

Boundless Impact

Strategy and Resource Allocation



Strategy and Resource Allocation

WE WILL CONTINUE OUR JOURNEY TOWARDS REALISING OUR CORPORATE PURPOSE OF DRIVING VALUE AND CHANGING LIVES TO CREATE A SUSTAINABLE AND PROSPEROUS FUTURE FOR HAYCARB AND ITS STAKEHOLDERS

Our strategy is shaped by our vision and purpose and strives to carefully align our core competencies

with emerging opportunities in the external environment while mitigating risks. This approach

enabled us to adapt to the challenging operating conditions that prevailed during the year, guiding strategic interventions and resource allocation to deliver value to our stakeholders.

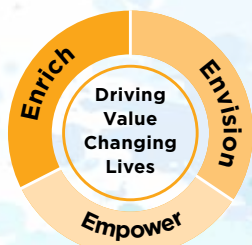
Text in blue, highlight information related to the Environmental Engineering segment.

DRIVERS OF OUR STRATEGIC PLANNING PROCESS

OUR VISION

To be the leading global brand for Coconut Activated Carbon and a leading provider of water purification systems in the region renowned for technical excellence, customer centricity, innovation and sustainability.

OUR PURPOSE



ACTIVATE - OUR 2030 ESG ROADMAP



Insights gained through stakeholder engagement



Risks and opportunities stemming from our operating environment



Our core competencies



Strategy Enablers

Corporate governance and robust risk management

NPD process and Operational Excellence

Digitalisation

Maximise customer value elements

ESG Road map





MARKET GROWTH

Strategic interventions in 2024/25

- Strategic business development and marketing initiatives to expand markets in USA, Asia, Africa and South America
- Strengthened engagement with customers to proactively and transparently communicate the prevailing supply chain challenges to gain their acceptance and support
- Strategic interventions to expand the revenue contribution of value-added carbon products through
 - Strategic marketing initiatives to promote our value-added product range for energy storage and PFAS treatment in water purification.
 - Capacity enhancements to support expanding production volumes in these applications.
 - Leveraged state-of-the-art electro-chemical testing capabilities to develop superior products for energy storage.
 - Successful NPD activities in Energy Storage carbon and PFAS removal carbons
- Advanced our capacity enhancement efforts in the Philippines by leasing suitable property within the PHIVIDE Industrial Authority industrial zone in Cagayan de Oro.
- Leveraged a digital marketing strategy to strengthen brand presence and access new markets.
- Environmental Engineering Solutions enhance the presence in water and wastewater solutions in Sri Lanka and the Maldives, and expand the market share in O&M solutions including the supply of chemicals, components, equipment and related services for purification projects.

Link to Stakeholders

Shareholders
Customers

Link to Capitals

Financial
Social & Relationship

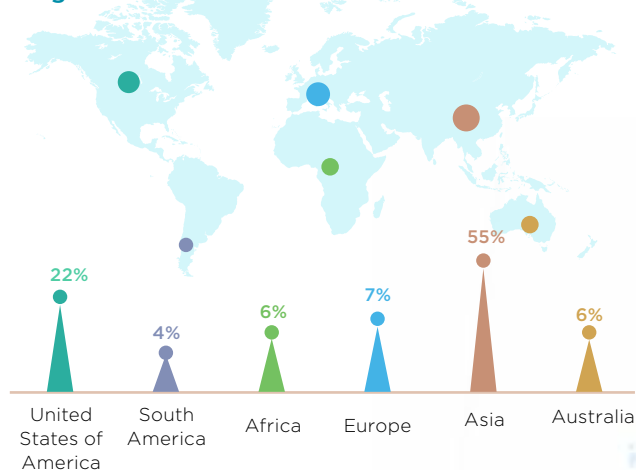
Link to SDGs



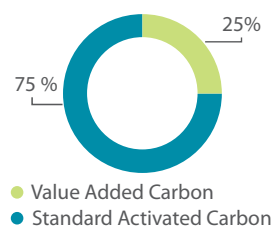
RESOURCE ALLOCATION

- Investments to enhance manufacturing capacity of value-added carbons – **Rs. 1,226.10 Mn**
- Business development expenditure – **Rs 119.03 Mn**
- Investment in technology and digital platforms – **Rs 31.09 Mn**

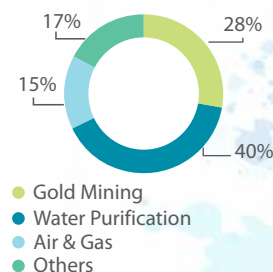
Region-wise revenue contribution



Revenue Composition



Revenue mix by application



43.2 Bn

(+0.1%)
Revenue

5.5 Bn

(-10%)
Profit before tax

16%

Global market share in the activated carbon segment



Strategy and Resource Allocation

Our Short Term Plans

- Maintain our focus on increasing penetration in Asia, North, East & West Africa, South America, and the Middle East while expanding our market share in USA and Europe.
- Strategic emphasis on expanding the market reach of our value-added carbon range for energy storage and water purification applications with emphasis on USA, Europe, South Korea, China and India.
- Commence constructing our manufacturing plant in the Philippines to facilitate expansion and growth of markets.
- Environmental Engineering Solutions segment - Deepen penetration in Sri Lanka and the Maldives through the provision of customised treatment solutions and related products.

Our Medium to Long Term Plans

- Activated carbon segment: Increase global market share by 1% through
 - A strategic innovation strategy that strengthens our market position in value added carbons.
 - Market expansion
 - Deeper penetration in existing markets.
- Explore opportunities to provide regeneration services in developed markets
- Environmental Engineering Solutions segment: Deepen market penetration in Sri Lanka and the Maldives by delivering comprehensive, customisable treatment solutions, O&M services and related products including projects through strategic partnerships



INNOVATION LED GROWTH

Strategic interventions in 2024/25

- Focused innovation to expand the value-added carbon range with emphasis on energy storage and water purification applications including PFAS removal.
- Utilised data driven insights gained from in-house laboratory expertise to assess and enhance the performance of energy storage carbon range for super capacitors, Si-carbon composites and Sodium ion batteries.
- Strengthened the competencies of the R&D team through focused training and development and recruitment of professionals with specialised skills.
- Maintained an innovation focused organisational culture that promoted scientific experimentation, creativity and knowledge-sharing.

Link to Stakeholders

Shareholders
Customers

Link to Capitals

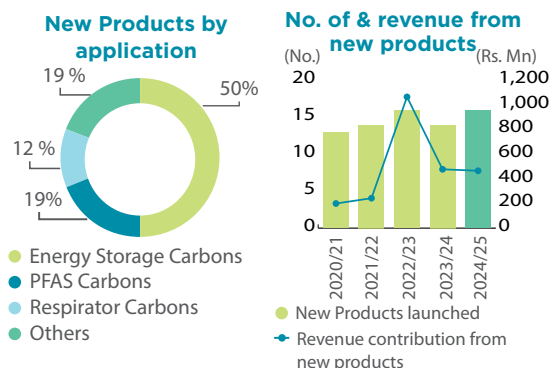
Financial, Intellectual,
Social & Relationship

Link to SDGs



RESOURCE ALLOCATION

- Investment in research and development - **Rs. 209.33 Mn**
- A team of over 60 multi-skilled professionals
- A specialised electrochemical laboratory equipped with state-of-the art equipment.
- An innovation driven culture.



16

New products launched

4

New products in the pipeline



Our Short Term Plans

- Pursue innovation in the energy storage product range in line with evolving market needs.
 - Grow the proportion of total revenue derived from value-added carbons to 30%.
 - Innovate processes to enhance production capabilities in value added carbons, improve productivity and minimise our environmental footprint.
 - Leverage digitalisation to improve real-time production data capture, optimise costs, support data-driven decision making.
-
- Environmental Engineering Solutions segment development of user friendly and compact domestic sewage treatment plant modules

Our Medium to Long Term Plans

- Align our product portfolio with emerging opportunities to increase the proportion of revenue derived from value added carbons to 40%.
 - Develop proprietary processes to optimise production of value-added carbons.
 - Digitalise our processes to support data-driven decision making while optimising production and costs.
-
- Environmental Engineering Solutions segment capitalise on opportunities for industrial wastewater recycling focusing on Zero Liquid Discharge (ZLD)



STRENGTHEN GLOBAL SUPPLY CHAINS

Strategic interventions in 2024/25

- Strengthened supplier relationships & deployment of additional resources across all major coconut producing countries in Asia including Indonesia, India, Philippines and Vietnam to expand our supplier base.
 - Expanded raw material sourcing in Indonesia through backward integration initiatives and establishing a new raw material procurement sites.
 - New charcoal production site in Galle, Sri Lanka.
 - Collaborated with the Sri Lanka Coconut Cultivation Board to plant 100,000 coconut tree saplings in the Northern Province.
 - Responsible sourcing by propagating green charcoaling practices and capacity building opportunities for local suppliers.
 - Successful development of activated carbon from alternative raw materials.
-
- Environmental Engineering Solutions segment strengthened partnership with Dupont Filmtec by providing improved desalination solutions

Link to Stakeholders

Suppliers
Business partners

Link to Capitals

Financial
Social & Relationship

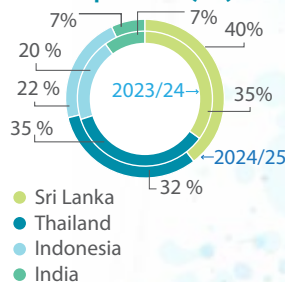
Link to SDGs



RESOURCE ALLOCATION

- Investments to support backward integration – **Rs. 33.99 Mn**
- Payments to coconut shells and charcoal suppliers – **Rs. 14.87 Bn**
- Supplier capacity building – **Rs. 20.60 Mn**
- Coconut tree planting initiative – **75,000 trees** planted

Raw material sourcing composition (Mt)



New suppliers and payments to suppliers



248

(+44%)
Suppliers added in 2024/25

11%

Suppliers assessed for environmental and social considerations

Strategy and Resource Allocation

Our Short Term Plans

- Strategic emphasis on strengthening supplier relationships and expanding and diversifying our supplier base across multiple countries.
- Backward integration and propagation of green charcoaling technology to facilitate an uninterrupted supply of raw materials.
- Increase the number of suppliers assessed for social and environmental considerations
- Support initiatives to strengthen coconut crop production in the countries we operate in, commenced sponsorship of planting 100,000 in the Eastern Province in Sri Lanka in 2025/26.
- Environmental Engineering Solutions segment collaborations with new and existing sub contractors to deliver medium and large scale water treatment solutions

Our Medium to Long Term Plans

- Strengthen the diversity and resilience of our supply chains.
- Increase the proportion of coconut charcoal sourced sustainably to more than 75% by 2030.
- Expand the proportion of suppliers assessed for environmental and social considerations to 40% by 2030.
- Environmental Engineering Solutions segment to enter into strategic alliances with Zero Liquid Discharge (ZLD) experts to improve portfolio on recycling solutions



PURPOSE-DRIVEN AND COMMITTED TEAMS

Strategic interventions in 2024/25

- Improved the HR governance structure to support the execution of our HR strategy.
- Strengthened occupational health and safety through numerous initiatives that included,
 - The designation of 206 employees as health and safety champions and appointment of departmental health and safety sub-committees.
 - Strengthened near-miss incident monitoring through improved record-keeping and analysis.
- Thrust as a continuous learning organisation to transform employee skills through technology & digital learning platforms
- Introduced a post-on-boarding review system to support the integration of new recruits.
- Fostered a diverse and inclusive work environment.
- Increased training and reinforcement of safety culture

[Link to Stakeholders](#)

Employees

[Link to Capitals](#)

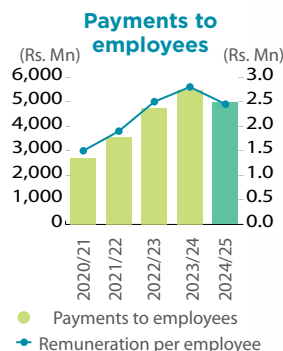
Human

[Link to SDGs](#)



RESOURCE ALLOCATION

- Payments to employees – **Rs. 4.88 Bn**
- Investment in occupational health and safety – **Rs. >70 Mn**
- Investment in training and development – **Rs. 9.60 Mn**
- Investments in HR related digital initiatives – **Rs. 0.75 Mn**



91%

Employee retention rate

17.3

Average training hours per employee

Our health and Safety Record	24/25	23/24	% Change
Occupational injuries and diseases	43	32	+34%
Total recordable incident rate (TRIR)	2.1	1.58	+33%
Total no. of lost days due to occupational injuries/ diseases	569	226	+152%



Our Short Term Plans

- Evolve our employee value proposition to attract, engage and retain high-performing talent.
- Continued focus on strengthening occupational health and safety and promoting overall employee wellbeing.
- Leverage digital learning platforms to transform employee skills.
- Ongoing emphasis on developing talent pipelines.
- Promote a diverse and inclusive work environment.

Our Medium to Long Term Plans

- Foster a diverse, high-performing team of employees who are empowered to deliver on Haycarb's long term goals through collaboration and innovation.
- Creating a purpose driven organisational culture and a learning organisation
- Foster Sustainable Innovation in every function



ESG MINDSET

Strategic interventions in 2024/25

- Strategic focus on achieving goals in "Activate".
- Externally verified our Scope 1 and 2 emissions while expanding our Scope 3 emissions assessment to 7 of the 15 categories identified by the GHG Protocol
- Expanded our solar power generation capacity up to 5,648 kWp.
- Installed a reverse osmosis plant to recycle wastewater for production processes in Badalgama Sri Lanka
- Puritas Sath Diyawara, completed a decade of providing purified drinking water to communities in CKD affected areas and other ongoing CSR investments
- Increased rainwater harvesting by 50% in Ratchaburi, Thailand

Link to Stakeholders

Government, Communities

Link to Capitals

Natural, Social

Link to SDGs



RESOURCE ALLOCATION

- Investments in solar power generation – **Rs 600.05 Mn**
- Investment in the reverse osmosis plant for water recycling – **Rs 81.77 Mn**
- Coconut tree planting initiative – **Rs 5.69 Mn**

Our environmental impacts in 2024/25		2024/25	2023/24	% Change
Carbon footprint *	tCO ₂ e	44,554	26,696	+67
Energy intensity	GJ/Rs. Mn	26.43	26.24	+1
Water withdrawal	m ³	696,595	732,634	-5
Waste	Mt	5,111	5,503	-7

*Scope 3 reporting range increased which is included in above (Refer page 56). Scope 1 and 2 increase only, accounts for 15% mainly due to the increase in washed carbon quantities.

75%

Energy requirements fulfilled through renewable energy

1,523.6 MWh

Total Solar generation in 2024/25



For further details on the "Activate" ESG road map 2030

Our Short Term Plans

- Strategic interventions to achieve our 2030 ESG aspirations as set out in "Activate" (refer page 50)

Our Medium to Long Term Plans

- Deliver on our 2030 sustainability commitments as outlined in "Activate" (refer page 50)