



## Kelani Valley Plantations

# ENERGY & EMISSION MANAGEMENT POLICY

## KVPL SUSTAINABILITY POLICY / MANUAL

The Kelani Valley Plantations PLC is deeply committed towards conducting business in an environmentally responsible manner. The Energy and Emission Management Policy has been formulated to ensure all our businesses align to a consistent set of guidelines on environmental stewardship (responsible use and protection of natural resources through conservation and sustainable practices).

Kelani Valley Plantations PLC operates within the framework of an Energy and Emission Management that is aimed towards minimizing adverse environmental impacts caused by natural resource depletion and greenhouse gas emissions. This framework encourages the optimization of energy usage by driving increased energy efficiency and increasing reliance on clean energy sources.

KVPL ESG strategies relating to management of energy consumption, our targets and annual key performance indicators are set out in Table 1: Energy & Emission Management Strategies, Targets and KPIs which forms an integral part of this framework.

### Scope

This policy is applicable for all business entities and relevant service providers of Kelani Valley Plantations PLC.

### Our Commitment

As an environmentally responsible organization, the Kelani Valley Plantations PLC is committed to the following energy and emission management programmes;

<ul style="list-style-type: none"> <li>Compliance with all relevant laws and guidelines, national and international standards and all other requirements on energy &amp; emission management practices (Sustainable energy Authority / Sustainable Development Goals / UNGC / Central Environmental Authority etc.)</li> </ul>	<i>Compliance</i>
<ul style="list-style-type: none"> <li>Identifying and appointing competent teams to effectively implement energy and emission management programs aligned with the operating model and business requirements of each sector</li> </ul>	<i>Assign competent teams</i>
<ul style="list-style-type: none"> <li>Ensuring 100% complete and accurate reporting of relevant energy and emission data to Kelani Valley Plantations PLC Sustainability on a timely basis following the set reporting frameworks based on GHG protocol and national guidelines and Hayleys' Cube reporting formats</li> </ul>	<i>Accurate and timely reporting</i>
<ul style="list-style-type: none"> <li>Implementation of customised energy and emission management programs focusing on the materiality of relevant energy / emission aspects. In driving these programs, identify all energy and emission related processes and applications, evaluate the significance, set targets and objectives, continuously monitor performance and drive the program based on defined KPIs in line with Table 1: Energy &amp; Emission Management Strategies, Targets and KPIs.</li> </ul>	<i>Implement holistic energy and emission management programmes at all entities</i>

<ul style="list-style-type: none"> <li>• Ensure the availability of relevant information, documents, training tools and guidance to drive the defined energy and emission management programs</li> </ul>	<i>Availability of resources</i>
<ul style="list-style-type: none"> <li>• Gradually shift from non-renewable energy sources and increase reliance on renewable energy such as solar, wind, biomass energy etc. Ensure that purchased biofuel is sustainably sourced and does not result in deforestation.</li> </ul>	<i>Shift to renewable energy</i>
<ul style="list-style-type: none"> <li>• Minimizing energy related environmental impact and enhance the KVPL's competitiveness through energy costs savings by embracing lean management practices, application of Life Cycle Assessment (LCA) concept, carbon neutral operations and many other recognised green concepts</li> </ul>	<i>Minimise energy related impact on environment</i>
<ul style="list-style-type: none"> <li>• Adopting energy and emission conscious procurement procedure on all relevant operations and propagate our energy and emission management practices across supply chain. Effective operation and maintenance programs to ensure energy efficient operations while minimizing emissions for significant energy consuming applications (machines / processes)</li> </ul>	<i>Energy and emission management</i>
<ul style="list-style-type: none"> <li>• Nurturing culture of energy and emission consciousness across all the relevant stakeholder groups (e.g. employees, communities, non-profit organisations, government etc.) and all business entities within the KVPL should observe the energy practices of its supply chain partners and encourage the use of clean energy across its supply chain</li> </ul>	<i>Energy and emission conscious cultures</i>
<ul style="list-style-type: none"> <li>• Aligning with the Kelani Valley Plantations PLC Sustainability strategy</li> </ul>	<i>Align to Group</i>

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

### Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.



## KELANI VALLEY PLANTATIONS PLC

### WATER MANAGEMENT POLICY

#### KVPL SUSTAINABILITY POLICY / MANUAL

The KVPL's Water Management Policy seeks to conserve and optimize water obtained from various sources, seek avenues of recycling and reusing waste water and responsible disposal of waste water generations in its operations. Environmental, social and governance aspects of water management have

been adequately addressed through this policy.

KVPL ESG strategies relating to management of water, our targets and annual key performance indicators are set out in Table 2: Water Management Strategies, Targets & KPIs which forms

an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of Kelani Valley Plantations PLC.

#### Our Commitment

As the issue of water scarcity gains global attention, water conservation has been identified as a key priority in the KVPL's environmental agenda. Following are the key aspects relating to the ESG framework over water applications;

<ul style="list-style-type: none"> <li>Compliance with all relevant laws and guidelines, national and international standards and all other requirements on water management</li> </ul>	<i>Compliance</i>
<ul style="list-style-type: none"> <li>Implementation of a water management strategy aligning with the CEO's water mandate by UNGC (six elements of the mandate – Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement, Transparency – through individual and collective efforts) and all other relevant requirements</li> </ul>	<i>Implement water management strategy</i>
<ul style="list-style-type: none"> <li>Identify, clearly map and measure all water inputs (classified by source), water applications (process and non-process water), water distribution plans and waste water generation (hazardous and non-hazardous) within the defined boundaries</li> </ul>	<i>Mapping of water sources, applications, distribution and wastewater generation</i>
<ul style="list-style-type: none"> <li>Identifying and appointing competent teams to effectively implement water management program aligned with the operating model and business requirements of each sector</li> </ul>	<i>Identify and assign individual and functional roles and responsibilities</i>
<ul style="list-style-type: none"> <li>Ensuring the 100% complete and accurate reporting of all relevant data on timely basis to Group Sustainability (Metering should be available for main water inputs and wastewater outputs. Furthermore, it is recommended that sub metering processes be established based on the level of water consumption and wastewater generation)</li> </ul>	<i>Accurate and timely reporting with reliable metering at source</i>

<ul style="list-style-type: none"> <li>Water management targets and objectives should be set and continual improvement program should be driven (focusing on monitoring, corrective and preventing actions, auditing and reviews on water management)</li> </ul>	<i>Set water management targets and objectives</i>
<ul style="list-style-type: none"> <li>Ensure the availability of relevant information, documents, training tools and guidance to drive the defined water management programs</li> </ul>	<i>Availability of resources</i>
<ul style="list-style-type: none"> <li>Introducing sustainable sourcing of water (including rainwater harvesting), water reusing opportunities, recycling practices and any other innovative solutions aimed at minimising the water footprint of the companies</li> </ul>	<i>Sustainable sourcing, reuse, recycling of water and innovation to minimize consumption</i>
<ul style="list-style-type: none"> <li>Ensure the appropriate and adequate treatment of raw water inputs and waste-water discharge to ensure it meets the quality parameters for its designated usages and discharge standards (prior to discharge into the environment or further treatments)</li> </ul>	<i>Water quality controls</i>
<ul style="list-style-type: none"> <li>Properly track and manage all the waste water discharges and locations with quantity and quality while ensuring the environmental compliance.</li> </ul>	<i>Manage discharge of wastewater</i>
<ul style="list-style-type: none"> <li>Effective operation and maintenance programs to ensure water efficiency of all the relevant operations</li> </ul>	<i>Water efficiency</i>
<ul style="list-style-type: none"> <li>Foster a water-conscious culture focusing on conserving and reducing water utilisation through various technologies, process improvements and through stimulating behavioural changes in staff through awareness campaigns</li> </ul>	<i>Water conscious culture</i>
<ul style="list-style-type: none"> <li>Driving corporate responsibility programs focusing on water management applications</li> </ul>	<i>Water management related CSR activities</i>
<ul style="list-style-type: none"> <li>Aligning with the Kelani Valley Plantations PLC Sustainability strategy</li> </ul>	<i>Align to Group</i>

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

## Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.



## KELANI VALLEY PLANTATIONS PLC

KVPL  
SUSTAINABILITY  
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### MATERIAL AND WASTE MANAGEMENT POLICY

#### Standard

As an environmentally responsible corporate, Kelani Valley Plantations PLC places priority on optimizing and managing material consumptions through best business applications while minimizing waste generation and effectively managing the waste generated through sustainable disposal methods. This guideline will ensure the implementation of effective material and waste management practices across all the companies irrespective of their operations.

KVPL ESG strategies relating to management of material and waste management, our targets and annual key performance indicators are set out in Table 3: Materials and Waste Management Strategies, Targets and KPIs which forms an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of Kelani Valley Plantations PLC.

#### Our Commitment

This policy relates to all types of materials (that are used to produce and package the organization's primary products and services) and relevant solid waste generated within our operations in both manufacturing and service sectors. The following guidelines are aimed towards the implementation of sustainable material and waste management practices across the Group.

#### Overall: Materials & Waste

<ul style="list-style-type: none"> <li>Compliance with all relevant laws and guidelines, national and international standards and all other requirements on material and waste management</li> </ul>	<i>Compliance</i>
<ul style="list-style-type: none"> <li>Ensuring 100% complete and accurate reporting of all relevant material and waste generation data on a timely basis to Group Sustainability</li> </ul>	<i>Accurate and timely reporting</i>

<ul style="list-style-type: none"> <li>Identifying and appointing competent teams to effectively implement material and waste management programs aligned with the operating model and business requirements of each sector</li> </ul>	<p><i>Identify and assign individual and functional roles and responsibilities</i></p>
<ul style="list-style-type: none"> <li>Promoting waste management through identified corporate responsibility programs</li> </ul>	<p><i>Waste management-related CSR activities</i></p>
<ul style="list-style-type: none"> <li>Establishing proper environmental grievance handling mechanism to handle all possible environmental and social issues from stakeholders</li> </ul>	<p><i>Environmental grievance handling mechanism</i></p>
<ul style="list-style-type: none"> <li>Aligning with the Kelani Valley Plantations PLC Sustainability strategy</li> </ul>	<p><i>Align with Group Sustainability strategy</i></p>
<ul style="list-style-type: none"> <li>Introducing possible waste minimization practices while improving resource efficiencies through application of LCA concepts, lean manufacturing practices, innovation &amp; technology applications and application of any other material and waste management related concepts</li> </ul>	<p><i>Innovation to drive resource efficiency</i></p>
<p><b>Materials</b></p>	
<ul style="list-style-type: none"> <li>Establish a comprehensive system to capture all quantitative information pertaining to renewable and non-renewable material consumptions relevant to the organisation's operations (raw material / semi-manufactured goods / associate process materials / packaging materials etc)</li> </ul>	<p><i>Capture quantitative information in sufficient detail</i></p>
<ul style="list-style-type: none"> <li>Establish a material management program to prioritise sustainable material sourcing while increasing the use of recycled and reclaimed material inputs where ever possible</li> </ul>	<p><i>Prioritise sustainable sourcing</i></p>
<ul style="list-style-type: none"> <li>Sustainable material sourcing, green procurement practices, sustainable supplier evaluations and safe material handling should be practiced across the group.</li> </ul>	<p><i>Comprehensive sustainable sourcing practices to be adopted by Group</i></p>
<p><b>Waste</b></p>	
<ul style="list-style-type: none"> <li>Defining the solid / semi solid waste categories within operating boundaries, map them accordingly and implementing mechanisms to quantify waste generation</li> </ul>	<p><i>Quantifying waste generation by appropriate categories</i></p>
<ul style="list-style-type: none"> <li>Establishing waste management programs focusing on minimising, reducing and controlling waste generation. (Program should be developed based on 7R [Reject, Reduce, Reuse, Reclaim, Replace, Repair, Recycle] concept applications over significant operations identified)</li> </ul>	<p><i>Waste management programmes based on the 7R concept for significant applications</i></p>
<ul style="list-style-type: none"> <li>Proper segregation practices should be implemented across all the categories of waste generation (process and non-process)</li> </ul>	<p><i>Segregation of waste</i></p>
<ul style="list-style-type: none"> <li>Segregated waste should be stored separately complying with all the relevant legal and other requirements (availability of separate waste storage for hazardous and non-hazardous waste, following defined colour code and labelling mechanism, zero contamination to the environment, application of emergency preparedness programs, health and safety requirements on waste handling etc.)</li> </ul>	<p><i>Compliance over safe storage of waste</i></p>

<ul style="list-style-type: none"> <li>• Ensure the sustainable disposal of all types of waste by following “zero landfilling” (getting into agreements with legally accepted waste collectors and disposers, ensure the proper disposal through audits and proof documentations, maintain records of all the waste disposals)</li> </ul>	<i>Sustainable disposal of waste</i>
<ul style="list-style-type: none"> <li>• Establishing material and waste management targets, objectives and drive continuous improvement programs (focusing on monitoring, corrective and preventing actions, auditing and reviews on waste management )</li> </ul>	<i>Establishing targets and objectives to drive continuous improvement</i>
<ul style="list-style-type: none"> <li>• Ensure the availability of relevant information, documents, training tools and guidance to drive the defined waste management programs</li> </ul>	<i>Training and tools to enable performance</i>

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

### Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.



## KELANI VALLEY PLANTATIONS PLC

# CHEMICAL MANAGEMENT POLICY

## KVPL SUSTAINABILITY POLICY / MANUAL

### Standard

As an environmentally responsible corporate, Kelani Valley Plantations PLC places priority on sustainable chemical management practices ensuring the safety of our employees, customers and all other relevant stakeholders while minimizing and eliminating the environmental negative impacts. This guideline will ensure the implementation of effective chemical management practices across all the companies irrespective of their operations. Group ESG strategies relating to management of chemical

applications, our targets and annual key performance indicators are set out in Table 4: Chemical Management Strategies, Targets & KPIs which forms an integral part of this standard.

### Scope

This policy is applicable for all business entities and relevant service providers of Kelani Valley Plantations PLC. This will ensure the best chemical management practices from chemical purchasing, chemical handling and storing to chemical disposals.

### Our Commitment

This policy relates to all types of process (e.g. raw materials) and non-process (e.g. cleaning chemicals / engineering chemicals) chemical applications within our operations in relevant manufacturing and service sectors. The following guidelines are aimed towards the implementation of sustainable chemical management practices across the Group.

<ul style="list-style-type: none"> <li>Compliance with all relevant laws and guidelines, national and international standards and all other requirements on chemical management</li> </ul>	<i>Compliance</i>
<ul style="list-style-type: none"> <li>Identifying and appointing competent teams to effectively implement sustainable chemical management programs aligned with the operating model and business requirements of each sector</li> </ul>	<i>Identify and assign individual and functional roles and responsibilities</i>
<ul style="list-style-type: none"> <li>Maintaining up to date complete and accurate chemical inventory for all relevant chemicals (process and non-process). At a minimum, the basic information of each chemical should be included in the inventory.</li> </ul>	<i>Maintaining an inventory of information</i>
<ul style="list-style-type: none"> <li>Aligning with the chemical inventory, maintain up to date (maximum 3 years old) MSDS (Material Safety Data Sheet) / SDS (Safety Data Sheet) for all the list of chemicals. MSDS should be available with the organization safety officers and / or appointed representative for chemical management</li> </ul>	<i>Maintaining material safety data sheets</i>
<ul style="list-style-type: none"> <li>Proper chemical labelling practices should be available for all the chemicals. It is recommended to follow any internationally accepted chemical labelling standard [E.g. Hazardous Materials Identification System (HMIS), Globally Harmonized System (GHS) are internationally recognized chemical labelling standards that can be followed by sectors] fulfilling the minimum requirements for labels.</li> </ul>	<i>Chemical labeling practices</i>



<ul style="list-style-type: none"> <li>Chemicals should be stored separately complying with all the relevant legal and other requirements (following the chemical storing compatibility guidelines to ensure the environmental and occupational safety)</li> </ul>	<i>Storage of chemicals</i>
<ul style="list-style-type: none"> <li>Adequate spill control mechanism and safety precautions should be available for any emergencies relating to chemical related operations</li> </ul>	<i>Safety precautions</i>
<ul style="list-style-type: none"> <li>Availability of a training and awareness plan to ensure the safe and environmentally sustainable chemical management for all the relevant employees and any other stakeholder groups</li> </ul>	<i>Training and awareness</i>
<ul style="list-style-type: none"> <li>Continually conducting projects for improving the efficiencies of related business operations with the intention of minimizing the overall chemical consumptions</li> </ul>	<i>Efficiency improvements</i>
<ul style="list-style-type: none"> <li>Extending the best chemical management practices to the relevant supply chains and customers</li> </ul>	<i>Supply chain practices</i>
<ul style="list-style-type: none"> <li>Establishing a proper environmental grievance handling mechanism to handle all possible environmental and social issues relating to chemical management</li> </ul>	<i>Grievance mechanisms</i>
<ul style="list-style-type: none"> <li>Aligning with the Kelani Valley Plantations PLC Sustainability strategy</li> </ul>	<i>Alignment with Group Strategy</i>

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

### Responsibility

The Heads of all Business Sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to.



# KELANI VALLEY PLANTATIONS PLC

## KVPL SUSTAINABILITY POLICY / MANUAL

### BIODIVERSITY CONSERVATION POLICY

#### Standard

As a custodian of some of Sri Lanka's invaluable natural resources which includes over 13,000 hectares of land spread across the up Country, Mid Country and Low country of Sri Lanka,, the Kelani Valley Plantations PLC is deeply committed to preserving biodiversity and natural habitats. We are mainstreaming the concept of biodiversity across value chains and adopting the precautionary approach for sustainable management

of biodiversity in all decision making processes. Diversity of ecosystems, species and genes and the ecological processes that support them are prevalent in and around the KVPL business operations.

KVPL ESG strategies relating to management of material and waste management, our targets and annual

key performance indicators are set out in Table 5: Biodiversity Conservation Strategies, Targets & KPIs which forms an integral part of this standard.

#### Scope

This policy is applicable for all business entities and relevant service providers of Kelani Valley Plantations PLC.

#### Our Commitment

We seek to avoid and minimize any significant impacts our operations may have on sensitive species, habitats and ecosystems. This means that we;

<ul style="list-style-type: none"> <li>Ensure legal compliance with respect to biodiversity by complying with rules and regulations related to all environmental aspects (e.g. forest, wildlife, , green cover, water bodies etc.) during the organizational operations</li> </ul>	<i>Compliance</i>
<ul style="list-style-type: none"> <li>Map existing biodiversity aspects, identifying significant impacts and develop sector level customized biodiversity conservation strategies aligning to the KVPL Sustainable Business Framework</li> </ul>	<i>Align to ESG Framework and develop sector level strategies</i>
<ul style="list-style-type: none"> <li>Identifying and appointing competent teams to drive effective implementation and ensure the availability of relevant information, documents, training tools and guidance to effectively drive the biodiversity conservation strategy aligned with the operating model and business requirements of each sector</li> </ul>	<i>Identify and assign individual and functional roles and responsibilities</i>
<ul style="list-style-type: none"> <li>Accountability for all operations and creating systems to respond to any aberration with the aim of preserving biodiversity resources</li> </ul>	<i>Accountability</i>
<ul style="list-style-type: none"> <li>Define best quantification mechanism for biodiversity impacts and ensure the 100% complete and accurate reporting, tracking and record keeping of all relevant progress / impacts on timely basis</li> </ul>	<i>Complete and accurate reporting on time</i>

<ul style="list-style-type: none"> <li>Align our biodiversity journey with national and global level biodiversity road maps and drive initiatives for restoration of degraded habitats and enhancement of biodiversity in areas (near or far to establishments) which may have been lost due to human intervention</li> </ul>	<i>Align with national and global roadmaps</i>
<ul style="list-style-type: none"> <li>Minimization of adverse impacts on biodiversity through the right combination of sustainable industry practices and technologies</li> </ul>	<i>Sustainable practices and technology</i>
<ul style="list-style-type: none"> <li>Capacity building and regular knowledge sharing on biodiversity with relevant stakeholders</li> </ul>	<i>Capacity building of stakeholders</i>
<ul style="list-style-type: none"> <li>Raise employee awareness with the aim of extending the program impact into employees' work places as well as their communities</li> </ul>	<i>Employee awareness</i>
<ul style="list-style-type: none"> <li>Promoting biodiversity conservations through identified corporate responsibility programs</li> </ul>	<i>Biodiversity conservation related CSR activities</i>
<ul style="list-style-type: none"> <li>Establishing suitable communication programs through; <ul style="list-style-type: none"> <li>Participating in industry associations and other forums to share and promote best practices for biodiversity conservation</li> <li>Communicating biodiversity-related activities to employees and outside audiences. Engaging with government, local communities and others to understand and work to address significant biodiversity issues in areas where we operate</li> </ul> </li> </ul>	<i>Promoting best practices</i>  <i>Community engagement for biodiversity conservation</i>

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating work with them to establish and aware sustainable practices.

### Responsibility

The heads of each business sectors, along with the heads of each business units will be responsible to ensure this policy is valued and adhered to.