

1. Introduction

Millennium Housing Developers PLC (“the Company”), a leading company engaged in house construction and the real estate industry in Sri Lanka since 1999, recognizes its corporate responsibility in contributing towards the nation’s sustainable development and economic growth.

In pursuing this objective, the Company acknowledges the importance of integrating Environmental, Social and Governance (ESG) principles into its overall corporate strategy, decision-making processes, risk management practices, and corporate reporting frameworks, while ensuring full compliance with applicable regulatory requirements.

As a responsible corporate citizen committed to long-term sustainability, the Company pledges to promote responsible and sustainable business practices while strengthening stakeholder awareness and capacity building in ESG-aligned investments and financial literacy.

Through the adoption of this ESG Policy, the Company aims to contribute positively towards environmental protection, social well-being, and sound governance practices, while enhancing long-term value creation for all stakeholders and effectively managing ESG-related risks.

2. Purpose

The purpose of the Policy is to establish a structured framework that guides how the Company manages its responsibilities and impacts in environmental, social, and governance areas.

2.1 Define Commitment to Sustainability

- Articulate the organization’s commitment to environmentally responsible, socially ethical, and well-governed business practices.
- Align operations with sustainable development principles.

2.2 Integrate ESG into Strategy and Operations

- Ensure ESG considerations are embedded in decision-making, risk management, and long-term planning.
- Promote sustainable business practices across all functions.

2.3 Ensure Compliance and Governance

- Support compliance with applicable laws, regulations, and industry standards.
- Strengthen corporate governance, transparency, and accountability.

3. Objectives of the Policy

The objectives of the Policy are to:

- Promote sustainable business practices across all Company operations.
- Integrate ESG considerations into strategic planning and decision-making.
- Minimize environmental impact and promote the efficient use of resources.
- Foster a safe, inclusive, and responsible workplace.
- Strengthen transparency, accountability, and ethical governance.
- Enhance long-term value for shareholders and stakeholders.
- Ensure compliance with applicable environmental, social, and governance regulations and standards.

4. Scope

The Policy applies to:

- The Board of Directors.
- Management and employees.
- Subsidiaries and business units.
- Contractors, suppliers, and other business partners, where applicable.

All stakeholders are expected to support and uphold the principles outlined in the Policy.

5. Environmental Responsibility

The Company is committed to mitigating its environmental impact by emphasizing sustainable resource utilization and environmentally responsible practices as part of its responsibility to safeguard the nation's biodiversity and fragile ecosystems.

As a responsible developer in the housing and real estate sector, the Company recognizes the environmental risks associated with construction and development activities and seeks to minimize the indirect environmental impact of its operations by enhancing ESG awareness among employees and key stakeholders, while promoting environmentally responsible practices across its projects.

The Company shall endeavor to:

- Comply with all applicable environmental laws and regulations.
- Promote environmentally sustainable construction and development practices.
- Encourage environmentally responsible behaviour among employees and stakeholders.
- Consider environmental impacts in project planning, design, and operational decision-making.

6. Social Responsibility

The Company values and promotes respect for human rights and is committed to fostering fairness, inclusivity, and diversity within the workplace.

The Company recognizes and appreciates the diversity of its employees and continuously invests in their skill development and capacity building to support work–life balance and enable career progression.

The Company is also committed to responsible sourcing practices by encouraging its supply chain partners to comply with fair labor standards and respect human rights. Environmental and social risks associated with products and services procured by the Company will be assessed through appropriate supplier due diligence and screening processes.

Furthermore, the Company supports environmentally sustainable and socially inclusive initiatives that empower local communities, promote nature conservation, and enhance entrepreneurship and financial literacy through strategic outreach and community engagement programs.

The Company recognizes its responsibility towards employees, customers, communities, and other stakeholders and shall endeavor to:

6.1 Employee Welfare

- Provide a safe, healthy, and supportive working environment.
- Promote diversity, equality, and inclusion.
- Support employee development through continuous learning and growth.
- Encourage work–life balance and employee well-being.

6.2 Community Engagement

- Support community development initiatives.
- Promote sustainable social initiatives that contribute to environmental protection and community empowerment.
- Encourage responsible corporate citizenship and active participation in community programmes.

6.3 Responsibility to Customers

- Deliver quality products and services with high standards of safety, reliability, and customer satisfaction.
- Maintain transparent, ethical, and fair dealings with customers and stakeholders.
- Address customer concerns and feedback promptly and responsibly.

7. Corporate Governance

The Company is committed to maintaining the highest standards of corporate governance, ensuring that its business operations are conducted in an ethical, transparent, and accountable manner.

The Company shall:

- Conduct its business activities with integrity, transparency, and accountability.
- Comply with all applicable laws, regulations, and corporate governance requirements.
- Maintain effective internal control systems and risk management frameworks to safeguard the Company's assets and the interests of stakeholders.
- Prevent corruption, bribery, fraud, and any form of unethical business practice.
- Protect confidential, proprietary, and price-sensitive information in accordance with applicable regulatory requirements.

The Board of Directors shall provide overall oversight of Environmental, Social and Governance (ESG) matters and ensure that sustainability considerations are effectively integrated into the Company's corporate strategy, decision-making processes, and risk management practices.

8. ESG Monitoring and Reporting

Management shall be responsible for monitoring the effective implementation of the Policy and shall periodically report to the Board of Directors on the following:

- ESG initiatives and performance.
- Environmental and social impacts arising from the Company's operations and activities.
- Compliance with applicable ESG-related laws, regulations, and recognized standards.

The Company may disclose ESG-related information through its Annual Report and other corporate disclosures, in accordance with applicable regulatory requirements and recognized best practices.

9. Roles and Responsibilities

- **Board of Directors**

The Board shall have overall responsibility for overseeing and approving the Policy and ensuring that Environmental, Social and Governance (ESG) considerations are integrated into the Company's strategic direction and governance framework.

- **Management**

Management shall be responsible for the effective implementation of ESG initiatives and for ensuring compliance with the principles and commitments outlined in the Policy.

- **Employees**

All employees are expected to support and adhere to the requirements of the Policy in their day-to-day activities and to contribute to the Company’s ESG objectives through responsible and ethical conduct.

10. Policy Review

This ESG Policy shall be reviewed periodically, or as and when operating conditions require, to preserve its effectiveness and relevance to the Company’s business operations.

Any amendments to the Policy shall be approved by the Board of Directors.

11. Effective Date of Implementation

The Policy shall come into effect from 1st April 2026.

