ESG PERFORMANCE

Environmental Performance	Section	2024
Resources		
Energy Consumption (Gj)	2.1	151,419
Renewable Energy Consumption (Gj)	2.1	134,965
Non-Renewable Energy Consumption (Gj)	2.1	16,454
Renewable Energy Generation (Gj)	2.2	3,998
Water Consumption for Operation (m3)	2.3	22,555
Emission		
Scope 1 (Direct) (tCO2e)	2.4	3,380
Scope 2 (Indirect) (tCO2e)	2.4	1,130
Scope 3 (Indirect) (tCO2e)	2.4	579
Investment in environment and biodiversity conservation		
Investments in Environment and Restoration Projects (Mn)	3.8	24.9
Social Performance		
Employees		
Total Employees	3.1	3,455
Employee Turnover (%)	3.1	14
Female employees as a percentage of total employees (%)	3.1	54
Employee Trust Index (%)	3.2	99%
Average training hours per employee	3.3	7.15
Training Investment (Rs. Mn)	3.4	1.8
Gender in leadership positions (ratio men: women)	3.5	7:3
Total number of injuries	3.6	7
Total employee benefits distributed (Rs. Mn)	3.7	1491
Community		
Investment in Health and Nutrition (Rs. Mn)	3.8	21.7
Investment in capacity building (Rs. Mn)	3.8	4.8
Investment in community empowerment (Rs. Mn)	3.8	3.9
Donations and other Welfare Activities (Rs. Mn)	3.8	23.6
Value Chain		
Customer Satisfaction Index (%)	3.9	87%
Customer rejections and complaints	3.9	2
Governance Performance		
Board Composition		
Board position (ratio independent: Non independent)	4.1	6:3
Values		
Number of whistle-blower cases reported and solved	4.2	0
Management Systems		
Number of total audits conducted on management systems	4.3	15
Number of non-compliances reported in management systems	4.3	0
ESG Steering Committee meetings	4.4	1

Note – Basis of Preparation (Section 1) and Measurement basis (Section 2 to 4) are described in Page 325 to 327.

RENEWABLE ENERGY CONSUMPTION

2024

134,965 *Gj*

EMPLOYEE TRUST INDEX

2024

99%

MALE TO FEMALE RATIO

2024

46:54

ESG STEERING COMMITTEE MEETINGS

2024

1 Meeting

ESG PERFORMANCE

HUMAN CAPITAL

04 Employee Recognition Programs

3,455 Employees

60 No. of Training Programs

24,711 Training Hours

Employees by Gender

Male - 1,576

Female - 1,879

MANUFACTURED CAPITAL

PRODUCTION VOLUME

Tea **2.2 Mn Kgs**

Rubber **0.5 Mn Kgs**

Oil Palm **2.8 Mn Kgs**

NUMBER OF ESTATES

08 Up Country

06 Low Country

6,519 Ha Total Extent

DISTRIBUTION OF EXTENT

Tea **1,949Ha**

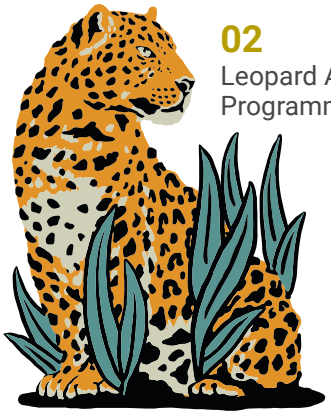
Rubber **995 Ha**

Oil Palm **250Ha**

Coconut **420Ha**

Diversified Crops **275 Ha**

SOCIAL & RELATIONSHIP CAPITAL



02 Leopard Awareness Programme

04 Nutrition Prorammes

5 Child Protection Programs

INTELLECTUAL CAPITAL

09 Research & Development Projects

13 Certifications

02 MoUs Signed

PROCESS DIGITALIZATION

NVQ Level 3 Qualification
21 Tappers

Internet of Things (IoT)
2 Factory

Cloud Technology
3 Factory

NATURAL CAPITAL

22.5 Mn Litres Effluent Discharge

18 Units (Capacity 75kW) Off Grid Solar

8,181 Native Plants Planted

6.3 Mn Letters Rain Water Harvested

1,110 Mwh Renewable Energy Generation

5,089 tCo2e Tonnes of CO2e GHG Emission from Operation

RE-GROWING
OUR NATURAL HERITAGE
Read More

SHE-ESSENTIA
FROM STIGMA TO EMPOWERMENT
Read More

104
Medical Camps

15
New Housing Units

29,000+
Resident Population

65
Water and sanitation infrastructure units

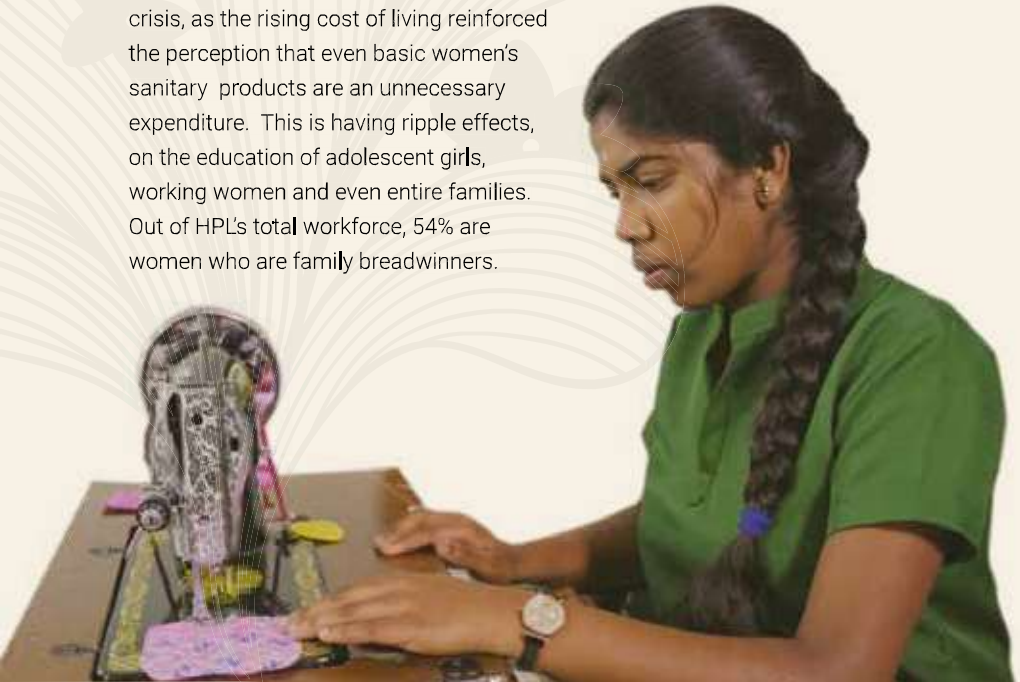
SHE-ESSENTIA
FROM STIGMA TO EMPOWERMENT

This unique community project demonstrates how we 'walk the talk,' at Horana Plantations to empower women.

Among Sri Lanka's estate community, where women have traditionally held a lower social status, the feminine cycle is seen as unclean and inauspicious, and women's needs are seen as secondary to those of the family. This attitude worsened following the 2022 economic crisis, as the rising cost of living reinforced the perception that even basic women's sanitary products are an unnecessary expenditure. This is having ripple effects, on the education of adolescent girls, working women and even entire families. Out of HPL's total workforce, 54% are women who are family breadwinners.

As a responsible plantation company, we focus on addressing Period Poverty in order to ensure their wellbeing. A survey conducted by HPL in collaboration with the Women's Development Centre (WDC) and the Alcohol and Drug Information Centre (ADIC), in HPL estates, found that school attendance and attendance at field work, declined during the menstrual period, as women and girls could not continue with life as usual.

We decided this was simply not acceptable and we looked for solutions. Due to the high cost, disposable sanitary napkins are not a viable option, and these are also environmentally unsustainable due to their non-biodegradable nature. A year's worth of disposable menstrual products can leave a carbon footprint of 5.3–8.9 kilograms of CO_2 equivalents, as well as the fact that many pads are made of polyethylene plastic, which is a pollutant, and that they often contain chemicals like chlorin, dioxin, and rayon. Most are made of plastic and synthetic materials, leading to increased landfill waste. In terms of most fossil fuel intensity, pads are astonishingly 90% plastic. The annual use of disposable sanitary products leaves a carbon footprint of 5.3 kg CO_2 equivalents per person. Their production process also involves resource-intensive methods, contributing to a larger ecological footprint. Additionally, improper disposal can result in environmental pollution. Switching to reusable or biodegradable alternatives is one way to mitigate these environmental concerns. Having examined all the alternatives, we designed the optimum solution.

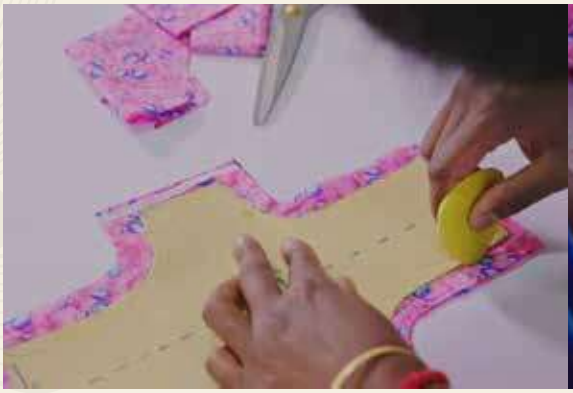


We decided to establish a reusable sanitary napkin manufacturing facility to supply these essentials free of charge, for all women in our estates not only for social wellbeing but also economic and environmental sustainability.

We are also establishing a computer library to provide resources on health and hygiene for women. To self sustain the project, it was decided to manufacture other products that can be sold at a small profit within the estates. Alton estate in the Nuwara-Eliya District was selected to pilot the project, as it has the largest women resident population of about 2,078, out of which, 1,386 are in the age group of 10 -50 years. The project commenced with a Rs 1 Mn grant from the Centre for Child Rights and Business. To obtain community buy-in, we conducted educational programs for estate communities regarding women's Menstrual health and hygiene, including 4 awareness sessions in the Upcot region, 4 sessions in the Lindula region and another 4 sessions in low country estates for 12 sessions in total, with the assistance of

AS A RESPONSIBLE PLANTATION COMPANY, WE FOCUS ON ADDRESSING PERIOD POVERTY IN ORDER TO ENSURE THEIR WELLBEING.

like wishes parties. Training was also provided by the WDC for a few women on sanitary napkin production and also on manufacturing slippers, candles, uniforms etc. A building was constructed for the production facilities, by utilizing Fairtrade funds. Having observed the action, some of our buyers also joined the project. Martin Bauer donated 2 normal sewing machines to sew the napkins, and Ahmad Teas donated Rs 1.3 Mn to produce re-usable sanitary napkins for Gouravilla estate. Production started in November 2023, at Alton estate, with 6 women employed full time on a monthly salary. The production of slippers started in January 2024. As at the publication of this report, we have manufactured and distributed 203 dignity packs to women and adolescent girls in Alton estate. Under the slipper production, we have produced 236 pairs of footwear. Already, the project is gaining attention among our international buyers and we intended to spread this initiative not only at Alton estate but across Horana Plantations.



RE-GROWING
OUR NATURAL HERITAGE

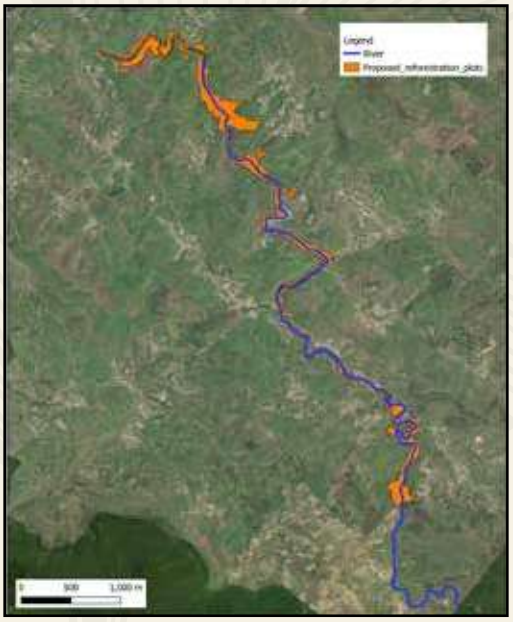
ECOSYSTEM RESTORATION AND BIO-DIVERSITY ENRICHMENT OF
155 HECTARES

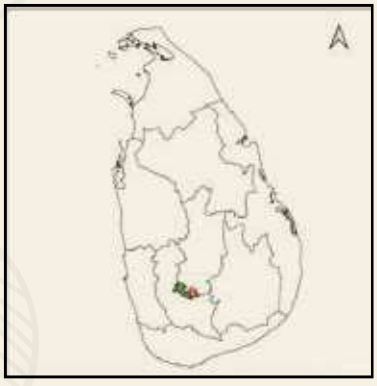
REGROW
– Kelani River Basin

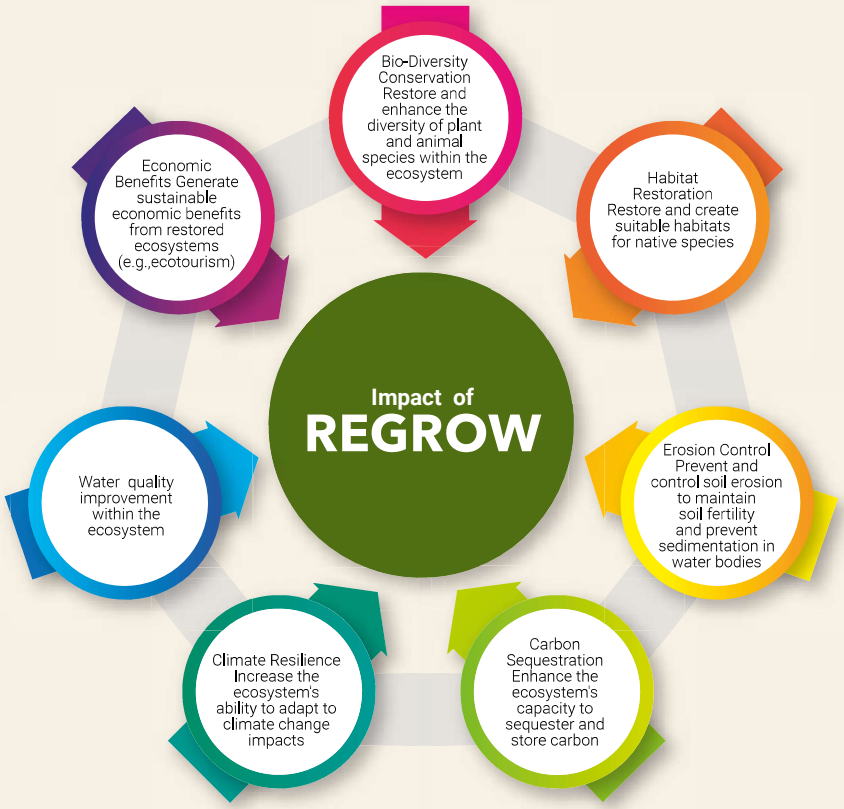
During the current financial year, HPL's Regrow project partnered the Wildlife and Nature Protection Society (WNPS) on one the largest, private-sector-led, afforestation initiatives in Sri Lanka. We are re-growing 55 hectares of severely depleted forest cover along the banks of the Maskeliya-Oya, which is one of the major water sources of the Kelani River basin. Rapid urbanization and industrialization have polluted and degrade the Kelani river waters. This project aims to protect and restore its health, recognizing its significance for both people and nature.

Given the rate of deforestation and loss of habitat the project success will not only sustain Sri Lanka's unique flora and fauna into the future, but will also strengthen the country capacity to withstand rapid climate change shocks. This massive project requires that we plant over 330,000 trees to achieve a survival target of 200,000 trees along the Maskeliya-Oya river banks that cut across our estates in the Upcot Vally. These riverine lands are also in close proximity to the Peak Wilderness Sanctuary that is rich in biodiversity including many endemic animals, birds, amphibians, fish and plants. By reconnecting fragmented habitats, the corridor plays a pivotal role in revitalizing leopard populations, allowing them to thrive in their native environment. Once established, the forest corridor will be a lifeline for leopards, enabling them to roam freely across their natural range .To ensure the creation of sustainable ecosystems in the regenerated forest cover, Work commenced with a celebration of International Mountain Day 2023. we have planned our project over a period of 17 years, from 2023 to 2040.

As it matures, Regrow will trigger multiple social, environmental and economic benefits for the entire country.







REGROW

– Kalu Ganga River Basin

In June 2023, we targeted another major river bank - the Kalu Ganga River Basin - to regrow. The second largest river basin in Sri Lanka, the Kalu Ganga River Basin receives some of the highest rainfall in the country, averaging to 4,000mm per year, and is a vital part of the country's overall water resources. However, the river basin is threated by rapid degradation of its natural forest cover, which is contributing to floods and landslides. The endemic eco-system is also threatened by invasive species. We have allocated 100 hectares of tea land within the Halwathura estate for the regeneration of this natural ecosystem. By setting aside this land for regeneration, we aim to restore and

enhance this natural habitat, promoting biodiversity and ecological balance in the region. Work commenced with a celebration of Environmental Day 2023, and by 2040, our strategies to remove and

control encroachment by invasive species will enable new generations of trees and animals to form a diverse and dynamic habitat. The goal of stocking 3000 t Co_2 e using these regenerated forest patches underscores our proactive approach to addressing climate change. Through effective forest management practices, including reforestation and conservation efforts, we have demonstrated our dedication to reducing our carbon footprint and fostering a greener future.

WE ARE PLEASED TO REPORT THAT REGROW HAS ALREADY RECEIVED **ASIA'S FIRST ECOSYSTEM RESTORATION VERIFICATION**, CONFIRMING THAT OUR RESTORATION ACTIVITIES ALIGN WITH GLOBAL BEST PRACTICES AND DEMONSTRATE MEASURABLE RESULTS.