

POLICY
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
SUSTAINABILITY



LANKA REALTY
INVESTMENTS PLC

**POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE
SUSTAINABILITY**

CONTENT

Preamble	3
Definition	3
Objective	3
Applicability	4
Policy on Environmental Sustainability	4
Policy on Social Sustainability	5
Governance Sustainability	7
Publication	9
Review and Update	9

Preamble

Lanka Realty Investments PLC (the “Company”) is committed to integrating Environmental, Social, and Governance (ESG) principles into its business practices, recognizing that long-term sustainability is critical to the Company’s success and its impact on society and the environment. This ESG Sustainability Policy reflects the Company’s dedication to minimizing its environmental footprint, promoting social responsibility, and upholding the highest standards of corporate governance. Through responsible management of resources, engagement with stakeholders, and ethical leadership, Lanka Realty Investments PLC aims to foster sustainable growth while contributing positively to the communities in which it operates. By embedding ESG considerations into decision-making and operations, the Company seeks to create long-term value for its shareholders, employees, customers, and society at large, while ensuring compliance with all relevant regulations and industry standards.

Definition

SEC : Shall all time mean and include the Securities Exchange Commission of Sri Lanka

CSE: Shall all time mean and include the Colombo Stock Exchange of Sri Lanka

Objective

The Environmental, Social, and Governance Sustainability Policy of the Company is designed to achieve among other things the following objectives;

1. To minimize the Company’s environmental impact by adopting sustainable practices, reducing resource consumption, and lowering carbon emissions, while promoting the responsible use of natural resources.
2. To foster positive social impact by promoting fair labor practices, ensuring workplace safety, supporting community development, and respecting human rights across the Company’s operations and supply chain.
3. To ensure the Company adheres to the highest standards of corporate governance by maintaining transparency, ethical business conduct, and accountability in all decision-making processes.

4. To embed Environmental, Social, and Governance considerations into the Company's strategic planning, risk management, and operations, ensuring that sustainability is a core element of long-term business growth and success.
5. To actively engage with stakeholders, including shareholders, employees, customers, and communities, ensuring that their interests and concerns are considered in the Company's sustainability efforts.
6. To comply with all relevant Environmental, Social, and Governance regulations, while ensuring timely and accurate reporting of the Company's Environmental, Social, and Governance performance to stakeholders.
7. To continually assess and improve the Company's Environmental, Social, and Governance practices, setting measurable goals and tracking progress to ensure alignment with industry best practices and global sustainability standards.

By adhering to these objectives, the Company aims to contribute to a more sustainable future while creating long-term value for all its stakeholders.

Applicability

The policy applies to all employees of the Company, and other individuals performing functions in relation to the Company including staff on contract basis, interned and outsourced staff.

Policy on Environmental Sustainability

The Company acknowledges the significant environmental impact of tourism and is committed to promoting sustainable tourism practices. The subsidiaries of the Company in the tourism sector aims to:

1. Ensure the efficient use of water and energy resources across all tourism properties. This includes implementing water-saving technologies, optimizing energy use through renewable energy sources like solar power, and reducing overall consumption.
2. Prioritize the preservation of local ecosystems in areas surrounding the Company's tourism properties. The Company will take proactive steps to avoid encroaching on natural habitats, promote wildlife conservation, and engage in reforestation or afforestation efforts where necessary.

3. Construct and operate tourism facilities using sustainable materials and eco-friendly designs.
4. Promote carbon-neutral operations by reducing greenhouse gas emissions through the use of energy-efficient appliances, sustainable transportation options for guests, and offsetting emissions where possible.
5. Encourage responsible tourism by educating guests on minimizing their environmental impact. This includes promoting sustainable tourism practices such as reducing plastic usage, supporting local environmental initiatives, and respecting local cultures and environments.
6. Establish comprehensive waste management systems in all tourism properties, including recycling programs, composting organic waste, and minimizing single-use plastics. Additionally, efforts will be made to properly treat and dispose of wastewater to prevent environmental contamination.

Furthermore, the subsidiaries of the Company in the real estate sector aim to achieve this via among other things by minimizing the environmental footprint of its real estate developments;

1. Prioritize the use of sustainable and environmentally friendly building materials.
2. Ensure that construction projects incorporate energy-efficient designs, such as passive solar architecture, natural ventilation systems, and high-performance insulation.
3. Implement waste reduction strategies on all construction sites, including the reuse of materials, recycling of construction waste, and minimizing excess material usage.
4. Carefully assess environmental risks before commencing any construction project, including conducting Environmental Impact Assessments (EIAs).

Policy on Social Sustainability

The Company is committed to fostering positive social impacts within the communities where its tourism operations take place. The Company's social sustainability efforts in the tourism sector include:

1. The Company aims to actively engage with local communities, ensuring that the benefits of tourism are shared equitably. This includes supporting local businesses by sourcing goods and services from the surrounding areas, providing employment

opportunities for local residents, and contributing to community development initiatives such as healthcare, education, and infrastructure.

2. The Company is dedicated to promoting and preserving the cultural heritage of the regions in which it operates. Tourism properties will work closely with local communities to highlight and respect cultural traditions, practices, and historical sites. This includes offering authentic cultural experiences to guests, supporting local artisans, and ensuring that tourism activities are conducted in a way that respects local customs and traditions.
3. The Company prioritizes hiring locally and providing fair wages and benefits to all employees. In addition, the Company will invest in the training and development of staff to enhance their skills and provide career growth opportunities. Through partnerships with local educational institutions, Company will offer internships, apprenticeships, and vocational training programs to empower youth and enhance employment prospects.
4. The tourism sector can play a vital role in uplifting marginalized or underrepresented groups. The Company will focus on inclusive hiring practices, ensuring that women, minorities, and other disadvantaged groups are given equal opportunities to participate in the tourism economy. Special initiatives may also include programs aimed at empowering women entrepreneurs or providing scholarships to local students.
5. Ensuring the health, safety, and well-being of both guests and employees is a top priority. Company will implement strict health and safety protocols across all properties and provide adequate training to staff on emergency preparedness, hygiene standards, and first aid.

The Company's social sustainability efforts in the real estate sector include:

1. The Company is committed to ensuring that all workers involved in construction projects are treated fairly and in accordance with labor laws and international labor standards. This includes providing fair wages, safe working conditions, and ensuring that workers' rights are respected. The Company will actively prevent and address issues such as forced labor, child labor, and workplace discrimination.

2. The construction projects undertaken by Company will prioritize the employment of local labor, particularly from disadvantaged communities.
3. Company recognizes the inherent risks in the construction sector and is committed to ensuring the health and safety of all workers on its construction sites. The Company will implement stringent safety protocols, provide appropriate protective equipment, and conduct regular safety training. Construction projects will adhere to local and international safety standards, ensuring the well-being of workers at all times.
4. Company will ensure that the suppliers and contractors it works with follow ethical practices. This includes verifying that no child labor, forced labor, or exploitation occurs within the supply chain. The Company will partner with suppliers who prioritize fair trade, social responsibility, and environmentally sustainable practices.
5. Company will ensure that its construction projects are inclusive and accessible to all members of society, including people with disabilities. This includes designing public spaces, buildings, and infrastructure that are easily navigable for people with mobility issues and incorporating features that promote accessibility and inclusivity in the built environment.

Governance Sustainability

Effective governance plays a crucial role in ensuring sustainability in the Company's tourism operations. Strong governance frameworks support ethical practices, risk management, and accountability, enabling the Company to create long-term value for stakeholders in the tourism industry. Key governance initiatives in the tourism sector include:

1. Company's tourism operations are governed by a strict code of ethics, ensuring that all business practices, including procurement, partnerships, and guest services, are conducted transparently and ethically. This includes eliminating corrupt practices, bribery, and unethical behavior in tourism dealings, and ensuring that relationships with local authorities and stakeholders are managed with integrity.
2. Tourism operations must balance the interests of various stakeholders, including guests, employees, communities, regulators, and investors. Company will implement robust stakeholder engagement processes that promote transparent communication, ensure feedback is incorporated into decision-making, and manage potential conflicts of

interest. The Board will ensure that tourism projects consider the concerns of local communities and environmental advocates.

3. Company will ensure that financial reporting and disclosures related to tourism operations are transparent, accurate, and timely. This includes disclosing Environmental, Social, and Governance performance related to tourism, such as energy consumption, waste management, community engagement efforts, and overall sustainability metrics. Independent audits will be conducted to ensure integrity in financial statements and governance practices.
4. Governance oversight extends to the supply chain, ensuring that tourism operations work with partners and suppliers who adhere to ethical, environmental, and social standards.
5. Company's governance framework will promote diversity and inclusion within the leadership teams of tourism operations. This includes ensuring that decision-making bodies are representative of diverse perspectives, including gender, ethnicity, and socio-economic backgrounds, which can enhance innovation and customer satisfaction in the tourism industry.

Governance Sustainability in the real estate sector includes among other things;

1. Governance in the construction sector requires strict compliance with local building codes, safety regulations, labor laws, and environmental guidelines. Company will ensure that all construction projects meet or exceed these regulatory requirements, with regular audits to guarantee that projects are delivered safely, legally, and sustainably.
2. Company will govern its procurement processes to ensure that construction materials and services are sourced sustainably.
3. Governance sustainability requires full transparency in the planning, budgeting, and execution of construction projects. Regular financial audits and public disclosures will help ensure that resources are utilized efficiently and ethically.
4. Effective governance in the construction sector entails comprehensive risk management protocols, particularly regarding project delays, cost overruns, legal compliance, and environmental impacts. Company's governance structure will include oversight committees tasked with monitoring risks, ensuring that construction projects

are delivered on time, within budget, and in accordance with legal and environmental guidelines.

5. Company will implement stringent anti-bribery and anti-corruption policies, especially given the large-scale financial transactions and vendor relationships involved in construction projects. The governance framework will include checks and balances to prevent unethical behavior, ensuring that tenders and contracts are awarded fairly and that construction-related decisions are made transparently.

Publication

The Company's website will disclose the existence of the Policy on Environmental , Social and Governance Sustainability and a summary may be shared with the shareholders of the Company upon request made to the Company Secretary.

Review and Update

This policy shall be reviewed and updated at least once every two (2) years by 30th September. The required updates and modifications shall be recommended to the Chairman of the Board for approval.

Lanka Realty Investments PLC reserves the right to modify and amend the policy at any time.

...END