



Environmental, Social, and Governance Policy



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1. PURPOSE

JAT is dedicated to upholding the principles of environmental stewardship, social responsibility, and strong governance, all rooted in integrity, transparency, and accountability. This ESG policy serves as a framework to embed these values into our daily operations and overall business strategy.

JAT's goal is to ensure long-term sustainability, effectively manage risks and comply with all relevant regulations. By doing so, JAT aims to build trust with its stakeholders, enhance transparency, and foster continuous improvement in all its practices, ultimately contributing to societal well-being and generating lasting value for the company and its stakeholders.

2. SCOPE

This policy is applicable across all regions where JAT operates, encompassing our global supply chains, subsidiaries, and partnerships. To ensure the effectiveness of JAT's sustainability efforts, JAT connects all its initiatives to support the United Nation's 17 Sustainable Development Goals.

3. ENVIRONMENTAL RESPONSIBILITY

- Environmentally Conscious Products

JAT is aware of the environmental impact of its products and takes all measures to eliminate its negative impacts. JAT invests in research and development to design products with environmentally conscious substances possibly through biodegradability, non-toxicity, or recyclability, prolonging product lifecycle including longer stability to face longer shelf time.

- Sustainable Resource Management

JAT is committed to optimizing resource use by efficiently managing energy, water, raw materials, and chemicals while actively working to minimize waste, emissions, and its overall environmental footprint. To enhance sustainability, JAT invests in digital transformation, reducing reliance on paper through streamlined, digital processes. By implementing dashboard-based monitoring systems, JAT ensures comprehensive oversight of both financial and environmental impacts, aligning with the principle of double materiality to balance corporate performance with social and environmental responsibility.

- Climate Action

JAT is dedicated to combating climate change by cutting greenhouse gas emissions, investing in renewable energy and carbon offset initiatives, and driving scientific research and technological innovation to raise industry standards. JAT's commitment to achieving net-zero GHG emissions by 2050 aligns with global efforts to limit global warming to 1.5°C, underscoring our dedication to a sustainable future for our company, stakeholders, and the planet.

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- Environmental Compliance

JAT adheres to all relevant environmental regulations National Environmental Act, No. 47 of 1980, National Environment Act (Amendment) Act, No. 56 of 1988, National Environment Act, No. 53 of 2000, and strives to exceed legal requirements by implementing best practices and continuously improving its strategies. JAT is operating all its factories by fulfilling the requirements and recommendations made under the Environmental Protection License (EPL), License for Scheduled Waste Management (Generator Category), and ISO 14001:2015 Environment Management System.

- Biodiversity and Conservation

JAT is dedicated to protecting natural habitats and biodiversity, actively working to minimize any negative impacts its operations may have on ecosystems. JAT is committed to forging strong partnerships with cross-industry stakeholders and government authorities to develop impactful policies and design programs that ensure long-term positive outcomes for biodiversity. Through these collaborations, JAT aims to create sustainable solutions that preserve and enhance the natural environment for future generations.

4. SOCIAL RESPONSIBILITY

- Human Rights and Labor Practices

JAT is committed to upholding the highest standards of human rights and labor practices, ensuring that all employees are treated fairly and with respect while prioritizing diversity and inclusion, and fostering a work environment that is safe, healthy, and supportive for everyone. JAT strictly adheres to the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, reflecting our global commitment to ethical labor practices.

Additionally, JAT complies with national labor laws, such as Sri Lanka’s Factories Ordinance and the Shop and Office Employees Act, as well as relevant labor regulations in every country where it operates. Complying with ISO 45001:2018 Occupational Health and Safety System further displays JAT’s dedication to maintaining the highest ethical standards across the entire global workforce.

- Community Engagement

JAT actively engages with the communities in which it operates, contributing to their social and economic development through responsible business practices, community development projects, philanthropy, and volunteerism. Going beyond the concept of CSR, JAT invests in Creating Shared Value (CSV) within its operating communities ensuring that the company addresses the real issues/ concerns of the society.

JAT has a decentralized system for the execution of its community development initiatives to ensure efficient use of resources while having a centralized consultancy system with the company’s Sustainability and Process Excellence team to ensure the effectiveness of the programs deployed.

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- Stakeholder Relations

JAT maintains open and transparent communication with all stakeholders, including employees, customers, suppliers, investors, and the broader community. JAT actively seeks stakeholder input through regular dialogue and feedback mechanisms, ensuring their interests are considered in company decision-making. JAT's approach fosters trust, mutual respect, and alignment with the shared goals of sustainable development and ethical business practices.

- Ethical Sourcing

JAT is dedicated to sourcing materials and services in a way that upholds human rights, supports fair labor practices, and minimizes environmental impact. JAT rigorously evaluates all suppliers before placing orders to ensure they meet the company's ethical and sustainability standards.

After delivery, the company assesses the reliability of vendors and the quality of the supplies received, ensuring that our partnerships align with our values. This thorough approach allows JAT to prioritize ethical sourcing while also reducing waste and emissions associated with handling rejected materials, reinforcing JAT's commitment to sustainability throughout its supply chain.

5. GOVERNANCE

- Corporate Governance

JAT is committed to maintaining a robust governance framework that ensures accountability, transparency, and ethical conduct across all levels of the organization. This includes compliance with all applicable laws, regulations, and internal policies.

The company's Board of Directors provides oversight of the ESG initiatives, ensuring they are aligned with the company's business strategy and values. Monthly sustainability performances are informed to the Board through board papers.



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- Risk Management

JAT integrates ESG priorities into its risk management processes, identifying, assessing, and mitigating risks related to environmental, social, and governance factors. The Company Risk Management and Internal Controls Policy outlines the key elements of the JAT Enterprise Risk Management System.

- Transparency and Reporting

We are committed to regularly disclosing our ESG performance, goals, and progress through transparent reporting practices, in line with recognized standards such as the,

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- International Financial Reporting Standards (IFRS) S1, S2.
- International Integrated Reporting Council (IIRC) Framework
- Greenhouse Gas Protocol (GHG Protocol)

- Ethical Conduct

JAT upholds the highest standards of ethical behavior in all our business dealings. This includes a zero-tolerance policy for corruption, bribery, and unethical practices. JAT further ensures all employees adhere to the code of conduct and provides regular training on ethical standards.

6. IMPLEMENTATION AND CONTINUOUS IMPROVEMENT

- Training and Awareness

JAT believes that awareness of global ESG concerns drives its employees to make informed decisions that benefit the business, community as well and the environment. JAT will be providing ongoing training and resources to its employees to ensure they understand and can contribute to the company's ESG goals.

- Performance Monitoring

JAT regularly monitors and evaluates its ESG performance, setting measurable goals and objectives to drive continuous improvement. JAT's Remuneration and Benefits Policy strengthens the company's commitment to sustainability performance by including performance metrics related to sustainability and climate targets.

- ESG Materiality Assessment

JAT will continue to engage with stakeholders to gather feedback, understand emerging ESG trends, and conduct annual sustainability materiality assessments adhering to the GRI Material Topics Framework. Accordingly, its strategies will be redefined considering the double materiality.

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7. VERSION CONTROL

This policy was adopted by the Board of Directors of JAT Holdings PLC and shall become effective from 01st October 2024.

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