



POLICY ON ENVIRONMENTAL, SOCIAL
AND GOVERNANCE SUSTAINABILITY
OF
LANKA MILK FOODS(CWE) PLC

Lanka Milk Food (CWE) PLC (“LMF”)

Statement on Environmental, Social, and Governance (ESG) Policy

Introduction

Environmental stewardship is embedded in all that we do. We take responsibility for reducing the energy, carbon, water, and waste footprint of our business, recognizing that these impacts span not only our daily operations but also our entire value chain. We are dedicated to minimizing environmental impacts across the life cycle of our buildings and corporate activities.

At the core of our Group is a deep commitment to social responsibility. We believe that our people are the foundation of our business, and we are proud of our thriving workplace culture. Good governance is fundamental to building and protecting value for our shareholders and stakeholders. We follow a rigorous governance framework that complies with all relevant laws, regulations, and policies, while staying true to our values.

Raising Concerns

The Group encourages employees, shareholders, and investors to raise concerns or provide feedback regarding ESG activities, and the policies and procedures. Such matters should be directed to the Company Secretary, whose details are available on our website [<https://www.lmfgroup.lk/contact-us/>].

Discrimination or harassment based on gender, age, ethnicity, race, physical ability, socio-economic status, or any other grounds is strictly discouraged at LMF. Any employee who experiences or witnesses such behavior is encouraged to report it directly to the appointed officer.

ESG Factors & Initiatives

- **Energy & Carbon Footprint:** Commit to reducing energy and carbon footprints, contributing positively to global climate change efforts.

- **Sustainable Materials:** Recommend the use of sustainable materials and actively promote a paper-free office to reduce paper usage.
- **Single-Use Plastic Reduction:** Aim to minimize single-use plastics within the company and at promotional events.
- **Energy Efficiency:** Monitor and reduce energy consumption by integrating energy-efficient resources.
- **Employee Education:** Conduct regular programs to educate employees on environmentally friendly practices and internal policies.
- **Environmental Compliance:** Adhere to the National Environmental Act No. 47 of 1980 (as amended) and relevant regulations from the Central Environmental Authority.
- **ESG-Compliant Procurement:** Source supplies and services from ESG-compliant providers to strengthen commitment to sustainability policies.
- **Inclusive Workplace:** Foster an environment that values and nurtures employees and helps them maximize their unique talents and contributions.
- **Fair Compensation:** Ensure all employees are fairly compensated, with remuneration aligned to industry standards.
- **Employee Resources & Training:** Provide the necessary resources and training to promote efficiency.
- **Positive Work Environment:** Implement and promote a positive and conducive work environment.
- **Health & Safety:** Ensure the health and safety of all employees and provide appropriate healthcare benefits and medical care.
- **Diversity:** Establish gender, age, and ethnic diversity across the workforce to encourage a range of perspectives and experiences, leading to improved decision-making and outcomes.
- **Separation of Roles:** The Chairman and CEO roles are separated to ensure checks and balances in leadership, as per Listing Rules.
- **Adherence to Policies:** The Board and employees must follow internal policies for effective governance; non-compliance may lead to inquiries or disciplinary actions.
- **Charitable Contributions:** Annual charitable donations are made as decided by the Board and shareholders; efforts are made to assist marginalized communities through structured programs.

- **Inclusive Growth:** The Group promotes inclusive growth and equitable development, engaging responsibly with customers and external stakeholders.
- **Data Confidentiality:** Customer personal data is handled confidentially and processed in accordance with the Personal Data Protection Act No. 09 of 2022.

Governance and Review

This Policy is governed by the Governance & Nomination Committee. To maintain its effectiveness and ensure compliance with regulatory requirements and governance standards, the Committee will oversee its implementation, conduct periodic reviews, and propose any necessary amendments to the Board for final approval.

