



## HAYLEYSFABRIC PLC

### HUMAN RIGHTS POLICY

### GROUP POLICY / HR MANUAL

#### Purpose

Human Rights outline and focus on protection to people from severe political, legal, and social abuses.

The Hayleys Fabric

PLC is a largest fabric Manufacture in Sri Lanka dealing with top tier 1 Global Brands. Thus, it is more relevant that aspects and areas of Human Rights are seriously addressed in all our operations.

#### Scope

Hayleys Fabric PLC is committed to fostering an organizational culture which supports internationally recognized human rights and

seeks to prevent abuse of human rights. We support the principles contained within the Universal Declaration of Human Rights and (UNGC).

We commit to the following two sub- principles of the UNGC Principles of Human Rights.

Principle 1: Business should respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

#### Policy Governance and Responsibility

| NO. | JOB TITLE                                                                     | RESPONSIBILITY        |
|-----|-------------------------------------------------------------------------------|-----------------------|
| 1   | Overall responsibility for the implementation of this policy Group -wide      | Company's HR Division |
| 2   | Conducting an annual training and assessment of a broad range of human rights | Company's HR Division |

## Social Policies

| NO. | JOB TITLE                                                    | RESPONSIBILITY        |
|-----|--------------------------------------------------------------|-----------------------|
| 3   | A Report and Gap Analysis to manage any areas of improvement | Company's HR Division |
| 4   | Awareness building and communication of policy to employees  | Company's HR Division |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                  |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| 5 | <p>Recording and reporting the latest indicators of management performance directed by the GRI (Global Reporting Initiative) framework</p> <ul style="list-style-type: none"> <li>instances where Human Rights have been violated</li> <li>percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening</li> <li>percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken</li> <li>operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Company's ESG (Sustainability) Division and Life-code Champions. |
| 5 | <ul style="list-style-type: none"> <li>percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>instances of discrimination and corrective actions taken thereafter</li> <li>operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>instances of discrimination and corrective actions taken thereafter</li> <li>operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</li> <li>any measures taken to contribute to the elimination of all forms of forced or compulsory labour.</li> <li>percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</li> <li>instances of discrimination and corrective actions taken thereafter</li> </ul> | Company's ESG (Sustainability) Division and Life-code Champions. |



## Policy Statement

### Commitments to stakeholders

**Employees:** We treat all of our employees with respect and dignity and promote diversity in the workplace. Our aim is to achieve ~~from our~~ ~~co-off from application to respect the principles of underpinning employee welfare and working conditions~~ ~~We are committed to~~ train our employees to be aware of, respect and protect human rights in the workplace and in the local communities directly impacted by our operations.

**Business Partners:** Our commitment applies to workers directly engaged by the company and workers engaged by third parties to perform work related to core business processes for substantial duration (contracted operations within company premises as well as suppliers, joint venture partners and clients/customers), through proactive engagement, monitoring and provision of actual

**Local Communities:** Where relevant, we engage with local communities on any actual or potential human rights impacts of our operations, which also include land and property acquisition and security arrangements. Hayleys Fabric PLC practices human rights in accordance with the customs, cultures and values portrayed by these communities.

## Provisions on human rights

### Fair Treatment

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and ~~of individuality~~ ~~are related to their ability to perform work~~. Salaries are on par across all positions at other status ~~the Group,~~ ~~same gender~~ ~~skin group~~ ~~Hayleys Fabric PLC~~ ~~are based solely upon factors such as performance and market comparisons~~ ~~aims to pay competitive wages based on local market assessments.~~

### Non- harassment

Hayleys Fabric PLC commits to promote a work environment free of any form of workplace harassment including physical, verbal, sexual or psychological abuse, and threats, as defined by the laws of each country in which we operate. To protect workers against such acts, Hayleys ~~has implemented~~ ~~Fabric PLC~~ ~~has implemented~~ prevention policies, facilitates open communication, provides training, and allows workers to report incidents of harassment to a complaint mechanism that fully investigates the reports and responds accordingly.

### Abolishing Child, forced and compulsory Labour

In Sri Lanka, the law defines children as below the age of 14 years. Hayleys Fabric Group opposes child labour, does not work with business partners to ensure that zero instances of child labour are employed or supplied ~~the age of 18~~ ~~defined by national laws~~. We oppose all forms of forced or compulsory labour and work hand in hand with subcontractors and suppliers to ensure illegal forms of employment are eradicated.



### *Hours, wages and leave*

Hayleys Fabric PLC works within the standards set by national law and respects standards set by the International Labour Organisation (ILO). We provide a living wage that enables workers to meet the basic needs of themselves and their dependents, ensures that workers are provided leave in accordance with national standards and ensures that all workers have an official employment status.

### *Freedom of association/collective bargaining*

Hayleys Fabric PLC believes in employees engaging in dialogue with the company on any issue they may wish to voice and seek redress on.

### *Promoting health and safety*

Hayleys Fabric PLC commits to providing safe and healthy working facilities and takes precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace. Safety precautions depend upon and are relevant to the industry, company concerns and the needs of vulnerable workers and meet or exceed the laws of each country in which we operate. Hayleys ensures that workers are provided with the protective equipment and training necessary to perform their tasks. Safety and health are actively involved in health and safety efforts.

### *Effective Date for implementation*

This policy shall be effective and operative from  
January 1st, 2014



# HAYLEYS FABRIC PLC

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## HEALTH AND SAFETY POLICY

HRPOLICY / MANUAL

### Standard

As an organisation with significant interests in manufacturing, Hayleys Fabric PLC is committed to maintaining the highest standards of health and safety in its operations, thereby providing a safe and injury-free working environment for all employees. This policy serves as the minimum standard on health and safety management practices that Companies in Hayleys Fabric Group should adopt; companies which have a higher level of vulnerability to health and safety risks are encouraged to implement more stringent practices reflecting specific risks. Company's ESG strategies relating to management of health and safety, our targets and annual key performance indicators are set out. Health and Safety Strategies, Targets & KPIs form an integral part of this standard.

### Scope

This policy is applicable for Hayleys Fabric PLC and its Subsidiary.

### Commitment

We seek to prevent all accidents and occupational diseases across our operations, thereby ensuring the protection of all our employees. In driving towards this objective, we are committed to:

- Maintaining hygienic, safe, and healthy working conditions, machinery and equipment and provide the necessary instructions and training that is required for this purpose.
- Ensure compliance to all health and safety laws, rules, regulations, relevant international standards, and client requirements. Company has obtained the ISO 45001: 2018 Occupational Safety & Health Management System.
- Group will seek to proactively engage in hazard identification and risk assessment and define subsequent corrective actions to effectively control health and safety risks in the workplace.
- Group is encouraged to educate and provide relevant health and safety training to employees, which in turn will improve employee safety. The organization and employees should also take reasonable care of their own health and safety whilst at work and fully co-operate with the respective Company in all health and safety related initiatives.
- Group will ensure that contractors, service providers and other third parties entering the Group's sites and facilities are made sufficiently aware of the applicable health and safety practices in place and are equipped to carry out their tasks.
- Drive continuous improvements in occupational safety and health management through ongoing communication, training and driving towards performance targets.



- Ensuring the 100% complete and accurate reporting of relevant health and safety data to Hayleys Fabric Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and Hayleys Group. Adding with the Hayleys Fabric PLC's Sustainability strategy this policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practice

## Responsibility

The all Heads of Departments will be responsible in ensuring that this policy is valued and adhered to.

## Standard

As a largest fabric manufacturing entity in Sri Lanka, the Hayleys Fabric Group has developed deep relationships across extensive supply chains, both locally and internationally. The Group is committed to ensuring that procurement activities deliver a competitive advantage while generating sustainable value across the Group's supply chains. This guideline serves as the minimum standard on procurement practices that Fabric Group should adopt; in addition to this, Group is encouraged to align procurement practices with strategic aspirations and industry best practices. The company's ESG strategies relating to management of supply chain activities, our targets and annual key performance indicators are set out. Procurement Strategies, Targets & KPIs form an integral part of this standard.

## Scope

This policy is applicable for both Hayleys Fabric PLC and its Subsidiary.

## Commitment

We seek to propagate sustainable practices and drive the creation of responsible value across our supply chain, and are therefore committed to,

- a. Supplier selection should follow a formal and structured process that is based on objective and transparent criteria, free from any form of bias, discrimination and/or personal interests. The Company's Sourcing division has developed a Supplier Onboarding Template for the Hayleys Fabric Group and a standard Supplier Verification Process and
- b. The evaluation criteria will contain the following at a minimum
  - Product specifications
  - Price and payment flexibility
  - Financial stability
  - Safety and quality
  - Technical and innovation capabilities
  - Social and environmental compliance
- c. Over the long-term, Sectors should strive to screen all key suppliers for social and environmental practices to ensure responsible sourcing. Sectors should initially initiate screening for large-scale suppliers and annually increase coverage. The Group is also encouraged to carry out supplier audits on a regular basis, ensuring continued compliance to



quality standards as well as social and environmental practices.

- d. Effective and appropriate segregation of duties within all procurement functions to prevent possible frauds
- e. Proactively engage with suppliers and implement long-term supplier development programs to enhance capabilities and capacity to ensure alignment to the Fabric Group's long-term needs. Development programs will be designed
  - The Program should be structured based on clearly identified ESG benefits for the supplier and the Company and implemented based on specific supplier strategies and should encompass the following as a minimum:
    - Resource allocations should be determined on an annual basis, including financial, human and other resources
    - Company should formalise program through suitable MoUs, project plans and supplier agreements among others
- f. Proactively pursuing alternative local counterparts to foreign suppliers, with the aim of increasing the percentage spend on local procurement, thereby increasing local value addition.
- g. Ensuring the 100% complete and accurate reporting of relevant procurement and supply chain related data to Hayleys, in line with the set reporting requirements of the GRI Standards and Hayleys Group Sustainability Reporting

Aligning with the Hayleys Fabric PLC's Sustainability strategy this policy will be reviewed periodically and communicated

to relevant and interested parties, facilitating collaboration and raising awareness on sustainable

## Responsibility

The all heads of departments will be responsible in ensuring that this policy is valued and adhered to.

## Standard

The Hayleys Fabric PLC and its Subsidiary cater to top tier 1 global appliances, the most preferred and trusted choice of our customers across all our sectors and are committed to achieving this goal through a unique value proposition which exceeds the expectations of our customers. This guideline serves as the minimum standard on customer management that all Group companies should adopt and a formal promise to our customers representing our commitment to fulfilling their needs; in addition to this, companies are encouraged to adopt industry-specific best practices to build and sustained competitive edge. Group ESG strategies relating to customer management, our targets and annual key performance indicators are set out in Table 4: Customer Management Strategies, Targets & KPIs forms an integral part of this standard.

## Scope

This policy is applicable for all business entities and relevant service providers in Hayleys Group.

## Commitment

We aspire to delight our customers through superior product quality and excellent service which meets or exceeds their

- needs and expectations. In achieving this goal, we are committed to,
  - Nurturing customer relationships that are based on trust and mutual respect through developing long - term partnerships. Sectors should seek to build customer relationships centering on value propositions underpinned by innovation, responsible production/marketing, customer service and satisfaction.
  - Maintaining 100% compliance to relevant laws and regulations relating to customers, including health and safety aspects of products/services, marketing and product labelling among others.
  - Ensuring that customers receive all relevant information about our products and fully understand the terms and conditions relating to each product they obtained from the Fabric Group.
  - The Hayleys Fabric PLC has obtained recognised health and safety certifications, thereby providing assurance to customers on the safety of using our products.



- The Fabric Group should also comply with all relevant ESG requirements set out by customers mechanism to ensure continued compliance with the same.
- The Fabric Group is encouraged to carry out customer satisfaction surveys at least on an annual basis, thereby obtaining feedback on critical aspects including product quality, service, ease of transactions and reliability among others.
- The Fabric Group should implement a quick and effective mechanism for customers to present their grievances and disputes. A systematic and clear process should be implemented to address and resolve such complaints within a reasonable period of time. At the same time, customers can also direct their complaints, suggestions and other feedback to the following:

*Corporate Customer Panel Inspection (CPI)*

[info@hayleysfabric.com](mailto:info@hayleysfabric.com)

0094 34 2297100 Ensuring the 100% complete and accurate reporting of relevant customer related data to Hayleys Fabric Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and Hayleys' Cube reporting.



## HAYLEYSFABRIC PLC

### COMMUNITYRELATIONSHIPS

#### SUSTAINABILITYPOLICMANUAL

## Standard

Hayleys Fabric Group recognises that its 'social license to operate' is an important prerequisite in ensuring the continuity of its businesses and managing environmental and social risks. It ensures legitimacy of the business from a community perspective, provides assurance to shareholders that social risks are identified and managed and is nurtured with

preservation through its extensive reach, also allows it to drive meaningful change in these supporting community development process and sustainable development.

Hayleys Fabric PLC's ESG strategies relating to community engagement and development, our targets and annual key performance indicators have been set. Community Partnerships Strategies, Targets & KPIs forms an integral part of this standard.

## Scope

This policy is applicable for both Hayleys Fabric PLC and its Subsidiary.

## Commitment

We seek to nurture ethical and mutually beneficial relationships with the communities in which we operate. This is to be achieved through the following:

- The Hayleys Fabric Group should develop and execute a community relations strategy which reflects its' social goals and the expectations of its' communities.
- Implement credible and effective community grievance mechanisms which enable complaints and concerns to be processed through accessible, timely, and effective channels of community dialogue.
- Show sensitivity to the culture, traditions, customs and social norms of each country and region in which we operate.
- All sectors should actively engage in strategic community development initiatives broadly focusing on the key areas of education, health and well- being, livelihood development, religion, and culture. Initiatives should be formulated and driven primarily at Sector level based on identified community needs. Adequate financial, and human resources should be allocated for project execution. Certain significant projects may also be driven by the Fabric Group.
- The progress of all projects should be monitored periodically, through impact assessments, audits, feedback from beneficiaries and independent third parties (where necessary) to ensure that program objectives are met.
- Encourage and reward employee volunteerism, thereby recognising employee involvement.
- Hayleys Fabric Group is encouraged to build partnerships with regional community groups, NGOs, and local governments.
- Ensuring the 100% complete and accurate reporting of community project related information to Hayleys Fabric Group Sustainability on a timely basis following the set reporting requirements of the GRI Standards and Hayleys' Cube reporting.

## Responsibility

The Heads of all departments will be responsible in ensuring that this policy is valued and adhered to.