Eastern Merchants PLC

(ESTABLISHED IN 1945)
Reg. No. PQ 153

EXPORTERS - IMPORTERS
No. 240, Torrington Avenue, Colombo 7, Sri Lanka.
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABILITY POLICY

1. Purpose

Eastern Merchants PLC ("the Company") recognises that sustainable business practices are important to long-term value creation, resilience and responsible corporate citizenship. The Company is committed to integrating relevant Environmental, Social and Governance ("ESG") considerations into its business activities, decision-making and stakeholder relationships.

This Policy has been established in accordance with Rule 9.2.1(h) of the CSE Listing Rules.

2. Sustainability Principles

The Company shall seek to conduct its business in a responsible manner, balancing economic objectives with environmental stewardship, social responsibility and sound governance.

The Company's sustainability approach shall be guided by:

- responsible business practices;
- compliance with applicable laws and regulations;
- efficient use of resources;
- responsible sourcing;
- respect for employees and human rights;
- ethical business conduct;
- stakeholder engagement; and
- continuous improvement.

3. Environmental Responsibility

The Company shall seek to minimise the environmental impact of its operations through appropriate measures relating to:

- energy efficiency;
- responsible use of natural resources;
- waste management and reduction;
- emissions management;
- responsible sourcing;

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- environmental compliance; and
- resource conservation.

Where relevant to the Company's operations, environmental risks and opportunities shall be considered in business planning and decision-making.

4. Social Responsibility

The Company is committed to maintaining a workplace based on respect, fairness, dignity and equal opportunity.
The Company shall seek to:

- provide a safe and healthy working environment;
- promote fair employment practices;
- respect applicable labour laws;
- support employee development;
- prohibit discrimination and harassment;
- respect human rights; and
- maintain appropriate engagement with communities and other stakeholders.

5. Responsible Supply Chain

The Company recognises the importance of responsible sourcing and ethical relationships with suppliers and business partners. Where appropriate, the Company shall consider environmental, social, ethical and compliance factors when evaluating suppliers and other business partners.

6. Governance and Ethical Conduct

Sustainability shall be supported by strong corporate governance and ethical conduct.
The Company shall maintain appropriate policies and controls relating to:

- corporate governance;
- anti-bribery and corruption;
- whistleblowing;
- risk management;
- internal controls;
- corporate disclosures; and
- stakeholder relations.

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7. Risk and Opportunity Management

Material ESG risks and opportunities shall be considered as part of the Company's broader risk management and strategic planning processes. The Company shall seek to identify emerging sustainability-related risks that may affect its operations, reputation, financial performance or long-term resilience.

8. Stakeholder Engagement

The Company recognises that effective engagement with employees, shareholders, customers, suppliers, business partners, regulators and communities is important to sustainable development. The Company shall seek to understand relevant stakeholder expectations and incorporate material considerations into its decision-making processes.

9. Sustainability Reporting

The Company shall disclose relevant sustainability information in accordance with applicable laws, regulations, CSE Listing Rules and recognised reporting requirements adopted by the Company. Disclosures shall seek to be accurate, balanced and transparent.

10. Board Oversight

The Board has overall responsibility for the Company's governance and oversight of sustainability matters. Management is responsible for implementing appropriate sustainability initiatives and integrating relevant ESG considerations into business operations.

11. Continuous Improvement

The Company shall seek to progressively improve its sustainability performance by identifying appropriate opportunities to enhance environmental performance, social responsibility, governance practices and stakeholder value.

12. Review

This Policy shall be reviewed periodically by the Board and updated where necessary to reflect changes in the Company's operations, stakeholder expectations, applicable laws, regulations and CSE Listing Rules.

The existence and implementation of this Policy shall be disclosed on the Company's website in accordance with Rule 9.2.1.

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13. Document Control and Implementation

Upon Board approval, this Policy shall be communicated to all Directors, Board Committees and relevant senior management, published on the Company's website in accordance with Rule 9.2.1 of the CSE Listing Rules, and applied with immediate effect from the Effective Date stated above, with compliance monitored on an ongoing basis by the Company Secretary.

Board Approval Date	29.01.26
Effective Date	02.02.26
Review Date	
Version	1.0