
	THE KANDY HOTELS COMPANY (1938) PLC - POLICY DOCUMENT	
	POLICY ON WHISTLE BLOWING	
	Effective from 30.09.2024	Document No: PO- KHC/2024/011/VERSION 1

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Scope	<p>This policy enumerates the process for employees to disclose any malpractices or misconduct of which they would become aware of, creating an environment of trust and provide maximum protection to those employees who disclose/report on irregularities, allegations of such malpractices or misconduct. This framework promotes the prompt reporting of any misconduct or concerns with confidence in the Group’s best interests.</p> <p>This was created and maintained in accordance with Rule 9.2.1 (k) of the Listing Rules of the Colombo Stock Exchange.</p> <p>The Audit Committee (‘AC’)’s objective should be to ensure that arrangements are in place for the independent investigation of financial reporting and other matters for appropriate follow up action.</p>	
Policy measures	Commitment to 100% adherence	
Definitions	The Company	The Kandy Hotels Company (1938) PLC
	Policy	Policy on Whistle Blowing of The Kandy Hotels Company (1938) PLC
	Board	The Board of Directors of The Kandy Hotels Company (1938) PLC
	Corporate website	www.chcplc.com
	Group	The Kandy Hotels Company (1938) PLC -and its Subsidiaries
	Employee	Employees (including permanent, probation, temporary or contract staff) of the Company and individuals (including trainees, seconded staff, casual workers, and interns)
Responsibility	The Audit Committee	<p>The Audit Committee (‘AC’) is responsible to ensure that arrangements are in place to ensure confidentiality and provide anonymity, thereby shielding Whistle Blowers from potential retaliation by those involved in the complaints and for the independent investigation of such matters reported through whistle blowing and other avenues for appropriate follow up action.</p> <p>The AC shall present necessary reports and recommendations to the Board and for its review and further action, if required.</p>
	The Audit Committee Chairman (ACC).	<p>ACC will serve as the “Receiving Officer” for all concerns raised under this policy.</p> <p>Complaints raised directly or to other employees of the Group, will be directed to the BACC, who is responsible for maintaining a centralized repository of all reported cases and ensuring that issues raised are properly resolved.</p> <p>All complaints received by the ACC will be reported to the AC.</p>
	Head of Human Resources- – HR team.	Shall be responsible for implementing decisions regarding the outcomes of investigations related to complaints under this policy against employees, under the direction of the AC, or where relevant as directed by the Board.

Reviewed & Confirmed		Approved by	
Shalike Karunasena	Director / Group CFO	Board of Directors	

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Guidelines	
1.1	This policy would apply for all employees of the Group and other individuals including contract staff, outsourced staff and interns.
1.2	<p>The Objective of this Policy are:</p> <ul style="list-style-type: none"> ▪ To deter wrongdoing and promote standards of good corporate practices. ▪ To provide proper avenues for employees to raise concerns about actual or suspected improprieties in matters of financial reporting, financial management, control lapses or other matters and to receive feedback on any actions taken. ▪ To assure employees that they will be protected from reprisals or victimization for whistleblowing in good faith. <p>This policy does not replace the grievance handling procedure for employees that address any employment related grievances. For such grievances the employee should refer to the policy on Grievance Handling.</p> <p>It's also emphasized that this policy is not intended to challenge any financial or business decision made by the Company.</p>
1.3	It must always be ensured that this policy is used in the best interest of the Company rather than for seeking redress on any personal issue or gaining any personal advantage or recognition.
1.4	Any concern raised regarding wrongdoing, if made with genuine concern and good faith and reasonably believed to be true will not result in any fear of victimization.
1.5	Any employee who raises a genuine concern in good faith about wrongdoing they reasonably believed to be true, will not face any form of harassment or victimization.
1.6	Harassment or victimization inclusive of informal pressure on the individual will not be tolerated and any such action will be considered a breach of the Policy and treated as a serious disciplinary matter.
1.7	<p>Anyone who maliciously discloses false information will be deemed to have committed an act of misconduct and will be addressed with in accordance with the Company's disciplinary procedures.</p> <p>However, no action will be taken against any employee who makes a disclosure in good faith simply because it was not confirmed as accurate by later investigations. When making such a disclosure, the employee is expected to exercise due diligence to ensure the accuracy of the information provided.</p>
Policy Input	
2.1	<p>The requirement is to encourage all employees who suspects wrongdoing in the execution of business matters, to raise their concerns in confidence to the ACC.</p> <p>Human Resources team will be responsible in socializing this policy to new employees and for taking necessary actions to raise awareness of this policy through dissemination of the availability of the reporting process of this policy. This will include disseminating information about the reporting process through electronic (Company website, emails, notice boards) and other channels.</p>
Procedure	
3.1	Any employee who reasonably believes that inappropriate business conduct, non-compliances, questionable or suspicious practice or any other actions that could materially impact on Group's Operating results are being committed, or are about to occur, should raise the issue directly with the Receiving officer, i.e the ACC.

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	<p>The disclosure must be made in good faith and not with the expectation of any personal gain. The contact details of the ACC are as follows:</p> <p>Address: The Audit Committee Chairman – Ceylon Hotels Corporation PLC 327, Union Place Colombo – 02. 011-7657900</p> <p>Concerns or information should be raised or provided in writing. Ideally, the Company recommends that the whistleblower include details outlining the background and history of events as well as the reasons for the concern.</p>
3.2	<p>The policy encourages employees to give their names as it gives opportunity to the Company to raise appropriate follow-up questions as the investigation may not be possible unless the source of information is identified.</p> <p>It is important that the employees must disclose the information in good faith, believe it to be substantially true, must not act maliciously or false allegations and must not seek any personal gain.</p> <p>An employee who discloses any malpractices or misconduct is encouraged to identify themselves. Concerns raised anonymously are less credible and may be more difficult to investigate.</p>
3.3	<p>The Group will strive to ensure the confidentiality of the whistleblower’s identity at all times, except in exceptional circumstances such as:</p> <ul style="list-style-type: none"> ▪ Where the Group is legally obligated to disclose information. ▪ Where the information is already in the public domain. ▪ Where the information is provided on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice. ▪ Where the information is shared with the police or other authorities for criminal investigation.
3.4	Types of Malpractices & Misconduct
	<p>This list of wrongdoing is not comprehensive and serves only as a guide to the types of misconduct that may be reported.</p> <ul style="list-style-type: none"> ▪ Disclosure of sensitive business information to third parties. ▪ Malpractices in maintaining accounts & financials. Falsification of documents ▪ Impropriety, corruption, act of fraud, theft and misuse of Group’s properties, assets or resources. ▪ Damage to Company assets ▪ Non-disclosure of serious conflict of interest. ▪ Falsification of documents or intentional provision of incorrect information to public bodies. ▪ Conduct which is an offence or breach of law ▪ Un-lawful damage to the environment ▪ Endangering the health & safety of an individual ▪ Aiding a criminal offence

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	<ul style="list-style-type: none"> ▪ Breach of any policies/procedures/SOPs or any internal controls of the Company ▪ Breach of the Standards of Business Conduct ▪ Any unethical behavior, wrongdoings or activities which would cause a negative impact to the Group's reputation ▪ Deliberate concealment of any of the above ▪ Violation of values of the Company
3.5	Investigation
3.5.1	<p>Once the allegation of malpractice or misconduct is made, The ACC will conduct an investigation. Consideration will be given to seriousness of the issue raised, the credibility of the concern and the likelihood of verifying the information from attributable sources.</p> <p>The investigation may involve internal reviews/inquiries, reviews made by external auditors, lawyers, or any other external body as needed.</p>
3.5.2	Once the investigation is complete, an appropriate Company representative will inform the whistleblower of the results including the corrective measures that have been initiated to prevent a similar incident from occurring.
3.6	Disciplinary Action
3.6.1	If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be initiated against the responsible individual(s), which may include termination of employment.
3.6.2	If a disclosure of any malpractice or misconduct is made maliciously, disciplinary action will be initiated against the whistle blower, which may include in termination of employment.
3.7	Safeguards
3.7.1	<p>The Company will treat all disclosures with utmost confidence and sensitivity. Every effort will be made to protect the anonymity of the employee.</p> <p>In the event that the whistleblower's identity must be revealed depending on the requirement where employee needs to come forward as a witness, the Group will make every effort to discuss with the whistleblower first. The details of the complaint will only be disclosed to those people who have a need to know in order to properly carry out an investigation into the matter.</p>
3.8	Record Keeping
3.8.1	<p>A whistle blowing register must be maintained, documenting all concerns raised, and the investigation procedures.</p> <p>The register will be maintained by ACC who would be responsible in informing the AC of the receipt of each validated concern, along with a summary of findings and actions initiated by the AC on a case-by-case basis. A list of all concerns received during the period will be shared with the AC at the meetings.</p>
4	Publication of the policy
4.1	The policy is hosted on the Company's corporate website, and the Company will ensure that personnel are adequately informed about its requirements. Any clarifications regarding the policy should be directed to the Chairman of the Audit Committee.
Policy Output	Investigation on the concern raised & necessary disciplinary action taken if required.
Policy Records	Policy on Whistle Blowing

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