

	HELA APPAREL HOLDINGS PLC		
	CODE OF CONDUCT	Version No: 01	Issue Date December 30, 2024
Approved by Board of Directors on 18 th December 2024			

MESSAGE FROM GROUP CEO

At Hela, we pride ourselves on holding our actions to higher standards and the Code of Conduct laid out in this document is the textual representation of that standard. The Code is built around our core values of respect for each other and respect for all our stakeholders including our customers. It is our commitment to uphold these values that guide our daily interactions and allow us to build a culture of inclusivity. This would help us attract the best talent and ensure loyalty to our customers. Essentially, it forms the foundation of our success.

The Code provides us with a clear and defined framework within which each of us is expected to act in order to ensure professionalism, discipline and ethical business conduct at Hela Group (“the Company and/or the Group”)

Every employee of the Group is required to read the principles laid out in this document and follow them in both spirit and letter.

1.0 INTRODUCTION

This Code provides a framework and a guideline within which employees of the Group are expected to conduct themselves. The content of this Code shall constitute part and parcel of individual employment contracts.

All employees are therefore expected to read and understand the content of this Code. If in doubt, they should consult the officers mentioned in the succeeding sections of this document for clarifications and / or guidance.

2.0 VISION, MISSION & VALUES

a) Quality First - We place importance on accomplishing goals and objectives by ensuring highest quality standards with regard to our products, policies and processes.

b) Innovation - We constantly strive to create additional value in everything we do. We are open to ideas that challenge the conventional views which drive innovation.

c) Respect all Stakeholders - Stakeholders are our strength. Our aim is to create optimum level of return for all stakeholders of the Group while ensuring legal compliance and ethical business standards.

d) Continuous Improvement- We value ongoing incremental improvements, where we continue the business activities, while constantly seeking out new opportunities to add value to our products, services and processes.

e) Persistence - We have the ability to maintain action regardless of our inner feelings. We proceed forward even when we feel like quitting, until we achieve our desired goals.

f) System and Process Driven - We appreciate focus on processes, systems, or procedures and build healthy systems to support it.

3.0 SCOPE

This Code of Conduct (also referred to as the 'Code') outlines the framework within which the employees are expected to act within and outside the work premises with a view of upholding the Values and Image' of the Group. Values govern our business. They constitute a reference point covering all aspects of Employees' working relationships, specifically (but not exclusively) with other Hela Employees, Customers, regulators, service providers, suppliers, competitors and the broader community. It also covers the standards of personal integrity that Employees of Hela are required to exercise in conducting business by and on behalf of the Company and the Group.

All employees bound by the Code must demonstrate ethical conduct at all times in all their professional dealings and avoid any actions or omissions which could damage the Company/Group's reputation, or be detrimental to its interests, reputation and public image.

4.0 APPLICABILITY OF THE CODE

The Values and standard of conduct set out in this Code applies to all Companies within the the Group.

Hela expects all employees to ensure compliance with all laws, rules regulations and standards applicable to the Group's operations and business. In doing so, all employees are expected to follow the underlying principles of relevant Country's laws and regulations.

Individuals should seek guidance from their superiors and / or the Human Resources Department whenever they are in doubt with regard to the provisions in this Code of Conduct, applicability of any law, rule or regulation or regarding any contemplated course of action. It is the responsibility of each individual covered under this code, to ask questions, seek guidance and report any violation or suspected violations of this Code to the respective staff members / contact point detailed in this Code.

5.0 COMMITMENT TO EMPLOYEES

a) Hela considers that employees bound by the Code are partners whose collaboration is essential for reaching the Group goals and creating quality employment in an environment which is committed to training and career development. The Group is also committed to fostering different abilities, cultures, beliefs and nationalities while ensuring equal rights and working conditions.

b) Hela prohibits the abuse of authority and any kind of physical or psychological harassment including sexual harassment and sexual advances, as well as other kind of conduct which may generate an intimidating, offensive or hostile working environment. No kind of child or forced labour shall be tolerated. The Group recognizes the principle of equal treatment and opportunities for Employee and all qualified applicants for employment, irrespective of their race, nationality, ethnic origin, religion, gender, political or sexual orientation, civil status, age, disability or family responsibilities.

c. Employees of the company shall be treated with dignity and relationships between all Employees should always be based on respect for people's dignity and non-discrimination. Employees must ensure that their work environment is free of harassment, whether sexual, physical, verbal or psychological.

d. Hela shall promote its Employees' personal and career development by encouraging them to improve their capacities and skills. Policies and actions on employee recruitment, hiring, training internal promotion, transfers and secondments shall be based on clear criteria of professional capacity, competence and merit. The internal promotion of Employees shall be taken into consideration to cover job vacancies, where appropriate. Employees shall be informed about the methods used to assess their work and shall take an active part in the management processes established to improve their work, initiative and dedication.

6.0 KEY PRINCIPLES FOR ETHICAL EMPLOYMENT

6.1 No Discrimination

a) Our employees are our most valuable asset. We commit to treat all individuals regardless of race, colour, gender identity and expression, national origin, age religion, marital status, sexual orientation, position held, disability or any other factors that are not related to the job. All terms and conditions relating to employment such as hiring, wages, benefits, promotion, termination or retirement are based solely on an employee's qualifications, skills and ability to perform the job function.

b) In case of violation of the above, any person who either experiences discrimination or witnesses someone else should report such instances immediately as per the terms set out in this Code.

6.2 Expression of Ideas

We recognize and respect the suggestions and ideas of our employees.

6.3 Child Labour

a) As an organization conscious of our role in the community and understanding a child's right to education and well-being, we at Hela do not employ persons who are below sixteen (16) years of age.

6.4 No Forced Labour

a) We ensure that our employees have an environment conducive to work freely and in compliance with the laws of the land.

b) Management of the the Group shall ensure compliance with all legal requirements pertaining to employment.

7.0 HEALTH AND SAFETY AT WORKPLACE

a) Hela ensures its Employees a safe and healthy work environment. Hela is committed to adopting all reasonable measures for prevention of occupational risks. The Group shall strive towards world-class Health and Safety standards.

b) Each employee has a responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and reporting accidents, injuries and unsafe equipment, conditions or uses.

c) Employees are strongly encouraged to report any acts that they believe to be detrimental to the promotion of a safe and healthy work environment.

8.0 CONSUMPTION OF ALCOHOL AND DRUGS

a) The consumption of alcohol / alcoholic drinks and the use of illegal drugs during working hours are forbidden, in as much as being under the influence of alcohol / alcoholic drinks or illegal drugs may jeopardise safety and productivity in the workplace and be detrimental to Employees' professionalism and responsibility.

b) The use of alcohol / alcoholic drinks and the use of illegal drugs and the possession of such is forbidden within the Group's premises and at outside events where the employee will be representing the Company unless and otherwise it has been expressly authorized by the Company.

c) Employees must at all times report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol.

d) Smoking cigarettes are allowed only in designated areas.

9.0 MISUSES OF COMPANY'S ASSETS, KNOWLEDGE AND RESOURCES

a) The assets of the Group shall not be misused; they shall be used primarily for the purpose of conducting the business for which they are duly authorized and only for legitimate business purposes. Employees, should at all times protect the Company's assets and ensure their efficient use. In the event an employee requires a Company asset to be used for personal use, prior written approval of the management should be sought.

b) The assets shall include tangible assets such as equipment and machinery, systems, facilities, materials and resources etc, as well as intangible assets such as information, information technology and systems, designs, proprietary information, intellectual property, and relationships with customers and suppliers.

10.0 PROTECTION OF CONFIDENTIAL INFORMATION

Each employee has a personal responsibility for preserving the trade secrets and confidential information relating to each Company and the Group.

10.1 Non-disclosure of Confidential Information

Except as permitted by the policies and procedures set out in this Code, and/or otherwise required by the law in force or as per the decree of a competent court of jurisdiction, trade secrets and confidential information should not be disclosed to employees not authorized to receive such information or to any other person, even if there is reason to believe that the other employee or such other person will treat the information as confidential.

10.2 Prudent use of Information

Employees shall be prudent in the use of information acquired during the course of their duties. They shall not during their term of employment or thereafter use such information for any personal gain or in any manner which would be contrary to law or detrimental to the interests of the Company.

10.3 Misuse of Information

Employees may not use material confidential information of the Company and its customers, or any information acquired in the course of employment and which is not publicly available, for their own personal gain or for that of others. Information obtained directly or indirectly from the stakeholders may be used only in connection with the Company's relationship and service to such stakeholders as applicable and for the business purpose for which it was given. Any other use of such information may constitute 'misuse of information'.

- a) The obligation to preserve confidential information continues even after employment ends unless agreed otherwise in writing.
- b) Disclosure of such 'Confidential Information' is permitted only upon prior written consent of the management, or in the event where such disclosure is required under the law of the Land or under a decree of a competent court of jurisdiction.

11.0 CORPORATE PUBLIC RELATIONS

- a) All external and internal media correspondence should be directed to the Corporate Communications Manager.
- b) No employee shall represent the Group or any of its Companies in any form of media unless with prior written approval of the Group CEO.

12.0 USE OF COMPUTERS, IT DEVICES AND IT INFRASTRUCTURE / NETWORK OF THE GROUP AND SOCIAL MEDIA

- a) Use of Computers, IT Devices and IT Infrastructure / Network of the Group shall be in strict compliance with the Information and Communication Technology (ICT) Policy and other IT related Policies of the Group as applicable.

b) Devices and / or computers provided by the Group shall only be used for official and personal use subject to Company Policies and Procedures.

c) Employees shall not use social media in any manner which will adversely affect or bring disrepute to the Group.

13.0 COMPANY POLICIES AND PROCEDURES

All employees are required to comply with the Policies, Procedures, Rules and Regulations implemented by the Company from time to time.

14.0 NON-RETALIATION POLICY

The Group prohibits retaliation against any Employee in connection with a good faith report made under this Code or any Employee who assists in the investigation of any such report. Retaliation is considered misconduct and will be subject to disciplinary action in terms of the Disciplinary Procedure of the Company.

'Retaliation' shall refer to any adverse / discriminatory action taken on an employee for reporting a violation in good faith.

15.0 OBLIGATIONS REGARDING FRAUDULENT OR UNETHICAL PRACTICES:

15.1 Bribery, corruption, illegal commissions

All forms of corruption and bribery are prohibited. Commissions shall only be accepted with prior written approval of the management.

Employees bound by the Code shall undertake not to request, accept or offer any kind of payment, in cash or in kind, or in general terms any unjustified benefit or advantage of any kind to promote themselves or a third party over legitimate interests of the Group.

15.2 Gifts and Hospitality

The purpose of business gifts and entertainment in a commercial setting is to create sound working relationships and to promote goodwill, and not to gain unfair advantage. No gift or entertainment should ever be offered, given, provided or accepted by any employee, unless it:

a) does not violate any laws or regulations of the Country,

b) is a promotional item such as a diary, calendar, pen, pen holder, visiting card holder, mug etc. (not exceeding 2 items at any given instance) which does not exceed Rs. 3,000/-.

Offering more expensive gifts other than those of a promotional nature must be approved by the management in advance. Employees who receive such gifts should notify the respective Director immediately upon receipt of the gift. The gift concerned should be returned to the sender without delay if acceptance is declined by the respective Director. Where gifts are offered to Directors or

the members of the Group Management Committee approval for acceptance should be sought from the Group CEO.

15.3 Payments to Politicians or Government Officials

No contributions in the form of gifts should be made to political parties or to any government officers by any person in their capacity as employees of the Company.

15.4 Gambling, raffles and Lotteries

a) No gambling is permitted in the work place

b) Raffles and lotteries are permitted to be organized for the benefit of employees with prior approval of the management.

15.5 Improper Personal Benefits from the Company

Employees shall not accept any benefit from the Company that has not been duly authorized and approved pursuant to Company policy and procedure.

15.6 Misuse of Product Samples

Employees shall not use any product samples of the Group for personal use or remove such samples from the respective Company premises / stores without prior approval of the management.

15.7 Financial Interests in Other Businesses

Employees should avoid having an ownership interest in any other enterprise if that interest compromises or appears to compromise loyalty to the Company, unless prior written approval of the Group Management Committee.

15.8 Business Arrangements with the Company

Without the prior written approval of the –Group Management Committee, employees may not participate in a joint venture, partnership or other business arrangement with the Company or any Company within the Group.

16.0 CONFLICTS OF INTEREST AND LOYALTY

16.1 Conflict of Interest

Employees should not place themselves in positions where their own interests would conflict with those of the Company, or with its Companies in the Group or those of its suppliers / customers. An employee shall not do anything which will bring his/her private interest into a conflict with his/her official duty/ies or which compromises his/her office. He/she should so conduct himself/herself at all times as to avoid giving rise to any appearance of such conflict or of being so compromised.

16.2 Disclosure of Conflict

Employees shall disclose any possible conflict of interest which would reasonably be expected to impair his/her ability to render unbiased and objective advice when making recommendations or taking action on behalf of the Company or its customers. Disclosure should be made in writing to the relevant Director or the CEO, as applicable.

17.0 TRADING IN LISTING SECURITIES OF THE COMPANY

17.1 Definition of Inside Information

Inside information refers to material, unpublished, price-sensitive information in relation to listed securities of the Company.

“Material” means that the information would likely influence a person’s decision to buy or sell securities of the Company. In other words, information which would likely affect the price of those securities. Information ceases to be inside information only when it has been widely disclosed to the public or is no longer material.

Inside information may be about the Company, its subsidiaries, customers and suppliers. It can include information about a possible takeover or merger, issuance of securities, change in dividends, litigation, product innovation, change in operating results, refinancing, forecasts or a change in executive management.

17.2 Restrictions when Inside Information is to be held

If a Director or an employee has inside information, he/she must not deal, execute or recommend transactions in any securities of the Company on behalf of anyone. This includes, without limitation, transactions for the Director or the employee, another Director or employee, a friend, a relative or a Company in which the Director or the employee has an interest.

A Director or an employee must not procure, influence or consent any person or Company to recommend, deal or execute transactions in securities about which the Director or the employee has inside information.

In this respect, the Directors and employees should comply with the relevant provisions contained in the Securities & Exchange Commission Act No.19 of 2021.

17.3 Declaration of the transactions over the Company’s shares

At the time of appointment, a Director or a member of the Key Management Personnel (as defined by the Sri Lanka Accounting Standards) shall declare any interest in the Company’s shares either directly held by him/her or through any related parties as defined under the Listing Rules of the Colombo Stock Exchange. Any subsequent sale or purchase either directly or through a related party shall be disclosed in writing to the Company Secretary within one (1) business day.

The Directors or members of the Key Management Personnel shall not use any inside information for buying or selling, trying to buy or to sell, endeavouring to buy or sell the Company’s shares, for their own account or for the account of a third party, either directly or indirectly. They shall further abstain from (i) disclosing such inside information out of the normal framework or function designed to it, or (ii) advising another person to buy or sell the Company’s financial instruments.

A Director or a member of the Group Management Personnel shall not trade in the shares of the Company during the black-out periods. Such black-out-periods start, (i) two (2) market days before the publication of the interim or annual financial statements and two (2) market days after publication of the interim or annual financial statements; two (2) market days prior to any events that lead to an immediate market disclosure under Section 8A of the Listing Rules of the CSE (however, the Board has the right to increase this timeline if it deems it is appropriate to do so on a case by case basis).

During such black-out periods, Directors or Group Management Personnel shall not trade in the Company's shares, even in the absence of any inside information in their possession (unless exceptional circumstances and prior written approval of the Chairman).

This section shall be read in conjunction with the Policy on Corporate Disclosures.

18.0 PROCEDURE FOR NOTIFYING BREACHES OF THE CODE OF CONDUCT

All Employees of the Group have the duty to comply with and contribute to the compliance of this Code. Violation or potential violation of the Code shall be notified to Group Chief People Officer or the Group CEO as applicable.

In the event of doubt with regard to the Code of Conduct or any policies, procedures, rules and regulations of the Group, employees are required to seek advice from the Group Chief People Officer or the Group CEO as applicable.

19.0 GENERAL

- a) This Code does not provide a comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarize themselves with all applicable laws, company policies, procedures and work rules.
- b) Violation of terms of this Code of Conduct Policies, Procedures, Rules and Regulations shall be considered as 'Misconduct' which shall be considered under the Disciplinary Policy of the Group.
- c) Contents of this manual may update/ change without prior notice and such amendments will be communicated.
- d) Employees are required to acknowledge and sign this Code, its amendments or any other Code which replaces this Code.
- e) This version of the Code of Conduct supersedes all earlier versions and associated documents and stands effective from 30th November 2024.