salary and other Benefits

Once the candidate has been selected for the position the salary and other benefits will be communicated to the hired employee by the respective HR Head.

### 6.4 Medical Fitness Test

The appointment is subject to being classified as fit for service by the Group Medical Officer. It is also a condition of the employment that the Company shall be entitled to have the employee medically examined at any stage by the Medical Officer or a Doctor or Doctors of the Company's choice.

## 7. Engagement Formalities

### 7.1 Permanent Staff

#### 7.1.1 Probation

The period of probation for all employees will be 6 months.

If an employee's performance is below the expected standards in relation to the JD or those who do not observe the staff regulations or other company policies must be terminated within the period of probation. However, in such instances it is necessary to keep a record of such incidents.

A probation period can be extended for a further period of 6 months. If this is done, it must be brought to the notice of the relevant staff member in writing, before the expiry of the initial probation period.

### 7.2 Contract & Other Staff

#### 7.2.1 Contract staff

Employees will be hired on Fixed Term Contracts only for job roles that have a specific time duration defined for the completion of the job scope such as job roles involved in Projects and/or specific assignments.

#### 7.2.2 Interns

Interns to be provided, a monthly allowance which will be paid to them during their internship. At the end of the internship a letter indicating the areas and training they received would be given to them. Duration of internship should not reach or exceed 12 months.

#### 7.2.3. Hiring through Service providers

Hiring from service providers to the organisation will only be with the consent of the relevant service provider and with CEO/MD approval.

### 7.3 Rejoining of Resigned Employees

Employees who have had their employment terminated by reason of a disciplinary process shall not be considered for recruitment.

Employees who have left the company through a Voluntary Retirement Scheme (VRS) shall also not be eligible to rejoin any Company of the TTE . Such employees can be considered for rehire only upon the completion of a reasonable time frame since the

acceptance of the VRS as decided by the relevant TTE GMC member of the Sector and with the approval of the Chairman/Chief Executive of the .

In the event of recruiting a previous employee to any Company within the TTE , the previous service period of that employee shall not be counted for any purposes.

## 8. Post Recruitment Documents

Once a local candidate is identified and selected a series of post recruitment formalities are carried out by the recruitment section.

Following are the documents that would be required in order to complete the above-mentioned formalities.

1. Birth certificate of the Employee
2. Birth certificate of Children (If any)
3. Marriage certificate (If any)
4. National Identity Card
5. Educational Certificates
6. Professional Certificates
7. Passport Size Photograph
8. Bank Account Details
9. Grama Sevaka Certificate (Non-Executive Grades only)
10. Police Report (Non-Executive Grades only)

## 9. On-boarding

### 9.1 Personnel Administration matters including letters of appointment

It is encouraged for Sectors of the to obtain the shared services of the Human Resources Department for the administration of both executive and non-executive personnel files and related administration matters so that the Sector's Human Resources department could devote its time on strategic human resource interventions for its Sector. However in the event that the Sector Human Resources Department were to manage the above mentioned personnel administration matters, such has to be in accordance with this policy and other applicable standard operating procedures that the sectors abide or which have been advised by the Human Resources Department.

### 9.2 Acceptance of Offer

On candidate request a Letter of Offer can be issued specifying details of remuneration and position. The candidate will be required to confirm the acceptance of the offer by returning the signed duplicate of the copy. Subsequent to other onboarding formalities the comprehensive Letter of Appointment will be issued. The selected candidate shall be required to confirm acceptance of appointment by signing and returning the duplicate copy of the letter of appointment together with terms and conditions of employment as applicable to the relevant position.

### 9.3 Non-Acceptance of Offer

On non- acceptance of offer or silence of the candidate, The Company shall treat the offer of employment as rejected.

### 9.4 Unfilled Positions

All unfilled positions as a result of inability to find suitable candidates shall be reconsidered by the Company. It is policy that any such unfilled positions shall be kept open until a suitable individual with the required job specification is found.

## Responsibility

The heads of each business sectors, along with the heads of each business units will be responsible to ensure this policy is valued and adhered to.

# Social Policies

## I.1.5 Learning and Development Policy



### TALAWAKELLE TEA ESTATES PLC

### LEARNING & DEVELOPMENT POLICY

### HR POLICY / MANUAL

#### Purpose:

The policy is established with the objective of setting a framework of guidelines on Learning & Development of our employees pertaining to the following:

- To provide enhanced direction related to learning and development at TTE .
- As Learning and growth is an integral part of life at the World of TTE, our values are manifested through the philosophy of learning and growth of its people.
- Committed to ensure development and execution of learning initiatives that are aligned with continuous Learning and development of our people as a organisational strategy.
- Entrust individual responsibility to employees on their personal and professional growth.
- Leaders at all levels in the organisation are accountable for the growth and development of their people. Thereby, to provide opportunities for continuous learning and adapting capabilities

#### Scope:

Invest on a continuous basis in developing competencies of employees, whilst focusing on:

- Priority given for technical, professional, functional skills and leadership aspects.
- All learning & development aspects of Management and senior leadership of TTE
- Personal development of all employees at TTE

#### Core Content:

Learning & Development policy comprehensively covers guidelines pertaining to:

- Training needs identification
- Designing and delivery of required training programs
- Nominations & program participation
- Post training evaluation -Throughout the above stages of the learning & development cycle, vigorous involvement of senior management together with the HR- Learning

& Development is mandatory for successful implementation of the complete learning process. References to the term “Management” in this policy shall always include the departments concerned unless expressly excluded for a specific reason, which shall be stated.

#### Learning & Development Procedure:

##### I. Training needs Identification

- Training needs identification of employees will be carried out on annual basis by respective sector HR teams.
- Main mechanism of identification of training needs will be through annual performance appraisal discussions.
- Through discussions with respective GMC members, CEOs and Directors of the respective Sector / company.
- Development needs will also be identified based on specific requirements of any special projects/ assignments.
- Talent and succession pool development is the responsibility of the Sector GMC member, in collaboration with sector HR team and HR.



## 2. Prioritising training and development needs

Respective cluster HR Head is responsible:

- To define and identify critical training needs of respective sector employees
- For compiling and validating critical training needs for their sectors.
- For identifying and compiling programme objectives and expected performance standards.
- For communicating collated & prioritised trainings needs of its employees in a structured format to the HR division on an annual basis.

## 3. Designing and delivery of Training Programmes

HR division will:

- Review, design and facilitate relevant training programmes to cater to identified specific training needs that are common for all clusters.
- Designing of training programs will be predominantly based on the identified specific development needs of employee including:
  - i) Expertise and recognition of selected trainers/ training institutes,
  - ii) A database of pre-approved Trainers/ Training partner institutions will be maintained by HR division.

iii) Discussions with identified parties will be held prior to making the decision to customise the programme, in order to meet expected training objectives of nominated participants.

iv) HR Cluster members may also forward to HR the details of suitable training partners' details that are recommended.

v) Respective sector HR teams will be responsible to handle any other sector specific training programs.

## 4. Cost Allocation and Training Investments

- HR Cluster members are responsible in preparation of the budget and defining of other constraints for identifying potential development opportunities for their respective sectors.
- Respective sector HR teams are required to keep the GHR team informed at the beginning of the financial year, on their specific budget allocations for overall learning & development upon completion of budgeting cycle.

## 5. Post Training Evaluations

- Feedback from participants will be gathered, reviewed and evaluated by the HR for necessary action.

- In the event of any non-conformity, the respective trainer/ training institute will be called for a discussion, to ensure quality and standards of the programs are maintained.

- Knowledge sharing should be done amongst peers within own dept. /company within a month of completing the training by the respective employee.

6. -wide training is categorised as follows:

- Specific programs which are sponsored by HR
- Repetitive wide programs where the cost is borne by respective Sectors (Based on nominations)
- All requests have to be in line with the published training catalogues. If any other programme which is outside the catalogue is required, Talent Development Team to be consulted directly.
- Sector-specific Training

## Responsibility

The heads of each Business Sectors, along with the heads of each business units will be responsible to ensure this policy is valued and adhered to.

# Social Policies

## 6.1.6 Talent Management and Succession Planning Policy



### TALAWAKELLE TEA ESTATES PLC

### TALENT MANAGEMENT AND SUCCESSION PLANNING POLICY

### HR POLICY / MANUAL

#### Overview

The TTE Talent Management and Succession planning will be an ongoing wide process which identifies the competencies, assesses said competencies in order to develop and retain a talent pool of employees.

The process is conducted in order to ensure the continuity of business, immaterial of the changes in leadership, across all critical positions.

#### Objective

The TTE Talent Management and Succession planning is designed to be a focused and proactive process, which will enable TTE to determine the competent talent pool in order to ensure the continuity of business, immaterial of the changes in leadership across all critical positions, across the .

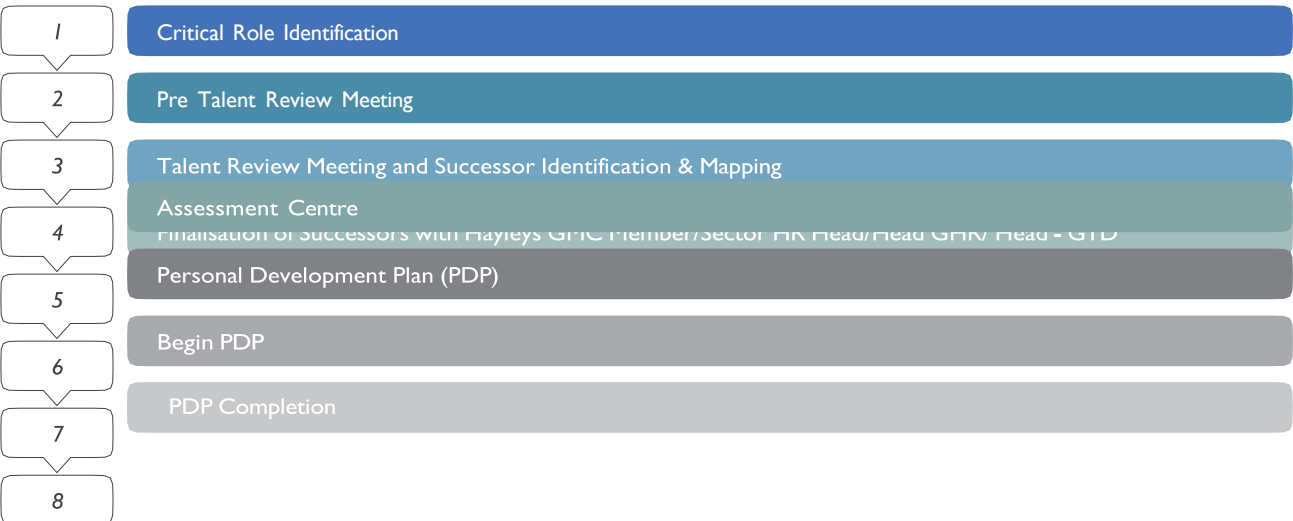
- A process to preserve the information and knowledge within the organisation; in case of retirement, promotion or attrition.

- A tool for high performing individuals, at various designation levels will be able to take up the responsibility whenever necessary.
- To support the growth of Employee Engagement
- To reduce the recruitment cost

#### Eligibility Criteria

- Identified talent must have completed at least two Appraisal cycles.

#### Succession Planning Process



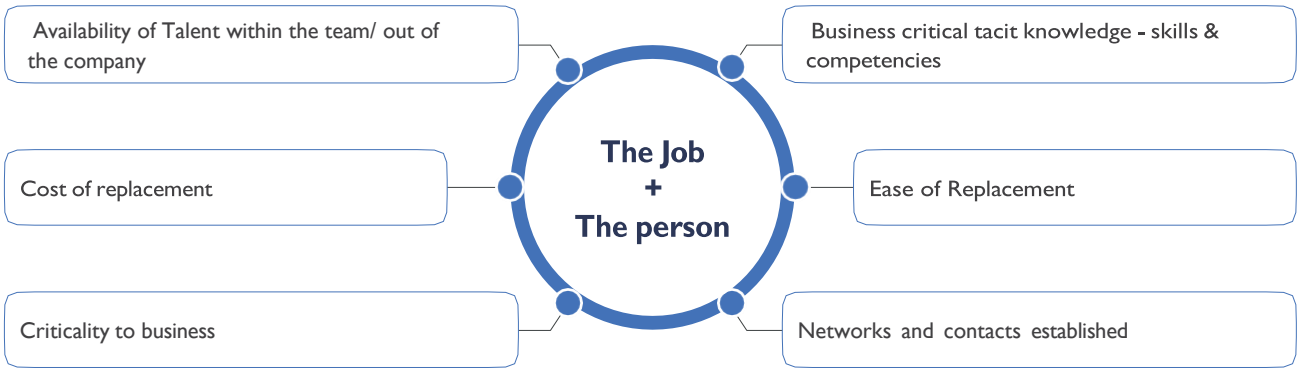
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Critical Role Identification

The accountability lies between the BU Head and Relevant GMC member

The immediate Supervisor and BU Head will conduct the initial stage of identifying critical role(s). Sector HR Head is required to overlook the process.

Following which the Sector HR Head will need to overlook the process and research the availability of Talent for each identified Critical Role.



2

Pre Talent Review Meeting

Once the Talent Review meeting request has been sent by HR, the supervisor will receive a notification to complete a potential questionnaire for those who fall within the criteria of 3 & above for the Performance rating, by the Human Resources department. This questionnaire is required to be completed prior to the Review meeting, as it collates information for the 9-box grid for those within the identified criteria. It is rated using a 1 - 5 Likert scale.

The questions in the system are as below:

- 1) The person is a strategic thinker
- 2) The person has the ability to lead others through influence, not just authority

- 3) The person is a creative problem solver
- 4) This person thrives on new challenges and delivers results
- 5) This person is a good fit within our culture
- 6) This person has an effective network; both internally and externally
- 7) This person is self-aware, and strives for both personal and professional development
- 8) This person recognises and leverages the potential in others

Based on the scoring the potential rating will be decided as shown below;

- 8 to 20 – Low
- 21 to 34 – Medium
- 35 to 40 – High

In addition to the Potential, Risk of Loss (likelihood of employee leaving – flight risk) and Impact of loss (impact to organisation if the employee leaves) ratings will also have to be provided on a High, Medium and Low rating scale. These will be direct inputs by the supervisor and further ratified at the Talent review committee.

Parallel to this, a 'best fit analysis' will need to be completed for those identified critical roles. This task is to be carried out by the BU Head, following the initial discussion of Critical Roles and Jobs at Risk identified with GMC member.

# Social Policies

For each Critical Role identified, an expected benchmark will need to be filled in for the below seven criteria – model profiling. This is also the commencement point of the Succession Management module.

- 1) Competencies
- 2) Languages
- 3) Licenses and Certifications

- 4) Honours and Awards
- 5) Memberships
- 6) Degrees
- 7) Work Requirements

This will generate the ‘best fit analysis’ for each identified critical role. The ‘fitting profiles’ can be filtered to a percentage number the sector decides on.

The identified talent considered will be from two levels below the Identified critical role.

i.e. If the Critical role identified is of a General Manager level, those from Manager level upwards can be considered.

3

## Talent Review Meeting and Successor Identification & Mapping

Talent Review Meetings must include BU Head/ COM member (as applicable), Immediate Supervisor, Sector HR Head and any other invitees.

The employees are also slotted into the 9-box grid with Performance and Potential as the two axis where the top talent (mainly those who fall into the three quadrants of High Potential, High Performance; Medium Potential, High Performance; High Potential, Medium Performance) is identified.

Employees who fall into other categories such as low performance, high potential; Medium Performance, Medium Potential also need to be considered.

It is recommended that an average performance rating be utilised over the last 2 or 3 years for the performance axis. However, this is subject to the discretion of the respective Management team of the division/sector where a decision could be also taken to only consider the performance of the last year.

At this stage, successor identification and mapping occur.

In the case of other identified talents, which will not fall into Succession Planning, the Talent Profile need to be re-visited, reviewed and plans discussed to ensure these profiles are continuously developed and engaged.

4

## Finalisation of Successors with Hayleys GMC Member/and HRHead

The accountability of the process lies with the Sector HR, and the coordination of the Succession Planning Team is required.

- Generally finalising of the successors will be with the involvement of the respective sector GMC member, HR Head / Head HR/ Head – GTD. However, depending on the seniority of the potential successor this can vary. For senior positions, the Hayleys Chairman and Chief Executive will also participate.

All potential successors at senior level in order to be confirmed will need to be forwarded to Hayleys Chairman and Chief Executive and approval obtained.

The Sector HR Head is required to be present at this meeting, along with the below:

- 1) The jobs at risk
- 2) A snapshot of the dashboard of each identified talent

This discussion will be the decisive step taken prior to moving to the Assessment Centre. This step will also ensure that the process is conducted consistently across the group while facilitating cross-sector transfers.



**SECTOR HR MUST DISCUSS THIS WITH THE IDENTIFIED TALENT PRIOR TO NOMINATING THEM FOR THE ASSESSMENT CENTRES. HOWEVER, IT IS IMPERATIVE TO NOT SHARE THE DETAILS OF A SUCCESSOR - ONLY THAT THEY HAVE BEEN IDENTIFIED FOR THE “LEADERSHIP PIPELINE” PROGRAMME.**

The readiness level or the number of years required to reach the desired role needs to be indicated for each identified successor. The development plan (s) formulated have to be aligned to the readiness level timeframe.

5

Assessment Centre

Conducting Assessment centers while optional is recommended as it helps sharpen the development of the identified successor.	The type of Assessments conducted will differ from those identified for Managerial Levels, and General Manager and above levels.	Following the Assessment process results, the GMC member of each respective sector will need to be updated on the outcome and the progression of the final Talent pool.
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6

Personal Development Plan

<p>A customised PDP will be developed based on the assessment center feedback and discussions, as well as input from the supervisor and the GMC member for the selected candidates. This PDP should be reviewed at least once a quarter.</p> <p>The development of the PDP for sectors should lie in the responsibility of the Sector HR Head, a training coordinator and the immediate supervisor.</p>	<p>The development of the PDP for TALAWAKELLE TEA ESTATES PLC would be the responsibility of HR</p> <p>The PDP must include soft skills development programmes, and subject related programmes (as per the Business needs).</p> <p>Sectors may seek the assistance of HR when developing the PDP.</p>	<p>A report of each PDP must be shared with:</p> <ol style="list-style-type: none"><li>1. The Identified Talent</li><li>2. GMC member</li><li>3. Head – GHR/ The Succession Planning team</li></ol> <p>These Development Goals can be added to the Talent Management profile of the individual.</p>
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# Social Policies

7

Begin PDP

An individual will be evaluated on a quarterly basis.

Those whom the PDP is assigned to will be responsible for the execution of the PDP, however the Sector HR and Succession Planning coordinator is required to follow – up and assist in the process (facilitating and identifying/ nominating for relevant Trainings).

The Head- GHR, The Sector HR/ SBU Heads and the Succession planning team, will need to review the outcome of an evaluation at the end of each quarter.

The evaluation will be conducted amongst the HR Head, SBU Head and Immediate Supervisor.

At the end of the 2nd Quarter, each evaluation will be required to be discussed with the Head- HR and

Sector GMC member. Underperforming individuals will be highlighted during the 2nd Quarter Evaluation period and warned. The continuation of such individuals in the Successions Planning process will be determined by their performance, growth and efficiency by the end of the 3rd Quarter.

\*Promotions may occur during the PDP; however, the PDP plan must be followed through until the end.

8

PDP Completion

Once the IDP is completed, and if immediate promotion is not available, a strong retention plan must be placed.

i.e.: Involvement in a strategic project/ Retention Bonus

The sector HR Head/ BU Head is accountable for this and must be discussed with relevant GMC member.

Not only those identified for Succession Plans, but those identified as Top Talent could also be subject to Assessment Centers and Personal Development Plans formulated.

Continuous engagement, involvement in strategic projects and discussions to take place with all employees identified as top talent and successors to ensure s/he is motivated and focused.

Succession plans for each critical position needs to be reviewed every six months and necessary adjustments where relevant should be made.

## Responsibility

The heads of each business sectors, along with the heads of each business units and heads of HR will be responsible to ensure this policy is valued and adhered.

### 6.1.7 Performance Management Policy



## TALAWAKELLE TEA ESTATES PLC

## PERFORMANCE MANAGEMENT POLICY

## HR POLICY / MANUAL

### 1. PURPOSE

To facilitate and promote the achievement of organisational business objectives through the effective management of employee performance.

### 2. SCOPE

The policy applies to all Executive & Managerial staff members of the TTE .

### 3. RESPONSIBILITY

NO.	JOB TITLE	RESPONSIBILITY
1	Employee	Adhering to the policy, process and procedures. Ensure one's goals are set within the stipulated time period
2	Immediate Supervisor	Adhering to the policy, process and procedures. Ensure subordinates goals are set and evaluations carried out within the stipulated time period
3	Sector HR Division	Administration process and provision of management information
4	Management Committee Member / Managing Director / Head of the company	Long term commitment and continuous support to drive the policy in respective sectors while recognising and reinforcing strong performance of employees

### 4. POLICY ADMINISTRATION PROCEDURE

4.1 Compliance with the annual performance appraisal process is measured as a corporate performance indicator.

4.2 The TTE Performance Management System (PMS) evaluates the following components to which weightages are allocated in order to measure individual contribution to the

company.

- Key Performance Indicators (KPI's): 80%
- Behavioural Competencies: 20%
- Organisation Values: (-)10%

#### 4.3 KPI/Goal Setting

4.3.1 Individual KPI setting is based on the Balance Scorecard method where by employee performance is measured according to the following perspectives in order to ensure a holistic

approach is used to measure employee

performance. Required perspectives should include KPIs from following aspects:

- Learning and Growth Perspective
- Internal Business Processes Perspective
- Customer Service Perspective
- Financial Perspective

4.3.2 In certain instances it may not be possible for KPI's to be set based on the financial perspective of the balance



## Social Policies

scorecard. In such cases, the KPI's will be distributed among the other three perspectives.

4.3.3 The immediate supervisor and all employees of the TTE must ensure that the cascading and planning of specific KPI's for the following financial year must be completed annually by March

4.3.4 Goals of employees should include KPI's/ Goals set according to the SMART principal (Specific, Measurable, Achievable, Realistic, Time-bound), measures and evaluation criteria as agreed upon by the immediate supervisor and the employee. Weightages need to be decided for each goal with the summation of such equalling to 100% for the entire goal plan (i.e. all performance goals)

4.3.5 Each goal needs to possess a measurement criterion on how the goal is to be achieved also detailing the level of performance i.e. the target that would constitute an expected level of performance, the quantum of increase(s) that defines beyond expectations etc.

4.3.6 KPI's of several individuals can be similar in nature but should be tailored to each individual based on job requirements.

4.3.7 KPI's are permitted only if KPI's are set that require two or more people to accomplish the KPIs.

4.3.8 Assessing of KPI's will be carried out through a 5-point scale (1 being the lowest and 5 being the highest)

4.3.9 Competencies will be in line with the TTE Behavioural Competency Framework which specifies the level of proficiency required for the relevant Behavioural competencies by job level.

4.3.10 Assessing of Competencies will be carried out through a 5-point scale (1 being the lowest and 5 being the highest).

4.3.11 Organisation Values are evaluated by the immediate supervisor in a close ended manner where the supervisor states whether or not the respective employees possess the TTE values or not. This evaluation carries a (-) 10% weightage where possessing the values would be '0%' and not possessing would amount to (-10%)

### 4.4 Performance Monitoring

It is recommended that continuous feedback and monitoring takes place to ensure that performance observation is an ongoing activity. The immediate supervisors are encouraged to record all major performance related incidents on a continuous basis so that real time feedback can be given to employees.

### 4.5 Mid-Year Review

4.5.1 The immediate supervisor is responsible for scheduling a midyear review with the subordinate to discuss the progress made on the achievement of KPIs and any corrective action required.

4.5.2 Performance ratings are not communicated and only feedback on individual goals and overall performance is discussed. Validity of Goals could be

revisited and necessary adjustments could be discussed with the employee and finalised.

4.5.3 The midyear review takes place 6 months after the start of the period of assessment.

### 4.6 Annual Assessment

#### 4.6.1 Self-Appraisal:

At the annual assessment, the employee conducts a self-evaluation on one's performance in terms of the Goals set at the commencement of the year of assessment and the Behavioural Competencies aligned to the specific job level. It is very important that the employee provides justification with facts and figures for each of the ratings provided

In addition, the employee should also indicate any training requirements he/ she feels is required to execute the given job role.

Finally, overall comments also need to be provided summarising the contribution for the assessing year.

#### Supervisor Appraisal:

The Immediate Supervisor thereafter conducts the Supervisory appraisal for the employee on the Performance goals, competencies and values.

Taking note of the ratings and justification provided by the employee, the supervisor will make his/her assessment providing justifications for goals and competencies. Recommended training programmes will also be suggested for the employee in line with

the job role. The assessment on whether the employee possesses the TTE values will be made and finally the overall comments on the assessment year will be provided.

The supervisor enters all above and saves his/her entry on the system without submission until the next step is complete – the calibration review.

Once the Calibration is complete, the supervisor will adjust any ratings as applicable post Calibration review committee and submit the final review.

4.6.2 The annual assessment takes place in the period March-April for all companies other than in specific circumstances related to specific industries / countries.

4.6.3 All ratings should have sufficient documentation to substantiate the ratings.

#### 4.7 Review of overall Performance Ratings / Rating Calibration reviews

4.7.1 A review committee consisting of Chairperson (Head of Company/ Department), Appraisers and representative from HR (to be decided depending on levels being discussed) in order to evaluate the performance ratings of all employees to ensure that the appraisal is carried out in a fair, impartial and accurate manner.

Final approval for all Executive and above Performance ratings has to be obtained from the relevant TTE GMC member of the division/ sector.

4.7.2 The review committee meets after the immediate supervisor has completed the performance assessment of the employee and before the appraiser discusses the assessment ratings with the employee.

4.7.3 The performance rating is finalised only after the review committee members approve the ratings.

#### 4.8 Feedback Session

4.8.1 Once GMC approval is obtained, a one-to-one feedback session takes place between the immediate supervisor (IS) and the employee. During this feedback, the IS will give his comments including the comments from the calibration review committee on the employee's performance over the course of the year of assessment. The conversation will also entail areas of development and behaviours that should continue; commendation for achievements and highlights; the employee's aspiration and career path in the short to medium term and formulate any development action plans where relevant.

It will be required to place on record the details of this conversation and the date it took place.

#### 4.9 Modification/ Amendments to KPI's

Circumstances may arise which require changes to the set KPI's due to unforeseen factors.

Guidance from the Human Resources Department could be obtained; however, listed below are procedures for the most common extenuating circumstances.

Modification/ removal of KPI's may be considered under the following conditions. The new KPI's would need the next higher-level supervisor's approval before being adopted.

4.9.1 Change in business plans leading to a change in the organisational/ individual KPI's, to be decided / agreed upon at GMC Members/ CEO / Senior leadership level

- It is the responsibility of the immediate supervisor to explain to the employee regarding the modification/ removal of the KPI.
- If considerable effort has been made by the employee to achieve the KPI, the employee should be rewarded for the progress made on the achievement of the KPI up to the point of modification of the KPI.
- If the KPI is to be removed and considerable effort has not been made by the employee to achieve the KPI, then the weight attached to the KPI could be proportionately redistributed amongst the other KPI's.

4.9.2 Transfer to a new role under the same/ new supervisor

- If 4 months of continuous supervision has been performed in the previous role

## Social Policies

The former supervisor will complete a performance appraisal on the employee using the setout procedure in this policy.

In the case of a change of supervisor, it is the responsibility of the department head to ensure that all appraisals are completed and submitted to the HR department before a supervisor is no longer in the employee's chain of command.

The new supervisor will begin the appraisal process once the previous supervisor has submitted the employee's performance appraisal documents. In the event that the new supervisor has supervised for a period less than 4 months, higher weightage should be given to the previous supervisor's appraisal.

- If 4 months of continuous supervision has not been performed in the previous role

The previous supervisor will supply the new supervisor with all documentation on the employee and provide the new supervisor with a "mock" evaluation of performance and KPI attainment (if applicable) to date.

### 4.9.3 Change of Supervisor

- If 4 months of continuous supervision has been performed

The former supervisor will complete a performance appraisal on the employee using the above procedure if there is at least 4 months of continuous supervision.

It is the responsibility of the department head to ensure that all appraisals are complete and submitted to the HR department before a supervisor is no longer in the employee's chain of command.

The new supervisor will begin the appraisal process once the previous supervisor has submitted the

employee's performance appraisal documents. In the event that the new supervisor has supervised for a period less than 4 months, higher weightage should be given to the previous supervisor's appraisal.

- If 4 months of continuous supervision has not been performed

The previous supervisor will supply the new supervisor with all documentation on the employee and provide the new supervisor with a "mock" evaluation of performance and KPI attainment (if applicable) to date.

### Responsibility

The heads of each business sectors, along with the heads of each business units and heads of HR will be responsible to ensure this policy is valued and adhered.

6.1.8 Anti-Sexual Harassment Policy



TALAWAKELLE TEA  
ESTATES PLC

ANTI-SEXUAL  
HARASSMENT POLICY

HR POLICY /  
MANUAL

I. Purpose

The TTE is committed to creating a healthy working, inclusive environment that enables employees to work without fear of sexual harassment. Any form of sexual harassment can adversely impact both individual and organisational performance.

TALAWAKELLE TEA ESTATES PLC will not tolerate any form of sexual harassment of its employees in keeping with its Values and considers any act of sexual harassment as misconduct, entitling the company to take appropriate disciplinary action, including termination of employment. Sexual harassment is a criminal offence under the Penal Code of Sri Lanka.

Sexual harassment in the workplace can take many forms. It can be obvious, direct or subtle and can include unwelcome physical, verbal or non-verbal behaviour. It can also affect either sex.

Definition of Sexual Harassment

Conduct which is unwelcome, unsolicited, unacceptable, unreasonable and offensive to the recipient of an overtly or covertly sexual nature, affecting the dignity of women and men at work, including the conduct of

superiors, colleagues and subordinates.

(Vide Code of Conduct and Procedures to Address Sexual Harassment in the Workplace, a Guideline developed by the ILO and the Employers Federation of Ceylon)

It is important to note that behaviour, considered acceptable in one context, may be construed as harassment in another. Depending on whether the behaviour is welcome or not, any of the following could amount to sexual harassment:

- a) Unwelcome sexual advances, requests or demand for sexual favours, either explicitly or implicitly, in return for employment, promotion or other benefits
- b) Material that is sexist, sexually explicit, etc. displayed publicly, circulated or distributed on a computer, fax machine, mobile phone or any other device
- c) Verbal abuse or comments that put down or stereotype people generally, or an individual particularly, because of their gender.
- d) Sexually suggestive or explicit verbal abuse, gestures or comments that would create an uncomfortable atmosphere for the individual.
- e) Unwanted physical contact (ranging from unnecessary touching to serious physical assault)

## 2. Scope

To firstly create a climate where employees feel confident that sexual harassment will not be tolerated, and where they feel comfortable speaking out about harassing situations.

Secondly all members of the organisation must know what the consequences of sexual harassment are, and what to do if they become aware of sexual harassment.

Thirdly continual training and education are essential to maintaining an atmosphere of mutual respect.

## 3. Procedure to be adopted in the event of sexual harassment

3.1 If any employee of the company feels that he/she is being sexually harassed, the employee could:

3.1.1 Inform the person harassing to stop. This will convey to that person that the employee is embarrassed, humiliated, demeaned, or otherwise bothered by what they are doing or saying. Often, a person may not be aware that her or his behaviour is bothersome, and will change the behaviour once they realise this

3.1.2 This could be done directly or in writing. If it is in writing the letter should be dated and copy to be preserved. If it is conveyed to them directly a trusted friend should be informed of what was done and why.

## Social Policies

3.1.3 The employee should keep notes of what the bothersome behaviour was, the date it happened, how they felt and what they did about it, and who else was present, if there were witnesses.

3.1.4 If the harassment stops, no further action may be necessary.

3.2 If the harassment continues, the employee could:

3.2.1 Take formal action by making a complaint verbally or in writing ( by letter or email) to any member of the appointed Committee within ten (10) days following the incident unless there are compelling reasons for delay

3.2.2 Directly contact verbally or in writing to any member of the External Committee (Ombudsman) appointed by TTE for accepting complaints to maintain confidentiality

3.3 Once a verbal or written complaint is received:

3.3.1 The Committee or Ombudsman will maintain a register to endorse the complaint received by them with copy to Chairman and Chief Executive and keep the contents confidential, if it is so desired, except to use the same for discreet investigation

3.3.2 The Committee or Ombudsman will hold a meeting with the Complainant within five days of the receipt of the complaint, but no later than a week in any case

3.3.3 At the first meeting, the Committee members or Ombudsman shall hear the Complainant and record her/his allegations. The Complainant can also

submit any corroborative material with a documentary proof, oral or written material, etc., to substantiate his / her complaint

3.3.4 Thereafter, the person against whom the complaint is made may be called for a deposition before the Committee or Ombudsman and an opportunity will be given to him/ her to give an explanation, after which, an “inquiry” shall be conducted by the Committee appointed and concluded.

3.3.5 The parties are entitled to be represented through a colleague at work if required

### 4. The Inquiry Process

4.1 The Committee shall immediately proceed with the Inquiry and communicate the same to the Complainant and person against whom complaint is made.

4.2 The Committee shall prepare and hand over the Statement of Allegation to the person against whom the complaint is made and give him / her an opportunity to submit a written explanation if she / he so desires within 7 days of receipt of the same.

4.3 The Complainant shall be provided with a copy of the written explanation submitted by the person against whom complaint is made.

4.4 If the Complainant or the person against whom complaint is made desires any witness/es to be called, they shall communicate in writing to the Committee the names of witness/es whom they propose to call.

4.5 If the Complainant desires to tender any documents by way of evidence before the Committee, she / he shall supply original copies of such documents. Similarly, if the person against whom complaint is made desires to tender any documents in evidence before the Committee he / she shall supply original copies of such documents. Both shall affix his /her signature on the respective documents to certify these to be original copies.

4.5.1 The Committee shall call upon all witnesses mentioned by both the parties.

4.6 The Committee shall provide every reasonable opportunity to the Complainant and to the person against whom complaint is made, for putting forward and defending their respective case.

4.7 The Committee shall complete the “Inquiry” within reasonable period but not beyond three months and communicate its findings and its recommendations for action to the HRD.

4.7.1 The decision of the Committee will be conveyed to the parties in writing

4.8 Where it is determined that there has been cause for complaint, the Committee shall recommend disciplinary measures, including and not limited to dismissal; and or counselling and take steps to create an environment conducive to work

4.9 The HRD will direct appropriate action in accordance with the recommendation proposed by the Committee.

4.10 Management would take all possible measures to ensure that the complainant would not be penalised for making the complaint. Further if such an event occurs to make the complainants' life difficult, the management would take disciplinary action against those parties making the complainants life difficult.

## 5. Unsubstantiated complaints

If an employee, in good faith, files a harassment complaint that is not supported by evidence gathered during an investigation, that complaint will be dismissed, and no record of it will be put in the accused harasser's file. As long as the complaint was made in good faith, there will be no penalty to the person who complained, and no record in his/ her file.

## 6. Complaints made in bad faith

In the event that a complaint was made in bad faith--in other words, the person making it had absolutely no basis and deliberately and maliciously filed the complaint – that person will be disciplined and a record of the incident will be put in her or his file.

## 7. Action against harassers and those making complaints in bad faith

An employee found guilty of sexual harassment will be subject to one or more of the following forms of discipline, depending on the severity of the harassment:

Similarly, an employee making complaints in bad faith will be subject to one or more of the following forms of discipline.

7.1 a written reprimand;

7.2 a suspension, without pay;

7.3 a transfer, if it is not reasonable for the people involved to continue working together;

7.4 dismissal (this list is not exclusive or exhaustive)

The harasser will also be required to attend an anti-harassment training session

## 8. Right of Appeal

8.1 If a party is not satisfied with the decision of the committee, the party may appeal to the Chairman and Chief Executive of TALAWAKELLE TEA ESTATES PLC in writing within 10 days of the decision of the Committee who will respond within 14 days.

8.2 If no appeal is made within 10 days, the decision of the Committee shall be final and conclusive.

## 9. Committee

9.1 A five-member committee will be at all times constituted to consider and redress complaints of Sexual Harassment.

9.2 The Committee shall constitute of the Head of HR and 2 Management Committee members, and two more functional leaders of the TALAWAKELLE TEA ESTATES PLC team. Fair gender representation must be retained with a minimum of two members of either gender. In the event the required gender representation is not possible through the above constitution, the Head of HR will discuss with

other committee members and identify suitable person/persons to join the Committee with the approval of the Chairman and Chief Executive of TALAWAKELLE TEA ESTATES PLC. In this event, the number of committee members will be increased.

9.3 A quorum of 3 members is required to be present for the proceedings to take place ensuring fair gender representation (at least one member representing either gender)

9.4 A committee member shall cease to be a member of the Committee forthwith on the occurrence of any of the following events:

- Resignation from the Committee by written notice to the Company
- Removal by notice in writing by the Chairman and Chief Executive, TALAWAKELLE TEA ESTATES PLC
- Ceasing to be an employee of the company
- On death or any legal incapacity

9.5 Any vacancy can be filled by the recommendation of the Chairman and Chief Executive of TALAWAKELLE TEA ESTATES PLC.

9.6 The Committee at its discretion from time to time may review and propose amendments to the policy which will take effect if approved by the Chairman and Chief Executive, TALAWAKELLE TEA ESTATES PLC

9.7 If the accusation is against a Committee member he/she will immediately step down from the Committee and the Chairman and Chief Executive, TALAWAKELLE TEA ESTATES PLC will appoint a suitable temporary replacement Committee member. In the event the

# Social Policies

member is cleared of all charges, he/she will be immediately reinstated and the temporary member will step down.

## 10. The Ombudsman

10.1 The Chief Executive may nominate up to 05 persons who are not employees of the Company to function as Ombudsman for the purposes of implementing this Policy

10.2 An Ombudsman shall be nominated for a term of 01 year at a time and shall be eligible for re-nomination.

10.3 An Ombudsman shall cease to hold office on the occurrence of any of the following events:

- a. resignation in writing by the Ombudsman,
- b. removal by the Chief Executive with written notice.

## 11 Other

11.1 “Employee” means any person on the permanent cadre of the Company, those on contract, internship, temporary, part time or working as consultants.

The details of the incumbent Committee are available on the intranet and updated as required upon changes in the membership.

## 6.1.9 Human Rights Policy



## TALAWAKELLE TEA ESTATES PLC

## HUMAN RIGHTS POLICY

## HR POLICY / MANUAL

### Purpose

Human Rights outline and focus on protection to people from severe political, legal, and social abuses. The TTE is a Sri Lankan conglomerate spanning a diversified portfolio of businesses with global operations. Thus it is of relevance that aspects and areas of Human Rights are seriously addressed in all our operations.

### Scope

TTE is committed to fostering an organisational culture which supports internationally recognised human rights and seeks to prevent abuse of human rights. We support the principles contained within the Universal Declaration of Human Rights and the United Nations Global Compact (UNGC).

We commit to the following two sub-principles of the UNGC Principles of Human Rights;

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses.

## Policy Governance and Responsibility

NO.	JOB TITLE	RESPONSIBILITY
1	Overall responsibility for the implementation of this policy	Hayleys Corporate Communications
2	Conducting an annual training and assessment of a broad range of human rights issues utilising an international level benchmark	Hayleys Corporate Communications



## Social Policies

NO.	JOB TITLE	RESPONSIBILITY
3	A Report and Gap Analysis to manage any areas of improvement	Hayleys Corporate Communications
4	Awareness building and communication of policy to employees	TTE Corporate Communications and Sector Lifecode Champions
5	<p>Recording and reporting the latest indicators of management performance directed by the GRI (Global Reporting Initiative) framework</p> <ul style="list-style-type: none"> <li>instances where Human Rights have been violated</li> <li>percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening</li> <li>percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken</li> <li>operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights</li> </ul>	TTE Corporate Communications and Sector Lifecode Champions
5	<ul style="list-style-type: none"> <li>operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>Instances of discrimination and corrective actions taken thereafter other business partners that have undergone human rights screening, and actions taken</li> <li>operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights</li> <li>operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>instances of discrimination and corrective actions taken thereafter</li> </ul>	TTE Corporate Communications and Sector Lifecode Champions

### Related Documents

- Code of Conduct (The TTE Way)
- Anti-Sexual Harassment Policy
- Anti-Discrimination Policy
- Grievance Handling Procedure or Policy
- Workplace HIV/AIDS Policy

## Policy Statement

### Commitments to stakeholders

**Employees:** We treat all of our employees with respect and dignity and promote diversity in the workplace. Our aim to achieve uniform application of relevant principles underlined in the Universal Declaration of Human Rights is derived from our commitment to respect the rights of our employees, which include labour and working conditions. We are committed to train our employees to be aware of, respect and protect human rights in the workplace and in the local communities directly impacted by our operations.

**Business Partners:** Our commitment applies to workers directly engaged by the company and workers engaged through third parties to perform work related to core business processes for a substantial duration (contracted workers operating within company premises as well as suppliers, joint venture partners and clients/customers), through proactive engagement, monitoring and contractual provisions.

**Local Communities:** Where relevant, we engage with local communities on any actual or potential human rights impacts of our operations, which also include land and property acquisition and security arrangements. TTE practices human rights in accordance with the customs, cultures and values portrayed by these communities.

### Provisions on human rights

#### Fair Treatment

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on

race, colour, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, disability, age or other status of individuals unrelated to their ability to perform work. Salaries are on par across all positions at the , sans any gender bias. Salary distinctions are based solely upon factors such as performance and market comparisons for the relevant skill . TTE aims to pay competitive wages based on local market assessments.

#### Non-harassment

TTE commits to promote a work environment free of any form of workplace harassment including physical, verbal, sexual or psychological harassment, abuse, and threats, as defined by the laws of each country in which we operate. To protect workers against such acts, TTE has implemented prevention policies, facilitates open communication, provides training, and allows workers to report incidents of harassment to a complaint mechanism that fully investigates the reports and responds accordingly.

#### Abolishing Child, forced and compulsory Labour

In Sri Lanka, the law defines children as below the age of 14 years. TTE opposes child labour, does not employ any person under the age of 18, and works with business partners to ensure that zero instances of child labour are recorded in the supply chain as defined by national laws. We oppose all forms of forced or compulsory labour and work hand in hand with subcontractors and suppliers to ensure illegal forms of employment are eradicated.

#### Hours, wages and leave

TTE works within the standards set by national law and respects the standards set by the International Labour Organisation (ILO). We provide a living wage that enables workers to meet the basic needs of themselves and their dependents, ensures that workers are provided leave in accordance with national standards and ensures that all workers have an official employment status.

#### Freedom of association/collective bargaining

TTE believes in employees engaging in dialogue with the company on any issue they may wish to voice and seek redress on.

#### Promoting health and safety

TTE commits to providing safe and healthy working facilities and takes appropriate precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace. Safety precautions depend upon and are relevant to the industry, company concerns and the needs of vulnerable workers and meet or exceed the laws of each country in which we operate. TTE ensures that workers are provided with the protective equipment and training necessary to perform their tasks safely, and are actively involved in health and safety efforts.

### Effective Date for implementation

This policy shall be effective and operative from January 1st, 2014.

# Social Policies

## Link to UN SDGs & GRI






GOAL	TARGET	GRI
	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations</p>	
	<p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries</p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value added and labour intensive sectors</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>404-1</p> <p>404-2</p> <p>404-3</p> <p>401-1</p> <p>402-1</p> <p>406-1</p> <p>407-1</p>
	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <p>5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p> <p>5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>	<p>405-1</p> <p>405-2</p>
	<p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard</p>	

Table 1: People Management Strategies, Targets and KPIs

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Employment policies	Developing a diverse, engaged team	5% Attrition rate across entire by 2030  2% new hire attrition rate across entire by 2030	10% attrition rate  Baseline to be determined in 2021/22	0.5% reduction in annual employee attrition rate  Initiate the monitoring of new hire attrition rates from 2022/23 and set annual targets accordingly
	Provide opportunities for continuous learning	Each employee to receive an average of 40 training hours per annum	5.31 hours of average training per employee	Sector specific annual KPIs
	Create a performance-driven, conducive work culture	100% employees to receive performance appraisals	98% of employees receive performance appraisals	1% increase in performance appraisals by 2022/23 after which 100% should be maintained
	Build talent pipelines and succession plans	Formulate clear succession plan for MD and immediate subordinate for all the business sectors	Baseline to be defined in 2021/22	Implement succession plans for MD level of all sectors by 2023  Implement succession plans for immediate subordinate to MD for all sectors by 2027
	Leadership and supervisory development plans	10,000-man hours of leadership and supervisory development programs covering all sectors by 2030	Baseline to be determined in 2021/22	Initiate leadership and supervisory development programs in all the business sectors by 2024.  Annual 1000 hour increase in leadership and supervisory development programs
	Building an inclusive and equitable organisational culture	All employees to undergo training and awareness on anti-discrimination	Currently conducted at executive and above orientation programs	Ensure suitable training schedule to cover all employees and continue annually

# Social Policies

## I.2 Health, safety, and well-being



### TALAWAKELLE TEA ESTATES PLC

### HEALTH AND SAFETY POLICY

### HR POLICY / MANUAL

#### Standard

As an organisation with significant interests in both manufacturing and service sectors, TTE is committed to maintaining the highest standards of health and safety across its operations, thereby providing a safe and injury-free working environment for all employees. This guideline serves as the minimum standard on health and safety management practices that all companies should adopt; companies which have a higher level of vulnerability to health and safety risks are encouraged to implement more stringent practices reflecting sector-specific risks.

ESG strategies relating to management of health and safety, our targets and annual key performance indicators are set out in Table 2: Health and Safety Strategies, Targets & KPIs forms an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of TALAWAKELLE TEA ESTATES PLC.

#### Commitment

We seek to prevent all accidents and occupational diseases across our operations, thereby ensuring the protection of all our employees. In driving towards this objective, we are committed to:

- Maintaining hygienic, safe, and healthy working conditions, machinery and equipment and provide the necessary instructions and training that is required for this purpose.
- Ensure compliance to all health and safety laws, rules, regulations, relevant international standards, and client requirements. Companies are also encouraged to obtain the ISO 45001: 2018 Occupational Safety & Health Management System.
- Companies will seek to proactively engage in hazard identification and risk assessment and define subsequent corrective actions to effectively control health and safety risks in the workplace.
- Companies are encouraged to educate and provide relevant health and safety training to employees, which in turn will nurture a culture of safety in the organisation and empower employees to avoid unsafe

situations. All employees should also take reasonable care of their own health and safety whilst at work and fully co-operate with the respective Company in all health and safety related initiatives.

- Companies will ensure that contractors, service providers and other third parties entering the 's sites and facilities are made sufficiently aware of the applicable health and safety practices in place and are equipped to carry out their tasks safely.
- Drive continuous improvements in occupational safety and health management through ongoing communication, training and driving towards performance targets.
- Ensuring the 100% complete and accurate reporting of relevant health and safety data to TTE Sustainability on a timely basis following the set reporting requirements of the GRI Standards and TTE' Cube reporting.

Aligning with the TTE Sustainability strategy this policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.

Link to UN SDGs & GRI




GOAL.	TARGET	GRI
	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	403-1 403-8 403-2 403-9 403-3 403-10
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	403-4 403-5 403-6 403-7

Table 2: Health and Safety Strategies, Targets & KPIs

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Health and Safety Policy	Ensure the health, safety, and well-being of all employees	Safest workplace with zero workplace injuries/ occupational diseases	1,603 work related injuries resulting in 14,432 lost hours  No fatalities	Standardise and ensure complete reporting of accident-related data covering 100% of operations by 2030  Annual increase of 10% in the coverage of sectors complying with ISO 45001: 2018 Occupational Safety & Health Management System to achieve 100% implementation of Health & Safety Management system across entire .

# Social Policies

## I.3 Supplier and customer relationships

### I.3.1 Procurement Policy



## TALAWAKELLE TEA ESTATES PLC

## SUSTAINABILITY POLICY / MANUAL

### PROCUREMENT POLICY

#### Standard

As a highly diversified organisation the TTE has developed deep relationships across extensive supply chains, both locally and internationally. The is committed to ensuring that procurement activities deliver a competitive advantage while generating sustainable value across the 's supply chains. This guideline serves as the minimum standard on procurement practices that all companies should adopt; in addition to this, companies are encouraged to align procurement practices with strategic aspirations and industry best practices.

ESG strategies relating to management of supply chain activities, our targets and annual key performance indicators are set out in Table 3: Procurement Strategies, Targets & KPIs form an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of TTE .

#### Commitment

We seek to propagate sustainable practices and drive the creation of

responsible value across our supply chains. We are therefore committed to,

- a. Supplier selection should follow a formal and structured process that is based on objective and transparent criteria, free from any form of bias, discrimination and/or personal interests. The Sourcing division has developed a standard Supplier Verification Process and a Supplier On-Boarding Template for the TTE (Refer to Attachment I)
- b. The evaluation criteria will contain the following at a minimum
  - Product specifications
  - Price and payment flexibility
  - Financial stability
  - Safety and quality
  - Technical and innovation capabilities
  - Social and environmental compliance
- c. Over the long-term, Sectors should strive to screen all key suppliers for social and environmental practices to ensure responsible sourcing. Sectors should initially initiate screening for large-scale suppliers and annually increase coverage. Please refer to Attachment 2 for sample criteria. Sectors are also encouraged to carry out supplier audits on a regular basis,

ensuring continued compliance to

quality standards as well as social and environmental practices.

- d. Effective and appropriate segregation of duties within all procurement functions to prevent possible frauds
- e. Proactively engage with suppliers and implement long-term supplier development programs to enhance capabilities and capacity to ensure alignment to the 's long-term needs. Development programs will be designed and implemented based on specific supplier strategies and should encompass the following as a minimum:
  - The Program should be structured based on clearly identified ESG benefits for the supplier and the company
  - Resource allocations should be determined on an annual basis, including financial, human and other resources
  - Sectors should formalise program through suitable MoUs, project plans and supplier agreements among others
- f. Proactively pursuing alternative local counterparts to foreign suppliers, with the aim of increasing the percentage spend on local procurement, thereby increasing local value addition.



g. Ensuring the 100% complete and accurate reporting of relevant procurement and supply chain related data to TTE Sustainability on a timely basis following the	set reporting requirements of the GRI Standards and TTE' Cube reporting.	Aligning with the TTE Sustainability strategy this policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.
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Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.

Link to UN SDGs & GRI





GOAL.	TARGET	GRI
	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	204-1 414-1
	16.1 Significantly reduce all forms of violence and related death rates everywhere	414-2

Table 3: Procurement Strategies, Targets & KPIs

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Procurement Policy	Propagate good social and environmental practices across our supply chain	Achieve 40% social and environmental screening of total suppliers	Baseline to be determined by end-FY 2021/22	Complete 1% of supplier evaluation by end- 2021/22 focusing initially on large scale suppliers.  Supplier base screened to be increased by 5% annually to achieve a target of 40% by 2030.

# Social Policies

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Procurement Policy	Implementation of strategic supplier development programmes across key supply chains	All Sectors to establish at least one long term supplier development program	3 Sectors operate supplier development programs (First Light / Haritha Angaara / Jeewadhara)	12 different strategic supplier development programs by TTE by 2030 (At least 01 long term program by each business sector)

*\*Refer to Attachment 3 for information on supplier classification*

## Attachment I: Supplier Onboarding Template

Supplier On-boarding Template			
Section A: Supplier Information			
1	Registered Company Name and Address:		
2	Company Registration Number:		
3	Company Ownership:	(Public / Private / Other ( if other, pls provide details)	
4	Year of Establishment:		
5	Does the company have audited financial accounts? Yes / No (If Yes, pls provide)		
6	Web Address:		
7	Details of your organisation's scope of activity / products / services:		
8	Authorised Point of Contact and Contact Details of Registered Company Address	Phone Number:	
		Fax Number:	
		Email Address:	
		Website:	
9	Does the company have several plants? Yes / No		
10	If Yes, please provide details:		
	Company Name	Location	Field of Activity

11	Location of Plant supplying the product of concern (IF different from Registered Company Address)		
12	Authorised Point of Contact and Contact Details of Particular Plant Address	Phone Number:	
		Fax Number:	
		Email Address:	
		Website:	
13	Overall number of staff:		
14	Staff Composition	Executive :	Non - Executive :
15	Does the company belong to any of Companies? Yes / No		
16	If Yes, please state the name of the company/organisation:		
17	If your company is a Public Limited Company, do you control subsidiaries? Yes / No		
18	If Yes, please provide details:		
	Company Name	Location	Field of Activity
19	Provide us with the contact details of key clients as reference		
	Company Name	Product / Service	Contact Details
SECTION B: Financial Information			
1	VAT Registration No:		
2	Preferred Mode of Payment:	Cheque / TT / Other (Pls Specify)	
3	Currency Type:		
4	Credit Limit: (In applicable currency)		
5	Credit Period (Days):		

## Social Policies

6	Bank Detail:	Name :	
		Account Number :	
		Branch :	
		Address :	
		Other :	
7	Factoring Facility:	Name	
		Account Number :	
		Branch :	
		Address :	
		Other :	
Section C: Governance			
1	Do you have a procedure on Contract review processes? Yes / No		
2	Has your company been involved in any legal suits, liens, judgments and bankruptcies? Yes /No		
3	Does your company have Import / Export Licenses? (Pls Specify)		
4	How are customers Intellectual Property (IP) being safeguarded – both internally and with subcontractors you may engage? Do you have NDA (Non-Disclosure Agreement) with your suppliers?		
Section D: Quality Management and Sustainability			
1	Do you have an accredited Quality Management Certification? (If yes, provide details below eg. ISO 9001)	Yes / No	
2	Do you operate a complete Quality Management (TQM) system throughout its entire business operations? (If Yes, provide details below eg. 5S, Six Sigma, Lean Six Sigma, TPM, TQM etc.)	Yes / No	
3	Do you have document procedure for Customer complaint handling?	Yes / No	
4	Do you have in-house Laboratory facility?	Yes / No	
5	Do you have independent QC personnel for final release of products?	Yes / No	
6	Do you have an Annual Calibration Plan?	Yes / No	
7	Do you have an Annual Preventive Maintenance Plan?	Yes / No	
8	Do you have an Annual Training Plan?	Yes / No	

9	Purchasing Process:	• Do you have a controlled list of approved suppliers?	Yes / No
		• Are your suppliers assessed and monitored?	Yes / No
		• Are order quality requirements clearly defined?	Yes / No
		• Are your suppliers in contract with you?	Yes / No
10	For Suppliers of Electronic Components only	• Counterfeit Avoidance	Yes / No
		• Do you have an internal procedure for Counterfeit avoidance?	Yes / No
		• Do you have a counterfeit inspection procedure and checklist?	Yes / No
11	Is your company SLS Certified?		Yes / No
12	Is your company GMP Certified?		Yes / No
13	Do you maintain import manufacturing certifications?		Yes / No
14	Do you maintain ISO certifications (Aside from ISO 9001) : If Yes Pls specify		Yes / No
15	Is a periodic Risk Assessment carried out and documented?		Yes / No
16	Is a Business Continuity Plan (BCP) available?		Yes / No
17	Do you maintain ESG policies: (If Yes pls provide any)		Yes / No
Section E: Health and Safety			
1	Do you have an accredited Health and Safety Programme? (If yes, provide details below eg. OSHA, ISO 18001 etc)		Yes / No
2	If an accredited Health and Safety Programme is NOT available -	Do you have a Health and Safety Policy?	Yes / No
3		Do you have a Site Specific Health and Safety Officer?	Yes / No
4		Are all employees Site Safe Trained?	Yes / No
5		Are Subcontractors required to be Site Safe?	Yes / No
6		How often do they visit the site?	Yes / No
7		Do you have procedures for: Emergency Readiness	Yes / No
8		Do you have procedures for: Employee Participation	Yes / No
9		Do you have procedures for: Accident Investigation	Yes / No
10		Do you have procedures for: Rehabilitation / Return to work	Yes / No
11		Do you have Certified First Aiders on site?	Yes / No

# Social Policies

12		Are your production systems, manual or automated? If manual, is the workforce trained periodically?	Yes / No
13		H&S KPIs	No of accidents per year
14			No of Serious Harm incidents per year
.. End of the Template ..			

## Attachment 2: Supplier Verification Process

1. Supplier Scouting	2. Supplier Profiling	3. Supplier Authentication	4. Supplier Discussions & RFQs	5. Quality Checks
Alternative suppliers with suitable strategic and financial advantages explored <ul style="list-style-type: none"><li>• International hotspots</li><li>• Local suppliers</li></ul>	Supplier product and performance is evaluated <ul style="list-style-type: none"><li>• Financial capacity</li><li>• Production capacity</li><li>• Export history</li></ul> <i>Supplier profile template</i>	Includes an analysis of the reliability and credibility of a supplier <ul style="list-style-type: none"><li>• SWOT analysis</li><li>• Risk analysis</li></ul>	Discussions with suppliers are held to identify the best fit version of the product <ul style="list-style-type: none"><li>• Supplier introduction to BU</li></ul> <i>RFQ Template</i>	Sample exchanges conducted to test quality with predetermined KPIs provided by BU <ul style="list-style-type: none"><li>• Lab trials</li><li>• Production trial</li></ul>
6. Techno-Commercial Evaluation	7. Supplier On-boarding Checklist	8. Supplier Code Creation	9. Purchase Order	
The best supplier is identified on the basis of technical and commercial viability of the quality checks and pricing options.	Dive deeper into supplier's internal practices, including supplier visits, to manage <ul style="list-style-type: none"><li>• Information</li><li>• Contacts</li><li>• Quality Management</li><li>• Sustainability &amp; Risk</li><li>• Health / Safety</li></ul> <i>On-boarding template</i>	A supplier code must be generated to track all purchase	Only after the supplier on-boarding checklist has been filled satisfactory, a purchase order can be placed	

## Supplier assessment criteria on social and environmental practices

TALAWAKELLE TEA ESTATES PLC				
Name of the Subsidiary - .....				
Supplier Evaluation Form				
Supplier Details		Scoring Criteria		
Company Name:		Fully comply : 5		
Address:		Partially comply : 0.5 to 4.5		
Contact point person's name:		Not comply : 0		
Designation:				
Contact details (mobile / email):		Supplier Grading		
Period of the supplier evaluation (FY):				
<p>Note: If any of the criteria below not applicable with a selected supplier, kindly update the “total allocation” column as “0” for those criteria, thereby automatically adjusting the total score. Kindly describe the reason for eliminating such criteria in the “comments/feedback” section.</p>				
Section	Description	Comments / Feedbacks	Marks	Total Allocation
Governance	Does the organisation have a valid business registration?			5
	Does the organisation have a designated person for handling sustainability?			5
	Does the organisation engage in sustainability reporting (GRI / NGRS / IR / internally defined reporting etc)			5
	Availability of sustainability risk assessment			5
Social	Labour Practices			
	Does the organisation engage workers below the age of 16?			5
	Are employee wages in compliance with the labour laws of Sri Lanka and/ or minimum wages set by sector-specific wage boards?			5
	Are working conditions and hours of work in compliance with Sri Lanka's labour laws?			5

## Social Policies

	Do worker's have the right to freedom of association and collective bargaining?			5
	Occupational Health and Safety			
	Does the organisation have an OSH Management policy in place?			5
	Fire and emergency preparedness plans are in place			5
	Are employees provided with required personal protective equipment (PPE)?			5
	Do employees receive regular safety training?			5
	Does the organisation conduct regular OSH risk assessments?			5
	Has the organisation obtained the valid Environmental Protection License from the Central Environmental Authority			5
	Does the organisation have a long term plan for minimising environmental footprints (3-5 year plan including defined resource allocations over the program with the top management approval)			
	Energy and emissions			5
	Material and waste			5
	Water and effluents			5
	Biodiversity conservation			5
	Chemical Management			5
	Does the organisation have a systematic mechanism in place to ensure responsible disposal of waste			5
Governance - 20%		0%	0	20
Social - 40%		0%	0	45
Environment - 40%		0%	0	35
Overall Performances		0%	0	100



ESG based supplier evaluation has been conducted and communicated to relevant parties by;			
	Name of the employees:		
	Designation:		
	Signature:		
	Date:		
This supplier evaluation has been properly communicated and accepted by the supplier organisation;			
Details of the responsible employee from supplier organisation			
	Name of the employees:		
	Designation:		
	Signature:		
	Date:		
	Grading Index		
	Overall Marks	Rating	Grade
	Scored over 71%	Excellent	1
	Overall score 31% – 70%	Good	2
	Overall score 30% & below	Needs improvement	3

### Attachment 3: Classification of Suppliers

Supplier classification has been defined based on the details collected from “National Policy Framework for small and medium enterprise development” (<http://www.industry.gov.lk/web/images/pdf/nateng.pdf>). Organisation classified based on their turnover and the employment. In terms of definition, both criteria are considered in classification. In the event of an enterprise falling under more than one category then the number of employments should be the deciding factor.

	CRITERIA	LARGE	MEDIUM	SMALL
Manufacturing	Annual turnover	>Rs. Mn 750	Rs. Mn 251 - 750	<Rs. Mn 250
	No. of employees	>300	51-200	<50
Service	Annual turnover	>Rs. Mn 750	Rs. Mn 251 - 750	<Rs. Mn 250
	No. of employees	>200	51-200	<50

# Social Policies

## I.3.2 Customer Management Policy



### TALAWAKELLE TEA ESTATES PLC

### CUSTOMER MANAGEMENT POLICY

### SUSTAINABILITY POLICY / MANUAL

#### Standard

The TTE caters to a global network of retail and B2B customers. We aspire to be the most preferred and trusted choice of our customers across all our sectors and are committed to achieving this goal through a unique value proposition which exceeds the expectations of our customers. This guideline serves as the minimum standard on customer relationship management that all companies should adopt and a formal promise to our customers representing our commitment to fulfilling their needs; in addition to this, companies are encouraged to adopt industry-specific best practices to build and sustained competitive edge.

ESG strategies relating to customer management, our targets and annual key performance indicators are set out in Table 4: Customer Management Strategies, Targets & KPIs forms an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of TTE .

#### Commitment

We aspire to delight our customers through superior product quality and excellent service which meets or exceeds their needs and expectations. In achieving this goal, we are committed to,

- Nurturing customer relationships that are based on trust and mutual respect through developing long-term partnerships. Sectors should seek to build customer relationships centering on value propositions underpinned by innovation, responsible production/marketing, customer service and satisfaction.
- Maintaining 100% compliance to relevant laws and regulations relating to customers, including health and safety aspects of products/services, marketing and product labelling among others.
- Ensuring that customers receive all relevant information about our products/services and fully understand the terms and conditions relating to each product/service they obtained from the .
- Sectors are encouraged to obtain recognised health and safety certifications, thereby providing assurance to customers on the safety of using our products. This is particularly applicable to companies which engage in the manufacture and

distribution of consumable goods.

- Sectors should also comply with all relevant ESG requirements set out by customers and implement a mechanism to ensure continued compliance with the same.
- Sectors are encouraged to carry out customer satisfaction surveys at least on an annual basis, thereby obtaining feedback on critical aspects including product quality, service, ease of transactions and reliability among others.
- Sectors should implement a quick and effective mechanism for customers to present their grievances and disputes. A systematic and clear process should be implemented to address and resolve such complaints within a reasonable period of time. In addition to sector-level grievance mechanisms, customers can also direct their complaints, suggestions and other feedback to the following:

*Corporate Affairs Unit,*  
 info@cau.TTE.com  
 +94112627000

- Ensuring the 100% complete and accurate reporting of relevant customer related data to TTE Sustainability on a timely basis following the set reporting requirements of the GRI Standards and TTE' Cube reporting.

Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.

Link to UN SDGs & GRI





GOAL.	TARGET	GRI
	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	417-1 417-2 417-3
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature Indicators	417-1

Table 4: Customer Management Strategies, Targets & KPIs

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Customer Management Policy	Exceed customer expectations through identifying and responding to customer needs	All sectors to conduct customer satisfaction surveys with a customer coverage of at least 25%  <i>(refer attachment 1 for a sample customer satisfaction survey template)</i>	Currently 10 sectors conduct systematic satisfaction surveys	Formalised satisfaction survey processes will be established by all the business and gradually increased customer coverage
		All sectors should implement a systematic customer grievance handling procedure, which is clearly communicated to all customers	Currently 12 sectors have established grievance handling procedures for customers	Implement clearly defined customer grievance procedure covering 100% of operations.  All customer grievances/ complaints to be acknowledged, responded to and resolved within 1 month of being presented.

## Social Policies

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 <i>Customer Management Policy</i>	Adopt responsible marketing practices	40% of all products and services to include relevant product information, which enables customers to make informed purchasing decisions.  <i>(refer Attachment 2 on sample marketing/ labelling requirements)</i>	Baseline to be defined in 2021/22	(40% of products and services categories should have access to information helps customers to make informed purchasing choices by 2030)

### Attachment 4: Customer Satisfaction Survey

The following represents the minimum standard to be followed when designing customer satisfaction surveys. Sectors should enhance the scope of the survey based on industry-specific and organisational dynamics.

CUSTOMER SATISFACTION SURVEY					
Company:				Date:	
Product/service obtained:					
Customer name (optional):					
Contact details (optional):					
	1 Very poor	2 Poor	3 Neutral	4 Good	5 Very good
Product/Service Delivery					
• How satisfied are you with the overall quality of the service/ product received ?					
• How satisfied are you with the speed of delivery ?					
• Do you believe our product/service is value for money?					
Quality of staff					
• How receptive were our employees to your needs and preferences?					
• How satisfied are you with the product knowledge of our employees?					
• How satisfied are you with the ease of contacting our staff?					

• How satisfied are you with the helpfulness and courteousness of our staff?					
Ease of transaction					
• How easy was to find information about our products/ services?					
• How satisfied are you with the quality of information received?					
• How satisfied are you with the payment terms offered?					
Overall experience					
• How satisfied are you with the overall experience?					
• How likely are you to recommend us?					
Other comments/suggestions					
-----					
-----					
-----					
-----					

Attachment 5: Requirements for product and service information and labelling

Please refer to the following sample requirements for product and service information and labelling to be implemented. This is based on the GRI 417: Product and service information and labelling; companies are encouraged to adopt sector-specific requirements as relevant.

- The sourcing of components of the product or service;
- Content, particularly with regard to substances that might produce an environmental or social impact;
- Safe use of the product or service;
- Disposal of the product and environmental or social impacts;

## I.4 Community Relationships



# TALAWAKELLE TEA ESTATES PLC

## SUSTAINABILITY POLICY / MANUAL

### COMMUNITY RELATIONSHIPS

#### Standard

TTE recognises that its ‘social license to operate’ is an important prerequisite in ensuring the continuity of its businesses and managing environmental and social risks. It ensures legitimacy of the business from a community perspective, provides assurance to shareholders that social risks are identified and managed and preserves the company’s reputation in times of crisis. For TTE, the deep-rooted relationships it has nurtured with communities through its extensive reach, also allows it to drive meaningful change in these communities, supporting socio-economic progress and sustainable development.

ESG strategies relating to community engagement and development, our targets and annual key performance indicators are set out in Table 5: Community Partnerships Strategies, Targets & KPIs forms an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of TTE.

#### Commitment

We seek to nurture ethical, transparent, and mutually beneficial relationships with the communities in which we operate. This is to be achieved through the following:

- companies should develop and execute a community relations strategy which reflects its’ social goals and the expectations of its’ communities.
- Implement credible and effective community grievance mechanisms which enable complaints and concerns to be identified and addressed in a timely manner. Community stakeholders should be made aware of the grievance process through suitable signposting, the corporate website, and other channels of community dialogue.
- Show sensitivity to the culture, traditions, customs and social norms of each country and region in which we operate.
- All sectors should actively engage in strategic community development initiatives broadly focusing on the key areas of education, health and well-being, livelihood development, religion, and culture. Initiatives

should be formulated and driven primarily at Sector level based

on identified community needs. Adequate financial, and human resources should be allocated for project execution. Certain significant projects may also be driven by the TTE Sustainability Unit.

- The progress of all projects should be monitored periodically, through impact assessments, audits, feedback from beneficiaries and independent third parties (where necessary) to ensure that program objectives are met.
- Encourage and reward employee volunteerism, thereby recognising employee involvement.
- Companies are encouraged to build partnerships with regional community s, NGOs, and local governments.
- Ensuring the 100% complete and accurate reporting of community project related information to TTE Sustainability on a timely basis following the set reporting requirements of the GRI Standards and TTE' Cube reporting.

## Responsibility


The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.



Link to UN SDGs & GRI

GOAL.	TARGET	GRI
	10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	4 / 3-1

Table 5: Community Partnerships Strategies, Targets & KPIs

POLICY	ESG STRATEGY	2030 TARGET	BASELINE PERFORMANCE	ANNUAL KPI
 Community Relationships	Uplifting livelihoods and empowering communities	Increase CSR beneficiaries by 50% by 2030	400,000 beneficiaries	Annual increase of 5% (of baseline performance) of -wide beneficiaries of CSR initiatives





**Talawakelle Tea Estates PLC**  
**Shareholder and Investor Communications Policy**

## **1. Overview**

- Talawakelle Tea Estates PLC, a public listed company, recognizes the importance of effective communication and responsiveness to shareholders for fostering trust, transparency, and good corporate governance.
- The purpose of this document is to ensure that all shareholders and investors have equal and timely access to accurate and publicly available information about the Company.
- This policy establishes a framework to enhance transparency, promote effective communication, and engage with shareholders and investors.

## **2. Communication with Shareholders and Investors**

### **2.1 Annual General Meetings**

- Annual General Meetings serve as the primary mode of communication between shareholders and the company.
- Shareholders are encouraged to participate in Annual General Meetings (AGMs) and are given an opportunity to raise queries related to the financial statements in the Annual Report.
- Shareholders who cannot attend are encouraged to appoint proxies or submit voting instructions.
- Annual General Meetings will be held either in a physical location, OR on an online meeting platform and shareholders are encouraged to join the meetings.
- Notices of Annual General Meetings and accompanying documents are provided within the prescribed period before the meeting, and published as announcements on the website of the Colombo Stock Exchange and the Company's website.
- The process of Annual General Meetings is regularly reviewed and monitored, and if necessary, changes will be made to meet shareholders' needs.
- Board Members, including the Chairperson/ Chief Executive and Executive, Independent and Non-Executive Directors and relevant members of the Group Management Committee are made available to answer queries raised by shareholders.

### **2.2 Talawakelle Website**

- The company's website (<https://www.talawakelleteas.com>) is one of our primary communication and information-sharing channels with shareholders and investors.
- Annual reports, interim reports, investor presentations, circulars to shareholders, links to annual reports of listed subsidiaries, and investor FAQs are available on the corporate website. There is a dedicated section for investor relations.
- In addition to investor-related information, the website provides background information about the business activities of different sectors, ESG practices, career opportunities, and press releases.
- A dedicated section on the website contains contact information for various departments where shareholders can raise their issues, concerns, and comments with the company.

### **2.3 Social Media Presence**

- In addition to the corporate website, information related to Talawakelle Tea Estates PLC is shared through various social media platforms, including LinkedIn, Facebook, Instagram, and YouTube.

### **2.4 Shareholder Enquiries**

- Shareholders with questions related to shareholding and dividends should direct their inquiries to the Company Secretary.
- For other inquiries, designated contacts from each division are available on the website, including their names, email addresses, and contact numbers.
- Matters and concerns raised by shareholders and investors will be routed to the Board through the relevant Group Management Committee member.
- Public notices to shareholders are published in all three languages: Sinhalese, English, and Tamil.
- Shareholder correspondence is primarily in the English language.

### **2.5 Financial Reporting**

- Talawakelle Tea Estates PLC is committed to the timely publication of financial results and aims to provide a fair, balanced, and understandable disclosure. This allows shareholders to assess the company's financial position, performance, business model, and strategy.

### **2.6 Environmental, Social, and Governance (ESG) Reporting**

- Talawakelle Tea Estates PLC outlines its approach to ESG in annual reports and accounts, addressing climate ambitions, customers, employees, communities, and governance matters.
- Stakeholder feedback is used to identify and address issues important to shareholders and the operation of the business.

### **2.7 Review of the Policy**

This policy will undergo regular review by the Board to ensure its effectiveness and alignment with current best practices.

### **2.8 Shareholder Privacy**

Talawakelle Tea Estates PLC acknowledges the importance of shareholder privacy and will not disclose shareholder information without their consent, except when required by law.

## **3. Conclusion**

Talawakelle Tea Estates PLC is committed to maintaining strong communication and relations with shareholders and investors. The Company will continuously strive to meet their needs for information, transparency, and engagement, while adhering to the highest standards of corporate governance and regulatory requirements.

*October 2023*