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# ENVIRONMENT, SOCIAL & GOVERNANCE POLICY

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Hikkaduwa Beach Resort PLC.



SEPTEMBER 30, 2024  
HIKKADUWA BEACH RESORT PLC  
56/1, Kynsey Road, Colombo 08, Sri Lanka.

# 1 Introduction

Hikkaduwa Beach Resort PLC., 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

Hikkaduwa Beach Resort PLC., 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 comply with all applicable environmental laws, regulations, and standards at the local, national levels.
- B. **Materials & Waste** - Hikkaduwa Beach Resort PLC. is committed to:
  - a) effectively managing its consumption of materials,
  - b) eliminating waste and rejects through effective quality assurance processes.
  - c) exploring use of alternative materials with a lower carbon footprint
- C. **Energy & Emissions** - Hikkaduwa Beach Resort PLC. 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. **Water & Effluents** – Hikkaduwa Beach Resort PLC. recognizes that Sri Lanka is a water stressed country and is committed to effective management of water through:
  - a) Reducing water withdrawals
  - b) Treating waste water prior to discharging in accordance with the operating license
- E. **Preserving Biodiversity** – Hikkaduwa Beach Resort PLC recognizes that our operations are located in areas of biodiversity and commit to:
  - a) Understanding and assessing our impacts on biodiversity on land and in water
  - b) Impacts on biodiversity stemming from changes to business model, strategy or business processes
  - c) Steering our business model, strategies and processes to minimize impacts or enhance positive impacts on biodiversity
  - d) Assessing risks to biodiversity along our supply chains and minimizing the same

## 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** - Hikkaduwa Beach Resort PLC., 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 labor, or child labor.
- 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** - Hikkaduwa Beach Resort PLC. 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

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

## 6 Review and Amendment

This policy will be reviewed periodically to ensure alignment with changing regulatory requirements and emerging best practices. Amendments may be made when necessary.