



ENVIRONMENT, SOCIAL & GOVERNANCE POLICY



SEPTEMBER 30, 2024
KOTAGALA PLANTATIONS PLC
53-1/1, Sir Baron Jayatilaka Mawatha, Colombo 01.

1 Introduction

Kotagala Plantations PLC (“Kotagala ”), as a listed company on the Colombo Stock Exchange (CSE), recognizes its responsibility to operate in a manner that promotes environmental sustainability, social responsibility, and strong governance practices. This Environmental, Social, and Governance (ESG) Sustainability Policy reflects our commitment to these principles.

2 Environmental Sustainability

Kotagala is committed to reducing its negative environmental impacts by implementing environmentally responsible practices, conserving natural resources, and minimizing waste. Similarly, we will strive to make a positive impact on the environment through project based initiatives.

- A. **Compliance with Environmental Laws** - We shall endeavour to comply with all applicable environmental laws, regulations, and standards applicable in Sri Lanka. The Company shall also comply with applicable International Standards where relevant.
- B. **Materials & Waste** - Kotagala is committed to:
 - a) effectively managing its consumption of materials,
 - b) eliminating waste and rejects through process and product innovation
 - c) exploring use of alternative materials to lower the carbon footprint
- C. **Energy & Emissions** - - Kotagala is committed to:
 - a) Investing in energy-efficient technologies
 - b) Implementing practices to reduce our carbon footprint and improve energy efficiency
 - c) shifting to low-carbon solutions in sourcing our energy requirements
 - d) reducing the length of our supply chains and local sourcing
- D. **Water & Effluents** – - Kotagala recognizes that Sri Lanka is a water stressed country and is committed to effective management of water through:
 - a) Investing water efficient technologies
 - b) Reducing water withdrawals
 - c) Recycling and re-using water
 - d) Treating waste water prior to discharging in accordance with the operating license

3 Social Responsibility

- A. **Employee Welfare** - We are committed to providing a safe, inclusive, and fair work environment that promotes the well-being and development of our employees.
- B. **Community Engagement** - - Kotagala actively engages with the local communities where we operate. We will contribute positively to these communities through outreach programs and support for local development.
- C. **Human Rights** - We respect and uphold human rights, and we will not engage in or support any form of discrimination, forced labour, or child labour.

- D. **Supply Chain Responsibility** - We expect our suppliers and partners to adhere to social responsibility principles that are in line with this policy.

4 Governance Practices

- A. **Board Oversight** - The Board of Directors will provide oversight of our ESG practices, ensuring that they align with our long-term strategy and risk management.
- B. **Accountability and Transparency** - Kotagala is committed to maintaining accountability and transparency in all our operations and communications. This includes open and fair disclosure of material ESG information.
- C. **Compliance with Governance Standards** - We will comply with all governance standards and codes that apply to listed companies in the CSE and strive for best practices.

5 Anti-Corruption and Ethics

- Kotagala has a zero-tolerance policy for corruption, and we expect all employees to act ethically and with integrity. The Kotagala Anti-Bribery & Corruption Policy provides further guidance in this regard.

6 Sustainability Reporting and Metrics

- Kotagala will regularly report on our ESG performance and metrics, using established frameworks such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards.

7 Review and Amendment

- A. This policy will be reviewed periodically to ensure alignment with changing regulatory requirements and emerging best practices. Amendments may be made when necessary.
- B. The Nominations and Governance Committee has reviewed and recommended the Policy which has been approved by the Board.
- C. The policy is uploaded on the website of the Company in accordance with CSE Listing Rules.