

Sustainability Report 2013/14



CIC HOLDINGS PLC

SUSTAINABILITY REPORT 2013/14

Managing Director's Message

CIC has been serving the nation for half a century, through the diverse businesses under its umbrella. In the agriculture sector where we are a dominant player we alone can claim the coveted title of being 'a seed to shelf enterprise'. Working closely with the soil as we do, we understand what sustainability is all about and are committed to carry out our varied businesses in a responsible manner mindful of their impact on the economy, society and the environment.

Sustainability has always been an area of priority for CIC and the Group is committed to expanding sustainability initiatives year on year.

This year too, the Sustainability Report for the Group has been confirmed as a C Level report by an independent third party, as per the GRI G3 Guidelines.

This year the Group achieved Turnover of 23.4 billion with a loss of 1.09 billion.

We believe that the future of agriculture in this country depends on the people engaged in it. To this end we are committed to uplifting rural communities, through education and knowledge sharing.

As in the past, we worked with over 20,000 out-growers in our agriculture, dairy and herbal-care businesses. Our 'Out Grower' model operates by imparting technical knowhow and knowledge on sustainable farming and harvesting methods to the farmers and then buying back their produce at a competitive price. This model not only transfers knowledge to the farming community but also gives them economic security and peace of mind.

With a view to attracting and retaining the young people in the farming profession we organise the 'Shoora Goviya' television programme to recognise and honour the Best Young Farmer, via a competition conducted island-wide. This programme has played a pivotal role in positioning farming as a prestigious vocation. We also run a scholarship programme under which, 75 Year-5 students are awarded scholarships every year.

The Government is committed to improving productivity in the agriculture sector and is providing the farming community with incentives including a substantial subsidy on fertilizer. While these incentives have increased productivity, on the downside it means that farmers have moved away from managing the soil and have overused fertilizer to the extent that ground water, rivers and reservoirs have become polluted. CIC firmly believes in educating the farmer on the judicious use of fertilizer and have always taken the initiative to do so. Soil management and the sensible use of fertilizer are essential for agriculture to be sustainable in this country.

Campaigns carried out by certain groups postulating that crop protection chemicals were responsible for the health issues affecting farmers had a negative effect on the crop protection business. This year too, the Company faced increased pressure due to the tightening of the regulation and registration process of

crop protection chemicals. We expect this trend to continue. Here too CIC advocates the judicious use of chemicals. We also ensure that we supply crop protection chemicals that are produced by world renowned companies. These products have been extensively researched and their negative impact on humans and the environment are minimal.

With the per capita consumption of chicken expected to double, our poultry business invested substantially in their breeder and broiler operations. We also trained and provided technical assistance to 2,500 poultry farmers.

We have also invested heavily in the dairy sector, supporting the Government's initiative to increase milk production in the country. Our new state-of-the-art milk processing facility was opened in Dambulla this year and currently produces approximately 100,000 cups of Yoghurt a day. Our Yoghurt processing plant in Siddhapura produces approximately 50,000 cups of yoghurt a day. We also manage dairy farms located in Mutuwella and Siddhapura and work with over 5,000 out-grower farmers in the North and East. Our dream is to see the East re-established as the dairy heartland of the country.

Our herbal care business consolidated further this year with our flagship brands Samahan and Sudantha gaining more market share. Link Natural manages 25 acres of herbal cultivation and engages almost a 1,000 farmers in an out-grower programme.

The Group is mindful of its responsibility to the environment and is continually looking at ways of optimising energy and water usage and the responsible disposal of waste. Over the years the area adjacent to our Crop Protection Chemicals Repacking Centre at Piliyandala had become residential. Respecting this change in environment we shifted the repacking operation during the year under review, to Panagoda.

As always, our endeavour in the years ahead will continue to ensure that minimum damage is caused to the environment and community as a result of our business operations. We will continue to uphold our governing philosophy, which is to educate farmers in sustainable agriculture practices and proper use of technology, and uplift farmer communities by way of education and knowledge sharing. We will offer our customers the safest products available, manufactured by world renowned companies.

During the year 2013/14 the Group undertook a re-strategising process, and CIC strengthened its consolidation in identified industry segments, namely Agriculture, Healthcare, Animal Feed, Nutrition and Ventures and progressively divested non-core businesses.

The Group will continue to invest in focused industry segments and further consolidate our competitive advantage in the coming year.



S.P.S. Ranatunga
Managing Director/CEO

About this Report

This is the fourth Sustainability Report produced by CIC, following the Global Reporting Initiatives' (GRI) G3 Guidelines, where the Company continues to report at a C level, focusing on the most material sustainability issues related to its operations.

The Company is taking steps to update its internal sustainability management which will also enable reporting in line with the recently released GRI G4 Guidelines in the future.

This report includes a third party checked statement from an independent party, confirming that the self-declared GRI Application Level is accurate.

CIC Holdings has not pursued external assurance of its sustainability reporting process so far. The Company will move towards seeking external assurance of reported information in the future.

To avoid unnecessary repetition, where information may appear in greater detail in the published 2013/14 Annual Report of CIC Holdings PLC, we have cross referenced such information to its relevant location.

Our reporting period is from 1st April 2013 to 31st March 2014 and our previous sustainability report appeared in our Annual Report for the period 2012/13. We continue to report on sustainability issues on an annual basis.

All inquiries and clarifications in respect of this report may be directed to:

Ms. P.D.S. Ruwanpura

Group Chief Financial Officer
CIC Holdings PLC
199, Kew Road, Colombo 2
Tel: 2359359

Profiling the Organisation

We are CIC Holdings PLC, a public quoted company with limited liability incorporated in Sri Lanka in 1964 and re-registered under the Companies Act of No. 7 of 2007 on 21st November 2007.

The organisational structure of the Company appears on page 111 of our 2013/14 Annual Report, whilst the scale of our operations could be assessed from information found in the Annual Report of the Directors on the Affairs of the Company, appearing on pages 38 to 42.

Further corporate information appears on the back inner cover of our 2013/14 Annual Report.

The entities within the CIC Group are active in a diversified portfolio of businesses in such areas as agriculture and livestock, industrial raw materials, construction, packaging, consumer products and services. Our enterprise is conducted within Sri Lanka and though the Company's products are exported to many countries overseas, we have no major operations outside the country.

Details of our brands, products and services together with markets served are tabulated by Group Company, in the table to follow.

There have been no changes during the reporting period in terms of ownership or locations of operations of CIC Holdings PLC. However, during the year 2013/14 the Group undertook a re-strategising process, which resulted in CIC consolidating in identified industry segments, and progressively divesting non-core businesses. As part of this investment, on 31st March 2014, CIC Agri Businesses sold its shares held in Kelani Valley Canneries Limited to C.W. Mackie PLC.

Additionally, capital infusion by Archer Daniels Midland Europe BV to Chemcel (Pvt) Limited, resulted in Chemcel becoming an Associate of Chemanex PLC. Chemcel is therefore no longer included within the boundary of this report, described in more detail on page 4.

CIC Holdings	Link Natural	CIC Agri Businesses Group	CIC Feeds Group	Chemanex
Brands under our Crop Solution business include Solito and Virtako. Pharmaceutical products we carry include Betaserc and Duphaston, while neutraceuticals include Ensure and Pediture. We are also the local agent for the Surgical appliances of DepuySynthes. Oppo and Smith and Nephew -Advanced Wound care. Our consumer brands include writing instruments Platignum and Cial and personal care products Johnson's Baby and Neutrogena. Industrial inputs offered by us include Chemifix Adhesive and Nalco water treatment products. All products are marketed island-wide in Sri Lanka	Samahan, Link Paspanguwa, Link Keshu, Samahan Balm, Sudantha, Muscle Guard, SwasthaThripala, and Earth Essence are some of the products manufactured and retailed by Link Natural Products as part of their herbal health and personal care ranges. The Company's products are exported to several countries from across all continents, most notably to Germany, Australia, UAE, Switzerland, Japan, New Zealand, Netherlands, India, Singapore, Denmark, France and Canada	CIC Agri Businesses Group's main brands are CIC Pohora, CIC Seeds, CIC Rice, Juiceez, Freshiez, and CIC Yoghurt. The main products the Group deals with are fertilizer, seeds, rice, poultry products, and milk-based products. We also provide advisory services. Our products and services are mainly sold in Sri Lanka, but we do export to countries such as USA, Canada, and Australia. The main beneficiaries of these products and services are the farmers and consumers.	The Feeds group has invested in brands such as CIC Feeds, CIC Day Old Chicks and CIC Chicken. The Group also represents international brands in the veterinary medicine sector. The Group deals with products that fall under the category of animal feed, day old chicks, chicken, veterinary medicine, vaccines etc. Our services also encompass veterinary and technical aspects. Our operations are within Sri Lanka and we cater to small and medium scale livestock farmers, buy back poultry operators, retail outlets, supermarkets, hotels, veterinarians, and pet owners in the main.	The current main brands in Chemanex Group's portfolio are Stop Brake Oil, NexoBleech, Hosen and Panora. We have plans to invest in further brands in terms of bakery ingredients in the future Our product categories include specialty chemicals and additives, yarn sizing chemicals, and bakery ingredients. The Group exports mainly to Europe, the Middle East, Africa, Asia, Australia and New Zealand. Customers are all in the B to B category

Accolades

During the year under review, CIC was honoured to receive a number of accolades and awards, a summary of which appears below:

CIC Holdings

- Gold Award, Best Annual Report 2013 - Manufacturing Sector- The Institute of Chartered Accountants of Sri Lanka
- Certificate of Merit, SAFA Awards 2012 - Manufacturing Sector
- Gold Award, Cover Design - International ARC Awards 2013 - Agri-Business Category
- Bronze Award, Overall Annual Report - International ARC Awards 2013 - Agri-Business Category
- Honours for Photography, International ARC Awards 2013 - Agri-Business Category
- Gold Classification - STING Corporate Accountability Index 2014

Link Natural

- CNCI Award - Top 10 award in the Extra Large Category - Ceylon National Chamber of Commerce
- CNCI Award - Merit Award in the National Level - Manufacturing Sector (Extra Large Category) - Ceylon National Chamber of Commerce

Chemanex

- Silver Award - The Institute of Chartered Accountants of Sri Lanka Annual Report Awards 2013 - Manufacturing Companies Category.
- SLCBCC Business Star Awards 2012 - Large Scale Manufacturing
- Gold Award - Organised by Sri Lanka China Business Corporation Council
- Best Practice Award 2013 by AkzoNobel Paints Lanka (Pvt) Limited

Other Certifications

Companies within the CIC Group continue to maintain certifications against a number of international standards. The quality management systems of the Ratmalana Works and the Agro Repacking and Formulating Centre of CIC, Link Natural, companies within the CIC Agri Businesses Group, as well as companies within the Chemanex Group are ISO9001:2008 certified, while environmental management systems of the Ratmalana Works and the Agro Repacking and Formulating Center of CIC, and Link Natural are ISO14001:2004 certified.

In addition companies operating in the food and beverage sector under CIC Agri Businesses and CIC Feeds Group hold ISO22000:2005 and HACCP food safety management systems certifications.

Report Scope and Boundary

The content of this Report is based on key material issues that were identified by the Company at the onset of its sustainability reporting efforts in 2010, which have been periodically re-evaluated since. Performance against key indicators related to these issues have been monitored and reported on.

We continue to report in-depth on the Holding Company, CIC Holdings PLC and four of our subsidiary companies, Chemanex, CIC Agri Businesses, CIC Feeds, and Link Natural due to the collective impact they have on aspects of sustainability, given their relative sizes and the industries within which they operate.

CISCO Speciality Packaging (Private) Limited, CIC Cropguard (Private) Limited, Crop Management Services (Private) Limited, Colombo Industrial Agencies Limited, Akzo Nobel Paints Lanka (Private) Limited and CIC Lifesciences Limited are companies within the CIC Group which are not currently included within the boundary of this Report.

There have been no changes since the 2012/13 Sustainability Report of CIC Holdings PLC on the scope and measurement methods applied in the Company's reporting process. However, in August 2013 capital infusion by Archer Daniels Midland Europe

BV to Chemcel (Pvt) Limited, resulted in Chemcel becoming an Associate rather than a Subsidiary of Chemanex PLC, the boundary of the report concerning the Chemanex Group has narrowed, which is also reflected in performance indicators presented later in this Report.

The Group value added statement for 2012/13 has been restated this year.

Governance

CIC Holdings PLC's governance systems and processes are addressed in detail in the chapter titled Enterprise Governance appearing on page 18 within our 2013/14 Annual Report.

This includes information on the Governance structure and composition of the Company's Board as well as committees responsible for specific functions. Also within the scope of reporting are aspects such as relationships with shareholders and other stakeholders and mechanisms for stakeholders to provide recommendations to the Board, as well as other pertinent information which enables the reader to assess the foundations upon which the Company operates.

Stakeholder Engagement

At CIC, we maintain a constant and fruitful dialogue with our key stakeholders, namely customers, employees, shareholders, suppliers, the Government and the communities in our various areas of operation.

These groups are considered to be our most important stakeholders and are continually engaged with according to the following rationale:

Our Customers - are the focus of our business

Our Employees - drive Company strategy and are our most valuable asset

Our Shareholders - own the Company and provide equity

Our Suppliers - are integral to our supply chain process and help us keep the customer happy with reliable products available at the right time, at the expected levels of quality.

The Government - as the implementer of policy and regulation, exerts impact on our strategy formulation and business operations.

The Community - they are the wider population whose lives we impact through our operations.

Sustainability Performance

The Economic Perspective

CIC fully embraces the concept and need for value generation to percolate from its origins as a consequence of Company enterprise, to the widest possible cross section of the stakeholder community.

Equally, we are fully cognisant of our responsibility to monitor and govern the economic impact of our activities across the three pillars of sustainability - economy, society, and environment.

The chart below depicts the economic value generated by CIC Group during the year under review.

Value Added Statement (Rs '000)	2013/14	%	2012/13	%
Revenues	23,412,137		23,822,198	
Adjustment for -				
Other Income	587,237		143,181	
Share of profits of equity accounted investees	281,541		291,716	
Less: Cost of materials and services purchased	(20,633,896)		(19,668,221)	
Total Value Added	3,647,019		4,588,874	
Distributed as follows:				
To employees -				
Salaries, wages and other benefits	1,742,793	47.79	1,557,815	33.95
To Government -				
Value added tax	386,524		333,540	
Income tax & ESC	88,765		196,953	
NBT	148,433		66,484	
Stamp duty	1,974	625,696	1,883	598,860
To providers of capital -				
As interest on loan	1,523,010	41.76	1,556,941	33.93
As non-controlling interest	(140,034)	(3.84)	(49,339)	(1.08)
To shareholders as dividends	-	-	154,475	3.37
Donations and community investments	5,966	0.16	11,961	0.26
Retained within the business -				
As depreciation	839,102	23.01	696,663	15.18
As reserves	(949,514)	(26.04)	61,498	1.34
Total value distributed	3,647,019	100.00	4,588,874	100.00

Employees' Benefit Plan

CIC Holdings PLC and companies within the Group contribute 12% of gross salary towards the Mercantile Service Provident Society (MSPS) Fund, or towards the Employees' Provident Fund (EPF). All companies covered by this Report also contribute 3% of gross salary towards the Employees' Trust Fund (ETF).

Defined Benefit Plan

The defined benefit obligation that is reflected in the Statement of Financial Position is calculated annually by a qualified actuary according to LKAS 19 - stipulations.

Provision for retirement benefit obligation is computed from the first year of service for all employees. But under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

(Rs '000)	2013/14	2012/13
EPF/MSPS (12%)	121,215	108,653
ETF (3%)	30,235	27,163
Gratuity	95,073	122,367
Retirement Benefit Obligations		
Opening Balance	473,205	374,970
Discontinued Operations	(13,420)	-
Provision for the Year	95,073	122,367
Benefits paid by the Plan	32,098	24,132
Closing Balance	522,760	473,205

Financial Assistance from Government

Whilst there has been no direct Government financial assistance enjoyed by CIC Group, some of our businesses have benefitted from Government subsidies and other policy decisions enacted across industrial sectors within which they operate.

For the benefit of the farming community, the Government operates a subsidy on fertilizer, whereby CIC Agri Businesses sells its imported fertilizer products to farmers at a subsidised rate,

and is then reimbursed for the cost by the Government. However there continues to be delays in subsidy re-imburement which has caused financial burdens for a number of fertilizer importers including CIC Agri Businesses. As at 31st March 2014, the value of subsidy receivable by CIC Agri Businesses from the Government amounts to 3.31 billion.

CIC Feeds did not receive any specific Government assistance during the year under review. However Government policies on the industry have impacted indirectly for the betterment of the business. For instance, imposing restrictions on importation of processed chicken and eggs helps to safeguard the industry by restricting unsafe, cheap products coming into the market and also preventing the possible infiltration of poultry diseases. Also zero duty granted on importation of hatchery and poultry keeping equipment encourages large-scale investors in the industry to expand and upgrade their operations consequently improving the stability of the industry.

Comparative Entry Level Wage Structures

Across the businesses of the Group, entry level wage structures are usually higher than the industry average.

At CIC Holdings, we have a Memorandum of Understanding with the CMU (union) and the basic wage for worker grades is set at Rs. 14,100/-.

At Chemanex, standard entry level wages are based on minimum salary standards defined by the Board of Investment of Sri Lanka (BOI) and by the provisions under the Shop and Office Act No. 19 of 1954.

At CIC Feeds, entry level wages are consistently 8% to 15% higher than the industry average. However, this industry is not regulated via a Wages Board and hence no pre-defined minimum wage rate applies.

The policy at Link Natural and at CIC Agri Businesses remains to ensure that the wages at entry level are above the local minimum wage, taking into consideration the educational qualifications of new recruits.

Percentages by which CIC Group's Entry Level Wages exceed Industry Norms

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Approximate Ratios (%)	35	8	25	8 - 15	65

Our Stance on Locally Based Suppliers

The over-arching policy across the CIC Group is to give priority where possible, to sourcing supplies from local markets. Of course, such policy is dependent upon many factors including exigencies of product and market demand.

At CIC Holdings, local suppliers are preferred as this promotes local industry and yields savings on foreign exchange, due to ease of handling, cost effectiveness, greater accessibility and ease of monitoring, shorter lead times, availability of favourable credit facilities, and easy sampling before purchasing.

Due to the nature of the product portfolio at Link Natural, a majority of raw materials are locally sourced.

At CIC Agri Businesses, we follow a completely local supply operation as we work with over 20,000 out-grower farmers from across the country.

CIC Feeds gives priority to sourcing its raw material requirements from local suppliers and service providers. Corn, rice polishing and wheat middling are the main ingredients that are commercially available in the local market. Around 70% of raw materials used for Animal Feed production are from locally available raw materials, which is an increase of 20% since the previous reporting period. Further, the raw material requirement of chicken production such as feeds, DOCs and Vaccines are sourced within the feeds group other than the packing materials used for chicken products.

However, when the Company has to decide on the latest technological requirements and specialised jobs the factor of consideration would be obtaining the best or optimum solution irrespective of foreign or local sourcing.

Chemanex's policy is to procure goods and services that meet product requirements and standards at the lowest available price.

Proportion of Spending on Locally Based Suppliers:

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Proportion of spending on locally based suppliers (%)	21	60	18	69	51

Local Hiring

In general, CIC adopts a policy of hiring locally, with certain provisos concerning the availability in the local market for specialised skills and other attributes across certain grades. Here is a look at how this policy works across our constituent companies.

At CIC Holdings, we do not restrict recruitment to a local hiring regime, since our priority is to source the best candidates with the requisite skill, experience and job knowledge to fill specific job vacancies. However, as regards the casual or worker grades, the Company opts to hire locally.

Given the nature and location of its enterprise - running farms in diverse and remote locations - CIC Agri Businesses hires locally.

CIC Feeds too, hires locally across most categories and levels of employment. Proximity to our business locations is considered an advantage in this respect.

Chemanex has three main locations of operations. In all of them, employees are sought locally.

The Impact of Investments Made for Public Benefit

During the year under review, several of CIC's constituent companies made substantial investments towards the benefit and well being of local communities.

Crop Solutions, realising the potential negative impact to local communities through its Repacking and Formulation Centre which was located in an area that had become highly residential, made the decision to move operations to the Templeburg Industrial Zone in Homagama, to mitigate the potential risk posed to neighbouring residents. The Company invested Rs. 521 million in this relocation project which serves to negate potential environmental risks to local communities.

Johnson & Johnson continued to conduct parent education programmes at Government and Private Sector hospitals as well as Nurses Training Programmes, and programmes for midwives. J&J also continues to contribute towards development of the Paediatric Ward at the Lady Ridgeway Hospital. The cost of investment for these programmes was Rs. 4.2 Mn.

Updating knowledge on total baby care amongst the nursing community is one way in which J&J can give back to the public, using skills and resources that are part of its core business.

Link Natural's ongoing community investment programmes include uplifting the education of students through activities in 10 selected schools in the Dompe Educational Zone, providing infrastructure facilities for the health sector, providing facilities for security forces to build good interpersonal relationships, as well as programmes to raise awareness on oral hygiene. The cost of investment of Link Natural's programmes for the year under review was Rs. 17,130,000, with approximately 300,000 beneficiaries collectively.

CIC Agri Businesses also continued to award 75 educational scholarships to children from Hingurakgoda, Pelwehera, Talawa, Punani, Muthuwella and Vellankulam who excelled at the Grade 5 scholarship exam, which is an annual initiative of the Company.

During the year under review, CIC Feeds invested in developing human capital in the form of a scholarship for a student as well as uplifting the facilities of a school. The Company was also involved in the renovation of a church.

These activities establish the Company as a responsible citizen and reinforce its standing within the community.

The cost of investment was Rs. 2,100,000/- and the number of beneficiaries was approximately 2,900.

Chemanex is engaged in a long term programme to develop the standard of English education at Sri Sangabodhi Vidyalaya at Mahiyanganaya. The project was commenced only after carrying out a community needs assessment exercise amongst officers of the school as well as senior and respected individuals of the village.

Investment for this cause continues at an amount of Rs. 600,000/- per annum, and benefits 1,000 families.

Obvious benefits accrue to the community through these programmes, where improved levels of training, education and healthcare open up better and more numerous opportunities for advancement. In addition we can see real benefits flowing through a strengthening of stakeholder relationships.

The Environmental Perspective

Being one of the fundamental pillars of sustainability, CIC is fully committed to safeguarding natural resources, managing our use of such resources and measuring the impact our business may have on the environment.

Energy - its use, conservation and the search for renewable sources are of great importance to the Company.

Direct Energy Consumption

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Petrol use (Liters)	0	1090	22,250	5,541	53,274
Diesel use (Liters)	8,003	3,992	287,500	142,452	26,140
Furnace Oil (Liters)	229,566	-	2,025	390,602	-
Direct Energy use (Gj)	9,196	193	11,980	20,826	2,866

In addition, CIC Feeds, CIC Agri Businesses, and Link Natural also source energy from LP Gas, while Link Natural and CIC Agri Businesses use bio fuels and organic material to generate steam

The Healthcare and Consumer SBU of CIC Holdings operates energy efficient injection moulding machines which yielded a significant saving on energy consumption over the previous year. The continuance of many initiatives such as using diesel to power our forklifts and standby generators and the use of furnace oil to power steam generating boilers are generating significant energy savings. In addition boiler maintenance is attended to regularly and its operating parameters periodically checked.

Under the scope of environmentally friendly energy management At Link Natural, Bio fuels (including plant residue, generated as the organic waste from production processes) is used as the main energy source for steam generation. Approximately 55% of energy is generated through steam while 45% is generated through electricity.

Link Natural consumed a higher volume of fuel during the period under review compared to the previous reporting period. This was due to the introduction of a mechanical fork lift at the factory premises as well as increased use of the generator due to a higher volume of production as well as frequent breakdowns of electricity supply.

Measures taken at CIC Agri Businesses to reduce the usage of energy including using translucent roofing sheets in stores to reduce the need for powered lighting and using paddy husks to generate steam, continue to result in savings for the Company.

Based on the outcomes of an energy audit conducted previously at CIC Feeds, the Company is now operating as per the recommendations of the audit, which has resulted in the reduction of energy consumption in all locations of operation.

At Chemanex, the total fuel consumption during the reporting period has reduced in comparison to the previous period (reduction of 23%) as Chemcel which was a subsidiary of Chemanex, became an Associate and moved out of the Chemanex Group.

Indirect Energy Consumption

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Electricity use (kWh)	1,293,238	671,924	1,565,743	7,149,784	528,908
Indirect Energy use (Gj)	4,656	2,419	5,637	25,739	1,904

CIC Holdings has plans to retrofit its locations with LED light fittings in the future in order to reduce electricity consumption further. Currently, employees are continually encouraged to switch off lights in their respective locations when not needed.

At CIC Agri Businesses, the use of power factors in the plants, as well as energy saving lights wherever possible, has brought about a significant reduction in electricity consumption over the past few years.

The recommendations of the energy audit implemented at CIC Feeds as mentioned previously have also resulted in a reduction in electricity consumption of 2.5% during the current reporting period in comparison to the previous year.

The reduction in electricity consumption of 4% compared to last year portrayed by Chemanex PLC is once again attributed to the exclusion of Chemcel (Pvt) Limited from the boundary of this Report.

Water Usage, Recycling and Re-use

At CIC Holdings, water sourced from a tube well is used in the wash rooms in order to reduce the costly usage of water from the municipal supply. A poster campaign is in place to encourage employees to use water sparingly and to prevent wastage.

At Ratmalana Works the main source of water for processing and personal use is the municipal supply, while well water is used for secondary purposes. Part of the residue water from the manufacturing process is reused.

At Link Natural, waste water is treated in an environmentally friendly manner through an aerobic waste water treatment plant, and treated water is used for gardening, cleaning and cooling activities. Of the total water usage approximately 95% is sourced from springs, while the remaining requirement is met from municipal sources.

Volume of water withdrawn for use by CIC Agri Businesses has increased this year in comparison to last year's figure. This was due to commissioning of the new Yoghurt plant within the course of the year. The increase is also attributed to the severe drought that was experienced during the cultivation season. However, a water recycling plant is in place at our farm at Siddhapura which facilitates the reuse of water.

At CIC Feeds, water is used for human consumption, cleaning, washing and for the birds at farms. A marginally higher volume of water was withdrawn for use by the Company during the current reporting period in comparison to the previous year, due to increased operations. At present, water is not recycled at all locations and used water is being collected through a network of soakage pits. However the processing plant of the poultry operations was equipped with a modern water treatment facility during the latter stages of the 2012/13 reporting period, which filters and cleans waste water generated through the production process. We have now initiated the process of using this treated waste water for general gardening purposes.

Chemanex's water consumption has increased marginally and is attributed to general water use by factory workers.

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Volume of water withdrawn for use (m3)	14,997	19,925	16,567,285	127,570	11,178
Percentage of water recycled or reused (%)	0.20	25.77	2	5	0

Protecting Habitat

Steeped as we are in the field of agriculture, our relationship with nature and the environment is a close and mutually beneficial one. We understand very well the absolutely vital need to nourish and protect the bio-diversity and habitat we share with all species of the world.

We embrace our responsibility protect the delicate balance of Sri Lanka's bio-diversity and in particular the eco-systems that prevail on our farms. In this respect CIC operates 'green zones' to help them thrive.

CIC Holdings PLC does not own or have any interests in property within or adjacent to any areas of sensitivity in terms of bio-diversity. In fact, CIC Agri-Business' farm at Hingurakgoda is a haven for the resident spotted deer population of Sri Lanka - a fact that we are very aware of and will not tamper with at any cost.

Link Natural plays a significant role in conserving endangered species of flora, encouraged by its involvement in herbal healthcare, whilst the Company also promotes and proliferates the message of environmental consciousness and eco-friendly agricultural practices amongst local communities.

Waste-Quantity Generated, Type and Disposal

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Hazardous Waste (kg)	5,570	30	0	0	0
Non-Hazardous Waste (kg)	553	68,422	4,250,000	3,546,000	107,567

Explanation of CIC Holdings Hazardous Waste: This waste relates to Agro Chemicals - expired products and products used to clean up spills that take place inside the factory premises during the production and handling stages (e.g., cotton wool and sand).

Disposal: Until recently the Company collected and containerised such waste in boxes under inventory. Today, this waste material is sent to M/s Geocycle for incineration in their cement kiln for which we bear the cost.

Waste management measures at the Ratmalana Works of CIC Holdings include - waste separation systems in place, daily monitoring of waste generated, organic waste converted to compost and factory waste separated and dispatched to a waste collection site.

At the Platignum factory, the rejected plastic of manufactured pens is recycled and reused in the manufacturing process.

CIC Agri Businesses achieved a reduction in non-hazardous waste generated within the reporting period. However, this was largely attributed to the reduction in paddy harvest of 10-15% in comparison to last year, caused by inclement weather. In addition, the closing down of 3 fresheez outlets also contributed to this reduction in waste. CIC Agri Businesses continues to collect, compost, and reuse farm waste, in its agricultural operations.

At Link Natural, approximately 99% of waste is non-hazardous with low impact to the environment. 7,545 kg of organic waste at Link Natural was reused to generate steam for the boiler during the year under review. At CIC Feeds too, most waste is organic and safe disposal channels are well established.

Around 72% of CIC Feeds organic waste includes litter from farms and hatchery waste. This waste is sold as agricultural fertilizer as there is a demand for this from farmers who use it as an alternative organic fertilizer. The conversion is 100% of the waste produced.

Another 12% of the organic waste is poultry processing waste. This is further processed into value added by-products used in feed production. Here also the conversion rate is 100% of the waste. Therefore, no residue is disposed of to the environment.

The balance comprises of feed raw material waste and used paddy husks in the poultry cages, of which around 60% is collected into a network of soakage pits with zero harm to the environment.

Packaging of raw materials consisting of polypropylene bags, plastic barrels and cans also contribute towards waste, but approximately 86% of these are recycled, 13% reused while the rest is discarded.

Around 96% of paper waste is sent to the hatchery to be reused to layer chick boxes.

At Chemanex, 56,730 kgs of waste has been reused. This is 53% of the total production related waste generated during the period 2013/14.

Hazard Containment

There have been no significant spills of chemicals, oils, or fuels at any of the operations within the boundary of this report, within the year under review. In case of any incidents, the recommended preventative practices (e.g., GMP Standards, HACCP, ISO) have been established and safety instructions have been provided.

Environmental Compliance Track Record

There have been no instances of non-compliance with prevailing environmental laws and regulations, nor have there been any fines or sanctions levied on CIC Group for the year under review.

Investment and Expenditure on Environmental Protection

At the Ratmalana Works of CIC Holdings, the main expenditure on environmental protection arises from flue gas analysis, noise level testing, ambient air quality testing, waste water testing, waste disposal, installation of an exhaust air purification system and implementing ISO 14001. This operation's expenditure on environmental protection under these categories amounts to Rs. 1,006,126/-.

Further, CIC Feeds' main expenditure of Rs. 60 million was on treatment and disposal of waste including converting waste to produce by-products used as inputs in the feeds operation, as well as expenditure on the water treatment plant at the processing facility.

Chemanex PLC incurred an expense of Rs. 19,500/- attributed to clean up costs for disposal of waste.

The Social Perspective

We know and are aware that our enterprise will impact societies and communities within which we function. CIC strives every day to protect and assure the rights of society. We are also fully committed to manufacturing, production and marketing activities that are 'society friendly'.

We approach protection and care for society and community from many angles the legal, ethical, moral, transparent and responsible.

A Great Place to Work

As one of Sri Lanka's most respected business entities, the CIC Group seeks to reflect its high standards and qualities across every facet of operation. An area of vital importance, where we seek not only to reflect such standards and qualities but also to empower and encourage is our employment regime. Providing decent work accompanied by dignity, self-realisation and advancement in an environment free of bias and replete with high standards of safety and health is our goal.

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Employee Numbers by Type and Contract					
Full-time employees	414	470	629	233	160
Part-time employees	0	0	0	0	0
Outsourced	238	163	0	290	41
Total	652	633	629	523	201
Permanent	397	462	517	227	126
Fixed term/ contract	17	8	112	6	34
Outsourced	238	163	0	290	41
Total	652	633	629	523	201
Employee Numbers by Region					
Central Province	44	36	146	0	0
Eastern Province	17	19	10	0	0
North Central Province	26	11	97	0	0
Northern Province	19	12	0	0	0
North Western Province	17	47	87	0	0
Sabaragamuwa Province	8	61	24	0	0
Southern Province	36	43	36	0	0
Uva Province	5	7	13	0	0
Western Province	480	397	216	523	201
Total	652	633	629	523	201

The above table includes outsourced workers.

Employee Turnover by Gender

Company	CIC Holdings		Link Natural		CIC Agri Businesses		CIC Feeds		Chemanex	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Turnover (No.)	97	11	66	33	155	26	11	5	13	3
Turnover Rate (%)	23.4	2.6	14.04	7.02	24.6	4.2	4.7	2.1	8.13	1.87
Total Turnover Rate (%)		26		21.06		28.8		6.8		10

Employee Turnover by Age Group

Company	CIC Holdings		Link Natural		CIC Agri Businesses		CIC Feeds		Chemanex	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Under 30 years	39	9.4	55	11.7	135	21.5	11	4.7	4	2.5
30 - 49 years	61	14.7	32	6.88	37	5.9	3	1.3	8	5
50 years and above	8	1.9	12	2.48	9	1.4	2	0.8	4	2.5

Employee Turnover by Region

Company	CIC Holdings		Link Natural		CIC Agri Businesses		CIC Feeds		Chemanex	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Central Province	10	2.4	10	2.1	36	5.7	0	0	0	0
Eastern Province	3	0.7	3	0.6	6	0.9	0	0	0	0
North Central Province	7	1.7	3	0.6	20	3.2	0	0	0	0
Northern Province	5	1.2	6	1.3	3	0.5	0	0	0	0
North Western Province	4	1	4	0.8	25	4	0	0	0	0
Sabaragamuwa Province	0	0	3	0.6	7	1.1	0	0	0	0
Southern Province	7	1.7	10	2.1	15	2.4	0	0	0	0
Uva Province	3	0.7	4	0.8	2	0.3	0	0	0	0
Western Province	69	16.6	57	12.1	67	10.7	16	6.8	16	10

The tables above highlight staff turnover patterns across the Group.

Collective Bargaining Agreements at CIC Group

At CIC Holdings, non-executive staff are covered by a collective bargaining agreement. This covers 33 employees, or 8% of our workforce.

However, unions are not present at CIC Agri Businesses, CIC Feeds, Link Natural or Chemanex and as a result, collective bargaining agreements are not in force in these companies.

The Company does not have a minimum notice period it observes regarding operational changes. Close and frequent dialogue between the management and the employee arrives at mutually acceptable time frames in this regard.

However, CIC Holdings has a collective bargaining agreement in place and thus discussion and agreement on any impending policy/operational change is conducted with the employees' union representative.

Occupational Health and Safety at CIC Group

For the period under review, none of the Group entities recorded any accidents, occupational diseases, or work related fatalities.

The strong occupational health and safety track record of the CIC Group is maintained through frequent training to ensure all safety operations are practiced. In addition at Ratmalana Works of CIC Holdings, all employees benefit from annual health check-ups, and at Chemanex, health checks are carried out for possible occupational diseases for relevant staff members.

Additionally at Chemanex, health and safety topics are covered at the time of recruitment and are frequently updated during tenure of service. Also, safety instruction boards on handling machinery and other relevant areas are displayed in the factory and the stores appropriately for the safety of employees serving in those areas.

Training and Development at CIC Group

Training and development of staff is a high priority pursuit at CIC. Equipping them both for the present and the future in terms of skills and aptitude and career development is ongoing in the Company.

Group training programmes are organised for all employees at Link Natural on a monthly basis, while internal and external training is organised based on the training needs assessment.

At CIC Agri Businesses, training and development is provided according to the needs of employees which is based on the annual performance appraisal.

CIC Feeds identifies and trains employees as a matter of strategy and develops training schedules/programmes to suit individual and Company requirements. The training needs of all individuals are ascertained at the annual performance appraisal. Departmental heads identify suitable internal and external training programmes conducted by reputed training institutions. Further, the department heads are also responsible for post training monitoring of employees to ensure skills are utilised to best advantage of both the Company and the individual.

On the job training programmes were conducted to assist and guide unskilled labourers to develop their skills for technical related jobs and enable progression to posts of technician once skills and experience are acquired.

As an appropriate training and development policy is in place, we are capable of managing production and other activities efficiently.

At Chemanex we sponsor local and international training/educational programmes for our employees in order to provide self-development, career enhancement, remuneration and motivation.

Average Hours of Training per Year per Employee by Employee Category

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Executive Board Members	38	14.32	0	0	8
Divisional Directors	43	0	5.9	N/A	N/A
Group Heads/General Managers	43.7	0	5.1	5.25	10
Senior Managers/Managers	23.9	36.1	26.3	5.9	0.2
Junior Managers/Senior Executives	7.4	28.1	5.2	6.1	24
Executives/Junior Executives	2.7	37	4.4	4.85	0
Non-Executives	0.5	9.25	1.2	11.8	5.55

Reviewing Employee Performance

The performance appraisal system is an invaluable tool for assessing, training, encouraging, empowering and rewarding staff.

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Percentage of employees who received a formal performance review	92.75	70	100	100	40

At CIC Holdings, those who have not received a formal performance review during the year under review are non-management staff and contract workers while at CIC Holdings as well as at Link Natural, employees who are under probation have not received formal performance reviews this year.

The annual performance review process at the constituent companies of CIC helps identify high achieving 'star performers' who are fast tracked for further development and training. The process is also an enabling one for the poor performers who are evaluated more frequently, with a view to identifying measures that could revive their performance levels and bring them to acceptability. Should these measures fail, the employee is discouraged from staying on.

Diversity at CIC Group

We are an equal opportunity employer and maintain an open door policy with all employees. There is no gender barrier and we recruit people based on best fit, irrespective of their race, gender, age or religion.

Composition of Governance Bodies by Gender

Company	CIC Holdings		Link Natural		CIC Agri Businesses		CIC Feeds		Chemanex	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Board of Directors (%)	100	–	100	0	100	0	90	10	100	0
Senior Management Team (%)	88.46	11.54	76.9	23.1	92.1	7.9	95.24	4.76	100	0

While relatively low levels of diversity are reflected in the governance bodies of CIC Holdings PLC as a whole, we hope to improve these figures in the coming years, and marginal improvements have been made in some companies compared with the previous year.

Breakdown of Employees by Gender

Company	CIC Holdings		Link Natural		CIC Agri Businesses		CIC Feeds		Chemanex	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Gender Diversity (%)	87.7	12.3	75.7	24.3	79.2	20.8	87.5	12.5	81.25	18.75

While CIC Holdings PLC as a Group maintains strong levels of diversity in administrative positions, due to the nature of the businesses which include factory operations and field-based activity, the total breakdown of employees shows lower levels of diversity.

Breakdown of Employees by Age Group

Company	CIC Holdings	Link Natural	CIC Agri Businesses	CIC Feeds	Chemanex
Under 30 years	32.37	45.5	45.3	22.75	11.88
30 - 49 years	55.31	45.5	50.9	69.5	64.38
50 years and above	12.32	9	3.8	7.75	23.75

Human Rights

CIC abides by the law of the land as well as international best practice with regard to maintaining impeccable standards in safeguarding human rights in all its activities.

Thus CIC has not recorded any instances of discrimination, forced labour, child labour or any other matter that could violate human rights.

As regards discrimination, we maintain a zero tolerance level through the enactment of our equal opportunity policy, open door policy, the performance appraisal dialogue, departmental meetings, weekly management meetings and the awareness created through informal mechanisms.

In terms of avoiding hiring child labour, the Company meticulously examines and checks all documents at time of interview to ensure candidates are indeed above 18 years of age. A similar approach is adopted as regards outsourced contract employees and relevant clauses are in place in the agreements we enter into with labour contractors.

We also shun forced or compulsory labour. CIC does not retain/hold originals of employees documentation as a coercive measure, neither does it require guarantees or cash deposits from employees. No employee is made to work against his/her will or is subject to corporal punishment or coercion of any type.

The Social Perspective

The responsibility CIC feels towards society in conducting its affairs with due perception of all manner of threat to its well-being is maintained at the highest levels as a matter of principle.

Anti-Corruption

A zero tolerance anti-corruption stance is strictly applied across every aspect and entity of CIC's enterprises.

Although no formalised training schedules on the subject are in place, it is dealt with expensively and in depth at various points of Company procedures, such as at recruitment where the Company's anti-corruption policy is communicated to new entrants. All employee handbooks also convey same.

We are happy to report that for the year under review, there have been no reported incidents of corruption at any of our businesses; neither have there been any fines or sanctions imposed for non-competitive behaviour.

CIC has not breached any laws or regulations concerning non-compliance in any shape or form.

Shaping Public Policy

Many of CIC's constituent businesses hold responsible positions within some of Sri Lanka's pivotal public/private bodies and thus have an opportunity to lobby and shape policy in respect of the industries they operate in.

In the healthcare sector, CIC is a member of the newly established Sri Lanka Chamber of Medical Devices Industry, as well as of the Association for the Study of Internal Fixation (AO) Sri Lanka Chapter, and holds membership within the Pharmaceuticals Chamber and the Pharma Promoters Association.

Our crop solutions division holds membership in Crop Life Sri Lanka being represented on the Executive Committee.

Similarly, CIC holds lobbying/representational positions with the Ministry of Productivity and Promotions, Ministry of Education, National Science Foundation, Sri Lanka Tourism Committee, Sri Lanka Institute of Advanced Technological Education, Post Graduate Institute of Agriculture, Faculty of Agriculture, University of Peradeniya and Lanka Sugar Company.

CIC also holds membership with the All Island Poultry Association (AIPA), World Poultry Science Association Sri Lanka Branch (WPSA), Ceylon Chamber of Commerce and Employer Federation Council.

The Company maintains close relationships with the Local Authorities, Universities and is an active member in various institutions and societies thus helping to develop the industry and improve the contribution made to the National Economy.

CIC also holds membership within the National Chamber of Commerce, Ceylon National Chamber of Industries, National Chamber of Exporters of Sri Lanka, Export Development Board, United Nations Global Compact, Sri Lanka Institute of Directors, Sri Lanka Institute of Packaging, Plastic & Rubber Institute, Exporter's Association of Sri Lanka and the Sri Lanka - Germany, Poland, Malaysia, Nordic & China Business Councils.

Product Responsibility

Every product and service offered by CIC takes many factors into the final equation before they are put before the public. We make sure that they will at all times safeguard customers' health and privacy; that they will impart the fullest product information with clarity for the proper edification of the public; that they will at all times remain in compliance with the laws and regulations governing such enterprise.

Indeed, during the year under review, CIC has not breached any laws or regulations, nor faced any fines for non-compliances regarding the provision and use of its products or services.

The Company tracks its success in this regard by conducting periodic Customer Satisfaction Surveys. Here are some of our findings for the year in review.

Company/ Division	Frequency of measuring customer satisfaction	Methodology	Other mechanisms by which customers provide feedback	Customer feedback and actions taken
CIC Holdings				
Industrial Chemicals	Once in 6 months	Surveys and related interviews	Surveys	Feedback on quality of packaging particularly of locally manufactured goods, and transportation of goods. Steps have been taken to improve the quality of packaging for Emulsion Polymer products
Crop Solutions		Surveys and personal interviews	Customer complaint sheet, direct complaints	Results show that most customers require portable pack sizes for products and concessions on rates, particularly during the season.
Platignum	Annually	Surveys	Surveys	Key customer concerns voiced are quality and price
Johnson & Johnson	Annually for usage and attitudes, daily interaction through social media	Usage and attitude survey, PR campaigns with associations, social media activity, consumer engagement activity	Face to face interviews, inbound calls, hotline, Facebook, YouTube	Baby regime and women's hygiene awareness programmes are continued as a result of customer feedback
CIC Agri Businesses	Annually	Surveys	Surveys, telephone, email	Appropriate remedial action is taken based on customer feedback, as and when necessary
CIC Feeds	Monthly	Dealer and customer visits by field force	Customer care hotline	Customer satisfaction is maintained as a result of frequent and regular visits by our field force
Chemanex	Monthly	Visits by product managers	Visits, telephone, email, letters	The majority of our customers are satisfied with our products. We have been recognised for 100% vendor compliance and as a most preferred supplier by our international buyers. All customer complaints are properly recorded and promptly attended to

GRI CONTENT INDEX

G3 Content Index

Application Level C

Profile Disclosure	Description	Reported	Cross-Reference
Profile Disclosures			
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation.	▲	SR 1
1.2	Description of key impacts, risks and opportunities.	▼	
2. Organisational Profile			
2.1	Name of the organisation.	▲	SR 3
2.2	Primary brands, products and/or services.	▲	SR 3
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	▲	AR 111
2.4	Location of organisation's headquarters.	▲	AR - Inner Back Cover
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	▲	SR 3
2.6	Nature of ownership and legal form.	▲	SR 3
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	▲	SR 3
2.8	Scale of the reporting organisation.	▲	AR 38
2.9	Significant changes during the reporting period regarding size, structure or ownership.	▲	SR 3
2.10	Awards received in the reporting period.	▲	SR 3
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	▲	SR 2
3.2	Date of most recent previous report (if any).	▲	SR 2
3.3	Reporting cycle (annual, biennial, etc.)	▲	SR 2
3.4	Contact point for questions regarding the report or its contents.	▲	SR 2
3.5	Process for defining report content.	▲	SR 4
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	▲	SR 4
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	▲	SR 4
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.	▲	SR 4
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	▼	
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	▲	SR 4
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	▲	SR 4
3.12	Table identifying the location of the Standard Disclosures in the report.	▲	SR 15
3.13	Policy and current practice with regard to seeking external assurance for the report.	▲	SR 2
4. Governance, Commitments and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	▲	AR 18
4.2	Indicate whether the Chair of the highest governance body is also an Executive Officer.	▲	AR 20
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	▲	AR 20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	▲	AR 25

Profile Disclosure	Description	Reported	Cross-Reference
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	▼	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	▼	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics.	▼	
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation.	▲	AR 3
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	▼	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	▼	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	▼	
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	▼	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: *Has positions in governance bodies; *Participates in projects or committees; *Provides substantive funding beyond routine membership dues; or *Views membership as strategic.	▼	
4.14	List of stakeholder groups engaged by the organisation.	▲	SR 4
4.15	Basis for identification and selection of stakeholders with whom to engage.	▲	SR 4
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	▼	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	▼	

Performance Indicators

Performance Indicator	Description	Reported	Cross-Reference
Economic			
Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	▲	SR 5
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	▼	
EC3	Coverage of the organisation's defined benefit plan obligations.	▲	SR 5
EC4	Significant financial assistance received from Government.	▲	SR 5
Market Presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	▲	SR 5
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	▲	SR 6
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	▶	SR 6
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	▶	SR 6
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	▼	

Performance Indicator	Description	Reported	Cross-Reference
Materials			
EN1	Materials used by weight or volume.	▼	
EN2	Percentage of materials used that are recycled input materials.	▼	
Energy			
EN3	Direct energy consumption by primary energy source.	▲	SR 7
EN4	Indirect energy consumption by primary source.	▲	SR 7
EN5	Energy saved due to conservation and efficiency improvements.	▼	
EN6	Initiatives to provide energy efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	▼	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	▶	SR 7
Water			
EN8	Total water withdrawal by source.	▶	SR 8
EN9	Water sources significantly affected by withdrawal of water.	▼	
EN10	Percentage and total volume of water recycled and reused.	▲	SR 8
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	▶	SR 8
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	▼	
EN13	Habitats protected or restored.	▼	
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	▼	
EN15	Number of IUCN Red List species and National Conservation list species with habitats in areas affected by operations, by level of extinction risk.	▼	
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	▼	
EN17	Other relevant indirect greenhouse gas emissions by weight.	▼	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	▼	
EN19	Emissions of ozone-depleting substances by weight.	▼	
EN20	NO _x , SO _x and other significant air emissions by type and weight.	▼	
EN21	Total water discharge by quality and destination.	▼	
EN22	Total weight of waste by type and disposal method.	▲	SR 8
EN23	Total number and volume of significant spills.	▲	SR 9
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and percentage of transported waste shipped internationally.	▼	
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	▼	
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	▼	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	▼	
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	▲	SR 9
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.	▼	
Overall			
EN30	Total environmental protection expenditures and investments by type.	▶	SR 9

Performance Indicator	Description	Reported	Cross-Reference
Social: Labour Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract and region.	▲	SR 10
LA2	Total number and rate of employee turnover by age group, gender and region.	▲	SR 10
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	▼	
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.	▲	SR 11
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	▶	SR 11
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	▼	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	▲	SR 11
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	▼	
LA9	Health and safety topics covered in formal agreements with trade unions.	▼	
Training and Education			
LA10	Average hours of training per year per employee by employee category.	▲	SR 11
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	▼	
LA12	Percentage of employees receiving regular performance and career development reviews.	▲	SR 11
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	▶	SR 12
LA14	Ratio of basic salary of men to women by employee category.	▼	
Social: Human Rights			
Diversity and Equal Opportunity			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	▼	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	▼	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	▼	
Non-Discrimination			
HR4	Total number of incidents of discrimination and actions taken.	▲	SR 13
Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	▼	
Child Labour			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	▲	SR 13
Forced and Compulsory Labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	▲	SR 13
Security Practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	▼	

Performance Indicator	Description	Reported	Cross-Reference
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	▼	
Social: Society			
Community			
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	▼	
Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption.	▼	
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	▶	SR 13
SO4	Actions taken in response to incidents of corruption.	▲	SR 13
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	▲	SR 13
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	▼	
Anti-Competitive Behaviour			
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	▲	SR 13
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	▲	SR 13
Social: Product Responsibility			
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	▼	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	▼	
Product and Service Labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	▼	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	▼	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	▲	SR 14
Marketing Communications			
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	▼	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	▼	
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	▼	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	▲	SR 13

▲ - Fully Reported ▶ - Partially Reported ▼ - Not Reported

SR - CIC Holdings Sustainability Report 2013/14

AR - CIC Holdings Annual Report 2013/14



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Tel. No. 4941670

Company Registration No: PV 9875

Third Party Checked Statement

The 2013/14 Sustainability Report of CIC Holdings PLC has undergone a third-party level check by STING Consultants, against the requirements of the GRI G3 Guidelines, at C Level. The Self-Declared C level of this Report is hereby confirmed to be accurate.

The aim of this statement is to confirm to readers the extent to which the GRI G3 Guidelines have been applied in the preparation of this report. This does not represent in any way, an opinion on the value or quality of the report and its content, or of the sustainability performance of the reporting organization.

A handwritten signature in black ink, which appears to read "Anthonisz", is written over a horizontal line that is underlined.

Tiara Anthonisz

Head of Strategic Corporate Responsibility

STING Consultants

June 2014

