



## Teejay Group Anti-Corruption Policy

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*Note: This document shall override the previous Anti-corruption Policy dated 07<sup>th</sup> January 2020.*

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## 1. Background

### Our Values

Our vision is to be THE preferred fabric solutions provider for branded clothing.

Behaviour drives culture. 'Values' are the deeply held beliefs, that drive and direct our behaviour.

Corporate Values are the operating philosophies or principles that guide an organization's internal conduct as well as its relationship with its customers, shareholders, suppliers, employees, and society. We have identified and defined **Integrity, Innovate to Lead, Collaboration** and **Togetherness** as the key corporate values which would support in creating the organization's culture- "**One identity – One culture**" required to service our stakeholders and guide us towards achieving our vision.

We have identified and defined these values in a way that would give clarity to all stakeholders as to how we would function as a corporate entity.

### Our Value – What It Means To Us

Value	Means to Us	Slogan	Context
<b>Integrity</b>	We live by strong moral principles, with our stakeholders every step of the way	Doing the right thing always	External- Internal
<b>Innovate to Lead</b>	Innovating the way forward with our vision for the future by setting the benchmark to the industry.	Think Out of the Box	External- Internal
<b>Collaboration</b>	To actively collaborate with all our stakeholders both internally and externally. This brings accomplishment and synergy in all our activities.	Partnering with all and in all what we do	External- Internal
<b>Togetherness</b>	Fostering fellowship and understanding and creating camaraderie to ensure we achieve excellence as one team.	Close Knit Team	Internal

## Commitment to Integrity

We believe in Integrity as part of our working culture. Integrity for us is to live by strong moral principles with our stakeholders every step of the way. We believe that always doing the right thing and being ethical will create a conducive, trustworthy, and transparent working environment – which will be a key factor in achieving the organisation's goals.

Teejay Group of Companies (hereinafter referred to as the Company) embraces the core values and has a zero-tolerance policy towards corruption and bribery in all its transactions.

Integrity being a main pillar of our value framework, the Leaders of the Company are committed to demonstrate support for anti-corruption and ensure that the Company follows ethical business practices and to maintain a culture of honesty and resistance to fraud and corruption.

All employees and Directors at Teejay Group of Companies are required to abide by this policy and take all actions necessary to ensure that the policy is implemented effectively.

## 2. Scope, Objectives, Responsibilities and Definitions

### Scope

The Anti-corruption policy is applicable to the Teejay Group of Companies, and its activities in all jurisdictions in which the entity operates. Accordingly, this policy applies to,

- The Company
- All Directors and Employees of the Company
- Persons who are not employees but are authorised to act on behalf of the Company or represent the Company.
- Non-controlled persons or entities that provide goods and services to the Company under contract.

### Objectives

- ✓ To ensure that the policy adheres to all applicable laws & regulations of the Country in which the Company operates
- ✓ To create awareness to all related stakeholders on the decision making and assessment of business scenarios that may be perceived as improper, unethical, illegal or related to money laundering, terrorism funding, bribery and corruption.
- ✓ To ensure that the Company is guided to conduct business with zero tolerance to any form of bribery and corruption
- ✓ To provide guidance on the anti-corruption policy and the related policies to its stakeholders.

## Responsibilities of the related stakeholders

### Board of Directors and CEO

- Embrace the core values of the Company and lead by example.
- No exception or compromise for any violations or breach of the policy.
- Create an open culture to encourage reporting of any concerns.
- No tolerance for discrimination or retaliation against genuine complainants.

### Employees

- Adhere to the guidelines set-out in the policy when carrying out duties on behalf of the Company.
- Live by the core values of the Company creating an ethical business environment. Choose what you truly believe to be the right course of action.
- Always follow the code of conduct.
- Feel free to consult others when in doubt and request for or attend the training programmes designed to address anti-corruption.
- It is the duty of the employee to report any misconduct or breach of the policy by subordinates, managers or third-party entities that deal with the Company.

### External Stakeholders

- Understand the expectation of Teejay Group of Companies and its policy on anti-corruption.
- Apply the Teejay Group's policy on anti-corruption on behalf of the Company during the period of initial application or expression of interest and negotiation of any contract/ agreement/ business dealing with the Company.
- Apply the Teejay Group's policy on anti-corruption on behalf of the Company during the period of contract.

## Definitions

**Corruption**- is any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means

Forms of corruption vary, but can include bribery, lobbying, extortion, cronyism, nepotism, parochialism, patronage, influence peddling, graft, and embezzlement.

**Bribery** refers to the offering, giving, soliciting, or receiving of any item of value as a means of influencing the actions of any party to whom this policy applies to.

Forms of bribe includes but not limited to the below:

- Cash or cash equivalents such as gifts, gift vouchers, commissions, and discounts.
- Lavish gifts or hospitality such as tour packages

- Donations or scholarships
- The provision of favours (eg. discounted or 'free' use of products, facilities or property)
- Promises on future benefits, awarding of contracts, and employment opportunities for related parties etc.

**Kickback** refers to a bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave or is supposed to give the undue advantage.

### 3. Policy Framework

#### Bribe, Facilitation payment, Kickbacks

The Company is committed to comply to all laws as a corporate citizen.

Bribe or gratification in any form, monetary or otherwise, whether directly or indirectly, shall not be accepted nor offered, to and from any government Officials nor any other private party or Business entity.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. The Company prohibits facilitation payments to get things done and accepting such facilitation payments.

Kickbacks are payments made in return for a business advantage. Kickbacks are not acceptable. Paying kickbacks to win a bid may be one of the most common forms of bribery. Special attention should be made on accepting or offering gifts from or to contractors as it could be perceived as kickbacks.

#### Gifts, Entertainment, Hospitality

Accepting or offering Gifts/E/H shall be within approved value limits stated in the Gifts, hospitality & entertainment policy for Customers / Stakeholders.

Offering & receiving promotional material such as calendars, notebooks, diaries, branded materials such as umbrellas, pens, mugs etc are acceptable unless they are of an unreasonably high value.

Offering & receiving of year-end or complimentary gifts, entertainment or hospitality shall be complied with following conditions.

- *Must be offered or accepted in an open way.*
- *Must be lawful in all relevant jurisdictions.*
- *Must not involve parties engaged in a tender or a competitive bidding process.*
- *Must not be a Cash or cash equivalent. (gift cards, loans, securities)*
- *Must not be asked or demanded.*

Occasional receiving or acceptance of gifts, entertainment, or hospitality (Gifts/E/H) should be assessed using the following criteria:

**Transparency:** would you or the recipient be uncomfortable if the Gifts/E/H is brought to the notice of your employer or any stakeholder? In such a case the Gifts/E/H would be deemed as inappropriate.

**Intention:** Is the intent only to build or maintain a business relationship or offer normal courtesy? Will the Gifts/E/H influence the receiver's or recipient's objectivity in a specific business decision?

**Materiality:** is the market value of the Gifts/E/H reasonable? Is it proportionate to the seniority of the individual? Gifts/E/H that would rather be perceived as extravagant should be avoided.

**Timing:** Offering and accepting of Gifts/E/H of any nature should be avoided during a reasonable period with the related parties of an active or anticipated bidding or tender exercise, since it would result in conflict of interest.

Offerings must be documented accordingly.

The Gifts, Entertainment and Hospitality policy shall be referred for further details on acceptance or offering gifts.

## Donations and Sponsorships

The donations and sponsorships that the Company makes does not violate the core values, policies and applicable laws. Reason or purpose of the donation and the reputation of the beneficiaries is carefully assessed. Donations and sponsorships made should be aligned with the criteria defined in the CSR footprint. Any other donations made to the society should be transparent, and records of the payments made should be maintained.

*All sponsorships and donations made should not secure any business advantage or individual interest. Any donation or sponsorship in monetary form should only be given to a recognized organization and not to an individual. Any violations that may be perceived as a violation should be immediately reported.*

## Conflict of Interest

Conflicts of interest in our business dealings must be avoided to ensure transparency in all business dealings. In situations where a conflict arises or there is a potential conflict, it must be managed effectively.

**Acting in the best interest of the Company** – situations where personal interest of an employee or the interests of a third party may or may appear to conflict with the best interest of the Company should be avoided.

**Disclosing conflict of interest** – All employees should disclose any existing conflicts of interest when on-boarding via the “declaration of conflict of interest” document and a commitment to declare any future conflict of interest (actual, perceived, or potential) is obtained. In the case where it is felt that any other conflict of interest may or may appear to compromise an individual's objectivity, the individual should immediately declare it to the reporting channels mentioned in this document. In the event of a conflict of interest, the individual should immediately withdraw him/herself from the transaction/ event.

## Money Laundering, Combatting the Financing of Terrorism

The Company strictly prohibits money laundering/terrorism funding as specified in the applicable laws & regulations of the Country the Company operates in.

All employees should be mindful of the Anti-Money Laundering (AML) and Combatting the Financing of Terrorism (CFT) guidelines of the Country when dealing with Customer payments and Supplier payment instructions.

## Political Contributions

The Company prohibits monetary contributions from a corporate representative or representatives to political parties. The company prohibits employees engaging in;

- political activities using company resources at any time or
- political activities personally during working hours.

## Dealing with Public/ Government Officials and PEPs

**Public/ Government Official** – the definition may slightly vary depending on the jurisdiction in which the Company operates in. The general definition is as follows:

- Any person who holds a legislative, executive, administrative or judicial office whether appointed or elected; and
- Any person acting in an official capacity for or on behalf of a government department or agency or instrument of a government.

**Politically Exposed Persons (“PEPs”)** – means an individual who is entrusted with prominent public functions either domestically or by a foreign country, or in an international organization and includes a head of a State or a Government, a politician, a senior government officer, judicial officer or military officer, a senior executive of a State Owned Corporation/Government or Autonomous body and any but does not include middle ranking or junior ranking individuals.

## ***Dealings with Public/ Government Officials and PEPs and relatives and close associates of PEPs***

When dealing with Officers in government institutions, PEPs and relatives and close associates of PEPs, the Company shall never influence them in securing a business advantage. Any such interactions shall be handled with due diligence and extra caution to ensure that the Company is in line with the code of conduct, anti-corruption policy and the laws of the country.



## Dealing with Third Parties

Any third-party contractor, subcontractors, subcontracted staff, agent, consultant, distributor or any other third-party representative acting for or on behalf of the Company are prohibited from making corrupt payments on the Company's behalf.

Awareness on the policies of the Company shall be made to the third parties via the vendor or customer code of conduct and through trainings if needed. The agreements and contracts with third parties shall include the policies of the Company that is expected to be followed during the period of contract/ engagement.

Careful due diligence of the third-party should be carried out before establishing business relationships with the third party. Any red flags identified should be escalated and resolved prior to official engagement. Procurement Committee comprising of a cross-functional team is responsible for the due-diligence of third parties of high valued projects/ purchases. Respective Department Heads are responsible for the due-diligence of other engagements with third parties.

Company shall continuously monitor the active third parties to identify any potential risks due to any market/ environmental/ regulatory changes that have come to effect and to determine whether they continue to demonstrate professionalism and ethical business practices in compliance to the policies of the Company.

All payments made to third-parties should be recorded in a transparent manner for future reference.



### Your Speak up Channel

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## 4. Reporting Channel

When in doubt of suspicious transactions or violations of this policy or violation of anti-corruption laws are observed, the Company has created formal channels for such communication through feedback, without the risk of reprisal.

An individual shall ensure that there is a reasonable belief or basis for the concern and the disclosure is made in good faith and not for the personal gain or being motivated by ill or malicious intention. Mere rumour or hearsay information shall not warrant a whistle blow.

Employees, suppliers, business partners, contractors, customers, and other Stakeholders are encouraged to voice their concerns on actual or suspected misconduct, violations of the guidelines in the anti-corruption policy and

the Group gift policy, and or any other illegal or unethical behaviour through the following communication channels.

Those who wish to report such incidents anonymously should follow the guidelines of Company's whistleblower policy, and their anonymity shall be protected at all levels of the investigation. All complaints made are treated as confidential, and is investigated accordingly. If, due to any reason whatsoever, the identity of the complainant is revealed or become known, the complainant is given a feedback if requested. If the nature of the complaint is serious, the Board shall be kept informed.

## 5. Non-compliance to the Anti-corruption policy

All employees are expected to adhere to this policy and related policies mentioned in this document.

Failure to comply with this policy may result in disciplinary action up to termination of employment in accordance with the Company's disciplinary policy.

Violations of the Supplier Code of Conduct, including anti-corruption breaches, becomes a reason for termination of contracts and cessation of business dealings.

## 6. Training and Awareness

At the employee level, every employee and Director is required to comply with Company policies, including the Code of Conduct. Policies on gifts, entertainment, facilitation payments, proprietary and confidential information is covered through the Code of Conduct.

- When onboarding a new Director, they undergo a comprehensive induction where they will be apprised, inter alia, of the Company's values, culture, policies which includes anti-corruption policy, the whistleblower policy and Code of Conduct.
- All Executives and above when they are recruited, shall read and acknowledge on the "Declaration of Interest" document and the TeeJay's Code of Conduct when accepting the terms and conditions of employment.
- There on, "Declaration of Interest" shall be obtained on annual basis for all Executives and above.
- The Code of conduct and the anti-corruption policy of the Company are readily available to all employees.
- Awareness programmes shall be carried out at the request of the Functional Heads on the anti-corruption policy.
- An awareness on the gift policy is circulated to all employees annually.
- All suppliers that are selected are contractually bound to adhere to Company's Supplier Code of Conduct which covers human rights and anti-corruption policies of Teejay.

## 7. Monitoring and Review

The Management is responsible to carry out regular monitoring of the anti-corruption programme to review the programme's suitability, adequacy and effectiveness, and implement improvements as appropriate where necessary.

The Business Unit Heads of the Company and subsidiaries should review the current business activities and confirm the adherence to applicable rules and regulations related to statutory compliance requirements, child labour, human rights, and environmental compliance requirements through the quarterly compliance statements.

Further there is a mechanism to track incidents of child labour, forced labour, and any discrimination and corruption through the quarterly compliance statements.

At the monthly enterprise risk reviews, the risk of corruption is analysed and assessed as a part of the risk management function.

## 8. Review and Updates to the Policy

This Policy shall be monitored and reviewed once every three (3) years by the Group R&C Division. Any amendments shall be recommended to the Board by the Head of R&C Division for approval. All stakeholders shall be informed of any revisions made to the policy.

Teejay Group reserves the right to amend the terms of the Anti-corruption policy from time to time.

In the event of any inconsistency between the English, Sinhala, Tamil and Telegu texts of this Agreement, the English text shall prevail.

## 9. Other applicable policies

Other policies/documents that are to be read together with this policy;

- Quality Policy
- Code of Conduct
- Gift policy for Customers/ Stakeholders
- Declaration of Conflict of Interest
- Whistle-blower policy
- Disciplinary policy