

TEEJAY LANKA PLC

## **GRI 3.3:** MANAGEMENT APPROACH DISCLOSURES

**teejay**



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## MANAGEMENT APPROACH DISCLOSURES

**Energised with the passion to become the preferred fabric solutions provider for branded clothing, the Teejay Group is positioned as Sri Lanka's premier and leading multinational manufacturer of weft knitted fabric. With its headquarters being based in Avissawella, Teejay Lanka has expanded its territory to make its presence felt in local and international markets the state-of-the-art printing facility and the Strategic Business Unit that is equal in capacity to its HQ established in India serving as testimony. Popularised courtesy of its specialty in providing a wide range of products and services related to weft knit manufacturing, Teejay has expanded its already noteworthy scope to encompass lace dyeing, yarn dyeing and synthetic fabric production.**

Understanding the urgency to engage in sustainable production, Teejay is keen to invest on state-of-the-art machinery when looking to increase its capacity – a strategy that enables it to increase yield while taking measures to reduce its carbon footprint. The commitment to sustainable production earned Teejay Lanka and the Teejay Group the capability to expand their production capacities. Teejay's reputation for product quality and customer service – further complemented by its ability to meet complex and evolving customer needs in the fast-changing fashion industry through its innovation and research capabilities – have enabled it to build and grow a formidable customer portfolio that comprise of world renown leading retail brands from Europe, USA and Asia.

Teejay believes that for its business to expand and be profitable, it is crucial to understand the issues and perspectives of its stakeholders. As a result, the organisation engages continuously with its major stakeholders. As part of the Company's journey toward sustainability and ESG management, Teejay recognises the significance of communicating with and adhering to stakeholder requirements. This sustainability and ESG topics are identified as Material Topics, which are then incorporated into the Company's sustainability strategy and allow the Company to address ESG impacts, mitigate risks resulting from such impacts, and develop long-term solutions and best-in-class processes and approaches to address such ESG risks. This sustainability and ESG topics are extremely relevant to the Company's key stakeholders.

These Material Topics also provide the basis for measuring of sustainability performance against Key Sustainability Performance Indicators (KSPIs), which forms the triple bottom line of the Company. Sustainability and ESG performance are monitored, analysed and reported periodically for decision making purposes by the senior management bodies of the Company. This document is a disclosure of the policies and the management approach of Teejay in managing the identified Material Topics and ensuring that it mitigates ESG risks and minimises the impacts of such Material Topics. The Management Approach Disclosures contained herein forms part of the overall sustainability reporting process of the Company based on the Global Reporting Initiative (GRI) Standard guidelines and obtains independent third-party assurance of the sustainability information disclosed through its sustainability reports.

These Management Approaches are reviewed annually by the Senior Management Team of Teejay, acting through the central Sustainability Division of Teejay for which overall guidance is provided by the Chief Financial Officer, Administration and Occupational Health & Safety, CSR, Corporate Communications and Legal, who are members of management of Teejay to ensure its effectiveness and applicability. A Steering Committee for ESG Management is also in place at Teejay to strategise and formulate policies and procedures as required.

## ECONOMIC PERFORMANCE

### ECONOMIC POLICY:

**Teejay is dedicated to enhancing its value to all its stakeholders, delivering sustainable economic performance keeping in line with the highest standards of corporate governance, environmental stewardship and social responsibility.**

### MATERIAL IMPACTS AND MANAGEMENT APPROACH

#### Topics covered:

**GRI 201:** Economic performance

**GRI 205:** Anti-corruption

### ECONOMIC PERFORMANCE AND GOVERNANCE

The Company is committed to delivering economic value addition to all its stakeholders, whilst following all local regulations and ensuring the highest levels of Corporate Governance.

#### Performance monitoring

Teejay is dedicated to enhancing its contribution to all stakeholders via the triple bottom line, generating significant economic value addition while delivering sustainable performance. Towards this, management focus is given to corporate governance best practices relevant to a publicly quoted company, sound financial management, stringent internal controls and a robust risk management process covering operational, financial and non-financial risks. The Company ensures

that it complies with all regulations of the countries in which it has operations, through the functioning of the above said processes, as well as the monitoring and reporting of the outcomes of such processes to the Senior Management of the Company on a regular basis during a financial year.

Teejay has in place rigorous financial processes, an Internal Audit function that reports to a Board Audit Committee, an Enterprise Risk Management function with the Head of Risk Management being part of the Teejay Leadership Team, central and SBU level Human Resources divisions, a Legal Division, SBU level operational and engineering teams, Compliance Teams, Health and Safety Teams as well as CSR, Sustainability and ESG teams at each SBU.

These functions have oversight by the various Senior Management bodies such as the direct line supervisors, functional heads, cross functional teams, Teejay Leadership Team and the Board of Teejay, and the above-mentioned divisions are supported by a comprehensive policy framework that address the significant areas of risk and impact. Under the economic and governance pillar, the Company has in place policies such as whistle blowing policies and a zero-tolerance approach to corruption.

Teejay strives to ensure that the economic value addition to stakeholders occurs along with of compliance to all local regulations, ensures that its taxes, and payments to the regulatory bodies and Government Institutions are settled on time, deterrents and processes to avoid corruption, and ensures timely payments to all its stakeholders such as financiers, suppliers and employees.

The Human Resources and Financial policies and practices also ensure that timely and performance-based remuneration also occurs for its employees, including benefits such as Employees' Provident Fund (EPF) contributions, and Employees' Trust Fund (ETF) contributions as well as a retirement gratuity, in line with the local labour laws and regulations.

### ANTI-CORRUPTION

#### ANTI-CORRUPTION POLICY:

**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.**

The Company believes that corruption results in increasing costs and low confidence by its business partners, and ethical business practices should be the norm from top management level down to the individual employee. Our engagement with our key stakeholders especially in our export markets highlight the importance placed on this topic.

## ECONOMIC PERFORMANCE

### Performance monitoring

At recruitment level, employees must sign their respective letter of appointment which includes the Code of Conduct of the Company which they need to comply with. They are also informed of remedial actions and disciplinary actions that would result from any violations of the code of conduct and are also expected to report any breaching of the Code through the various channels that facilitate this. The Company has in place a whistle blowing policy, to report of any incidences of corruption, noncompliance to the Code of Conduct and environmental and social non-compliances to the whistle-blowing committee through the internal and external reporting channels which is mentioned in the Teejay website. Once a disclosure has been made it will then be investigated by the committee, where CEO who holds the highest authority.

The Teejay Anti-Corruption Policy and the Whistle Blowing Policy entails that if any incidences of suspicious transactions or violations of this policy or violation of anti-corruption policy are observed, individuals may use the formal channels for such communication through feedback, without the risk of reprisal. It is also expected that such individuals 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, and all 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 through the Company's "Speak up Channel" and periodic reporting of the incidents reported through the whistle blowing process will be reported to the Audit committee.

The risk of corruption is assessed as part of the Enterprise Risk Management (ERM) process at each business unit and preventative and mitigation plans are put in place to reduce such risks. The risks identified through the ERM process are also shared with the Internal Audit Team of Teejay in order to develop annual internal audit plans to ensure that the preventive and mitigative actions identified through the ERM process are in place, monitored and have direct management oversight with regard to its effectiveness.

In order to track the effectiveness of the management processes in place with regard to the topics under Economic Performance mentioned above, the Company tracks various Key Sustainability Performance Indicators (KSPIs) regularly during the reporting period. Such KSPIs include the monitoring of payment of minimum wages or above to employees as well as by sub-contractors and dedicated supply chain partners to their employees deployed for undertaking work for Teejay. Furthermore, the payment of EPF/ETF and other statutory provisions to the employees of subcontractors are monitored to ensure that employees of significant subcontractors are paid such dues. Teejay also tracks the incidence of corruption and actions taken including any disciplinary action taken against workers found to be engaged in such practices.

## ENVIRONMENTAL STEWARDSHIP

### ENVIRONMENTAL POLICY:

**Teejay Lanka PLC is Sri Lanka's leading Fabric Solution Provider, with a distinguished track record. We believe that "Conserving and Protecting the Eco-System" is our responsibility towards future generations. We shall ensure that we, Maintain Effectiveness, Efficiency and Sustainability in our Environment Management System Processes, Review our 'Environmental Policy' objectives and targets annually, and communicate the same to relevant Authorities, customers, employees and other stakeholders and make the policies available to customers and other stakeholders, Adhere to the regulatory and other requirements applicable to Teejay Lanka PLC and Commit to continual improvement and minimise the depletion of natural resources, which help preserve the Eco System and prevent Environmental Pollution at all stages of life cycle. In doing so, we strictly comply with the main objectives of Environmental Management System ISO 14001:2015.**

### MATERIAL IMPACTS AND MANAGEMENT APPROACH

#### Topics Covered:

- GRI 301: Materials
- GRI 302: Energy
- GRI 303: Water
- GRI 305: Emissions
- GRI 307: Environmental Compliance
- GRI 308 and GRI 414: Supplier Assessments

Teejay is committed to protect and conserve the environment and as a result strives to minimise the environmental impacts that occur due to its business operations. While compliance with all environmental regulations of the countries it operates in is paramount, Teejay, through its continuous engagements, also recognises the importance placed on environmental stewardship and climate change by its customers.

The above Environmental Policy of Teejay is an overarching policy providing direction to the SBUs of the Company towards establishing environmental management systems to identify potential environmental risks and impacts, identify areas for process improvements, and track, monitor and report data to management for additional investments and course corrective action. All locations of Teejay Group have utilised the Environmental Management System to obtain certification under the ISO14001 Standards. Additionally, the Company places importance on the management and reduction of energy use, water consumption, carbon emissions, waste generation and effluent discharge, and seeks to manage the above impacts through monthly, quarterly and annual data collection and comparisons, management review and internal audits. Teejay also has in place a goal to be Net Zero by 2050.

The Sustainability Division under the engineering department has also introduced Sustainability Standard Operating Procedures (SOPs) to assure consistency of processes and data accuracy of data with regard to the Key Sustainability Performance Indicators.

The overall sustainability policy is complemented by management approaches on the above-mentioned environmental topics. The Sustainability Division then operationalises these approaches through designated ESG champions and the above-mentioned SOPs. Performance data of Material Usage, Energy Consumption, Water Withdrawal, Effluent Discharge, Emissions, Waste Management, Environmental Compliance and assessment of Supplier's environmental practices are covered through the Key Sustainability Performance Indicators (KSPIs) tracked by Teejay and reported monthly to the Senior Management, which forms the basis for the Company's sustainability initiatives, performance improvement, behavioural change management and course corrective action.

The Management approach will be reviewed and adjusted annually after carrying out an internal stakeholder engagement, while the sustainability performance will be reviewed against internally established benchmarks.

## ENVIRONMENTAL STEWARDSHIP

### Performance monitoring

The Company adheres to all relevant local environmental laws and regulations at a minimum and as mentioned above, tracks its environmental performance using KSPIs every monthly, which are aligned to the relevant GRI Standards indicators.

The Company has in place mechanisms to receive feedback and any grievances from its stakeholders on environmental impacts arising from its operations. Being a B2B entity located in Sri Lanka and India, Teejay keeps well engaged with its customers, their environmental requirements as well as the environmental requirements of the end consumers, regulatory bodies such as the local Environmental Authorities, and governed by the Board of Investments of Sri Lanka and Andhra Pradesh Pollution Control Board.

Environmental grievances are also identified by Teejay through its internal assessment of stakeholder concerns as well as through direct continuous engagement with its customers. The Compliance Team of each location/SBU becomes the first point of contact for any environmental grievances or point of contact for customers, regulatory authorities and members of the community. Any issues are then escalated through the relevant operations team and to the respective COO of the location, and if required to the senior management team of Teejay as relevant.

Teejay also engages with its staff through Joint Consultative Committees and through the organisational hierarchy, notice boards and suggestion boxes. Employees may use these methods to communicate both specific employee related grievances

as well as any environmental grievances, feedback, or areas for improvement to the management teams.

Environmental reporting and management methods are constantly being reviewed to ensure continuous improvement. Monitoring of environmental issues occur through the Eco-calliper systems as well as through the deployment of MS-Excel based Sustainability Performance Analyser (SPA) tool for data gathering performance analysis and reporting. Furthermore, Teejay also provides training for its ESG Champions, and operational staff regarding ESG topics, ensuring performance through rigorous monitoring and internal reporting, and external and internal sustainability audits to ensure accuracy of environmental data.

### MATERIAL USAGE AND SUPPLIER SELECTION AND ASSESSMENTS

#### CHEMICAL MANAGEMENT POLICY:

**Teejay Group is the leading fabric solution provider with distinguished track records in South Asia. Our mission is to perceive along through the levels of Zero Discharge of Hazardous Chemicals (ZDHC) & achieved all chemical formulations with 100% ZDHC MRSL conformance level 1 or greater on the 31 December 2022.**

The Company shall ensure to eliminate 16 ZDHC priority chemical groups by phases and to avoid purchasing any chemicals that do not meet the required standard into

their portfolio of chemicals used. Also, Teejay Group Chemical Management Manual, Teejay Group RSL Protocol and Teejay Group Waste Management Manual should be referred to achieving ZDHC by agreed targets of YOY basis. The main responsibility for implementation of the policy shall also lie with the CEO and will be implemented through the Chemical Management Team of Teejay Group.

#### SUPPLY CHAIN AND PROCUREMENT POLICY:

**Teejay is committed to source raw materials and other goods and services required for its operations in a manner that ensures it obtains goods and services that are of the highest standards of quality, under a competitive, transparent, and fair bidding process to ensure value creation to both the Company and the vendors of the Company. Vendors are expected to maintain the highest standards of Ethical, Social, Environmental, Health and Safety standards in their operations and in the provision of goods and services to Teejay.**

The Company recognises the importance of using raw materials and other goods required for its operations in an efficient manner, thereby reducing operational impacts on natural resources as well as ensure minimal wastage and financial savings. It also recognises the need for ethical and transparent dealings with its suppliers and timely payment and meeting of its obligations to its supply chain partners.



## ENVIRONMENTAL STEWARDSHIP

As part of the sustainability performance management efforts of the Company, the usage of key raw materials, goods and semi-finished goods, as well as the use of recycled input materials are tracked and monitored via the Sustainability Performance Analyser (SPA) tool utilising the Company ERP as the main source of data. Such performance data is tracked, monitored and reported to management teams on a quarterly basis to ensure actions are taken to improve performance and take any required course corrective action.

Goods and services are procured through a transparent selection process, based on terms and conditions that include social and environmental selection criteria. In addition, availability of continuous supply, price and credit periods also key factors of selection of suppliers. All Suppliers undergo a registration process, where their details are recorded on the Company's Supplier Management System.

The Head of Supply Chain and the central Procurement team establishes central contracts for sourcing of raw materials, goods and services whilst ensuring compliance to various standards, country of origin requirements, as well as overall supply terms and conditions including operational, delivery, pricing and ESG topics. The operational procurement teams of Sri Lanka and India undertake the day-to-day procurement process utilising the central sourcing framework, guidelines and contractual terms and conditions.

Such contracts stipulate the quality and service levels expected, pricing, payment terms, delivery terms, obligations of the parties including that of protecting confidentiality, information privacy and intellectual property rights as well as expectations of the supply chain partner with regard to ESG topics.

When supplying goods and services to Teejay, vendors are expected to maintain the highest standards of Ethical, Social, Environmental, Health and Safety standards by ensuring that the following minimum standards are observed

- **Prohibit the use of child labour. Child labour is defined as employing persons below the minimum age for employment in accordance with applicable national laws.**
- **Prohibit forced labour including bonded labour, forced prison labour, slavery, involuntary servitude, or human trafficking.**
- **Ensure that no employee is discriminated against, while in employment or while seeking employment in the Supplier's organisation on the basis of national origin, ethnicity, caste, religion, age, disability, pregnancy, gender, marital status, sexual orientation, gender identity, union membership, political affiliation or any other personal characteristics or belief.**
- **Eliminate corporal punishment, financial punishment, all forms of workplace harassment and retaliation including sexual harassment, any other forms of persecution, coercion, mental or physical abuse.**
- **Comply with all applicable health and safety laws applicable to the respective country and ensure that all work is performed in a safe and responsible manner.**
- **Ensure that employees are not employed for more than the legal working hour limits except in urgent business needs and without prior approval.**
- **Secure its employees' rights on freedom of association and collective bargaining.**
- **Ensure that its employees enjoy freedom of expression.**
- **Comply with all customs requirements and Laws in force in the relevant country.**
- **Comply with labour Laws, including but not limited to, minimum wages, overtime, workmen's compensation, mandated benefits etc.**
- **Comply with all environment protection requirements stipulated by the Laws and practice in the respective country of the Supplier and/ or its Sub-Supplier and any other International Laws and the protection of the environment exceeding the expectations set by Laws.**

The key suppliers of the Company include suppliers of Yarn, Dyes, Chemicals, Auxiliaries, Packaging Materials, Factory Consumables, Stationery Suppliers, Spare Part Suppliers as well as Manpower providers and logistics and transportation partners. Subcontractors also play a key role in the overall supply chain of the of company with the provision of accessories for the final product.



## ENVIRONMENTAL STEWARDSHIP

While supplier and sub-contractor engagements, operational and quality reviews and assessments are currently being carried out, such assessments do not currently include a comprehensive review of the supplier environmental and social practices and Teejay relies on self-declarations made by the vendor as part of its contractual agreement. However, Teejay intends to incorporate random ESG reviews of selected suppliers in due course based on the ESG terms and conditions included in supplier contracts.

Such ESG reviews would be based on a transparent management process. Teejay intends to define its key Supply Chain partners based on the perceived potential ESG risks, the Company's ability to influence such suppliers, and the size and scale of the suppliers. The engagement process with the significant supplier identified through this selection process will constitute various forms of engagement such as direct engagements, broad supplier forums for knowledge sharing for implementation of best practices, introduction of supplier self-declarations forms, introduction of Supplier Code of Conduct, and supplier assessments and audits to ensure adherence to such Supplier Code of Conduct and regulatory requirements. These requirements are included in Teejay Group Supplier agreements and with the sign off by the supplier's BOD/Owner to ensure the above.

## ENERGY AND EMISSIONS MANAGEMENT

### ENERGY AND EMISSIONS MANAGEMENT POLICY:

**As a responsible corporate citizen Teejay focuses on conserving energy, minimising its carbon footprint by adopting green practices, with a view committing itself towards environmental stewardship, meeting customer expectations and minimising cost. Teejay seeks to minimise the use of fossil fuel-based energy and ensure that its operations are energy efficient, underscoring the importance placed by Teejay on carbon and other emissions as a result of obtaining energy for its business operations. Teejay understands that while energy efficiency is of paramount importance to fight climate change, it also recognises the need for renewal energy sources to power its operations thereby taking a more environmentally responsible step in energy and emissions management.**

As a manufacturing organisation spread across Sri Lanka and India, Teejay uses both fossil fuel-based energy sources and electricity from the National Grid of the countries it operates in, to operate its equipment, transport, logistics and for its facilities. Energy requirements form not only an important element in business operations, but also to provide staff facilities and ensure staff health and safety through adequate lighting, ventilation and in meal preparation.

Teejay's sustainability goals are mainly focused on fulfilling corporate responsibility to the environment and the customers' requirement. Its initiatives are aimed at reducing emission of greenhouse gases, contributing to the fight against climate change impact and driving sustainable business growth, which are the main approaches aligned with the Science Based Targets Initiatives (SBTi) agreed upon at the climate change in Paris agreement. The entire Teejay Group, including Teejay Lanka, Teejay India and Teejay Prints signed off on Science Based Target initiative (SBTi). Under this agreement, the Group has committed to SBTi targets - to reduce 1.5 Celsius heat from the planet by the year 2030 & net zero emissions by 2050. All its future energy and emissions strategies will help drive this pledge. The Group has also committed to reducing carbon emission by 50% by 2030. The Group's ambition is to reach net zero emission by 2050 and to contribute to the industrial drive to limit global warming by 1.5°C by 2030.

As part of its overall efforts Teejay has undertaken an Energy Audit to assess the energy requirement, areas for efficiency improvement with regard to its operations, and this study has generated an Energy Management Handbook which stipulates the types of equipment, sources of energy, energy balance and also incorporates an energy management plan covering all locations of the Company. Teejay and each of its locations tracks its energy usage in GJ from all its fossil fuel consumption as well as calculates its Scope 1 and Scope 2 carbon footprint on a monthly and quarterly basis via the Sustainability Performance Analyser (SPA) Tool respectively, and such information is shared with the Management Teams on a quarterly basis. Energy

## ENVIRONMENTAL STEWARDSHIP

efficiency measures have been deployed in factories to ensure energy efficiency in equipment utilised, and employees are encouraged and engaged to conserve energy.

All electricity and fossil fuel consumption are monitored through using digital metering. The greenhouse gas protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) is used to measure the carbon emissions, while carbon emission factors found in the IPCC guidelines for national greenhouse gas inventories published by the Institute of Global Environmental Strategies (IGES) are also used for calculating our carbon footprint. The carbon intensity of the Company is ascertained based on the quantum of operations and 2017 has been identified as the base year for its carbon footprint.

Renewable Energy comprising of Solar PV panels are currently being deployed at Teejay India while Solar PV panels and Biomass are being evaluated for the Teejay Lanka and Prints plants. The Group aspires to implement the Renewable Energy Strategy for the Group by 2030.

## WATER AND EFFLUENT MANAGEMENT

### WATER MANAGEMENT POLICY:

**Teejay seeks to minimise the use and withdrawal of blue water sources and seeks to recycle, and reuse discharged (grey) water as much as possible. All water discharged to the environment will meet the discharge quality and quantity levels stipulated by regulations.**

Water is an essential resource for Teejay's manufacturing processes and, in a bid, to limit usage, several processes are in place to reduce consumption of water. Teejay undertook a Water Usage Study in 2021/22 where an internal team of Teejay worked closely with researchers in collaboration with local universities other industry partners to ascertain how water consumption could be further reduced and also enhance the quality of treatment. A significant outcome from this study was the reduction in dyeing time which lead to a reduction of water usage in Teejay's dyeing operations. Teejay India along with the Brandix central treatment facility are evaluating a Joint Venture project for reverse osmosis water recycling system to reuse effluent water which is planned on implemented by 2030.

Teejay Lanka and Prints water requirements are provided by National Water Supply and Drainage Board of Sri Lanka and other municipality and authorities in its locations of operations. In addition, rainwater harvesting will be deployed across Teejay Group by 2030. Water withdrawn is used in operations at the finishing and dyeing plants, and in boilers, cooling towers, the canteen, staff washrooms, for general cleaning as well as in all office premises for staff consumption and sanitation.

The Company has in place a Water Management procedure that stipulates the optimisation of the use of water withdrawn from all blue water sources through reducing consumption, reusing, and recycling as much as practically possible, and provides specific consumption of litres per minute.

Water Management is important to the Company to ensure compliance with the various Environmental licenses, minimise the cost of withdrawal, cost of effluent treatment, customer expectations of water conservation and keeping in line with its commitment to environmental stewardship.

Water consumption and discharge is measured through flow meters. Further, Teejay has installed flow meters for its significant points of usage (Staff Changing rooms, Machine Washing Bay, Canteen, Kitchen, Contractor's changing rooms and Admin Office) to sub-meter the consumption of water, and to monitor and identify areas of excessive water usage and water wastage.

Similarly, the discharge of effluent is also important to the Company to ensure compliances with both the quality and quantity of discharge as per the various environmental protection licenses governing operations in Sri Lanka and India. These licenses are renewed annually and provides the foundation for the effective management of Teejay's water discharge related impacts. Accordingly, Teejay discharges all its effluent through inhouse or central effluent treatment plants which ensure that effluent is treated to minimum discharge quality levels prior to releasing to the environment. Any direct discharges by operating locations are those that are permissible by regulations.

## ENVIRONMENTAL STEWARDSHIP

All locations of Teejay or the final central treatment plant as the case may be, undertake regular independent third-party discharge quality tests in adherence to the requirements of the respective environmental protection licences.

As part of the monitoring and control efforts, Teejay tracks the quantum of Water withdrawal, its source, the quality of water withdrawn, the quantum of discharge, quality of discharge and destination of such discharge as Key Sustainability Performance Indicators (KSPIs) that are utilised to track and monitor performance of water and effluent across Teejay's operations. Such information is tracked, monitored and reported to the management team on a basis utilising the SPA Tool mentioned above. Any drop in discharge quality levels, increased quantity of withdrawal and discharge are identified as frontier risks and communicated to Senior Management for course corrective action.

## WASTE MANAGEMENT

### WASTE MANAGEMENT POLICY:

**Teejay's policy on waste management is focused on minimising waste by optimal material usage and sound waste segregation and responsible disposal practices, ensuring that at minimum, all regulatory requirements are adhered to in the disposal of hazardous and non-hazardous waste. Furthermore, Teejay strives to reduce the amount of waste generated and increase reuse, recycling, recovery and incineration as waste management strategies towards complete elimination of waste sent to landfill.**

The main streams of waste generated at Teejay and its locations are fabric waste, plastic and other polythene packaging materials, paper and cardboard, glass and ceramics, organic waste such as food waste and wood which are considered non-hazardous waste. Waste dyes and chemicals, used oil, e-waste and sludge from its Effluent Treatment Plant which are the main hazardous waste items generated. Waste segregation is carried out at each location based on the main streams of waste generated and is under the overall purview of the engineering division at each SBU supported by the administration teams, housekeeping staff, operational managers and all employees of the SBU.

Sludge is a key waste generated by the fabric manufacturing process. Teejay currently pre-processes the filter-pressed wet sludge generated at Teejay Prints, mechanically drying and then transports such waste to approved authorities directly for responsible disposal.

Wet sludge is generated from the wastewater pre-treatment process of Teejay Lanka. The sludge dryer installed at the Teejay Lanka manufacturing complex occupies an area of 200 square meters (more than 2,150 square feet) and can dry up to 12 metric tons of wet sludge per day. It uses excess steam available from the Company's manufacturing process. Prior to the switch in the sludge drying process in 2020/21, significant Greenhouse Gas emissions occurred from the sludge disposal. The gases included Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Hydro Fluorocarbons (HFCs), Sulphur Hexafluoride (SF<sub>6</sub>) and Perfluorocarbons (PFCs). Regular testing of emissions is conducted to ensure there is no potential threat of pollution as a result of the mechanised sludge drying process, which has helped to reduce carbon footprint from waste disposal by 83%.

A well-established accredited party was appointed by Teejay Lanka to verify the reduction of Greenhouse Gas emissions from the switch in the Company's sludge waste disposal method has issued an Independent Greenhouse Gas Verification Statement and incineration procedure, using auditing practices as specified in the ISO 14064-3:2019 Standard.

## ENVIRONMENTAL STEWARDSHIP

The Waste Management Policy also aims to minimise the environmental impact of waste generation, transportation, treatment and disposal, protect public health and safety. The Company's vision is to have zero material waste, and 100% recycling and re-using or up-cycling of all waste by 2050.

The operations of Teejay and its locations generate both Hazardous and Non-Hazardous waste, which requires the organisation to be more conscious about the disposal of such waste, given the impacts such waste could create on health and safety, water bodies, and the overall environment. Furthermore, engagement with various stakeholder groups such as Customers, regulators, employees, local and foreign universities, research institution and expectations of society at large also place responsible waste management as a material topic.

The Company has in place a Solid Waste Management process document that provides the various strategies of responsible waste disposal by each significant category of waste streams arising from the Company's operations, segregation methodology, usage of colour coded bins and formats for collection of waste data.

The Company ensures that all waste disposed are through third parties that are contractors licensed under the Central Environmental Authority and BOI in Sri Lanka and Pollution Control Board in India.

Waste segregation and awareness is undertaken continually at the locations to ensure that the waste segregation and waste management process occurs smoothly within the factories. Waste generation data is based on dispatch/issue notes generated at security points in kilogrammes, prior to waste items leaving the location, as well as other estimation methods.

Waste generated by each waste stream is captured on a monthly basis by each of the locations of Teejay and reported to senior management utilising the SPA Tool, which provides the quantum of waste reused, recycled and recovered.

### ENVIRONMENTAL COMPLIANCE AND SPILLAGES

The Company understands the requirements to continue carrying out its operations and the importance to be complying of all local rules and regulations. The Company engages with the relevant regulators as well as customers who require full compliance by all locations with local laws and regulations.

The Company tracks and monitors any fines paid, spillages and all other compliance related requirements as per laws and regulations of the country of operation. Any Occupational Health and Safety incidents relating from spillages and non-compliance is also tracked through the SPA Tool. Standard Operating Procedures, immediate rectification of identified leaks, Secondary Containment Tanks are used where applicable to minimise the risk of accidental spillage. In a more proactive strategy, Teejay Lanka has implemented real-time online monitoring system with cloud platform, for monitoring and alerting purposes of water and effluent treatment major parameters. Renewals of the annual environmental license is tasked with the engineering team and process for renewal commences 3 months prior to the actual date of expiry of such license.

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

### MATERIAL IMPACTS AND MANAGEMENT APPROACH

#### Topics Covered:

- GRI 401: Employment
- GRI 403: Occupational health and safety
- GRI 404: Training and education
- GRI 405: Diversity and equal opportunity
- GRI 406: Non-discrimination
- GRI 408: Child labour
- GRI 409: Forced or compulsory labour
- GRI 413: Local communities
- GRI 416: Customer health and safety
- GRI 418: Customer privacy
- GRI 419: Socioeconomic compliance

### EMPLOYMENT

#### WORKPLACE POLICY:

**Teejay maintains high standards of integrity, ethics and professional conduct for employees as the Company's work brings it into frequent contact with clients, prospective clients, vendors and other third parties. Employees are the Company's representatives to the outside world and their professional conduct reflects the value system of the Company. The code of conduct aims at creating and building employees' core values, determining best-in-class practices and establishing centers of excellence in the Company. It emphasises the Company's goal of striving to attain the highest ethical standards when resolving potential or actual conflicts of interest.**

An employee Code of Conduct is also in place that requires all employees to sign the Code of Conduct as part of the recruitment process. The Teejay Code of Conduct covers aspects relating to the requirements of employees to abide by ethical standards demonstrating highest degree of integrity, respecting fellow employees, workers and 3rd parties in the workplace, ensuring an abuse and harassment free workplace, substance abuse and intoxication, as well as email, telephone and business etiquette and safeguarding the employer brand name and confidentiality of information and non-disclosure, dealing with proprietary information, conflicts of interest and receiving and providing gifts etc. Training and awareness sessions on the Teejay Code of Conduct is carried out for all employees during the induction programs when they join the organisation, while refresher trainings and awareness sessions are also undertaken periodically for all employees.

The Company understands the value of being people-centric, which is imperative to maintain a competitive advantage. Under this principle, the Company creates synergies by recruiting and efficiently managing local talent and spares no effort in investing in furthering their capabilities. The Company Human Resources processes are complemented by various policies and procedures governing the recruitment, employee engagement, performance appraisal and resignation aspects covering the lifecycle of employment.

Teejay recognises that the success of the organisation is closely tied to our employees and that recruiting and retaining a highly motivated and qualified workforce is critical to our continued success and growth. Teejay's recruitment policy provides a framework for the recruitment and selection of all employees and to

ensure that all activities in this process are conducted in a fair, transparent and unbiased manner that is consistent with Teejay values and relevant employment legislation. Teejay has, from its inception, been an employer providing equal opportunity for employment of persons qualifying for a position, regardless of differences of sex, ethnicity or social group and making sure no employee less than 18 years of age is taken into the Company.

The Company adheres to all relevant local labour laws and regulations which are based on ILO conventions. The Company also benchmarks its HR processes against peers and industry norms.

The Company tracks indicators such as attrition, diversity, training hours, and health and safety incidences, through its sustainability performance management system and the SPA Tool. The data derived from this system is then used to publish quarterly reports which are reviewed by the Senior Management teams.

The main objective of the Company is to encourage a happy and healthy, diverse and skilled workforce, while maintaining good relations with them and provide them a safe and secure working environment. In ensuring that this objective is achieved the Company has in place human resources (HR) related policies, covering the areas of recruitment, work hours and leave, performance evaluation, labour relations, training and development, equal opportunity and health and safety of the workforce.

The Company also considers management of employee grievance an important topic and uses, Employee Joint Consultative Committees, suggestion boxes, an open-door policy and direct email access to the CEO, in

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

In addition to the management policies and organisational hierarchy in place to address concerns and resolve issues/conflicts in a fair and transparent manner.

In Sri Lanka employees are eligible for Employees' Provident Fund (EPF) contributions, and Employees' Trust Fund (ETF) contributions. As per the Gratuity Act No 12 of 1983, employees are also entitled to retirement gratuity, and employees with more than 5 years of service will receive half a month's last drawn salary for every year of service on retirement or termination of service. The Company adheres to all the above country regulations with regard to benefit plans for employees at a minimum.

Furthermore, Teejay recognises that respecting and protecting human rights is a topic of importance to its employees, investors, customers, regulators and the communities it operates in. As a result, upholding human rights is vital to its operations, and as such, ensures that its policies relating to its workforce is fully compliant with local labour laws, selected ILO Standards and in alignment with best practices with regard to topics such as child labour, forced labour and non-discrimination.

Teejay as a well-known corporate entity commands significant brand reputation as an employer of choice in its countries of operations. Thus, the Company is committed to business integrity, openness, respect for universal human rights and core labour principles, and thus carries out its business in an ethical manner, to ensure that maintains and enhances in stature and brand reputation.

Employee surveys and staff engagements are carried out periodically to ascertain the pulse of employees and any common themes of concern across the employee base.

Teejay tracks the number of employees, by employment type, workers, by gender, age group and country of employment. Furthermore, KPIs such as New Hires, New Hire Turnover, Total Employee Turnover and Employee turnover by age group. Such information is collated on a quarterly basis and presented to the senior management for review and necessary action.

### Freedom of association and collective bargaining in employment

It is the policy of the Company to encourage and initiate open discussion among employees enabling them to approach Senior Management to resolve any issue pertaining to their employment or any personal matter.

Every employee has the freedom of association and engaging collective bargaining and joining or not joining trade unions, which are registered under the Trade Union Ordinance 14 of 1955.

Teejay Lanka has a joint consultative committee (JCC) and election are conducted among employees to select the committee. The JCC enables continual dialogue between workers and management to proactively address potential and actual conflicts and grievances.

The Company policy on Freedom of Association allows and enables:

- **Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.**
- **Senior Management adopts an open attitude towards the activities of JCC and their organisational activities.**
- **Worker's representatives are not discriminated/punished due to roles/activities and have access to carry out their representative functions in the workplace.**
- **Senior Management has facilitated the collective bargaining in good faith with the committee members during meetings.**
- **Monthly meetings are carried out between committee and senior management and meeting minutes are recorded display on the common notice boards.**
- **Company has provided free space to committee members to gather and discuss within company premises.**



## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

### OCCUPATIONAL HEALTH AND SAFETY

#### OCCUPATIONAL HEALTH AND SAFETY POLICY:

**Teejay Lanka PLC is Sri Lanka's fabric mill, with a distinguished track record. Health and safety of or employees and the direct service providers working on behalf of the Company is of an utmost priority. To achieve this objective, Teejay is committed to (a) adopting the ISO 45001:2018 according to organisational context while executing and having continual improvements to the system, (b) undertake hazard identification risk assessments and take necessary mitigatory action to avoid injuries/incidents and the health concerns across the organisation, (c) educate relevant personnel on the Occupational Health & Safety Policy, procedures and work instructions to avoid ambiguity, (d) comply with all applicable legislation and other requirements to the organisation, (e) continuously review the effectiveness of the policy, procedures and targets while communicating them to employees and other interested parties, and (f) provide required resources to maintain the effective OHSMS and get the consultation and participation of the employees in the improvement process. Teejay promotes a positive safety culture for all entities.**

Teejay places great importance on the health and safety of its employees, subcontractors, customers third parties that access the premises of Teejay. Teejay seeks to minimise any avoidable injuries and occupational illnesses and provide a safe and secure

work environment through the adoption of sound hazard risk management principles. Adherence to Occupational Health and Safety (OHS) practices are also stipulated in the environmental protection licenses and other operating licenses issued by regulatory bodies, and the Company's customers too expect high standards of occupational health and safety and fire safety across the manufacturing operations and facilities of the Company.

Teejay implements an independent controlled OHS framework which is aligned to the ISO 45001:2015 standard, with locations in Sri Lanka certified under the ISO45001:2015. Under the OHS Framework of the Company, the Board of Directors retains ultimate responsibility for ensuring that there are systems in place to manage OHS risks, impacts, and legal compliance, whilst assigning responsibility to location General Managers to maintain OHS systems and ensuring effective implementation of the control framework.

The location level General Manager's are responsible for ensuring that the OHS Control Framework is effective and well implemented in their respective business area and that it is fully compliant with all applicable laws and regulations, and is adequately resourced, maintained, communicated, and monitored.

Specific location level Health and Safety Managers and Officers in Charge are responsible for maintaining and enhancing OHS systems to suit their respective business area and for applying them in their respective area of activity through local programmes and procedures., while each individual acting on Teejay's behalf is responsible for ensuring that all applicable local rules and procedures are followed and that he/she shall take personal responsibility for OHS matters.

Hazard Identification Risk Assessments (HIRA) documents are in place for all locations that the internal controlled OHS Framework has been deployed, and the critical risks of each location have been identified through this risk assessment process. Furthermore, Health and Safety SOPs are also in place at each location. These SOPs cover not only the Company employees, but also other workers and third parties.

While all employees and workers are stakeholders of this OHS Management framework and the SOPs, the implementation, monitoring and continuous improvement to such framework is the responsibility of a fulltime Health and Safety Division with headed by a manager grade personnel. Health and safety officers at each location are tasked with ensuring the implementation of the Company's central Health and Safety Policy, ensuring that employees adhere to established processes, ensuring the correct use of PPE's, identification of potential risks to employee health and safety, fire safety and monitoring and tracking incidences of accidents and illness.

OHS awareness programmes and training are conducted regularly in an attempt to prevent occupational accidents at source, and safety control is made operational through continuous monitoring by the safety officers. Fire and other disaster evacuation drills are conducted periodically to ensure prompt responses in the event of emergencies.

Workers are encouraged to bring up any health and safety concern directly to their supervisors as well as the Health and Safety officers should they need to discuss matters pertaining to their safety at work. Their ideas and inputs are considered and discussed at weekly meetings, and they are encouraged to



## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

use the QR codes and suggestion boxes for any recommendations.

The Company has internal compliance departments, which also undertake assessment of Health and Safety at locations and hold overall responsibility for ensuring that Teejay complies with all corporate and legislative obligations governing health and safety relevant to the Company.

Workplace Injuries are tracked on an occurrence basis (All LTI's are investigated, and root cause analysis is done immediately) and reported quarterly to senior management except in the case of a serious workplace injury or fatality, in which case the case is reported immediately. Injuries are monitored separately for employees, and workers deployed at location who are not on company payroll, and by gender. The Company records and reports on rates of injury, occupational diseases, near misses, lost days, and a total number of work-related casualties of its workforce. Minor occupational injuries or diseases that result in less than one lost day is also excluded from these reports. Workplace injuries are also classified as High consequence injuries that require more than six months recovery time and recordable injuries that requires recovery time of more than 1 day and less than six months.

Furthermore, the Company and its operating locations also track the types of workplace injuries and tracks such injuries based on accidents occurring as a result of needle pricks and sharps, falling, moving items, roadside accidents, exposure to chemicals, electrocution and malfunctioning equipment as well as accidents caused by natural disasters whilst at work.

Such information is then analysed by the Health and Safety officers to identify areas of risk and where further controls, and awareness needs to be undertaken.

Each manufacturing location of Teejay has a medical centre and a dedicated Nurse and visiting doctor that arrives at each location regularly during the week which can be accessed by employees and workers and 3rd parties visiting the location in the event of a medical emergency occurring at the location.

The central ESG team conducts sustainability assurances to ensure the credibility of data and observe potential risks from an OHS perspective. The findings are then circulated amongst the highest governance bodies for necessary advice and action.

In the event of high-consequence workplace injuries, the Health and Safety division of Teejay undertakes a root cause analysis to identify the primary and secondary causes for such incident and to establish controls and processes to avoid recurrence.

The monitoring of the Health and Safety practices at subcontractor and dedicated supplier locations are yet to be implemented, and Teejay seeks to address and monitor risks of H&S in such subcontractor and significant supplier facilities through the implementation of the Supply Chain Assessment policy.

Teejay also fosters and promotes worker health through various programmes such as Safety week which is aligning to world safety day, HIV and AIDS awareness campaigns, dengue awareness campaigns as well as specific family health and well-being programmes targeting the large female workforce in the Company locations.

## TRAINING AND DEVELOPMENT

### TRAINING AND DEVELOPMENT POLICY:

**Training and Development Policy: The Company strongly believes in the development of its people and tapping their potential to the fullest to achieve the Company's business objectives and their personal and career aspirations. Its policy is outlined in detail in the following pages on commitment, its methodology applied in the process for training and development.**

This policy is designed to ensure that Learning and Development are an integral, proactive and continuous part of Teejay work culture. To ensure the genuine learning takes place and endures at Teejay, they emphasise and encourage a holistic approach by integrating both formal and informal elements. The most effective way of learning and developing a skill or behaviour is by applying and practicing it on the job and in real life situations. Teejay adheres the 70-20-10 principal which describes how learning occurs:

**70%** from real life and on-the-job experiences, tasks and problem solving.

**20%** from a coaching driven culture where individuals learn through feedback, observation and working with colleagues.

**10%** from formal training

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

Training and development of employees plays a significant role in productivity and employee retention, and as a result Teejay is committed to becoming an excellent organisation and a great place to work and learn.

The emphasis on training and development is no longer company-driven but one in which the Company, supervisor and the employee work in partnership. Each individual employee must have an abiding interest in their personal competence and updating skills and will be required to use their initiative to ensure their self-development, in their chosen fields of work.

Personal and professional development is a key element in developing our associates to meet the future challenges to ensure they are of a high quality. The organisation is committed to continually improving the opportunities available to enable them to reach their full potential. To fulfil this commitment, Teejay has a robust and systematic approach to the planning and prioritisation of learning needs, ensuring these needs are linked to the strategic business goals.

Teejay has a dedicated Learning and Development function which ensures that the process of Learning and Development follows the established process of Identification of the training needs through a training need analysis, Design programmes based on the need identification, Execution of the development plan and training programs and Evaluation and Control.

Training Needs Analysis is based on the outcomes of the Performance Management System which evaluates employees for competencies required for the current job as well as for future roles and higher responsibilities. Training needs are also identified through discussions with heads of the department and cross functional teams with regard to the strategic goal of the department, statutory training needs, customer complaint and customer feedback forms and end of training assessment forms.

The Company monitors the hours of training provided by level and gender, along with the average hours of training per employee, and by gender. Such information is tracked on a quarterly basis and presented to senior management for review.

## NON-DISCRIMINATION

### ANTI-ABUSE AND HARASSMENT POLICY:

**The objective of this policy is to create a productive, contented and disciplined work environment which is free of abuse or harassment in any form, and to ensure that the Teejay culture remains a respectful and caring one. We at Teejay are committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work based on gender, sexual orientation, race, religion, nationality, age, social origin, marital status, disability, political affiliations, or opinion. The Teejay Group shall operate on a zero-tolerance policy for any form of abuse/harassment inclusive of sexual harassment in the workplace, shall treat all incidents seriously and promptly investigate all allegations of abuse and/or harassment. Any person found to have abused and/or harassed another will face disciplinary action, up to and including dismissal from employment. All complaints of sexual harassment will be taken seriously and treated with respect and in confidence. No one will be victimised for making such a complaint.**

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

With a large female workforce in its operations, the Company has a zero-tolerance approach for discrimination, abuse or harassment based on gender, race, religion, nationality, age, social origin, disability, political affiliations or opinion. Any employee can make formal complaints to the Head of HR and/or to their line managers, and any substantiated complaints will be investigated and dealt with in accordance with company policies.

The Company has in place a comprehensive Abuse and Harassment Free Workplace Policy and regular training is provided on this policy to employees and workers.

The Company monitors incidences of discrimination, the number of incidences where investigations were completed during the year and remediation action that was implemented during the year. Such information is tracked on a quarterly basis and presented to senior management for review.

### CHILD LABOUR

#### CHILD LABOUR POLICY:

**Teejay has zero tolerance towards child labour and does not hire any person below the age of 18 nor endorse it among any of our stakeholders, including our supplier base, distributors and subcontractors.**

The Company does not employ child labour as it is contrary to the Group's code of ethics and values. The monitoring and assessment of such practices at subcontractor and dedicated supplier locations are yet

to be implemented, and Teejay seeks to address and monitor risks of Child Labour in such subcontractor and significant supplier facilities through the implementation of the Supply Chain Assessment policy.

Cross checks are conducted using identification (both birth certificates and national identity cards) to ensure that minimum age requirements are met, and at least one type of identification is checked at site at the entry point for casual/daily workers.

The Company monitors incidences of child labour as a Key Sustainability Performance indicator as an indicator of compliance and ensuring zero risk of occurrence.

### FORCED OR COMPULSORY LABOUR

#### ANTI-FORCED LABOUR POLICY:

**The Company ensures that no employee is made to work against his/her will or to work as bonded/forced labour or subjected to corporal punishment or coercion of any kind, related to work.**

No employees are coerced or subject to overtime hours (that exceed the shift hours), or subject to intimidation. In line with legal requirements and industry standards, compensation through overtime or variable pay is provided for employees who work beyond normal shift hours, in addition to being provided with meals and transport where applicable.

The Company monitors incidences of forced labour as a Key Sustainability Performance indicator as an indicator of compliance and ensuring zero risk of occurrence.

### LOCAL COMMUNITIES

#### POLICY ON LOCAL COMMUNITY ENGAGEMENT:

**Teejay Group believes in demonstrating our commitment to all our stakeholders including the communities and environment in which our business operates. Accordingly, we identified Hygiene and Sanitation requirements stand as critical needs for Schools in rural areas. Therefore, at Teejay we strive to provide school children with proper infrastructure for Hygiene and Sanitation while providing necessary hygiene education. Teejay is committed to this mission and will continue to expand this footprint each year for a healthier and better tomorrow for our future generations.**

While no mandatory contributions to local community engagements and CSR are stipulated in Sri Lanka and India, regulatory requirements in India stipulate that 2% of revenue of the operations in India be invested in CSR.

The Company tracks and monitors the community engagement carried out at each operating location whether such engagement was carried out formally through independent third parties, or informally by the location management. Furthermore, the community members engaged, their gender, type of community leadership, engagement of members of the clergy and other community leaders are also tracked to ensure that a wide cross section of community members are engaged to assess any grievances. Any grievances identified during this process is classified

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

as environmental, social and economic grievances, and the location specific CSR programmes as well as the central Teejay level CSR programmes are undertaken considering the types of grievances highlighted through such engagements.

The community members engaged, the grievances identified, and CSR programmes undertaken to alleviate and resolve such grievances are tracked through the Sustainability Performance Analyser Tool on a quarterly basis and reported to senior management for review and direction.

## PRODUCT QUALITY

### PRODUCT QUALITY POLICY:

**At Teejay Lanka we are committed to ensure that the fabric we manufacture, and deliver is of a quality commensurate with the requirements, needs and expectations of our customers. We will strive and are committed to continually enhance our processes and quality management systems, while adhering to the context of the organisation and to satisfy the respective shareholders. We will ensure that this policy is understood, implemented and maintained at all levels of our organisation and is reviewed from time to time to evaluate its continuing suitability.**

Product quality is a critical aspect of the Company and forms an important aspect of the requirements and expectations of the Company's customers. Towards this, the Company's above mentioned Product Quality policy is also supported by a comprehensive Standard Operating Procedure which stipulates the procedure for final inspection operations.

The objective of the above SOP is to carry out and ensure correct procedure of Final Inspection operation, and is the responsibility of Fabric Examiner, Team Leader and the Executive-Quality. The SOP stipulates the methodology to be adopted by the responsible parties in ensuring final product quality covering aspects such as weighing of each batch for adherence to stipulated tolerance levels of weight, preparation of the fabric for running through the inspection machine,

appearance and hand feel. and also by the "4-Point System" inspection method and any defects are market and entered on the inspection system.

## CUSTOMER PRIVACY AND BRAND PROTECTION

### CUSTOMER PRIVACY POLICY AND DATA BACKUP POLICY:

**The Company recognises that one of its key responsibilities is to ensure that it protects customer information provided to the Company as part of the business relationships with customers. As such information includes commercial information such as pricing and other product quality and service delivery terms and conditions as well as specific quality parameters which are specific to each customer, the protection of such information is seen as an important component in maintaining sound customer relationships. As such, the Company commits and takes all necessary steps to ensure protection of customer's and 3rd parties' intellectual properties and the reputation of their brands. Furthermore, all information in Teejay shall be protected by suitable backup process. Adequate backup facilities shall be provided to ensure that all the essential information can be recovered during a disaster situation. Information that is backed up should be periodically tested for integrity.**

## LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

The Company gives utmost priority to ensure confidentiality of its customers' personal information as part of its customer privacy policy and Code of Conduct. The Company classifies the data it stores of its Customers, Suppliers and other third parties as three separate types of information:

- (i) **Customer specific information – such as customer specific quality levels and requirements as well as commercially sensitive information.**
- (ii) **Personal information – such as Customer and Supplier representatives and other 3rd parties such as identification documents etc.**
- (iii) **Non-Sensitive information – any information available in the public domain. Such information shall not be considered under the Customer Privacy Policy.**

The Company shall use the above information lawfully and the purpose that such information was shared with the Company as part of its business operations. The Bank shall not disclose the information covered under the Policy without the prior approval of the owner of such information and in most cases such information is subject to specific Non-Disclosure Agreements between the customer and the Company. Any instances

of loss of data and privacy or any complaints with regard to the breach of such Non-Disclosure Agreements, as well as customer complaints concerning the same are tracked and reported to the Sustainability Division on a quarterly basis.

### SOCIOECONOMIC COMPLIANCE AND SERVICE QUALITY

The Company conducts regular risk assessments and has established a culture of safety and compliance as initial steps in achieving process excellence.

The Company always ensures that it meets expected standards of product quality and also that its processes adhere to customer health and safety and customer privacy.

The Company recognises the importance of complying with all rules and regulations to ensure the continuity of its operations. The Company tracks and monitors any fines paid and all other compliance related requirements as per laws and regulations of the country of operations.

While the Company closely monitors non-compliance related to product and service responsibility, any environmental as well as socio-economic non-compliance fines are recorded and reported to the Sustainability Division on a quarterly basis, which are also shared with top management for review.