



# KELANI VALLEY PLANTATIONS PLC

## HUMAN RIGHTS POLICY

### KELANI VALLEY PLANTATIONS PLC HR POLICY / MANUAL

#### Purpose

Human Rights outline and focus on protection to people from severe political, legal, and social abuses. The Hayleys Group is a Sri Lankan conglomerate spanning a diversified portfolio of businesses with global operations. Thus it is of relevance that aspects and areas of Human Rights are seriously addressed in all our operations.

#### Scope

Kelani Valley Plantations PLC is committed to fostering an organisational culture which supports internationally recognised human rights and seeks to prevent abuse of human rights. We support the principles contained within the Universal Declaration of Human Rights and the United Nations Global Compact (UNGC).

We commit to the following two sub-principles of the UNGC Principles of Human Rights;

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses.

#### Policy Governance and Responsibility

NO.	JOB TITLE	RESPONSIBILITY
1	Overall responsibility for the implementation of this policy within the company	KVPL ESG
2	Conducting an annual training and assessment of a broad range of human rights issues utilizing an international level benchmark	KVPL ESG
3	A Report and Gap Analysis to manage any areas of improvement	KVPL ESG
4	Awareness building and communication of policy to employees	KVPL HR/KVPL ESG
5	Recording and reporting the latest indicators of management performance directed by the GRI (Global Reporting Initiative) framework <ul style="list-style-type: none"> <li>instances where Human Rights have been violated</li> <li>percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening</li> <li>percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken</li> </ul> operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights	KVPL ESG, KVPL corporate DNA and Sector Life code Champions

NO.	JOB TITLE	RESPONSIBILITY
5	<ul style="list-style-type: none"> <li>• operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>• any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>• percentage of security personnel trained in KVPL’s policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>• Instances of discrimination and corrective actions taken thereafter other business partners that have undergone human rights screening, and actions taken</li> <li>• operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights</li> <li>• operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>• any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>• percentage of security personnel trained in the KVPL’s policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>• instances of discrimination and corrective actions taken thereafter</li> </ul>	KVPL ESG, KVPL corporate DNA and Sector Life code Champions

## Policy Statement

### Commitments to stakeholders

**Employees:** We treat all of our employees with respect and dignity and promote diversity in the workplace. Our aim to achieve uniform application of relevant principles underlined in the Universal Declaration of Human Rights is derived from our commitment to respect the rights of our employees, which include labour and working conditions. We are committed to train our employees to be aware of, respect and protect human rights in the workplace and in the local communities directly impacted by our operations.

**Business Partners:** Our commitment applies to workers directly engaged by the company and workers engaged through third parties to perform work related to core business processes for a substantial duration (contracted workers operating within company premises as well as suppliers, joint venture partners and clients/customers), through proactive engagement, monitoring and contractual provisions.

**Local Communities:** Where relevant, we engage with local communities on any actual or potential human rights impacts of our operations, which also include land and property acquisition and security arrangements. KVPL practices human rights in accordance with the customs, cultures and values portrayed by these communities.

### Provisions on human rights

#### Fair Treatment

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on race, colour, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, disability, age or other status of individuals unrelated to their ability to perform work. KVPL does not engage in or support discrimination in hiring, remuneration, promotion,

termination or retirement based on race, color, gender, age, religion, social class, political tendencies, nationality, syndicate memberships, sexual orientation and civil status. Salaries are on par across all positions at the Group, sans any gender bias. Salary distinctions are based solely upon factors such as performance and market comparisons for the relevant skill group. KVPL aims to pay competitive wages based on local market assessments.

#### Non-harassment

KVPL respects employees' dignity & does not engage in or support any kind of harassment or abuse or mistreatment for any reason. KVPL commits to promote a work environment free of any form of workplace harassment including physical, verbal, sexual or psychological harassment, abuse, and threats, as defined by the laws of each country in which we operate. To protect workers against such acts, KVPL has implemented prevention policies, facilitates open communication, provides training, and allows workers to report incidents of harassment to a complaint mechanism that fully investigates the reports and responds accordingly.

#### Abolishing Child, forced and compulsory Labour

In Sri Lanka, the law defines children as below the age of 14 years. KVPL will not engage in or support any labor below the age limit of 18 years, and works with business partners to ensure that zero instances of child labour are recorded in the supply chain as defined by national laws. Further, all recruitment is carried out within the framework of legal age proofing documents. KVPL will not engage in or support the use of forced and compulsory labor. All employment opportunities are freely given and employees are free to leave in accordance with established

procedures.

#### Hours, wages and leave

KVPL pays wages according to Wages board ordinance and relevant collective agreements & promotes all legally mandated benefits according to laws of Sri Lanka. KVPL works within the standards set by national law and respects the standards set by the International Labour Organisation (ILO). We provide a living wage that enables workers to meet the basic needs of themselves and their dependents, ensures that workers are provided leave in accordance with national standards and ensures that all workers have an official employment status. In addition to their compensation for regular hours of work, employees are compensated for overtime hours as required by law.

#### Freedom of association/collective bargaining

KVPL respects and recognizes its employees' rights to freedom of association and collective bargaining. Any employee has the right to become a member of any trade union of their choice.

#### Promoting health and safety

KVPL creates a healthy and safe working environment for all personnel associated with the company & provides adequate safeguards, where ever necessary, to minimize accidents & injuries occurring in the course of work. Safety precautions depend upon and are relevant to the industry, company concerns and the needs of vulnerable workers and meet or exceed the laws of the country. KVPL ensures that workers are provided with the protective equipment and training necessary to perform their tasks safely, and are actively involved in health and safety efforts.

#### Effective Date for implementation

This policy shall be effective and operative from January 1st, 2024.



## KELANI VALLEY PLANTATIONS PLC

HR POLICY / MANUAL

### HEALTH AND SAFETY POLICY

#### Standard

As an organization with significant interests in the plantation sector, Kelani Valley Plantations PLC is committed to maintaining the highest standards of health and safety across its operations. Our vision is to be the most ethical tea and rubber producer globally, and occupational health and safety is a key component of our drive toward this vision. Our overall objective is to provide and maintain a safe and healthy environment for all employees, associates, service providers, and customers.

This policy establishes the minimum standard for health and safety management practices that all plantation operations must adopt. Due to the unique risks associated with agricultural work, we encourage the implementation of stricter practices that address sector-specific challenges. These standards are further supported by our Group ESG strategies, which detail our management of health and safety, along with our targets and key performance indicators, outlined in the accompanying documentation.

#### Scope

This policy applies to all business units and relevant service providers of Kelani Valley Plantations PLC.

#### Commitment

At Kelani Valley Plantations PLC, we are dedicated to preventing all accidents and occupational diseases across our operations, ensuring the well-being of all individuals within our scope. To achieve this goal, we are committed to:

- **Maintaining Safe Working Conditions:** We will provide hygienic, safe, and healthy working environments, along with properly maintained machinery and equipment. Employees will receive necessary instructions and training to ensure these conditions are upheld.
- **Compliance with Regulations:** We will ensure full compliance with all health and safety laws, rules, regulations, and relevant international standards. Our goal is to obtain ISO 45001:2018 certification as a demonstration of our commitment to health and safety management excellence.
- **Hazard Identification and Risk Assessment:** We will proactively engage in hazard identification and risk assessments, defining corrective actions to effectively control occupational health and safety risks specific to our plantation operations.
- **Employee Education and Training:** We will provide appropriate health and safety information, instructions, and training to all employees. This will foster a culture of safety where employees are empowered to

recognize and avoid unsafe situations. Employees are also expected to take reasonable care of their own health and safety and fully cooperate with the company in all related initiatives.

- **Awareness for Contractors and Third Parties:** Contractors, service providers, and other third parties entering our sites will be fully informed about our health and safety practices and equipped to perform their tasks safely.
- **Continuous Improvement:** We are committed to continuous improvement of our occupational health and safety practices through communication, training, and setting and reviewing objectives and performance targets.
- **Accurate Reporting:** We will ensure timely and accurate reporting of all relevant health and safety data, adhering to GRI Standards and internal reporting frameworks.

This policy will be periodically reviewed and communicated to all relevant parties to foster collaboration and raise 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 PROCUREMENT POLICY

## SUSTAINABILITY POLICY / MANUAL

### Standard

KVPL has developed deep relationships across extensive supply chains, both locally and internationally. The KVPL is committed to ensuring that procurement activities deliver a competitive advantage while generating sustainable value across the Group's supply chains. This guideline serves as the minimum standard on procurement practices that all Group companies should adopt; in addition to this, companies are encouraged to align procurement practices with strategic aspirations and industry best practices.

Group ESG strategies relating to management of supply chain activities, our targets and annual key performance indicators are set out in KVPL Procurement Strategies, Targets & KPIs form an integral part of this standard.

### Scope

This policy is applicable for all business entities and relevant service providers of KVPL.

### Commitment

We seek to propagate sustainable practices and drive the creation of responsible value across our supply chains. We are therefore committed to,

- a. Supplier selection should follow a formal and structured process that is based on objective and transparent criteria, free from any form of bias, discrimination and/or personal interests. KVPL Sourcing division has developed a standard Supplier Verification Process and a Supplier On-Boarding.
- b. The evaluation criteria will contain the following at a minimum
  - Product specifications
  - Price and payment flexibility
  - Financial stability
  - Safety and quality
  - Technical and innovation capabilities
  - Social and environmental compliance
- c. Over the long-term, Sectors should strive to screen all key suppliers for social and environmental practices to ensure responsible sourcing. Sectors should initially initiate screening for large-scale suppliers and annually increase coverage. Also encouraged to carry out supplier audits on a regular basis, ensuring continued compliance to
- d. quality standards as well as social and environmental practices.
- d. Effective and appropriate segregation of duties within all procurement functions to prevent possible frauds
- e. Proactively engage with suppliers and implement long-term supplier development programs to enhance capabilities and capacity to ensure alignment to the Group's long-term needs. Development programs will be designed and implemented based on specific supplier strategies and should encompass the following as a minimum:
  - The Program should be structured based on clearly identified ESG benefits for the supplier and the Group company
  - Resource allocations should be determined on an annual basis, including financial, human and other resources
  - Sectors should formalize program through suitable MoUs, project plans and supplier agreements among others
- f. Proactively pursuing alternative local counterparts to foreign suppliers, with the aim of increasing the percentage spend on local procurement, thereby increasing local value addition.

- g. Ensuring the 100% complete and accurate reporting of relevant procurement and supply chain related data to Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and reporting.

Aligning with the KVPL Sustainability strategy 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.



### Standard

We aspire to be the most preferred and trusted choice of our **retail and B2B** customers across all our sectors and are committed to achieving this goal through a unique value proposition which exceeds the expectations of our customers. This guideline serves as the minimum standard on customer relationship management that all Group companies should adopt and a formal promise to our customers representing our commitment to fulfilling their needs; in addition to this, companies are encouraged to adopt industry-specific best practices to build and sustained competitive edge.

Group ESG strategies relating to customer management, our targets and annual key performance indicators are set out in Table 4: Customer Management Strategies, Targets & KPIs forms an integral part of this standard.

### Scope

This policy is applicable for all business entities and relevant service providers of KVPL.

### Commitment

We aspire to delight our customers through superior product quality and excellent service which meets or exceeds their needs and expectations. In achieving this goal, we are committed to,

- Nurturing customer relationships that are based on trust and mutual respect through developing long-term partnerships. Sectors should seek to build customer relationships centering on value propositions underpinned by innovation, responsible production/marketing, customer service and satisfaction.
- Maintaining 100% compliance to relevant laws and regulations relating to customers, including health and safety aspects of products/services, marketing and product labelling among others.
- Ensuring that customers receive all relevant information about our products/services and fully understand the terms and conditions relating to each product/service they obtained from the Group.
- Sectors are encouraged to obtain recognised health and safety certifications, thereby providing assurance to customers on the safety of using our products. This is particularly applicable to companies which engage in the manufacture and distribution of consumable goods.

- Sectors should also comply with all relevant ESG requirements set out by customers and implement a mechanism to ensure continued compliance with the same.
- Sectors are encouraged to carry out customer satisfaction surveys at least on an annual basis, thereby obtaining feedback on critical aspects including product quality, service, ease of transactions and reliability among others.
- Sectors should implement a quick and effective mechanism for customers to present their grievances and disputes. A systematic and clear process should be implemented to address and resolve such complaints within a reasonable period of time. In addition to sector-level grievance mechanisms, customers can also direct their complaints, suggestions and other feedback to the following:  
  
[postmaster@kvpl.com](mailto:postmaster@kvpl.com)  
+94112627700
- Ensuring the 100% complete and accurate reporting of relevant customer related data and submit to Hayleys Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and Hayleys' Cube reporting.



## Kelani Valley Plantations PLC

### COMMUNITY RELATIONSHIPS

### KVPL SUSTAINABILITY POLICY / MANUAL

#### Standard

Kelani Valley Plantations PLC (KVPL) recognises that its 'social license to operate' is an important prerequisite in ensuring the continuity of its businesses and managing environmental and social risks. It ensures legitimacy of the business from a community perspective, provides assurance to shareholders that social risks are identified and managed and preserves the company's reputation in times of crisis. For Kelani Valley Plantations PLC, the deep-rooted relationships it has nurtured with communities through its extensive reach, also allows it to drive meaningful change in these communities, supporting socio-economic progress and sustainable development.

Group ESG strategies relating to community engagement and development, our targets and annual key performance indicators are set out in Table 5: Community Partnerships Strategies, Targets & KPIs 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.

#### Commitment

We seek to nurture ethical, transparent, and mutually beneficial relationships with the communities in which we operate. This is to be achieved through the following:

- All estates should develop and execute a community relations strategy which reflects its' social goals and the expectations of its' communities.
- Implement credible and effective community grievance mechanisms which enable complaints and concerns to be identified and addressed in a timely manner. Community stakeholders should be made aware of the grievance process through suitable signposting, the corporate website, and other channels of community dialogue.
- Show sensitivity to the culture, traditions, customs and social norms of each country and region in which we operate.
- All estates should actively engage in strategic community development initiatives broadly focusing on the key areas of education, health and well-being, livelihood development, religion, and culture. Our dedicated community upliftment initiative "A Home for Every Plantation Worker" has evolved to encompass four internal essential pillars; Living Environment, Health & Nutrition,

Community Capacity Building & Youth Empowerment. Initiatives should be formulated and driven primarily at estate level based on identified community needs. Adequate financial, and human resources should be allocated for project execution. Certain significant projects may also be driven by the KVPL Sustainability Unit.

- The progress of all projects should be monitored periodically, through impact assessments, audits, feedback from beneficiaries and independent third parties (where necessary) to ensure that program objectives are met.
- Encourage and reward employee volunteerism, thereby recognising employee involvement.
- Kelani Valley Plantations PLC builds partnerships with regional community groups, NGOs, and local governments.
- Ensuring the 100% complete and accurate reporting of community project related information and to submit to Hayleys Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and Hayleys' Cube reporting.

#### 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.











