

**Risk management**

We use a framework to manage the risks that could occur in our business. This ensures that we identify and understand risks, assess them properly and deal with them effectively.

We have tailored our risk management to enable our business objectives to be achieved by balancing risks and opportunities. At the same time, we are committed to meeting our obligations to our people and the societies in which we operate.

We want to make our people aware of risk. But we also want to encourage a more entrepreneurial attitude towards the opportunities and rewards that can come out of it.

More specifically, our risk management framework gives us:

- The necessary insight into the risks facing the company
- A common risk language, making it simpler to communicate and take decisions
- Clarity about internal and external risk boundaries that determine freedom of action or choice in terms of taking and accepting risk
- A management review and reporting process to monitor the framework’s effectiveness
- A way of getting line management to report on compliance updating the risk register.
- A clear accountability and governance structure regarding risk management.

**Risk appetite**

We believe we must operate within the dynamics of the FMCG industry and take the risks needed to ensure our relevance in the market. At the same time, topics related to our core values and company purpose require a different risk appetite.

Please find below our current risk appetite.

<p>Strategic</p>	<p>Strategic Risk Management: Achieving Ambitions with a Balanced Approach</p> <p>Discover Convenience Foods Lanka PLC's (CFL) strategic commitment to a balanced approach to risk, aligning with our overarching ambitions. We prioritize equilibrium between risk and reward, with a key emphasis on return on investment as the primary factor when evaluating innovation, capital investment, quality, product development, and commercial opportunities.</p> <p>Key Principles: Balanced Risk Approach: CFL adopts a strategic mindset that views risk and reward with equal weight, ensuring a well-calibrated approach to decision-making.</p>
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	<p><b>Return on Investment Focus:</b> In our strategic framework, the return on investment takes precedence, serving as the primary denominator for assessing the viability of initiatives such as innovation, capital investment, product development, and commercial opportunities.</p> <p><b>Embracing Opportunities:</b> CFL believes in seizing opportunities with a calculated mindset, where risks are assessed with a strategic lens, and potential rewards are evaluated based on their alignment with our overarching ambitions.</p> <p>Explore how CFL's strategic risk management philosophy embraces a balanced approach, placing equal importance on risk and reward. Our commitment to assessing opportunities through the lens of return on investment ensures that strategic ambitions are pursued with informed decision-making and calculated risk-taking.</p>
Financial	<p><b>Financial Stability: Our Prudent Approach to Growth and Profitability</b></p> <p>At Convenience Foods Lanka PLC (CFL), we prioritize financial prudence with a strategic financing approach, a well-balanced cash management policy, and defined capital allocation priorities. Our commitment is to foster responsible and profitable growth while upholding a robust capital structure and ensuring the ongoing liquidity of the company.</p> <p><b>Key Financial Principles:</b> <b>Prudent Financing Strategy:</b> CFL's financing strategy is marked by prudence, ensuring that financial decisions align with our responsible growth objectives.</p> <p><b>Balanced Cash Management:</b> Our cash management policy is meticulously balanced, allowing us to navigate financial landscapes with resilience and efficiency.</p> <p><b>Clear Capital Allocation Priorities:</b> Well-defined capital allocation priorities guide our financial decisions, emphasizing responsible and profitable investments in alignment with our corporate goals.</p> <p><b>Maintaining Financial Resilience:</b> CFL is dedicated to maintaining a strong capital structure to withstand economic fluctuations while ensuring the ongoing liquidity needed to support our business operations.</p>

	<p>Explore how CFL's commitment to financial stability through prudent financing, balanced cash management, and clear capital allocation priorities positions us for responsible and profitable growth. Our unwavering dedication to a strong capital structure underscores our resilience in dynamic business environments.</p>
Operational	<p><b>Operational Excellence: Prioritizing Product Availability, Quality, and Food Safety</b></p> <p>Convenience Foods Lanka PLC (CFL) is committed to operational excellence, where the availability of our products takes center stage, ensuring the right quality and upholding the highest standards of food safety.</p> <p><b>Key Operational Commitments:</b>  <b>Product Availability Priority:</b>  At CFL, ensuring that our products are readily available is a top operational priority, allowing us to meet the demands of our valued customers consistently.</p> <p><b>Commitment to Quality:</b>  We uphold a steadfast commitment to delivering products of the right quality, ensuring that every item meets or exceeds the expectations of our discerning consumers.</p> <p><b>Food Safety Standards:</b>  Operating with the utmost diligence, CFL places paramount importance on adhering to rigorous food safety standards, guaranteeing the well-being of our consumers with every purchase.</p> <p><b>Customer-Centric Approach:</b>  Our operational focus revolves around a customer-centric approach, where the availability, quality, and safety of our products remain non-negotiable aspects of our commitment to excellence.</p> <p>Discover how CFL's operational excellence shines through our dedication to prioritizing product availability, maintaining the right quality, and upholding the highest standards of food safety. With a customer-centric mindset, we ensure that every CFL product reflects our commitment to excellence.</p>
Compliance	<p><b>Commitment to Compliance: Proactive Measures and Ethical Standards</b></p> <p>At Convenience Foods Lanka PLC (CFL), we are dedicated to upholding a culture of compliance, implementing preventative measures and minimizing risk-taking activities to align with applicable laws and regulations. Our Company stance includes a zero-tolerance policy towards fraud, corruption, and bribery.</p> <p><b>Key Principles of Compliance:</b>  <b>Proactive Risk Mitigation:</b></p>

	<p>CFL takes a proactive approach to compliance, implementing measures to prevent potential risks and aligning our practices with the ever-evolving legal landscape.</p> <p><b>Zero-Tolerance for Fraud, Corruption, and Bribery:</b> We steadfastly reject all forms of fraud, corruption, and bribery, emphasizing ethical conduct as a non-negotiable aspect of our business principles.</p> <p><b>Ensuring Ethical Conduct:</b> CFL is committed to fostering a corporate environment where compliance is not only a regulatory requirement but also a reflection of our commitment to ethical conduct and responsible business practices.</p> <p>Explore how CFL's commitment to compliance extends beyond legal obligations, incorporating proactive measures and a resolute stance against fraud, corruption, and bribery. Our dedication ensures that CFL operates ethically and responsibly in all facets of our business.</p>
ESG	<p><b>ESG Commitment: Prioritizing Safety and Sustainability</b></p> <p>At Convenience Foods Lanka PLC (CFL), our commitment to Environmental, Social, and Governance (ESG) principles extends to taking proactive measures to create a healthy and safe working environment for our people. Through our products, we aim to safeguard assets, individuals, and the planet, paving the way for a sustainable and responsible future.</p> <p><b>Key ESG Initiatives:</b></p> <p><b>Preventive Measures for Workplace Safety:</b> CFL places a premium on preventive measures to ensure a healthy and safe working environment, prioritizing the well-being of our valued employees.</p> <p><b>Minimizing Risk Activities:</b> We actively work to minimize risky activities, fostering a corporate culture that values safety and sustainability in aspects of our operations.</p> <p><b>Product Sustainability for Asset and Environmental Protection:</b> Our product portfolio is designed with a focus on safeguarding assets, people, and the planet, contributing to a sustainable future.</p> <p><b>Building a Sustainable Future:</b> CFL is committed to going beyond standard business practices, incorporating ESG principles into our daily operations to create a positive impact on our people, products, and the environment.</p>

	<p>Explore CFL's dedication to ESG principles, where preventive measures, risk minimization, and product sustainability underscore our commitment to a healthy, safe, and sustainable future. Our initiatives reflect our responsibility to the well-being of our people and the planet, paving the way for a brighter tomorrow.</p>
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