



## MANAGEMENT DISCUSSION AND ANALYSIS

### DELIVERING VALUE

#### EMPLOYEE CAPITAL

##### PEOPLE ARE INVALUABLE

KVP has carefully assembled a team of people with the right skills, professionalism and temperament to drive its business along a chosen strategic path. From recruitment to retirement, the Group is closely involved with the evolving employee, supporting and rewarding their winning qualities such as integrity, care, passion, teamwork, professional acumen and service with fair remuneration, training, career advancement and quality of life amongst many other measures.

KVP aspires at all times to be an employer of first choice, a policy that underpins all aspects of our human resource development agenda.

The discussion that follows is about how KVP builds its employee capital by attracting the best of talent, nurturing and moulding their development and rewarding performance in its pursuit of excellence.

##### HUMAN RESOURCES

Sustainability of a company is largely dependent on its people. Therefore, attracting, developing and maintaining a highly talented and diverse workforce is one of our main strategic priorities and a key aspect of our sustainability agenda. As a result, we have in place a team of experienced, mature, young and able employees.



A Tea plucker, Halgolla Estate, Yatiyanthota

## MANAGEMENT DISCUSSION AND ANALYSIS

### TOTAL WORK FORCE BY TYPE OF EMPLOYMENT

Type of Employment	Number of Employees
Executives and above	84
Staff	690
Manual	12,128
<b>Total</b>	<b>12,902</b>

### AGE ANALYSIS FOR 2013

	Less than 30 Years		Between 30-50 Years		Above 50 Years		Total		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	
	Executives	21	1	45	4	9	4	75	
Staff	75	27	358	93	95	42	528	162	690
Manual	1,119	1,113	3,072	4,008	1,304	1,512	5,495	6,633	12,128
<b>Total</b>	<b>1,215</b>	<b>1,141</b>	<b>3,475</b>	<b>4,105</b>	<b>1,408</b>	<b>1,558</b>	<b>6,098</b>	<b>6,804</b>	<b>12,902</b>

### LABOUR PRACTICES AND DECENT WORK

The Company, as a signatory to the 10 Principles of the UN Global Compact, adopts these principles as the template that informs all strategy, process, action and outcome across all aspects of our enterprise. It is also the basis of our drive towards sustainability.

KVP is an equal opportunity employer, respecting the individual and his /her rights to free and fair employment and providing both the opportunity and climate for rewarding and long-lasting careers. Our remuneration and benefits are fair and competitive whilst wages are above stipulated minimum levels.

The Company subscribes unreservedly to employees' right to freedom of association within the framework of national labour legislation.

### LABOUR/MANAGEMENT RELATIONS

The management and staff of KVP adhere to a range of national and international labour laws and regulations. Approximately, 99% of our workforce is covered by collective agreements. These are with major trade unions that regulate wages and other key employment conditions of the workers. At KVP, both wage structures and working conditions are above the statutory minimum standards. Clerical, technical, supervisory, medical, maintenance and support staff of the plantations are covered by the collective bargaining process.

### RATE OF EMPLOYEE TURNOVER

In general, staff turnover at KVP is around 6% reflecting overall employee satisfaction with the stability of the Company and its desirability as an employer of choice.

### OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety management is a key component of our corporate culture and of prime importance in a strategy oriented towards sustainability. Achieving outstanding performance in respect of health management and occupational safety is a high priority at KVP.



## MANAGEMENT DISCUSSION AND ANALYSIS



*Sprayers Bathing and Changing Room, Pedro Estate, Nuwara Eliya*

Towards achieving the desired standards of health and safety, each estate is empowered with medical centres manned by qualified staff. The total health staff cadre of KVP consists of estate medical practitioners, midwives and supporting staff. 24 - hour ambulance services are strategically located, accessible to every plantation in an emergency.

During the year under review, seven (7) staff members participated in an Advanced Certified Course in Occupational Safety and Health, conducted by the National Institute of Occupational Health and Safety and the World University Service of Canada.

One of the areas of concern in the sphere of health and safety and one which is inherent to our industry is the handling of potentially toxic agrochemicals. In recognition therefore, all estates have been equipped with Personal Protective Equipment (PPE) whilst ensuring that the tools, infrastructure, machinery and equipment used on the estates are in good condition and do not pose danger to human health. Each estate is equipped with a specially designed sprayer washing room, a changing room, shower room, PPE store room, spray machinery store room and PPE washing area. All stores including those handling chemicals and fuel have been upgraded and personnel provided necessary training and awareness to reduce the risk of accidents and negative impact on human health.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUOUS LEARNING



KVP recognises that its employees are the driving force of the Company. Hence, we understand the importance of equipping and empowering them through continuous training and development.

In order to ensure a talented and efficient workforce we offer comprehensive training for our employees at all levels of the organisation. At the beginning of every year, each department, including the plantations, sets goals for employee development. Based on this, a training calendar is developed incorporating Individual training plans for every subordinate in concurrence with respective superiors. This exercise is carried out to create a performance-based culture within the Group, which enables to identify individuals with strong leadership qualities.

During the year under review, we trained our executives both male and female, to improve their skills and capabilities. 512 training hours were expended including 125 hours of foreign training received by four male executives. In total, 8,411 employees received 2,293 hours of training, mainly on aspects of sustainability of the industry. Of the total, 5,125 were female employees.



Outbound training, Kandalama Lake, Dambulla



## MANAGEMENT DISCUSSION AND ANALYSIS

<b>SKILLS MANAGEMENT AND LIFELONG LEARNING</b>	Training opportunities related to career growth fulfilling both short and long-term objectives were provided both locally and overseas.
<b>DATA ON EMPLOYEES PERFORMANCE AND CAREER DEVELOPMENT REVIEWS</b>	All executive employees of KVP receive performance and career development reviews, which are accompanied by training opportunities to acquire new skills or to refine existing skills to reach desired levels.
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>	From its very inception KVP has been an equal opportunity provider to its employees. At present nearly 55% of the total cadre consists of females. There is no discrimination in regard to remuneration and other conditions, between male and female employees.
<b>HUMAN RIGHTS</b>	The Group is guided by international and local covenants such as the UNGC and Sri Lanka's legal and regulatory systems, in regard to safeguarding human rights.
<b>INVESTMENT AND PROCUREMENT PRACTICES</b>	Our commitment to UNGC and Sri Lanka's regulatory framework also inform our interactions across all supply chains and business relationships. In that context, we operate completely within regulatory guidelines and ethics where investment and procurement practices are concerned.
<b>EMPLOYEE TRAINING HOURS ON HUMAN RIGHTS</b>	Training programmes, on the awareness of the principles of the Global Compact and their incorporation in company strategy, were carried out by members of the senior management of the Company for all executives. However during this period, the number of participants and number of training hours were restricted due to the scarcity of expertise in this area.
<b>NON-DISCRIMINATION</b>	<p>There was not a single incident reported regarding the violation of human rights of indigenous people. We do not recruit or employ underaged people and most of our initiatives encourage youngsters to attend school.</p> <p>The Group has internally communicated a firm policy against forced or compulsory labour and subscribes to the concept of freedom of association and collective bargaining, whilst encouraging a balanced division of engagement between working hours and family life.</p>
<b>CHILD LABOUR</b>	KVP does not engage in or support any form of child labour or the employment of individuals below the age limit defined by law. Further all recruiting is done within the framework of legal age proofing documents.
<b>FORCED LABOUR</b>	KVP does not engage in or support the use of forced labour.

## MANAGEMENT DISCUSSION AND ANALYSIS

**COMMUNITY** KVP has invested significant effort and resource to provide a satisfactory environment for its community. Details of related activities are elaborated elsewhere in the report.



*Pre-school at Invery Estate, Dickoya*

**CORRUPTION** KVP has always pursued profit generation within a strict frame work of integrity and ethics. We are practicing an entrenched code of conduct for anti-corruption. There have been no known violations of this code.

### CUSTOMER CAPITAL

**TEA** KVPL's Tea has mainly 6 major buyers. Our biggest buyer who absorbed 16% of our production in 2009 today accounts for over 20%. Our main buyers have kept their faith in purchasing KVPL Teas for reasons of purity and good business ethics. Our low grown Teas produced under RA have reached destinations such as Japan and Canada, Russia and China whilst non-RA Teas, though small in volume, reach Turkey. The high grown Teas of Nuwara Eliya and Hatton are mainly distributed to the US, Japan and Canada. These Teas are certified by RA. Since of late, UTZ certified Tea is being sought after by the Netherlands. China and the Netherlands are recent markets for our Tea.

**RUBBER** More than 50% of KVPL's Rubber production is purchased by Dipped Products PLC in the form of centrifuged latex and field latex for glove manufacture. Mainly household and industrial gloves are made in their production facilities. The main markets for these products are USA, UK, Brazil, Italy and Australia.

KVPL's top of the range Rubber product - sole crepe, which contributes handsomely to our NSA, is used in the fashion shoe and winter boot industry. The major shoe manufactures have now located their manufacturing plants in the Asian region with China being the main buyer whilst Vietnam, Bangladesh and Taiwan also buy significant volumes.



## MANAGEMENT DISCUSSION AND ANALYSIS

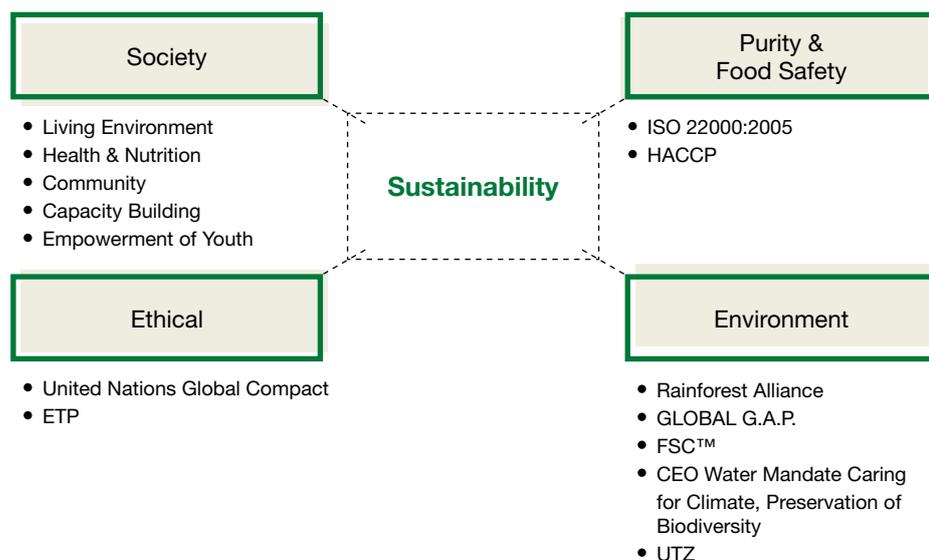
The latex crepe is used in the pharmaceutical industry, shoe industry and adhesive industry. The top quality latex crepes are used in the pharmaceutical industry located mainly in the United States and Europe. Once again China and the far Eastern countries are the main buyers of latex crepe for adhesive and general purpose Rubber goods.

With our focus on product diversification constantly applied to our existing range, we are able to give our customers the confidence and assurance of high quality products that meet or even pre-empt their requirements. Our conformance with internationally recognised certifications are is another confidence generating factor for our customers and business partners.

We are transparent in our operations and maintain an open door policy for our buyers and customers. They have the opportunity to visit our factories and observe production processes. Our factories are visited regularly by people in the Tea and Rubber trade. Through this stance we have built a good network where even overseas buyers are encouraged to visit our facilities. Our Tea factories are some of the most visited in the island especially by Tea trade professionals. Every international buyer who calls on us, visits our factory in Nuwara Eliya.

**COMPLIANCE** The Company was not subject to any fines or sanctions for non-compliance with any environmental laws or regulations. There were no significant spills recorded and no waste deemed hazardous was transported during the year under review.

**PRODUCT RESPONSIBILITY** Our drive for sustainability is based on our firm commitment to purity of product, safety of processes, ethical business practices and care for the environment and society, both within and outside the boundaries of our plantations. This is illustrated in the diagram below:



## MANAGEMENT DISCUSSION AND ANALYSIS

Our operations are conducted in an environmentally friendly and socially responsible manner. This is affirmed by the GLOBAL G.A.P. certification and Rainforest Alliance certifications obtained by KVPL Tea plantations and by the Forest Stewardship Council™ (FSC) Certification obtained by all our Rubber plantations.

Kelani Valley Plantations PLC is a HACCP and ISO 22000:2005 certified company. Since 2007, all 13 of our black Tea factories have maintained the food safety management certifications. During the year, these certifications were revalidated through surveillance audits which affirmed conformance to standards. Our products are periodically tested by accredited laboratories for minimum-permitted residual levels of agrochemicals, heavy metals and microbiological content, to ensure conformity with international standards. All relevant systems are periodically audited by the internal on-location work team and the sustainability team of the head office.

Product and service responsibility has always been a high priority for KVPL. We adopt stringent measures to examine each process, from land preparation to harvesting and processing of final products. This is carried out to minimise any adverse effects or outcomes concerning the environment and/or the consumer. For example, every major agricultural practice is implemented only after passing a stringent Environment Impact Assessment (EIA). Our in-house laboratory in Hatton, conducts necessary soil analyses, to measure the current soil fertility, in order to ensure optimum usage of inorganic fertilizer.

### OUR COMMITMENT TOWARDS SUSTAINABILITY & COMPLIANCE





## MANAGEMENT DISCUSSION AND ANALYSIS

### SOCIAL AND ENVIRONMENTAL CAPITAL

**SOCIETY** Committed as we are to the ethic of responsibility across every facet of operation, KVPL has invested significant resources in the Company's Social Responsibility Initiative - 'A Home for Every Plantation Worker Programme'. This programme was established in 2006 with the intention of creating a contented family life for all at Kelani Valley Plantations.

This community engagement strategy encompasses four focus areas - Improvement in Living Environment, Health and Nutrition, Community Capacity Building and Empowerment of Youth. It is tailored to meet the needs of our local communities. Data relevant to the four main focus areas are presented hereunder.

#### LIVING ENVIRONMENT



Item	1992-2012	2013	Total
New houses built (units)	1,371	25	1,396
Land extent granted for housing (perches)	9,745	175	9,920
<i>Up grading of worker quarters</i>			
Re - roofing	7,465	14	7,479
Electrification	6,895	91	6,986
Access roads rehabilitated (km)	278	5	283
Water schemes	1,158	3	1,161
Sanitation - newly built toilets (units)	7,516	129	7,645
Playgrounds (units)	20	2	22
Staff quarters	179	6	185
<i>Up graded units</i>			
Community centres	19	2	21
Child development centres	14	3	17
Hot water bathing spots (units)	15	1	16

Since privatisation, we have constructed 1396 housing units on an extent of 9,920 perches of estate land granted for this purpose. Above mentioned twenty-five (25) new housing units are being constructed in Ingestre Estate. A total of 14 worker quarters were re-roofed while 91 houses were provided with electricity during year under review. We have also reconstructed 283 km of access roads within our estates, since privatisation. All these initiatives were carried out in collaboration with the Livestock and Rural Community Development Ministry, Plantation Human Development Trust (PHDT), Plantation Development Project (PDP) and the International Institute of Development of Training (IIDT).



## MANAGEMENT DISCUSSION AND ANALYSIS

### HEALTH AND NUTRITION



Programme	1992-2012	2013	Total
Dental Clinics	456	31	489
Dengue awareness programme	147	67	214
Eye clinics	930	41	971
TB awareness programmes	98	44	142
Oral cancer programmes	105	35	140
Provision of spectacles (No. of spectacles)	3,311	945	4,256
Cataract removal surgeries (No. of participants)	1,065	101	1,166
Logistic support (km)	943,051	17,113	960,164
AIDS awareness programmes	1,788	30	1,818
De-worming programmes	7	33	40

KVPL is committed to maintaining the highest health and nutritional standards in our estate communities. We conducted a total of 31 dental clinics with the assistance of the MOH Office and the Berendina Foundation. These were carried out in Pedro, Glassaugh, Oliphant, Ingestre, Annfield, Blinkbonnie, Fordyce, Tillyrie, Robgill, Invery, Kiriporuwa, Ganepalla, Ederapola, Kelani, Halgolla and Kalupahana Estates. Further, in collaboration with International Resources for the Improvement of Sight (IRIS), we conducted 41 eye clinics, 101 cataract removal surgeries and also provided 945 pairs of spectacles to the estate community.

We further conducted 67 dengue awareness programmes, 44 TB awareness programmes, 30 AIDS awareness programmes, 33 de-worming clinics and 35 oral cancer programmes in both up country and low - country estates. Our estate owned ambulances and hired vehicles has travelled 17,113 km to provide transport facilities for estate residents seeking treatment at external medical facilities during the year.



Awareness Programme, Pedro Estate, Nuwara Eliya



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMMUNITY CAPACITY BUILDING

Programme	1992-2012	2013	Total
Street Dramas	16	12	28
Alcohol prevention programmes	131	37	168
No. of borrowers who obtained loans from Estate Worker Housing Co-operative Society	30,032	6,531	36,563
Loans disbursed (Rs. m)	293	87	380
Deposits accepted (Rs. m)	130	30	159
Household cash management programmes	118	15	133

The alcohol prevention and household cash management programmes were carried out in the interests of the estate community. These were carried out in collaboration with the Estate Worker Housing Co-operative Society (EWHCS), World University Services of Canada (WUSC) and Berendina Foundation. Deposit mobilisation amounted to Rs. 29.7 m while loan disbursements amounted to Rs. 87.0 m during the year. These loans disbursed by the Company's Estate Worker Housing Co-operative Society were used for housing renovations, purchasing motorcycles, organising traditional ceremonies and redeeming mortgaged properties.

### EMPOWERMENT OF YOUTH

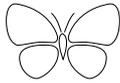
Programme	No. of Participants		Total
	1992-2012	2013	
Training for small business management	1	39	40
Bridal and beautycare	14	10	24
Home gardening	457	71	528
Computer classes	44	11	55
Vocational training for self-employment	2	22	24

The training in small business management was accomplished with the participation of selected small scale businessmen under the auspices of IIDT and WUSC. Computer and home gardening classes were conducted with assistance from WUSC and Berendina Foundation. The vocational training for self - employment programme was conducted by the AGA's Office.

We, Kelani Valley Plantations PLC, as a responsible business entity, enjoy the confidence of all stakeholders for accountability and openness. We operate in areas which are very sensitive in regard to social and economic parameters. Consequently, we are compelled to play a key role in the society and its economy through the provision of livelihoods for the community, both within and outside the plantations. These include incomes for the provision of food, schooling and healthcare for children, whilst ensuring the conservation of sensitive ecosystems. The issues that we encounter are complex in terms of impact on economy, environment and the lives of people and not always within our capacity to resolve.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ENVIRONMENT



We reduce the direct impact of our operations on the environment through monitoring and efficient operational processes. The indirect effects were addressed by selecting suppliers with strong environmental credentials and by encouraging our existing suppliers to improve their environmental performance. In the financial year 2013, we developed new targets for material, energy, water, biodiversity and waste management. All our plantations follow agricultural operations consistent with The Company's environment policy.

These initiatives have enabled to make the farms of our bought leaf and bought latex suppliers more viable and efficient, ensuring the security and quality of our supply. We extend our support to every area of agricultural practice, farming, which help smallholders to improve the quality of their lives and make them more self-sufficient.

During the year, our expenditure on environmental conservation amounted to Rs. 33.8 m. We focused on areas such as soil conservation, crop covers, waste water management, water conservation and planting of bamboo trees, apart from many other initiatives undertaken by us.



*Lovers Leap, Pedro Estate, Nuwara Eliya*



## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIALS



Our daily operations consume a wide range of materials whilst our requirements could vary significantly from time to time. Therefore, it is important to review the effectiveness of our principles and practices on a regular basis. For this reason, we regularly analyse and prioritise areas that are important to us and our stakeholders, and obtain appropriate standards to be applied using the principle of materiality. Tracking material consumption improves the efficiency of material usage and reduces the cost of material flow. For year 2013, our material consumption was as follows:

Bought leaf	kg	5,119,734
Bought latex	kg	343,132
Fertilizer	MT	3,505.21
Dolomite	MT	1,439
Agro Chemicals	Litres or/and kg	21,595 Lit 2,170 kg
Packing Materials	No. of bags	151,564

Working with our bought leaf and bought latex suppliers in this way makes their farms more viable and efficient whilst ensuring the security and quality of our supply. Our agronomy support covers all areas of agricultural practice helping smallholders improve the quality of their lives and making them more self-sufficient.

### ENERGY



#### Direct Energy Consumption by Primary Energy Sources

Type of Energy	2013	2012	2011	Units
<b>Hydro-Power</b>				
Manufacturing	78,055	57,256	145,811	kWh
<b>Gasoline</b>				
Field machinery		17,183	23,614	Litres
Supervisory & Other		41,686	61,499	Litres
<b>Diesel</b>				
Power generators	37,672	55,147	56,428	Litres
Manufacturing			-	Litres
Field machinery	1,458	2,849	8,209	Litres
Field Transport	231,223	255,886	305,871	Litres
Supervisory & other	86,558	131,802	156,676	Litres

We use a substantial amount of energy in our operations. As detailed above, the highest amount of energy has been utilised for field transport, followed by supervisory and other areas. As in the previous years, field machinery has consumed the least amount of energy.

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### Direct Energy Production by Primary Energy Sources

Type of Energy	2013	2012	2011	Units
<b>Group hydro-power generation</b>	<b>2,776,911</b>	<b>1,399,091</b>	<b>2,283,304</b>	<b>kWh</b>

### Indirect Energy Consumption by Intermediate Energy Sources

Type of Energy	2013	2012	2011	Units
<b>Electricity</b>				
Manufacturing (Tea)	5,284,665	5,471,750	6,422,192	kWh
Manufacturing (Rubber)	918,132	829,929	1,038,749	kWh
Office and Quarters	861,688	804,633	903,800	kWh
Other (Dispensary, Temples, Creches, Community Centres, etc.)	110,163	46,289	98,554	kWh

### Biomass Consumption as Energy Source

Type of Energy	2013	2012	2011	Units
<b>Firewood</b>				
Manufacturing (Tea)	48,871	42,455	49,287	Cu.m.
Manufacturing (Rubber)	874	667	853	Cu.m.



Sri Lanka is fortunate to be blessed with one of the highest per capita fresh water resources in the world and each year we get enough rainfall to fill our lakes, reservoirs, streams and rivers.

This provides an outstanding competitive advantage to our country.

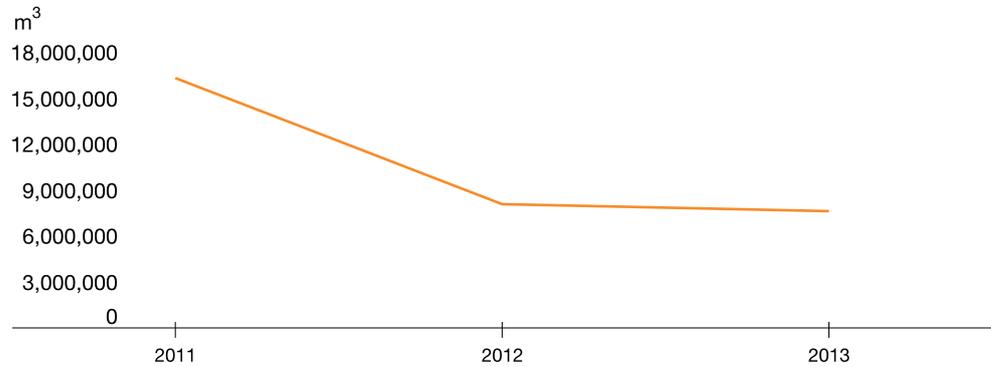
KVPL became a signatory to the United Nations CEO Water Mandate and Caring for Climate in 2008. Our continuing support for these protocols means that we not only economise on water at our own locations, but are implementing water conservation initiatives and investing more on educational and training programmes to ensure we are making the best possible use of this critical resource.

We are not a significant user of water in the manufacture of Tea. However, manufacturing of Rubber takes a comparatively large amount of water.



## MANAGEMENT DISCUSSION AND ANALYSIS

ANNUAL WATER USAGE



Compared to 2012, in 2013 KVPL has increased efficiency in its usage of water effecting a saving of nearly 800,000 m<sup>3</sup> of water for the year. We accomplished this by: Proper monitoring of water usage with water meters in every Tea processing centre, conducting of educational programmes in the community on sustainable water usage, engagement of most of the stakeholders for watershed protection and enrichment programme, annually checking the quality of potable water, where estate employee usage is high and the availability on each estate of a water map to identify all water sources and distribution channels on the plantation and thereby enabling the implementation of measures to repair and avoid waste due to leak or spill.

Throughout our estates we have 156 distribution tanks and 86 wells to meet the water requirements of our resident worker population.

### BIODIVERSITY



Deforestation at the hands of human beings increases the concentration of greenhouse gases in the atmosphere leading to an 'enhanced' greenhouse effect, causing surface air temperatures to rise which in turn cause changes in climate. A warmer earth can lead to changes in rainfall patterns, a rise in sea level, and a wide range of impacts on plants, wildlife, and humans. The importance of forests in fixing atmospheric carbon is well understood. However, forest cover in most countries is increasingly threatened and reforestation programmes have failed due to economic reasons and poor participation from the public. Therefore, we have opened up an avenue where we can actively participate to reduce the greenhouse effect with the help of various donor agencies.

Over 1,000 ha of forest reserves are located within the Company's plantation boundaries, distributed across three agro-climatic regions, namely Nuwara Eliya, Hatton-Dickoya and Yatiyantota-Bulathkohupitiya. These forest reserves have progressively developed into unique biodiversity enclaves due to fauna and flora mutations driven by geographic isolation. During the year, under the KVPL biodiversity conservation and enrichment programme, we have allocated 27.24 Ha in Nuwara Eliya region which serves as an animal corridor for movement from one forest patch to the other.

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*The Nationally Endangered, Endemic, 'Rhinohorn Lizard', (Ceratophora Stoddartii) Found in Halgolla Estate, Yatiyantota*

### EMISSIONS, EFFLUENT AND WASTE

None of our estates practice environment hazardous activity like to results in the depletion of ozone layer and the emission of green house gases beyond the stipulated local and international regulations. All KVPL estates comply with the stipulations of the respective Government bodies in regard to the relevant protection standards.

### WASTE WATER DISCHARGE



The manufacture of Rubber consumes a large amount of water and is associated with a high concentration of chemicals. Therefore, stringent measures are in place in all our Rubber factories to ensure that we meet stipulated control parameters whilst all Rubber factories are equipped with scientifically designed waste water treatment plants.

All Rubber processing centres have on-site waste water treatment plants with a cumulative capacity of 571,500 litres, equipped with the best available technology. Further, all our Tea processing centres have waste water treatment units. As an additional precaution, during the year under review, we have constructed 73 soakage pits to filter domestic waste water before release as ground water which shows the cumulative as 515.

Periodic waste water analysis is conducted to ensure that the waste water treatment is effective and within the prescribed legal limits.

### WASTE DISPOSAL BY TYPE, WEIGHT AND METHOD

KVPL has focused on reducing waste generated directly and indirectly through operations, at all of its plantations and offices. We are improving awareness among our staff and workforce, to demonstrate the importance of proper waste disposal systems.



We have implemented various programmes across our production sites, stores and offices to reduce the environmental impact of generated waste through elimination, reduction, re-designing operational systems and the use of renewable materials. All waste materials are collected separately according to their nature such as bio degradable, glass, plastic, hazardous waste and hospital waste.

During the period under review, the Company built 354 waste bins to segregate waste according to above classification, and 6,091 kg of hazardous waste (empty chemical plastic cans) were recycled through the services of Central Environment Authority approved recyclers.

#### COMMUNITY SERVICE



*Dental Clinic, Ingestre Estate, Dickoya*

In the social and national sphere, we are responsible for approximately 54,000 estate population, providing them with their livelihood, housing, medicine, water and sanitation, welfare and other social amenities. Imbued as they are with the KVPL ethos, they live in equanimity with their neighbours and as such, law and order among them is largely maintained without burden to the law enforcement arm of the Government.

Through our activities economic and otherwise, in proximity to our factories, the Company has created economic pipelines to a wider community of villagers and townfolk who lie beyond our 'immediate family'. We open our facilities to a wider village community through our CSR activities, which makes a positive difference in terms of community life and social services pertaining to them.

KVPL operates a very substantial bought leaf and bought latex operation thus providing the smallholder community with a ready and fair market for their produce.

## AWARDS AND ACCOLADES



We were the proud winner of the prestigious 'National Business Excellence Awards 2013' for the fourth time under the Agriculture and Plantations Category, organized by the National Chamber of Commerce of Sri Lanka. This was in recognition of our excellence in business and the contribution made to economic progress of Sri Lanka.

In recognition of our commitment to excellence in annual reporting, for the third consecutive year, we won Silver Award in the Agriculture and Plantations Sector at the Annual Report Awards, organised by The Institute of Chartered Accountants of Sri Lanka.

We achieved yet another distinction by being conferred the winner of the Best Presented Annual Report (for year 2011) Award in the South Asian Region organised by the South Asian Federation of Accountants (SAFA). This was in recognition of our adherence to best corporate governance practices and transparent accounting and financial reporting procedures in the interest of the Company and its stakeholders.

Mabroc Teas won the Gold Medal for Bulk Tea - Large Category 2011 and the Silver Medal for Value Added Tea - Large Category at the National Chamber of Exporters' Annual Award Ceremony.