

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) POLICY

INTRODUCTION

Ceylon Beverage Holdings PLC and its group of Companies inclusive of Lion Brewery (Ceylon) PLC, Luxury Brands (Pvt) Ltd, Pubs 'N Places (Pvt) Ltd, Retail Spaces (Pvt) Ltd ('the Company') understands the relevance and importance of Environmental, Social Governance (ESG) not only as part of its business model but also as an aspect, which has a direct impact on its reputation, as a corporate citizen. It has therefore, put in place a framework to reduce risks and identify opportunities across its operations, arising from ESG related factors, which is also aligned with the organisation's long term business strategy. This Policy forms the foundation towards our commitment, towards integrating ESG into our day-to-day functions, so that it becomes part of the operational fabric of the organisation. Towards this goal, we will always strive to Lead where it matters, Innovate at all levels of the organisation, Optimise our processes and services to deliver best in class performance, while Nurturing corporate responsibility and human capital development across our operations.

We will facilitate this with defined policies and standard operating practices;

- Responsible manufacturing and consumption (Reduction in consumption of water and power per unit of production, reduction in emissions, sustainable packaging, waste management and circularity)
- Ensuring compliance with relevant national and international regulations, standards and benchmarks (Management systems for food safety, environment, energy, data security, occupational health and safety)
- Promoting best-in-class employee engagement and human rights practices towards remaining certified as a Great Place to Work (Employee well-being, diversity, equality, inclusion, anti-discrimination, anti-harassment, training, and development backed by reward and recognition)
- Promoting corporate governance and ethical business conduct (payment of tax, anti-corruption, responsible sourcing and compliance with relevant laws)
- Transparency through disclosing on ESG aspects, through periodic reports towards communication of progress
- Aligning Enterprise Risk Management with ESG risks and opportunities.

OUR STANCE ON THE ENVIRONMENT

We will strive towards driving down our energy and carbon impacts, as climate change is a pressing issue. We will also work on reducing our water footprint, while optimizing efficiency of processes towards reduction of waste. We will continuously explore sustainable technology and sustainable material for packaging, as we are conscious of our responsibility towards resource utilisation.

OUR STANCE ON SOCIAL RESPONSIBILITY

We will continue to strengthen our relationships with our key stakeholders, by investing in our employees and partnering with our customers, communities and suppliers towards driving relevant ESG deliverables.

We engage with our employees to provide a great place to work which is challenging, inclusive rewarding and supportive, which in turn will facilitate their professional development, as well as promoting a good work life balance that keeps their overall health and wellness foremost in mind.

In the wider community, we will support initiatives which benefit the environment, share technical knowledge as well as best practices on health, safety and wellness, towards building a knowledgeable workforce and a talent pipeline.

OUR STANCE ON GOVERNANCE

We will provide relevant training and promote oversight, transparency and risk management, at all levels of our organisation towards facilitating governance. Relevant policies, code of conduct and procedures pertinent to the ESG framework will be formulated and adopted from time to time towards supporting the governance structure set out in this Policy.

We will continue our corporate governance through board stewardship, accountability and proactive risk management. We will also continue to mitigate or minimise risk exposure across all facets of our operations.

DEFINITIONS AND PROCEDURE

1. ESG Charter

The ESG Charter defines the governance body for ESG for the company. It details the purpose, composition, roles and responsibilities, as well as frequency and quorum of meetings and the process for the review of the charter.

2. ESG Committee

The ESG Committee is tasked with oversight of the ESG operations of the Company, with relevant operational teams tasked with the execution of ESG activities.

3. Materiality

Aspects which are deemed material to the organisation define the core focus areas for the Company and these are reviewed once a year for relevance and criticality, as part of the annual plans. Finalised materiality (“Materialities”) is tabled at the ESG meeting at the start of the financial year. In the event there are significant changes to any of the Materialities, the ESG Committee may review and revise at any of its forums. Materialities are aligned to relevant UN Sustainability Development Goals.

4. Governance

The ESG Committee comprises Senior Management of the Company, as well as members of the Board of Directors. The members of the ESG Committee are updated on ESG related activities at the Monthly Management Review Meeting, with a more detailed discussion at the ESG Committee quarterly meeting. The Audit Committee of the Company is kept updated on ESG aligned risks, opportunities and actions twice a year, while the Board is presented with the ESG aligned risk grid once a quarter.

5. Communication of progress

Internal communications will provide staff with relevant updates on changes and also progress. External communications will be used to update external stakeholders as per relevance.

The Company web site will strive to provide stakeholder information, such as policies and relevant updates on ESG related activities.

The Company will, as part of its Annual Report or a freestanding sustainability communication, communicate its progress on ESG and may utilize appropriate reporting standards towards providing transparency to relevant stakeholders.

POLICY MANAGEMENT

This policy is approved by the Board of Directors and is owned by the Chief Sustainability Officer, who will review it annually for relevance and recommend any amendments to the Board. In the event there are changes either internal or external within this period, the Policy shall be reviewed and revised as required, with the approval of the Board.

For any specific clarification regarding this policy, you may contact the Chief Sustainability Officer of the Company.
