

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### A. INTRODUCTION AND PURPOSE

Carson Cumberbatch PLC group of companies (“**Carsons Group**”) is a diversified group operating across several jurisdictions and its continued success depends largely on the respect, trust and confidence of its various stakeholders. Ceylon Beverage Holdings PLC being the holding Company of Lion Brewery (Ceylon) PLC, falling within the Beverage Sector of the Carsons Group is committed to conducting business in accordance with the highest ethical standards and prohibits all forms of bribery and corruption in its operations worldwide.

The law governing bribery and corruption in Sri Lanka is codified in the Anti-Corruption Act No.9 of 2023 (“**Act**”) and covers bribery of government officials as well as private sector (commercial) bribery. This Anti-Bribery and Anti-Corruption Policy (“**Policy**”) explains the compliance procedure with a view to ensuring that the Company operates in strict compliance to the local and national laws in the jurisdictions we operate in as well as our internal codes of governance and ethical conduct. We take a zero-tolerance approach to Bribery and Corruption and are committed to implementing and enforcing effective systems to counter bribery.

### B. DEFINITIONS

References to “you” in this Policy refer to any person to whom this Policy applies. Where more specific references are used (such as “**employee**”), the more specific reference is intended.

For purposes of this Policy, the term “**employee**” means any person who is in the employment of Ceylon Beverage Holdings PLC including but not limited to directors, executives, non-executives, secretaries, secondees and individuals on direct hire.

“**The Company**” means Ceylon Beverage Holdings PLC [“**CBHL**”] its subsidiary Lion Brewery (Ceylon) PLC, and other companies within the CBHL Group. The expression “**The Company**” is used for convenience where references are made to the group of companies in general.

“**Third party**” as referred to in this Policy means and includes actual and potential customers, suppliers, distributors, business contacts, service providers, consultants, agents, advisers, and government and public bodies, including their advisors, representatives and officials.

### C. SCOPE OF APPLICATION

This Policy applies to all “employees” [as defined above] of the Company. We expect our business partners performing work or services for or on behalf of the Company to act in accordance with the local laws and to assist and cooperate with the Company in monitoring and ensuring compliance with the legal framework.

Third parties shall not engage in any form of corrupt practices including without limitation to, extortion, fraud, impersonation, false declarations, bribery, money laundering, supporting or involvement with terrorist or organized crime organizations or activities. Third parties shall not offer bribes, kickbacks, illegal political contributions or other improper payments to a Company employee, representative, agent, any customer, government official or third party, with the intention of obtaining or retaining a business or other improper advantage.

It is the responsibility of all third parties working with the Company to prevent, detect and report any form of bribery and corruption. You must ensure that you read, understand and comply with this policy.

#### **D. WHAT IS CORRUPTION?**

Corruption is generally understood to be abuse of entrusted power for private gain. Bribery is only one form of corruption. Other forms can include conflicts of interest, illegal gratuities and economic extortion.

In a private sector context, conflicts of interest would occur mostly in the arena of sales and purchasing schemes and bribery would most commonly be observed in the contexts of invoice kickbacks or bid-rigging.

#### **E. RISKS AND/OR CONSEQUENCES OF CORRUPTION**

A violation of relevant anti-corruption and anti-bribery laws by an employee in their official capacity could result in the Company breaching anti-bribery and anti-corruption legislation in Sri Lanka and/or foreign legislation to which we are subject or have undertaken contractually to comply with. Offences under these legislations can result in the Company being fined, the Directors and Officers facing civil and criminal penalties and would cause negative publicity and serious damage to the investor-confidence and reputation of the Company.

Widespread corruption, in both public and private sector, results in higher operating costs, inflation and taxes for everyone including the organization, which in turn results in lower profits and curtailment of investment in employees, innovation and benefits. Corruption also results in creation of unstable non-sustainable markets and industries and perpetuates a corporate culture which encourages fraud. Prevention and mitigation of fraud risk is a high priority for the Company and Company will implement many initiatives, controls and training sessions to ensure compliance by all in this endeavour.

#### **F. WHAT IS A BRIBE?**

Broadly it amounts to the offer, promise, give, seek, solicit, accept any “**gratification**” (Refer definition below) that serves to induce or influence the recipient, who is in a

position of authority, trust or power or any other person, to act improperly in the performance of their duties, or to reward them for acting improperly. The improper acts may be in relation to any business or professional activities, public functions, acts during employment, or other activities by or on behalf of an organisation of any kind.

**G. WHAT CONSTITUTES AN OFFER, SOLICITATION OR ACCEPTANCE OF ANY GRATIFICATION?**

- (a) Payment of money or providing any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable, intangible and unreal or immovable. As provided here “money” includes currency which is in digital or virtual form;
- (b) Offer of any office, employment or contract as a reciprocal favour;
- (c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) Any sexual favour;
- (e) Any other service, favour or advantage of any description whatsoever including protection from any penalty or disability incurred or apprehended from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, including the exercise, or the forbearance from the exercise of any right or any official power or duty;
- (f) Any offer, undertaking or promise of any gratification within the meaning of the preceding paragraphs (a), (b), (c), (d) or (e);

**H. IN WHAT WAY CAN THE COMPANY OR ITS EMPLOYEES BE IMPLICATED IN A CORRUPTION OR BRIBERY INVESTIGATION?**

- (a) By receiving or giving a bribe and/or gratification;
- (b) As the complainant;
- (c) By aiding or abetting, acting as an intermediary or co-conspirator;
- (d) As an entity summoned by the Commission to provide information and/or documentary evidence in a bribery investigation;
- (e) As an entity where the person’s accused or implicated are employed or a company bound by or implicated by a court order;
- (f) As an entity which holds the assets of a person being accused or investigated under a bribery complaint;
- (g) As a spouse or family member of a person accused or implicated in a bribery investigation;
- (h) Where the Company/personnel is required to report, provide evidence or in any other way assist the Authorities in the exercise of their powers;
- (i) In adhering to the disclosure restrictions and protections established in place for informers, whistleblowers, witnesses and other persons assisting a bribery investigation;

**Offering and Receiving a Bribe Through An Intermediary** - It is an offence to offer or accept bribes in the above situations as well as to solicit for such a bribe. A person is considered to solicit or accept a gratification if he/she, or any other person acting with his/her knowledge or consent, directly or indirectly demands, invites asks for, or indicates willingness to receive, any gratification, regardless of who it is for. Attempting and abetting to commit any of the aforesaid is also considered an offence. A receiver of a bribe upon a promise of doing a certain action will be considered an offender upon receipt of the bribe; completion or noncompletion of the task is irrelevant.

## **I. TERMS OF OUR POLICY**

The Company frequently engages and is required to engage with both private sector as well as government and public sector entities and individuals as part of doing business. However, Company stresses on the need to do so appropriately with appropriate internal approval and authorization. Employees are also required to comply with the Company's due diligence protocols when choosing and engaging with business partners.

### **1. APPLICABLE LAWS**

Employees of the Company must abide by this Policy, all applicable Anti-Corruption and Anti-Bribery laws prevailing in Sri Lanka and the local laws in every country in which we do business (for example, federal, regional, provincial, and state laws).

### **2. HOW DO YOU COMPLY?**

The Policy will be made available to new employees and directors as a part of the induction program and the updated version will be available on the Company's website. Employees must read and abide by the terms of this Policy and signify your acceptance by signing off on the Policy, which will be introduced as a supplement, and be incorporated to the Company's Code of Conduct. You may also be called upon to participate in mandatory training and awareness creation sessions conducted by the Company from time to time, as part of your employment. These training sessions will cover fraud risk, identification of red-flags in day to day business processes and operations, reporting procedures and provide opportunity for explanations and clarifications.

### **3. PROHIBITED AND RESTRICTED PAYMENTS**

Offering, promising and authorizing the giving of money, gift or anything else of value, to Public or Government officials or any employee or official in a private sector entity in order to secure an improper advantage is prohibited.

The Company's prohibition on bribery applies to all improper payments.—The prohibition covers cash payments, benefits and favours in kind or action.

The above-mentioned payments are prohibited regardless of whether or not they are made directly or indirectly through third party intermediaries.

#### 4. WHAT IS PERMITTED

This Policy permits employees to provide modest gifts, hospitality or certain other things of value where it is legal and customary to the industry and traditions of the country, other than as an inducement of reward to obtain a benefit or favour.

The Company and the employees are permitted to offer or accept business entertainment and gifts without prior approval, provided that the entertainment or gift in question is;

- Modest
- Appropriate and consistent with reasonable business practice; and
- Permissible under all applicable laws.

The following are examples of entertainment and gifts which are usually acceptable without prior approval;

- Occasional drinks and meals
- Seasonal Hampers
- Occasional attendance at sports, theatre, cultural and other events
- Token gifts of modest amounts.

When deciding whether a gift is appropriate, employees must take into account any past, pending or future business or administrative matters that are within the recipient's realm of influence. The timing and context of such gifting must be considered in order to assess whether any particular gifting could objectively be perceived as bribery.

#### 5. GIFTS, HOSPITALITY AND ENTERTAINMENT

##### 5.1. Giving and Receiving of Gifts

All employees of the Company are expected to conduct themselves with integrity, impartiality and honesty at all times. Accordingly, all employees are required to follow these rules on Gifts, Hospitality and Entertainment.

You must maintain a high standard of professionalism and not open yourself up to suspicion of dishonesty or put yourself in a position of conflict between your work and your private interests.

Gifts, hospitality and entertainment given and received as a reward, inducement or encouragement for preferential treatment in connection with any contract,

bidding, evaluation or award or inappropriate or dishonest conduct are strictly prohibited.

Gifts of any nature received, whether it is one article or several within a short frame of time, that is reasonably perceived to be of a value over Rs. 25,000/-, should be disclosed to the Divisional Head and Human Resources Department in writing.

**EASY TO REMEMBER: SAY 'NO' TO GIVING OR RECEIVING:**

- Any gift that would be illegal or in breach of the prevailing laws in Sri Lanka or territory in question [where Company employees are based overseas or in relation to operations abroad].
- Any gifts that come with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required (“quid pro quo”).
- Any gift which can reasonably be considered lavish or excessive, that may adversely affect the reputation of the Company.

**5.2. Hospitality and Entertainment**

The Company recognizes that providing modest but appropriate entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external business partners and clients. As such, eligible employees are allowed to entertain external business partners and clients through reasonable acts of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.

You are required to comply with the policies and procedures of your Human Resource Department & Finance Department, when organizing, carrying out or participating in entertainment activities.

**6. CHARITABLE CONTRIBUTIONS**

The Company supports the making of contributions to the communities in which it does business and permits reasonable contributions to charities and conduct of corporate social responsibility initiatives within the guidelines of the applicable laws.

In this respect:

- Reasonable steps must be taken to verify that any such contribution does not constitute an illegal payment to a government body or official or any employee or official in a private sector entity in violation of this policy.
- It may be permissible to make contributions directly to a government agency or private sector entity (rather than to any individual government official or employee) as part of a charitable effort.
- All contributions must strictly ensure that the same be not used as a means to improperly influence decisions of a public officer or private entity employee.

## **7. BOOKS, RECORDS, ACCOUNTING AND PAYMENT PRACTICES**

In order to prevent the possibility of bribes and kickbacks being paid or accepted, all Company business and financial records must account each transaction involving company business and/or the deployment of Company assets.

All expenses must be accounted for, include appropriate supporting documentation and be promptly entered into Company records before they are reimbursed.

## **8. DISCIPLINE & ENFORCEMENT**

In the event of a bribery and corruption allegation, the Company and its employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law or under criminal law, which could result in severe fines and penalties, debarment and imprisonment if a violation of applicable anti-bribery and corruption laws and regulations is established.

If the Company suspects that a Company representative or any third party has committed an act of bribery, attempt bribery or breach any of the provisions in this policy, an investigation will be carried out and appropriate legal actions will be taken against such parties. For third parties providing services to the Company, breach of this policy may result in immediate cessation of business arrangements with the concerned party.

The Company expects all its business partners to abide by the applicable laws in conducting their affairs with the Company and maintain adequate measures to monitor adherence. Depending on the nature of the non-compliance in question, the Company will deal with the matter as appropriate. We understand that certain requirements may take time to implement, and business will still be accepted if you are working towards full compliance with our core obligations set out herein.

## **9. REPORTING BREACHES OR CONCERNS**

It is the responsibility of all employees to ensure compliance with this policy.

Any employee who is in doubt, suspects that this policy has been breached or has concerns about the actions by anyone in the Company, or any third party working with the Company in any capacity; is encouraged to contact the CEO of the Company or Director - Legal of Carsons Management Services (Private) Limited [“CMSL”]. You may also raise your concerns through any “Speak Up” whistleblower channel established by the Company.

Confidentiality of any information provided and anonymity of the person providing the information will be assured.

## 10. CLARIFICATIONS & POLICY REVISION

This Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. This Policy sets out what is and is not acceptable in general terms, but if you are in any doubt as to whether any conduct could amount to bribery or corruption, you should seek further guidance from the Company’s Chief Financial Controller or Head of Legal.

This Policy must be reviewed at least every two years. It may be amended at any time with the approval of the Board of Directors of the Company.

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