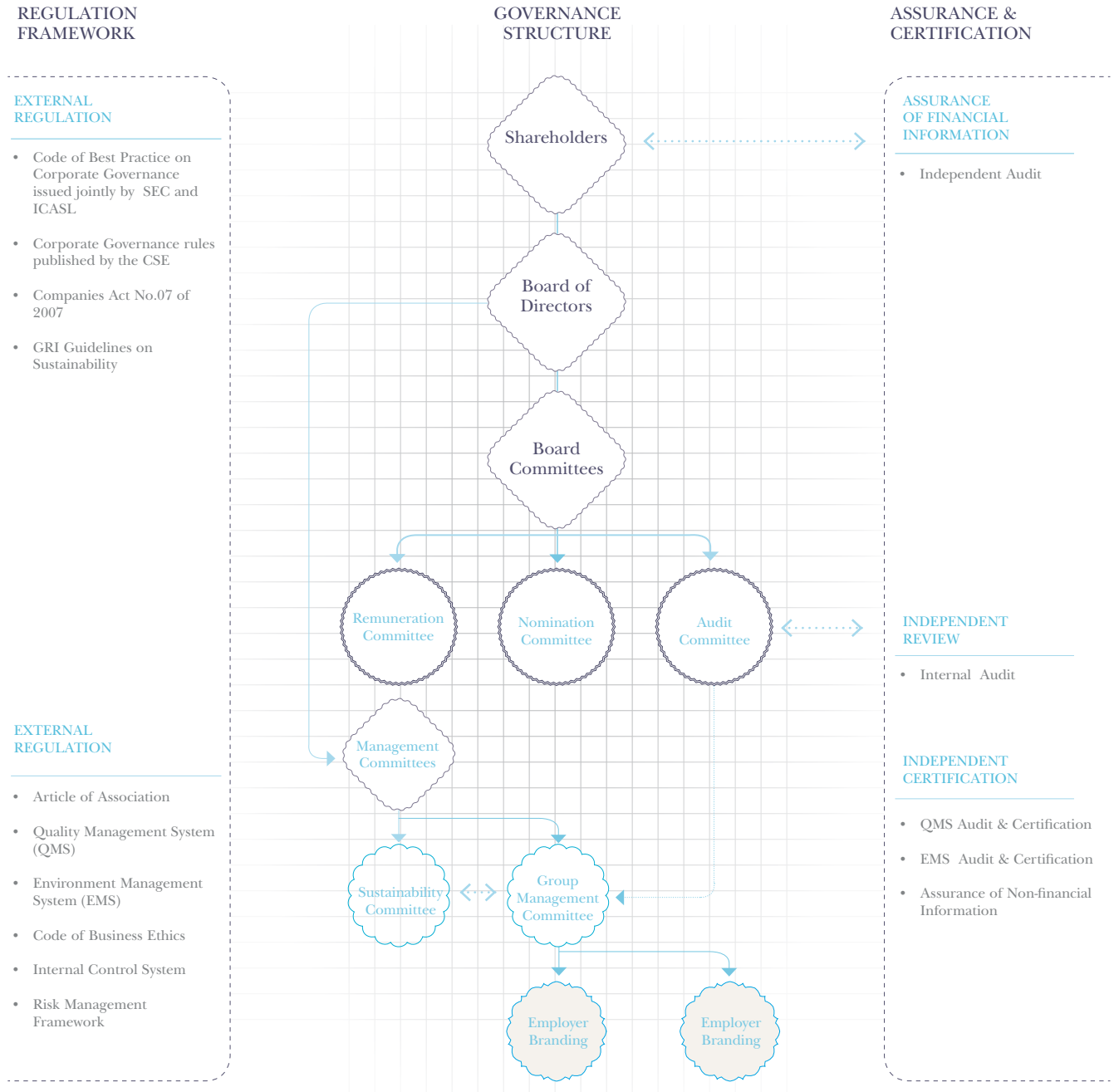


# Enterprise Governance

## Governance Framework



### Conformance and Performance

The driving force of conformance and performance is the onus that is placed upon the Board by the expectations of trusteeship, stewardship and accountability although there are many laws, regulations, best practices and expectations that shape these two dimensions of governance. Arising from the responsibilities placed upon it, the Board endeavours to meet the

demands through the structures and the processes that are in place.

The table ... illustrates key conformance and performance aspects arising from value creation activities and capitals and the point of reference through which they are addressed, regulated and reported. The point of reference is the source that provides guidance for conformance

or performance. A point of reference could be a code of best practice, guideline, standard, system, process or even a body of persons that could provide guidance and direction in conformance and performance.

### Conformance & Performance Aspects based on Value Creation Activities/ Capitals

| Capital / Activity        | Key Conformance Aspects  | Point of Reference         | Key Performance Aspects                | Point of Reference              |
|---------------------------|--|----------------------------|--|---------------------------------|
| Value creation activities | Meet regulatory standards with regard to product and services.                       | Quality Management System  | Quality and safe products and services | Quality Management System       |
|                           |  | Code of Business Ethics    |  |                                 |
|                           | Meet Regulatory standards and business ethics in performing supply chain activities. | Quality Management System  |  |                                 |
| Monetised Capital         | Internal Control   | Audit Committee            | Business Strategy Formulation          | Group Management Committee      |
|                           |  | Group Management Committee |  |                                 |
|                           | Internal Audit   | Audit Committee            | Operational Excellence                 | Group Management Committee      |
|                           | Uncertainty Management   | Risk Management Framework  |  | Quality Management System       |
|                           |  |                            |  | Environmental Management System |
| Assurance                 | Audit Committee<br>Independent Auditors  |                            |  |                                 |

## *Enterprise Governance*

| Capital / Activity  | Key Conformance Aspects  | Point of Reference  | Key Performance Aspects             | Point of Reference        |
|---|--|---|-------------------------------------|---------------------------|
| Customers   | Meeting Customer Expectations  | Quality Management System   | Customer satisfaction               | Quality Management System |
|   | Customer Health & Safety   | Quality Management System   | Customer Relationship Management    | Quality Management System |
|   | Customer Privacy   | Quality Management System   | Customer Complaint Handling         | Quality Management System |
| Employees   | Employee safety  | Quality Management System   | Employee satisfaction               | HR Scorecard              |
|   | Employee Rights  | UN Global Compact Principles  | Training & development              | HR Scorecard              |
|   |  | Code of Business Ethics   | Retention                           | HR Scorecard              |
|   | Equal opportunities  | UN Global Compact Principles  | Employee Engagement                 | HR Scorecard              |
|   | Reducing gender inequality   | Sustainability Objectives   |                                     |                           |
| Comply with legislation and regulations relating to employees | Code of Business Ethics  |   |                                     |                           |
| Business Partners   | Compliance with Principals' requirements of ethical practices  | Quality Management System   | Expectation management              | Quality Management System |
|   | Honor Agreements with Principals   | Quality Management System   |                                     |                           |
| Intellectual capital  | Data security and integrity  | Quality Management System   | Quality and accuracy of information | Quality Management System |
|   | Meet the requirements of the legislative enactments applicable to the Group.   | Code of Business Ethics   | Not applicable                      |                           |
|   | Enhance and preserve the reputation of the company by following best practices relating to good governance and sustainability. | Code of Best Practice on Corporate Governance jointly issued by SEC and ICASL |                                     |                           |
|   |  | CSE Listing Rules   |                                     |                           |
|   |  | Articles of Association   |                                     |                           |
|   |  | GRI G4 Guidelines   |                                     |                           |

| Capital / Activity | Key Conformance Aspects  | Point of Reference              | Key Performance Aspects      | Point of Reference              |
|--------------------|--|---------------------------------|------------------------------|---------------------------------|
| Society            | Anti-corruption  | Code of Business Ethics         | Benevolence & Philanthropy   | Sustainability Committee        |
|                    |  | UN Global Compact Principles    | Social development           | Sustainability Committee        |
| Environment        | Comply with all requirements of the Environment Management System-<br>Meet Legal and Regulatory requirements regarding Environment | Environmental Management System | Carbon foot-print Management | Environmental Management System |
|                    |  | Environmental Management System | Energy & Fuel Management     | Environmental Management System |
|                    |  | UN Global Compact Principles    | Water Management             | Environmental Management System |
|                    |  | Code of Business Ethics         | Waste Management             | Environmental Management System |
|                    |  |                                 | Material Usage               | Environmental Management System |
|                    |  |                                 | Noise & Air Emissions        | Environmental Management System |
|                    |  |                                 | Re-cycle & Re-use            | Environmental Management System |

### *Level of Compliance & Adherence*

| Point of Reference  | Aspect of Regulation  | Status  |
|---|---|---|
| The Code of Best Practices on Corporate Governance jointly issued by The Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka (The Code) | Best practices of Corporate Governance  | All requirements of the code and the compliance level is given on the table laid out in the company's website at <a href="http://www.dimolanka.com/investors/stewardship">www.dimolanka.com/investors/stewardship</a> |
| Listing Rules of the Colombo Stock Exchange   | Listing rules to be followed by listed companies in Sri Lanka including on Corporate Governance relating to; <ul style="list-style-type: none"> <li>- Non Executive Directors</li> <li>- Independent Directors</li> <li>- Disclosures relating to Directors</li> <li>- Remuneration Committee</li> <li>- Audit Committee</li> </ul> | Complied. The Compliance level is given on the table laid out from pages 91 to 94   |