

ESG INTEGRATION

While sustainability has always been of the Company's ethos, during the year HPL formalised its commitment to embedding ESG considerations across its operations through the formulation of an ESG Framework that targets and action plans to align the Company's sustainability strategy with its overall business goals. This framework was developed with a deep understanding of HPL's operational and decision-making needs as well as emerging sustainability risks and opportunities which are becoming increasingly pronounced in our operating landscape.



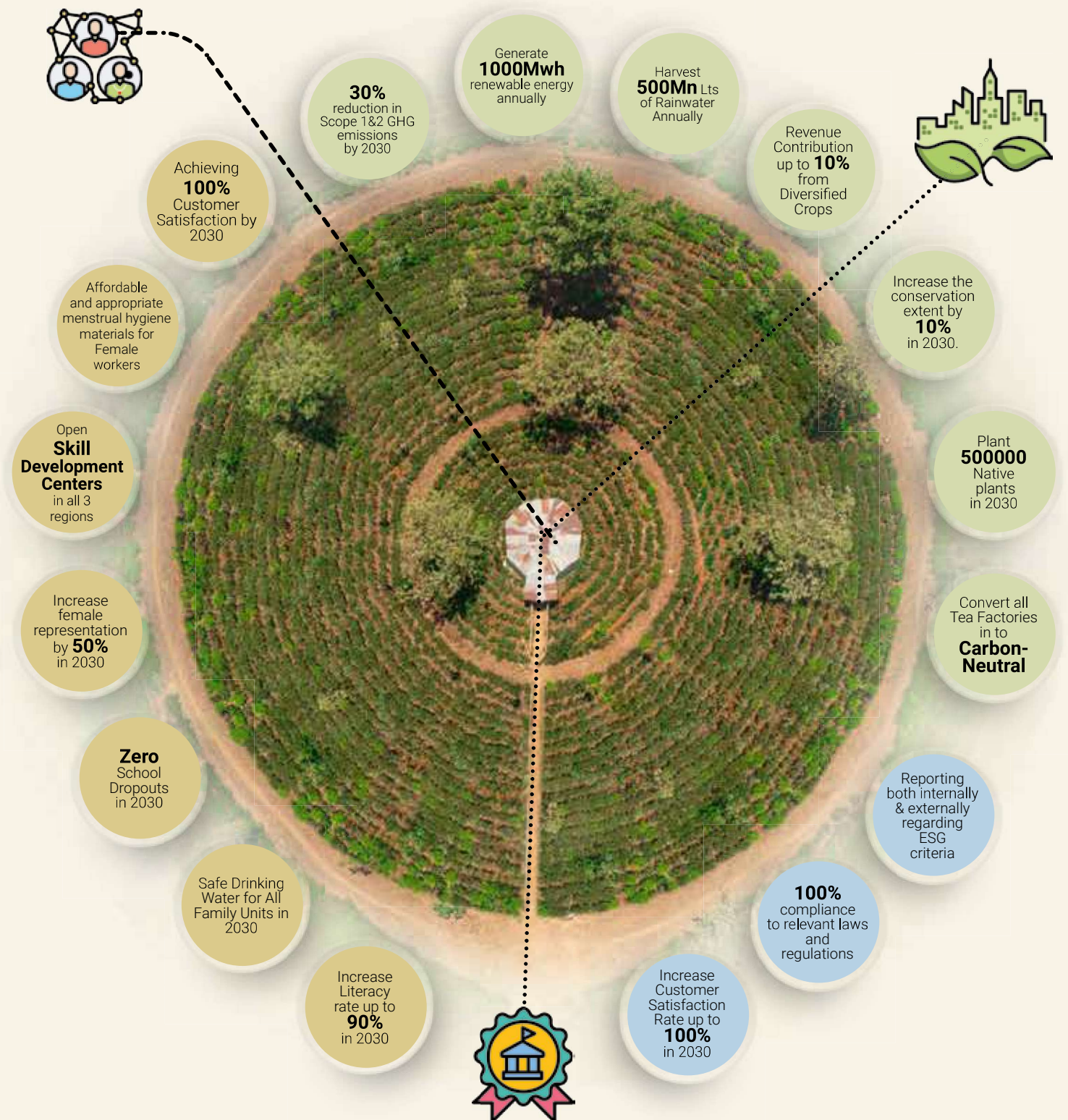
The Framework is aimed at supporting efficient resource allocation, addressing the impacts of climate change, and driving greater socio-economic impacts across our value chains. Throughout 2023/24, HPL established the necessary governance structures, reporting frameworks and policies to translate its ESG concepts and strategies into actionable steps within its plantation operations.

OUR APPROACH

At HPL, our approach to Environmental, Social, and Governance (ESG) is integral to our mission and operations. We are committed to sustainable practices that strengthen the resilience of our business while contributing positively to society and the environment. Our ESG roadmap involves a comprehensive framework that aligns with our overall business goals, the ESG aspirations of the Hayleys Group and the United Nations Sustainable Development Goals (UN SDGs). We focus on efficient resource allocation, minimizing environmental impact, socio-economic value creation and fostering a culture of integrity and governance. By prioritising transparency, accountability, and community engagement, we aim to create long-term value for our stakeholders while ensuring the sustainability of our operations.

HPL's ESG FRAMEWORK

The Company's ESG roadmap is aligned with "Hayleys Lifecode", the Hayleys Group's holistic ESG roadmap. The plan acts as a guide for HPL to set specific and measurable targets for ESG performance by 2030. By proactively managing these factors, HPL aims to mitigate environmental risks, capitalize on social opportunities, and strengthen their overall governance practices.



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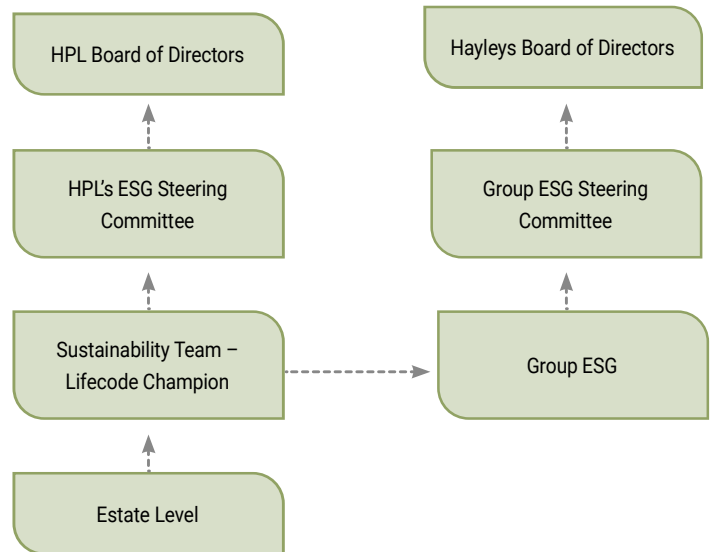
Priority area	SDGs	2030 Target	2023/24 Achievement
Biodiversity	 	Increase the conservation extent by 10%.	+ 155 Ha
		Plant 500,000 Native Plants.	+ 8,181
Water	 	Safe Drinking Water for All Family Units in 2030.	100%
		Harvest 500Mn Lts of Rainwater by 2030.	66.3 Mn L
Energy and Emissions	 	Convert all Tea Factories into Carbon-Neutral.	28%
		90% sustainable and renewable energy applications.	89%
		30% reduction in Scope 1&2 GHG emissions by 2030.	4%
Materials		Reduce Chemical Fertilizer Application By 50%.	22%
Health and Safety		Zero Work Place Injuries.	7
Social Development	     	Affordable and hygienic menstrual hygiene materials for every Female worker in estate Community.	1 Manufacturing Center
		Open Skill Development Centers in all 3 regions.	1
		Increase female representation by 50% in administration in 2030.	32%
		Increase Literacy rate up to 90% in 2030.	75%
Stakeholder Engagement	 	Increase Customer Satisfaction Rate up to 100% in 2030.	87%

ESG GOVERNANCE

During the year, the Company placed focus on strengthening its sustainability governance with the establishment of an ESG Steering Committee. These improvements preceded the Company's early adoption of the SLFRS S1 and S2 Sustainability Disclosure Standards- which require clear oversight of the Board on ESG related matters.



ESG governance structure of HPL set out below,



ESG STEERING COMMITTEE

Under the stewardship of a Senior Corporate Management professional, who serves as the linchpin between the Committee and our top leadership, the ESG Steering Committee operates with a clear mandate. This mandate encompasses monitoring progress on ESG goals, identifying and mitigating ESG risks and opportunities, managing deviations, advising on strategic realignment, and ensuring transparent, accurate, and ethical reporting of ESG data.



Objective

To provide oversight with respect to the Company's Environment, Social and Governance (ESG) framework, strategy, policies, risks and opportunities, initiatives and external commitments.



Meetings

The ESG Steering Committee shall meet as least once a calendar quarter, with the authority to convene additional meetings when necessary. A delegated officer will function as Secretary to the Committee and shall record and keep detailed minutes of the Committee meetings.

All minutes of the Committee shall be properly documented and communicated to the Board of Directors at their quarterly Board meetings.

Composition

The ESG Steering Committee consists of,

- Director/Chief Executive Officer (Board Representative)
- General Manager of Finance
- General Manager of Corporate Affairs
- Manager – Finance
- Manager – HR & Sustainability
- Manager – Information Technology
- Manager – Procurement
- Asst. Manager - Marketing



The HPL Board's role on ESG

Reviewing and approving the Company's sustainable development strategies and plans, including medium-term and short-term plans.

Reviewing and approving the Company's annual sustainability-related budgets.

Monitoring and reviewing the Company's progress towards sustainability and environment-related objectives.

Approval of capital expenditure, including annual approval of annual capital expenditure budgets and any material changes to the policy on capital expenditure.