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Policy on Environmental, Social and Governance Sustainability

1.0 Purpose

Mahaweli Reach Hotels PLC (the Company) in compliance with the Listing Rules of the Colombo Stock Exchange sets out the principles of environmental, social and governance sustainability which the Company endeavours to implement throughout its operations.

2.0 Scope

This policy applies to all operations of the Company, its directors and employees.

3.0 Definitions

Board means the Board of Directors of the Company

Company Secretary means the Company Secretary of the Company

Company means Mahaweli Reach Hotels PLC

Environmental Social and Governance Sustainability (ESG Sustainability) means the extent of sustainability measured based on a set of aspects including environmental and social issues faced by the Company in its business model and the Company's Corporate Governance standards

Rules means the Continuing Listing Rules issued by the Colombo Stock Exchange

Stakeholders include Company's shareholders, lenders, employees, customers and suppliers

4.0 Key Principles

4.1 The Company will assess environmental, social and governance factors to continuously improve its business strategies, ensure business continuity and create and deliver durable and sustainable value to the Company's Stakeholders.

4.2 The Company's ESG Sustainability objectives, the risks and the opportunities arising therefrom shall be included in the Company's strategic plans and approved by the Board.

4.3 The risks arising out of ESG Sustainability shall be included and analyzed in the Company's risk management processes in order to determine the Company's ESG risk appetite in terms of the Company's Policy on Risk Management and Internal Controls.

4.4 The ESG Sustainability of the Company and the impact thereof on the Company's business model shall be continuously and regularly ascertained, assessed, measured and managed across the Company.

4.5 The Company shall aim at reducing emissions and introducing environmentally sustainable measures throughout operations.

4.6 The Company shall adopt measures to assess the direct and indirect impact from operations when designing Company's business model and planning its operations and strategies.

4.7 All endeavours will be made to measure the direct and indirect impacts respectively from the Company's operations at regular intervals including in respect of prevention of pollution, effluent treatment, usage of sustainable resources, environment protection and health and safety.

4.8 The Company shall identify and recognize its significant Stakeholders and matters considered as material by such Stakeholders and engage them in a continuous process to develop and maintain the Company's governance and sustainability strategies.

4.9 The Company shall be conscious of integrating diverse and inclusive practices across all areas of the Company's business including diversity across all levels of the organizational hierarchy and hiring practices, building a strong work place culture, ensuring ethical business practices, efficient service delivery and developing sustainable growth.

4.10 The Company is committed to building relationships with the community for sustainable development through responsive community engagement, fair competition and business practices and demonstrating the Company's corporate social responsibility.

4.11 The Company shall identify the key resources and capital deployed in its business and have in place financial and non- financial measures for resource and capital management.

4.12 The Company shall have in place appropriate governance structures supported by relevant policies, procedures and guidelines to facilitate operational convenience and uniformity.

4.13 The Company shall have a robust risk management process and internal controls system across its operations.

4.14 The Company shall comply with all relevant statutory and regulatory provisions prevailing from time to time and adhere to the Company's values and this shall be disclosed in the Annual Report.

4.14 The Company shall adopt a Whistle-blowing Policy and implement same across the Company.

5.0 RESPONSIBILITIES

- 5.1 The Board shall ensure
 - 5.1.1 necessary procedures are established to document and implement the assessment and analysis of risks and opportunities arising out of ESG;
 - 5.1.2 oversight on ESG Sustainability and risks and opportunities related thereto;
 - 5.1.3 the inclusion of on ESG Sustainability and risks and opportunities related thereto in the Company's Annual Strategic Plan;
 - 5.1.4 oversight on ESG Sustainability and ESG Sustainability Reporting and Disclosures in compliance with all relevant Statutory and Regulatory provisions; and
 - 5.1.5 to appoint a Responsible Officer if deemed appropriate.
- 5.2 Departmental heads shall
 - 5.2.1 identify the relevant and material aspects and interests of material and other Stakeholders through continuous engagement with them including the relevant risk analyses on ESG Sustainability plans in the Company's strategic plans;
 - 5.2.2 create a healthy, happy and trusting work environment in the work place; and
 - 5.2.3 ensure compliance with internal policies, procedures, codes of ethics and conduct and healthy business practices especially relevant to governance and risk in their respective teams and across the Company.

6.0 Policy Approval and Review

This policy is approved by the Board. This Policy shall be subject to a bi-annual or sooner review if circumstances so warrant.

Environmental Social and Governance Sustainability Policy	
Version:	001
Approved By:	Board of Directors
Approved on:	28/11/2024
Notes:	Introduced in compliance with the Listing Rules of the Colombo Stock Exchange and applicable laws