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Prepared by	Group Head of Human Resources	Date of Revision	N/A
Approved by	Group Managing Director	Issue No	01

## Introduction

The Human Resource Policy (The Policy) of Daintee Limited (The Company) is developed in alignment with the Human Resource Policy of Sunshine Holdings PLC (The Group). The Policy sets forth the company's requirements to establish a solid foundation for the Human Resources department to support the needs of the human capital of the Company while being consistent with the expectations and plans of the Company and taking into consideration the requirements of the Group.

The Company's expectations with regards to the framework put in place herein to support the needs of its human capital is that it will be adhered to in a manner that will manage any related risk to the Company while ensuring compliance with the applicable governing law in tandem with Company policies, standards, procedures and guidelines. The Company commits to uphold human and workplace rights in Company's relationship with employees, suppliers and partners. This commitment is embodied in its governing principles, which respect the dignity and worth of all individuals, encourage the initiative of each employee, challenge individual capabilities, and provide equal opportunity for development.

## Objectives

The objective of this policy is to provide a fundamental framework for all the Human Resource Management related functions including talent acquisition, working conditions, learning and development, performance management, compensation and benefits, employee rights as well as health and safety in order to support the realization of the goals and objectives of the Company.

## Scope

This policy applies to all employees who have entered into employment agreements with the Company.

## Principles and Requirements

### I. Talent Resourcing

The Company recognizes that talent is critical to success and focuses on recruiting best-fit candidates through a strategic and professional approach in order to achieve business objectives. This policy includes details that support the fair and equitable recruitment of internal and external candidates and the prospect of career development for employees through internal opportunities.

**a. *Non-Discrimination and Equal Opportunity***

The Company promotes the values of equal employment opportunities and supports diversity in all aspects of the employment practices, including recruitment, assessment, career development, mobility, compensation, benefits, and talent development.

Candidates will not be subjected to discrimination on the grounds of national or ethnic origin; race; ancestry; place of origin; colour; disability; religion; creed; political belief; association; gender; sex; sexual orientation; pregnancy; age; marital or family status or any other protected grounds, in accordance with the applicable governing law. Decisions on recruitment and selection must be based on objective job-related criteria, in accordance with applicable law.

The Company strongly encourages all employees and individuals who provide services in the workplace to report instances of discrimination, whether personally experienced or observed in the workplace, at any level. The Company maintains clear procedures for reporting, investigating, and resolving issues of discrimination at each operating level of the company.

**b. *Internal Recruitment***

In an effort to ensure the transparency and opportunities for career advancement for current Employees, job postings for available positions will be posted internally, unless otherwise determined by the Human Resources department, and Employees may apply for all available positions. Only Employees that meet the identified criteria will be interviewed and considered for the position. For purposes of career development or succession planning, available positions may be filled through a transfer or a promotion.

**c. *External Recruitment***

External job postings (advertisements in newspapers, online job portal, etc.) will be advertised by the Human Resources Shared Center, in consultation with the Daintee Human Resources Department. To enable consistency and accuracy of information used in advertisements, the Human Resources department will comply with the Sunshine Corporate Communications Policy.

**d. *Recruitment of Former Employees***

The eligibility for the re-hire of former Employees will be determined by the Human Resources department in collaboration with the business line as applicable, with due regard for circumstances related to the former Employee's privacy, history of employment and circumstances of departure from the Company.

**e. *Onboarding***

The Human Resources department will initiate all related pre-employment activities, Company onboarding, and new Employee orientation. The Human Resources Department is responsible for onboarding of new Employees to the department and their new role, in accordance with the Group Human Resource Procedure Manual.

**f. *Relocation Provisions***

Requests for Employee relocation are to be approved by the Human Resources department in collaboration with the Employee's line management. All other operational matters regarding Employee movement are to be managed exclusively by the Human Resources department.

### ***g. Offboarding***

The Human Resources department, in collaboration with other departments, will maintain accountability for the offboarding of Employees who leave the Company, in accordance with the Group Human Resource Procedure Manual. This manual identifies offboarding steps, including but not limited to curtailing of building access, network access, and completion of exit interviews.

## **2. Compliance with labour laws**

The Company always strives to manage all aspects of employment best practices based on the highest labor standards, ethics and humanitarian factors beyond the applicable Labor Law of Sri Lanka. The relationship between the Company and its employees is established on a voluntary basis. The Company commits that all employees' rights under national Labour Law are guaranteed through the regulations of recruitment; training; performance evaluation; remuneration; information exchange; grievance resolution procedure and retrenchment provisions.

## **3. Working conditions and terms of employment**

The Company provides workers with documented information that is clear and understandable, regarding their rights under the national labor and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur.

The Company communicates clearly to direct and contracted employees about their entitlement to wages and benefits, hours of work, overtime arrangements and overtime compensation, leave for illness, maternity, holiday arrangements and grievance procedures through the Employee Handbook and the Employment Contracts/ Appointment Letters.

## **4. Compensation and Benefits**

The Company supports the right of individuals to fair compensation for their work and aims to provide competitive compensation and benefits for employees at all levels. The Company always observes legal minimum wage provisions and often exceeds minimum standards. In line with the Group Compensation Framework, the Company rewards employees in a manner that recognizes their contributions to the business and is consistent. The Company commits to implement pay equity regardless of gender and racial / ethnic groups and seeks to ensure through Company practices that pay decisions are based on merit. The Daintee benefits packages aim to improve the quality of life for employees by providing practical support for family, health, education, and long-term financial management needs.

The Human Resources department will monitor and confirm that the Compensation and Benefits Framework is competitive and reflects industry-validated benchmarks. Applicable revisions to the Compensation and Benefits Framework will be reviewed and approved in accordance with the Board of Directors Terms of Reference.

The Company promotes transparency in all aspects of the employment practices, including but not limited to recruitment, assessment, career development, mobility, compensation, benefits, and talent development. Due to the transparency in Human Resource policies and procedures, each employee of the Company has a clear understanding of the methodology for evaluating their performance and how it determines promotions and salary increments, as well the calculation of annual bonus.

## **5. Performance Management**

The Company's performance management program includes the documentation of annual goal settings and performance evaluations which are carried on a mid-year and year-end basis. This program will be aligned with defined roles and responsibilities, critical position analysis, and competencies. The Human Resources department is accountable for the stewardship of the performance management program, activities, related tools and Employee data. In conjunction with the Group Performance Management Framework, the Human Resources department will provide support to the management in facilitating performance discussions and the use of performance management tools. The performance management program will support the identification of high-potential Employees for further talent development and career advancement. Salary increments will depend on the results of the performance appraisal. The Company encourages and supports coaching amongst peers, teams, and reporting relationships as a means of improving employee performance.

## **6. Learning and Development**

The Company understands the importance of supporting Employees through internal and external learning and development opportunities to increase Employees' knowledge, competencies, and performance. The Human Resources department will foster the Company's learning culture and identify support requirements for learning and development opportunities. In partnership with Management and the Human Resources department, Employees are expected to be active in developing and maintaining their competencies related to their role by pursuing learning and development opportunities that align with departmental and business priorities. The Human Resources department will work in partnership with the Group Learning and Development Function (Sunshine Learning Labs) to guide Management in tracking and managing Competencies throughout the Company.

## **7. Employee Recognition**

The Company always recognizes the contributions of employees towards the company and appreciates them at the organizational and group level. The Company has policies to ensure that employees' salaries are aligned in respect to their efforts and contribution and the Company offers a portion of the company's profits as a performance bonus based on the results of the performance appraisals and the business 'annual performance. In addition, the Company presents awards to employees for their outstanding service at Annual Awards Ceremonies organized at the Company and the Group level.

## **8. Workplace Health and Safety.**

The Company understands the importance of creating a safe and healthy work environment to support a productive and engaged workforce. The Company's Occupational Health and Safety practices include the identification of potential hazards and responses including design, testing, choice, substitution, installation, arrangement, organization, use and maintenance of workplaces, working environment and work processes to eliminate sources of risk or minimize workers' exposure to them. The Company provides Personal Protective Equipment and Safety Measures, Health and Safety Guidelines, Annual Health Care Programs, Trainings for emergency prevention, preparedness, and response arrangements ensuring the safety of all individuals affected by the Company's operations is secured and in accordance with the Company Environment, Health and Safety (EHS) Policy.

## **9. Collective Bargaining and Freedom of Association**

The Company respects the right of employees and others in extended value chain to freedom of association and collective bargaining. The Company does not discourage workers from forming or

joining workers' organizations and discriminate or retaliate against workers who participate in such organizations and bargain collectively. The Company always aligns with the government laws and regulations relating to the freedom of association.

#### **10. Sexual Harassment and Gender Based Violence**

The Company has a zero tolerance policy towards sexual harassment and gender-based violence which constitutes discrimination and as per the law of the land, is considered illegal. Allegations of sexual harassment and gender-based violence are taken very seriously by the Company and are appropriately investigated by Human Resources Department. Reported incidents are investigated with an effort to keep the source of the report confidential, with the disclosure of information only as appropriate to facilitate the investigation or resolution of the matter. Where inappropriate conduct has occurred, specific disciplinary actions up to and including discharge where appropriate are implemented. The complaints channels on sexual harassment and gender-based violence are open for both direct employees and employees employed through third-party labor providers.

#### **11. Child Labour and Forced Labour**

The company does not employ children under the age of eighteen (18) and prohibits third parties from employing children under the age of eighteen (18) through Labour Supply Agreements. In addition, the Company prohibits the use of all forms of forced labor, including indentured labor, bonded labor, military labor, slave labor and any form of human trafficking. The Company will not retain any document belonging to the employee unless the relevant document has been addressed to the Company, or where required by law.

#### **12. Workers Engaged by Third Parties**

Workers Engaged by Third Parties will comply with the applicable governing Labour Law of the land and will also follow the guidelines set by the Company. The Company assesses the employment relationship between relevant contractors and workers and ensures that all contractors comply with legal requirements covering but not limited to minimum wage, hours of work, overtime payments, health and safety conditions, contributions to the statutory provisions such as EPF and ETF, health insurance, leave schedules, and other legally mandated employment terms with regard to all workers engaged by third parties. In cases where the third party is not able to provide a grievance mechanism, the Company will extend its own grievance mechanism to serve workers engaged by the third party.

#### **13. Retrenchment**

The Company recognizes the need to provide all employees with security of employment as far as possible. Retrenchment shall be viewed as a last resort and would be conducted as per the national labour law. Prior to implementing any collective dismissals which are resulted of an economic, technical or organizational reason, the Company will carry out an analysis of alternatives to retrenchment. If the analysis does not identify viable alternatives to retrenchment, a retrenchment plan will be developed and implemented to reduce the adverse impacts of retrenchment on employees. The retrenchment plan will be based on the principle of non-discrimination and will reflect the Company's consultation with workers, their representative organizations, and, where appropriate, the government, and comply with collective bargaining agreements if they exist.

#### **14. Grievance Mechanism**

Managers and supervisors have the responsibility to take all reasonable steps to identify and attempt to prevent and resolve problems in the workplace. Resolution of grievances is encouraged at the point of

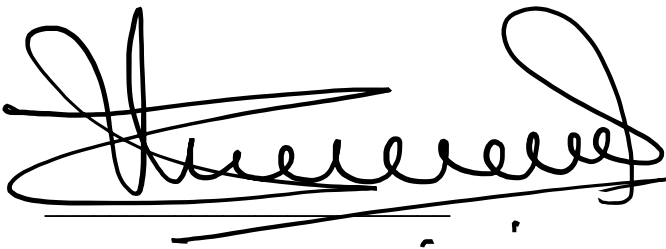
origin and at the lowest level of management. Staff grievances should be handled in an unbiased and fair manner, taking into account the principles of procedural fairness in accordance with Sunshine Grievance and Complaint Policy.

The Daintee has proactively taken steps to avoid/mitigate grievance through communicating notices in both national languages (Sinhala and Tamil) which helps the ground level staff to better understand and communicate based on preferred language of choice. Further opportunities are given in town halls and other staff meetings conducted by Management in encouraging Employees to voice their concerns and grievance through their preferred language of choice.

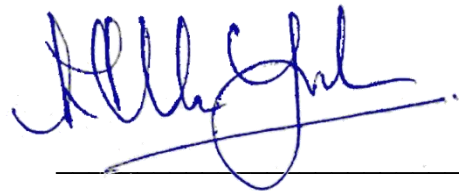
### **15. Human Resources Information Systems (HRIS)**

The Company recognizes the value in accurate organizational information to support effective process, stewardship, continuous improvement, and organizational insight. The Human Resources department will maintain ownership and governance of Employee data and related systems, in accordance with the Sunshine Information Technology Security Policy.

In addition, the Human Resources department will assess the effectiveness and efficiency of the HRIS, at least annually, to optimize the activities of Employees and to facilitate corporate reporting related to talent.



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2021.06.21



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