

# Hemas Holdings PLC

## *Sustainability Guidelines*

### *What does it mean?*

At Hemas, we believe in creating sustainable value to all our stakeholders as the only way to achieve long-lasting success. To our shareholders, we are committed to delivering superior returns consistently over the long term. This will be possible only if we successfully deliver enduring value to our customers, employees and other stakeholders.

As a process, sustainable value creation or ‘Sustainability’,

- Begins with stakeholder engagement
- Is embedded into strategy formulation
- Is a key consideration in all our decisions
- Is demonstrated in our all actions

Our sustainability guidelines are based on the overall impact of the organization’s operations on the three components of sustainability; Environment, Social, and Economic. At Hemas, sustainability is brought to life through a working culture that embraces sustainability as a natural choice. We inculcate sustainability into our day to day thoughts and activities through learning, sharing, collaborating and reinforcing.

At Hemas, sustainability is a way of life.

### **Building trust with our stakeholders**

We are committed to developing a stakeholder engagement process that helps us understand and integrate their concerns when setting strategy for the Group and in managing risks in our business environment. Critical stakeholder groups identified include shareholders, employees, customers, principals, investors, suppliers, media, lobby groups, the government, community etc.

- **Employees** – Refer *Workplace Guidelines* and the *Human Rights Guidelines*
- **Customers - Introduce** *Product and Service Responsibility Policy (TO BE DEVELOPED)*; Refer the *Code of ethics and Living Hemas Values (Hemas Way)* “ being a diverse conglomerate, the Hemas Group ensures that its products and services are delivered in a responsible manner”
- **Investors** – Refer *Investor Relations Policy (March 2010)*
- **Suppliers** – Refer *Procurement Policy ( Aug 2009)*
- **Community**-Refer *Guidelines on Hemas Outreach Foundation*
- **Environment** – Refer *Environment Guidelines*
- **Government** – The Group strictly adheres to the laws and regulations stipulated by the authorities and ensures that it engages with national policymakers and implementers at all levels in conducting its business operations and community interventions
- **Media** - Refer *Media Communications Policy*

- **Lobby Groups** – The Group respects the concerns of lobby groups and attempts to incorporate their representations into strategic decision making, when possible.

When any sector within the Hemas Group wishes to initiate a project (which may be a strategic investment, commercial venture or a social responsibility initiative) the project team should keep the Group Sustainability Manager informed of such plans. It is essential to work closely with the Group Sustainability Manager from inception of the project to ensure all stakeholder interests are addressed. The proposed sustainability initiatives of the Group Sustainability Manager for the new project should be incorporated in the memorandum submitted to the SBU / HHL board for approval.

I have read and understood the above, and will abide by it.

Employee sign-off:.....

Employee name:.....

<b>Issued By:</b> Hemas Holdings PLC 75, Braybrooke Place Colombo, Sri Lanka	<b>Approved By</b>	<b>No of Pages</b> <b>2</b>
	<b>Issue Date</b>	<b>Revision Date</b> <b>27/4/12</b>
<b>Relevant for</b>	All Hemas Employees	
<b>Guidelines will be implemented by</b>	Head of Group Sustainability Committee	

## ***Reference***

### **Indicators as per GRI**

#### **Our Objectives:**

##### **Economic:**

The economic dimension of sustainability concerns the organization's impacts on the economic wellbeing of its stakeholders and on economic systems at local, national and global levels. The indicators identified on economic performance, market presence and indirect economic impacts will be continually monitored, and performance will be improved accordingly. The selected indicators are as follows:

- Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payment to capital providers and governments (EC1).
- Coverage of the organization's defined benefit plan obligations (EC3)
- Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation (EC7).
- Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement (Community investment) (EC8)

##### **Environmental:**

The environmental dimension of sustainability concerns an organization's impacts on living and non living natural systems, including eco systems, land, air, and water. Environmental indicators cover performance related to inputs (eg: materials, energy & water) and outputs (eg: emissions, effluents, waste). The selected indicators will be continually monitored and performance will be improved accordingly. The identified indicators are:

- Direct energy consumption by primary energy source (EN3)
- Indirect energy consumption by primary source (EN4)
- Total water withdrawal by source (EN8)
- Habitats protected or restored (EN13)
- Total weight of waste by type and disposal method (where applicable) (EN22)

- Total environmental protection expenditure and investments by type (EN30).

## **Social :**

The social dimension of sustainability concerns the impacts an organization has on the social systems within which it operates. Our identified indicators for labour practices, human rights and society will be continually monitored and performance will be improved accordingly. These are as follows;

Labour / Human Rights practices and decent work performance indicators;

- Total workforce by employment type, employment contract and region (LA1)
- Total number and rate of employee turnover by age group, gender, and region (LA2)
- Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region (LA7).
- Average hours of training per year per employee by employee category (LA10)
- Percentage of employees receiving regular performance and career development reviews (LA12)
- Composition of governance bodies and breakdown of employee per category according to gender, age group, minority group membership and other indications of diversity (LA13).
- Total number of incidents of discrimination and actions taken (HR4)

***Society performance indicators focus attention on the impacts organizations have on the communities in which they operate.***

- Nature scope and effectiveness of any programs and practices that assess and manage the impacts of operation on communities, including entering, operating and exiting (SO1).
- Public policy positions and participation in public policy development and lobbying (SO5).
- Total value of financial and in-kind contributions to political parties, politicians and related institutions (SO6).