

POLICY ON WHISTLEBLOWING

1. Policy Statement

Ceylon Beverage Holdings PLC [“Company”/ “CBHL”] recognises that any genuine commitment to detecting and preventing illegal and other undesirable conduct must include, as a fundamental cornerstone, a mechanism whereby employees and others can report their concerns freely and without fear of repercussion. To achieve this end, Company ensures regular forums with top management present and accessible (E.g. Townhall meetings) for staff to air their views and share suggestions and complaints openly with no inhibitions. However, where employees feel uncomfortable to escalate their views/ and/or knowledge of an activity that had already or will in future, adversely affect the Company, publicly or individually to their superiors, this Policy on Whistleblowing (“Policy”) provides such a mechanism and encourages the reporting of such conduct.

The intention of this Policy is to strengthen the core values of integrity, transparency and accountability of the Company by empowering all stakeholders, employees and business partners to report illegal and/or wrongful acts in good faith and in the best interest of the Ceylon Beverage Holdings PLC and other companies falling within the Beverage Sector of Carson Cumberbatch PLC Group of Companies.

Individuals and entities who report in good faith are protected under this Policy without the risk of retaliation. However, the Company will not tolerate any Report that is made with malicious intent and the Company reserves the rights to pursue any action deemed legally appropriate. This Policy provides guidance to whoever who wishes to make a report (referred herein as “Whistleblower”) and it also describes what the Whistleblower can expect from the Company, upon lodging a report.

2. Coverage

The coverage under this Policy shall apply to Reports relating to all the companies falling within the Beverage Sector of Carson Cumberbatch PLC Group of Companies [hereinafter referred to as the “Group”] and in particular, the following two public listed companies mentioned below:

- (a) Ceylon Beverage Holdings PLC [“CBHL”]
 - (b) Lion Brewery (Ceylon) PLC [“LBCL”]
- and their respective subsidiaries.

In understanding and application of this Policy, the following definitions will carry the meanings below.

3. Definitions

- (i) “Ombudsman” means a non-executive director of the Carson Cumberbatch PLC Group of Companies who would be appointed as the Ombudsman, by the Board of Directors

of Carsons Management Services (Private) Limited [“CMSL”] in their capacity as Managers to the Group, to centrally receive all Potential Misconduct reporting communication directed to the SpeakUp email addresses.

- (ii) “**Policy**” means this Policy on Whistleblowing.
- (iii) “**Potential Misconduct**” means any suspected or actual misconduct or improper state of affairs or circumstances in relation to the Company or Group. It also means (but is not limited to) a breach of law or information that indicates a danger to the public.
- (iv) “**Speaking Up**” means informing the Ombudsman, utilizing the procedures and channels set out in this Policy, if you have reasonable grounds to suspect that potential wrongdoing has occurred or is occurring in relation to the Company and/or Group.
- (v) “**Whistleblower**” means the person Speaking Up.

4. Objectives of the Policy

The objectives of this Policy are to:

- (a) encourage disclosures of Potential Misconduct;
- (b) help deter Potential Misconduct, in line with Company’s and the Group’s risk management and governance framework;
- (c) ensure that individuals who disclose Potential Misconduct can do so safely, securely and with confidence that they will be protected and supported;
- (d) ensure that disclosures are dealt with appropriately and on a timely basis;
- (e) provide transparency around Company’s and Group’s framework for receiving, handling and investigating disclosures; and
- (f) meet Company’s legal and regulatory obligations.

The Company will not tolerate anyone being discouraged from Speaking Up or being subject to detriment because they want to Speak Up or they have done so. Disciplinary action, up to and including termination of employment or engagement, may be imposed on anyone shown to have caused detriment to a person because they want to, or have, Spoken Up.

5. Who the Policy applies to:

Anyone with information about Potential Misconduct is encouraged to Speak Up.

This Policy applies to an individual who is:

- (a) a current CBHL employee, including directors, employees who are permanent, part-time, fixed term or temporary, interns, secondees and managers;
- (b) a current officer or associate of CBHL, for example a director or company secretary;
- (c) a service provider or contractor who is providing goods or services to CBHL or any other company within the Group, whether paid or unpaid (e.g. volunteering) including their employees; and

6. What matters can be reported under the Policy

6.1 Examples of Potential Misconduct

The Company encourages any individual identified in (a) to (c) in **Section 5.** above to Speak Up about Potential Misconduct. You should provide as much information as possible, including details of the Potential Misconduct, people involved, dates, locations and if any more evidence may exist. Please use the Reporting Form annexed in **Annexure 1** to this Policy to report your concern so that all the information relevant to the issue is captured properly. [Note: Form to be made available in the Company intranet]

When Speaking Up, you will be expected to have reasonable grounds to suspect the information you are disclosing is true and accurate from first-hand knowledge, but you will not be penalised if the information turns out to be incorrect. However, you must not make a report that you know is untrue or misleading. Deliberate false reporting will not be covered by this Policy and will not be a protected disclosure. Where it is found that the person Speaking Up has knowingly made a false report or acted with malicious intent, this may result in disciplinary action (including termination of employment or engagement) or any other course of action deemed legally appropriate.

Examples of Potential Misconduct include but are not limited to:

- (a) failure to comply with, or breach of legal or regulatory requirements;
- (b) breach of Company's or Group's Code of Conduct or other Company policies, standards or codes;
- (c) engaging in or threatening to engage in detrimental conduct against a person who has made a disclosure, or is believed or suspected to have made, or be planning to make a disclosure of a Potential Misconduct;
- (d) criminal activity such as theft, fraud or embezzlement;
- (e) bribery or corruption;
- (f) conduct endangering health and safety or causing damage to the environment;
- (g) conflicts of interest, including those relating to outside business interests, relationships, improper payments and donations;
- (h) insider trading;
- (i) abuse of power;
- (j) requesting or receiving kick-backs or facilitation payments;
- (k) Concerns relating to alcohol or drug misuse which could cause affect a person's ability to perform in the role or affect the Organization's image;
- (l) Misleading accounting, taxation, financial reporting or other reporting practices;
- (m) conduct endangering the health and safety of any person or persons;
- (n) improper use of company resources;
- (o) unauthorised use or disclosure of Company's or Group's confidential information;

6.2 Issues that fall outside the scope of this Policy

(a) Personal work-related grievances

Disclosures that relate solely to personal work-related grievances, and do not relate to detriment or threat of detriment to the person Speaking Up, are not covered by this Policy.

Personal work-related grievances are those that relate to your current employment and only have implications for you personally, with no other significant implications for the Company or Group or other matters of misconduct beyond your personal circumstances.

Examples of personal work-related grievances include:

- Complaints about performance targets set by Management or negative feedback received in relation to poor performance
- Complaints on anomalies relating to an individual's compensation and/or benefits;
- an interpersonal conflict between you and another employee;
- a decision that does not involve a breach of workplace laws;
- a decision about your engagement, transfer or promotion;
- a decision about your terms and conditions of engagement; or
- a decision to suspend or terminate your engagement, or otherwise to discipline you.
- Complaints about victimisation, bullying, discrimination or harassment which should be handled under the Grievance Handling Procedure of the Company, unless there are conflicts of interest, prolonged non-resolution or other demonstratable reason for resorting to this Policy

However, If the grievances outlined above includes information about a Potential Misconduct or suggests misconduct beyond your personal circumstances or dissatisfaction; the personal work-related grievance may qualify for whistleblower protections under this Policy.

(b) Business Decisions taken by the Board and Management

If the concern relates to a disagreement and/or dissatisfaction or difference of opinion which relates to the strategic direction of the Company or a business decision taken by the Board and/or Management, this channel will not provide a forum or mechanism to question Management decisions taken by the relevant personnel in accordance with Company protocol and authorization limits.

Such concerns should be directed to the relevant HR resource, Functional Head or CEO.

(c) Do not use the Speak Up channels in this Policy to:

- Report events involving an immediate threat to life or property. If you need emergency assistance, please contact the relevant local authorities and your designated health & safety or administration / security representative.

- Incidents that are required to be reported as crisis, such as significant plant or equipment damage, natural disasters or terror attacks. Please contact your Head of Administration or Security instead.
- Settle personal or legal disputes.

Even if such complaints falling within Section 6.2 (a) to (c) above were to be directed to the Ombudsman under this Policy, Ombudsman will inform the Whistleblower of the alternate channel to be used (i.e. Grievance resolution via HR), or request Whistleblower's permission to forward the complaint to the proper channel, in view of the confidentiality to be maintained.

6.3 How to Speak Up?

(a) How to report a Potential Misconduct

Concerns about suspected misconduct can be raised through a variety of channels.

(i) Internal Reporting Hierarchy

If you suspect misconduct, you are first and foremost encouraged to address it directly with the person involved or to raise your concerns with your line manager. If you prefer not to reach out to them, you can reach out to an HR/legal representative or to the Functional Head, CEO of the Company or the Head of the Internal Audit function of the Company. These representatives will inform the right department in the Company that a concern has been raised for review and follow-up in accordance with our relevant procedures.

(ii) Speak-Up Letterbox & Email Address

If you believe that the matter you wish to raise cannot be dealt with through the channels mentioned above, you can reach out to the Ombudsman via the channels as set out below. At present, communications can be in either English, Sinhalese or Tamil.

Email Address: ombudsman@carcumb.com

Postal Address :

Ombudsman
C/o of Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

The ONLY mode of communication entertained by the Company would be an email (either using the Whistleblower's corporate email address or a private email address) or a written letter where the Whistleblower's identity is disclosed.

A downloadable sample of the complaint format will be available in the Company intranet to facilitate a potential Whistleblower. Main components of the format would be;

- a. Identity of Whistleblower
- b. Company and department
- c. Brief description of the event and the potential impact on company/group
- d. Name of alleged offender/s, if known
- e. Time frame of the alleged event occurred or to occur, if relating to a future event

This Policy excludes receipt of anonymous Reports and/or non-written communications as named communications encourage veracity and accountability when making Reports and written communications ensure there is a tangible record of the information forming the initial complaint on which the investigation commences. This prevents the Whistleblower from changing their initial complaint at later stages (which can occur in allegations made *via* voice calls) which can place the Ombudsman in a difficult position and result in waste of resources.

(b) Who would receive a complaint reported through the Speak-Up Email?

The Ombudsman will be the first contact point who receives the complaint via email and/or letter from the Whistleblower.

The Ombudsman shall be a non-executive director of the Carson Cumberbatch PLC Group of Companies who would be positioned to centrally receive all Potential Misconduct reporting communication directed to the SpeakUp email address and/or letterbox. He/she so appointed would be an individual who is well aware of the nuances, culture, reporting lines and the functions of operational and financial reporting activities of the Group. He/She would be a person of acceptable standing from whom an unbiased, fair and in-depth investigation in to reported matter can be expected by the general population of employees and stakeholders of the Group. The Ombudsman will be provided with necessary resources to investigate the complaint confidentially, direct the consequent actions under this Policy and maintain records as may be necessary.

In the event of a prolonged absence of the Ombudsman, a suitable "pro tem" Ombudsman will be appointed to cover the duties. He /she also will be of similar credentials and will be granted access to the inbound channels and also will be given access to the confidential complaint register.

(c) Can I Speak Up anonymously?

All complaints made to the Ombudsman will need to disclose the name of the person reporting (i.e. Whistleblower) the Potential Misconduct. The providing of the identity of the Whistleblower;

- Gives genuineness to the reported allegation.
- Would provide opportunity for the Ombudsman to reach back to Whistleblower firstly to acknowledge the receipt of the reporting and secondly to gather more evidence to conclude the initial investigation speedily.
- Will provide a contact point for the Ombudsman to inform the Whistleblower of the outcome of the initial investigation.
- It allows the matter to be fully investigated whilst providing the Whistleblower with ongoing protection and support.

If under special circumstances a Whistleblower requests a private audience with the Ombudsman due to extreme fear of reprisal, then such request will be entertained, and confidentiality maintained. However, notes of the discussion minutes will be recorded and signed by both parties and kept under safekeeping with the Ombudsman till the investigation into the matter is concluded.

(d) What protection exists if I Speak Up under the Policy?

(i) Protecting your identity

The Company and the Group will look to protect the identity of people who Speak Up. Your identity (and any information the Company has because of your report that someone could likely use to work out your identity) will only be disclosed if you give your consent to the Company to disclose that information or in exceptional circumstances where the disclosure is allowed or required by law. Typically, only the Ombudsman would be aware of your identity and a pseudonym is used so your identity is not known to others.

All information, documents, records and reports relating to the investigation of a Potential Misconduct will be confidentially stored and retained in an appropriate and secure manner. Access to all information relating to the disclosure will be limited to those directly involved in managing and investigating the disclosure. Only a restricted number of people who are directly involved in handling and investigating the disclosure will be made aware of your identity or information that is likely to lead to the identification of your identity.

You can lodge a complaint with the Ombudsman if you believe that is a breach of confidentiality under this Policy.

(ii) Protecting you from detriment

You will not be penalised or subject to any detriment for Speaking Up. It is unlawful to cause detriment to you or another person on the belief or suspicion that a Report has been, or will be, made, regardless of whether the Report was made. We will not tolerate such unlawful behaviour.

Examples of detrimental conduct include (but is not limited to) dismissal of an employee or alteration of an employee's position or duties to their disadvantage; discriminatory behaviour towards the employee, harassment or intimidation of a person; harm and injury to a person, including psychological harm; or damage to a person's property, reputation, business or financial position.

Reasonable administrative or management action such as managing your unsatisfactory work performance does not constitute a detriment if the action taken is consistent with Company's performance management process. An administrative action that is reasonable for the purpose of protecting you from risk of detriment is not detrimental conduct. For example, Company may ask you to perform your duties from another location, reassigning you to another role at the same level, make other modifications to your workplace or the way you perform your work duties.

If you believe you have been subjected to a detriment because of the actual or intended disclosure, you should immediately report the matter to the Ombudsman so prompt action can be taken to protect against further detrimental acts or omissions. Reports of detrimental conduct will be treated confidentially.

(iii) Frivolous Allegations

This Whistleblower Protection Policy will not safeguard any whistleblower who makes frivolous allegations either knowing fully that the allegation is untrue and or lacks substance and levels the allegation either for some personal gain or for a personal grudge against the alleged offender.

If the initial investigation shows that the allegation is frivolous due to above mentioned grounds with evidence, then disciplinary action could be taken against the Whistleblower which could result in disciplinary action (including termination of employment or engagement) based on the gravity of the allegation.

7. Process of handling Whistleblower complaints

All reports of Potential Misconduct under this Policy will be dealt with promptly, fairly and objectively. Company's response to a complaint will vary depending on the nature of the complaint and the amount of information provided. Your report may be addressed and resolved informally or through formal investigation. While Speaking Up does not guarantee a formal investigation, all reports will be properly assessed and considered by the Ombudsman and a decision made as to whether it should be investigated.

(a) Logging in of the allegation

On receipt of any complaint - by email or letter - Ombudsman will record same in a separate confidential register with following details;

1. Date of receipt
2. Unique sequential number
3. Name of whistleblower
4. Details of the event
5. Evidence submitted

(b) Interaction with the Whistleblower subsequent to the receipt of complaint

Once the complaint is received, Ombudsman may/will contact the Whistleblower personally and confidentially to:

1. To verify whether he/she is the actual Whistleblower (it is possible that a complaint can be forwarded impersonating someone else).
2. Acknowledge the receipt of the complaint.
3. If the complaint relates to an event which does not fall within the scope of this Policy (refer **Section 6.2**) Ombudsman will inform the Whistleblower of the alternate channel to be used (i.e. grievance resolution via HR) or request Whistleblower's permission to forward the complaint to the proper channel, in view of the confidentiality to be maintained.
4. Request additional information which could support the initial investigation.
5. Subject to any legal constraints, and at the Company sole discretion as to appropriateness, shall inform the Whistleblower of the conclusion of the investigation and the planned course of escalation by the Ombudsman.

(c) Initial Investigation

If the Ombudsman determines that an investigation is required, he/she will undertake an investigation with the objective of locating evidence that either substantiates or refutes the claims of Potential Misconduct.

Ombudsman shall conduct an initial investigation on each and every complaint received by him/her . This will be conducted by;

1. Using his/ her knowledge of the operations of the Company,
2. Going through financial and other records of the Company which would substantiate or disprove of the allegations,
3. Conduct discreet background checks on the alleged event.

Ombudsman shall not directly confront the alleged offender or make other inquiries from third parties that will breach the confidentiality of the complaint which would create repercussions with the Whistleblower.

6.4 Initial investigation outcome

The initial investigation conducted by the Ombudsman can result in the following findings the outcome of each is as given below;

1. **Frivolous** - Investigation is closed, and Whistleblower could be reported for disciplinary action to the relevant HR hierarchy. The confidential safeguards provided by the Whistleblower protection policy will not be applicable to frivolous Whistleblowers.
2. **Plausibly true but need further evidence to recommend action** - Investigation is kept live, and Ombudsman will proceed to the Detailed Investigation stage (refer **Section 6.5** below).
3. **Confirmed as true** - Ombudsman will proceed to the Reporting stage (refer **Section 6.7** below)

6.5 Detailed Investigation

The Detailed Investigation will be conducted either by the Ombudsman on his own or he may draw the resources from a committee of specialists who will be bound for confidentiality. Even then, Ombudsman will not disclose the identity of the Whistleblower nor would disclose the reason for the investigation.

Depending on the subject matter of the complaint and the complexity of the event, Ombudsman will draw resources from a pool of staff /consultants as given below,

- a. Head of Internal Audit or a senior IA officer nominated by him
- b. Head of Finance of respective sector or a senior officer nominated by him
- c. Head of Legal of respective sector or a senior officer nominated by him
- d. Head of HR of respective sector or a senior officer nominated by him
- e. Other technical inhouse specialists as relevant
- f. External consultant relevant to the field of investigation

Ombudsman will reserve the right to reject any officer/s nominated by the Heads of divisions as above if he feels that the seniority or knowledge of such nominees is not compatible with the investigation on hand. All internal resources drawn will be briefed of the subject matter only and will be mandated to maintain strict confidentiality.

External consultant will be required to enter into a Non-Disclosure Agreement *vis-à-vis* the investigation.

Where appropriate, a person being investigated will be provided with details of the Report that involves them (to the extent permitted by law) and be given an opportunity to respond.

6.6 Detailed Investigation Outcome

The Detailed Investigation would yield either of the below 3 results.

1. **Conclusive findings of a committed offence or high likelihood of an offence in future-** Ombudsman will proceed to the Reporting stage-refer **Section 6.7** below
2. **Conclusive findings of an offence not being committed** - in spite of an event being seen as an offence committed at the Initial Investigation, the Detailed Investigation may return that no offence has been committed by the alleged offender or there being no evidence to suspect the likelihood of future offence by the alleged offender. Ombudsman will close the case and terminate the event and record same in the Confidential Register.
3. **Inconclusive findings of a committed offence** - Ombudsman will keep the event recorded as inconclusive. However, case is not closed per se but will be kept aside until any fresh evidence surfaces to get in to further investigation.

6.7 Reporting

Direct line of reporting of the Ombudsman will be the Audit Committee of the Company. Frequency of such reporting would be quarterly basis.

The Report will comprise of the following;

1. Number of complaints received during the quarter.
2. Number of complaints dismissed.
3. Number of complaints under investigation.
4. The outcome of complaints that have been proven conclusive with the recommended disciplinary action to be taken.

Ombudsman will also keep the Board of Directors of Carsons Management Services (Private) Limited informed of all the conclusive finding of committed offences.

In the case of conclusive findings where the business impact is severe, Ombudsman will immediately keep the Chairman of Audit Committee informed and he will call an Emergency Audit Committee meeting to take up the matter.

6.8 Disciplinary Action to proven offenders

Upon receiving the recommendation from the Ombudsman, disciplinary action will be taken by the CEO / Executive Committee or in the case of any criminal offence would be escalated to the relevant external authority for appropriate action. The disciplinary action taken therein will need to be reported back to Board of Directors of Carsons Management Services (Private) Limited.

In the event that the internal disciplinary hearing or the external inquiries need the presence of the Whistleblower then the identity of he/she will need to be disclosed. Ombudsman will obtain the agreement of the Whistleblower in advance for this. This will be considered as a last resort action provided that Ombudsman's evidence is not adequate for the inquiry to be closed. Company will ensure that Whistleblower will not get any reprisal action from the offender or his/her supporters, sympathisers within the office environment arising from his/her identity being made known.

8. Safeguards available to the Whistleblower

To this effect it will ensure the following safeguards to the Whistleblowers;

1. Complete confidentiality during complaint handling - from receipt of complaint stage to disciplinary action stage.
2. Complete immunity from victimisation, harassment, discrimination arising from alleged offender/sympathisers to the Whistleblower if the offending party suspects that Whistleblower had complained. Whistleblower can complain again to the Ombudsman if such retaliation is experienced/expected. Any such attempts will be dealt with suitable disciplinary action on the alleged offender.
3. If the Whistleblower is experiencing harassment, intimidation even at the time of making the initial complaint, Ombudsman will quickly assess the truth of the matter and will recommend and seek action to transfer/suspend the alleged offender till such time that the Detailed Investigation is concluded to safeguard the Whistleblower.

9. Reviewing of Policy

This Policy will be reviewed and updated either every other year or immediately in the event of any serious flaw in the process is identified. Audit Committee Chairman is entrusted to review this Policy and make any recommendations accordingly.

10. Procedure availability

This Policy will be available for all Group employees to view on intranet or any other appropriate form. To ensure it is available to all eligible Whistleblowers, the Policy will also be available on Company's corporate website.
