

# Boundless Impact

Activate - in Pursuit of a More Sustainable Future



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At Haycarb, sustainability is more than a strategic priority, it's a reflection of who we are and how we choose to operate. Through "Activate", our dedicated ESG framework, we embed environmental consciousness, social empowerment, and sound governance into the core of our business model. Built around five action pillars Restore, Inspire, Excite, Uplift, and Innovate. Activate

aligns our long-term ambitions with real world impact across our global operations.



Video Version



PDF Flip Version



### STEWARDSHIP OF ACTIVATE

Our sustainability strategy is governed by a clearly defined structure to ensure accountability and continuity. The Board of Directors provides strategic

oversight of ESG direction, with operational implementation led by the ESG Steering Committee. This committee, chaired by the Managing Director and composed of cross-functional leaders, drives

coordination across departments. A dedicated ESG team and location level champions ensure that sustainability is translated into daily decision making across the business

Roles and responsibilities	
Board of Directors	<p>Holds overall responsibility for formulating and driving the Group's sustainability roadmap.</p> <p>An Executive Director is tasked with overseeing the implementation of Activate, including identifying and effectively responding to the Group's sustainability and climate-related risks and opportunities.</p> <p>The Director is also responsible for ensuring that the Group's sustainability and climate related goals are integrated into the Group's strategy and decision making across functions.</p>
ESG Steering Committee	<p>Drives the formulation and implementation of Activate, including oversight of policy, risks, opportunities, initiatives and external commitments.</p> <p>The Committee is led by the Managing Director and comprises representatives from all functions including HR, Finance, Marketing and Sales, Business Development, Procurement, R&amp;D, Manufacturing and Environmental Engineering.</p>
Corporate sustainability and ESG Department	<p>Responsible for operationalising "Activate" in collaboration with sustainability champions appointed at all locations.</p>
Oversight from Hayleys PLC and alignment with the parent entity's sustainability aspirations	

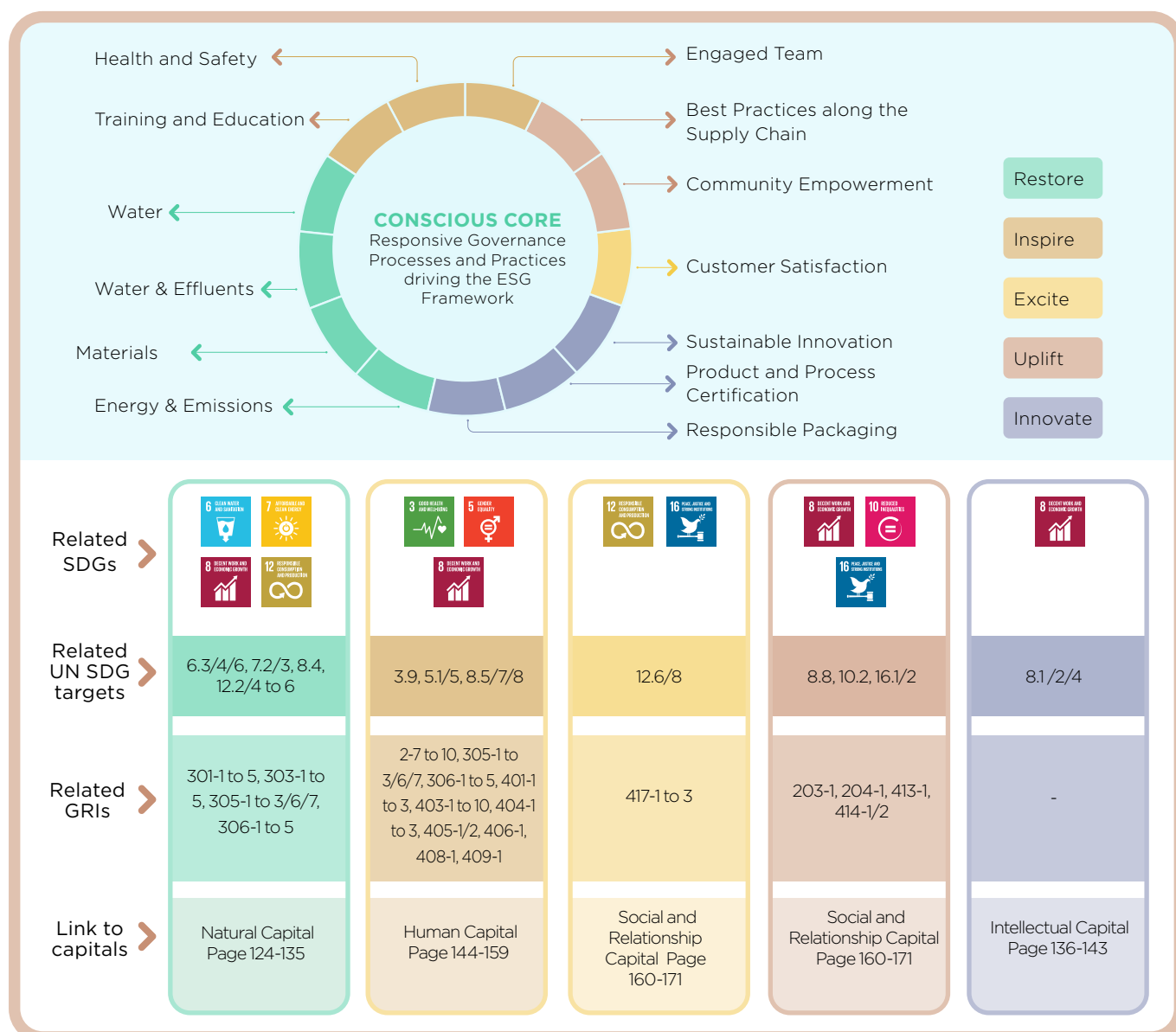
### POLICY ARCHITECTURE

Implementation of "Activate" is governed by a robust policy framework. Group-specific policies

direct ESG factors which present significant risk, are a strategic focus area and/or is a criterion for success in accessing markets. Other factors

are governed by the policies of the Hayleys Lifecode, which serves as the minimum standard across all entities of the Hayleys Group.

	Environment	Social	Governance
Haycarb policies	<ul style="list-style-type: none"> <li>Material and waste management policy</li> <li>Energy and emission management policy</li> <li>Water management policy</li> <li>Environmental policy</li> </ul>	<ul style="list-style-type: none"> <li>Human resource policies (For more details refer Human Capital, Governance page 192).</li> <li>Policies related to other stakeholders</li> <li>Customer management policy</li> <li>Procurement policy</li> </ul>	<ul style="list-style-type: none"> <li>Board and sub-committee charters</li> <li>Information Technology (IT) policy and security policy</li> <li>Policy on risk management and internal control</li> <li>Vendor and third-party management policy</li> <li>Intellectual Capital Policy</li> </ul>
Hayleys Lifecode policies	<ul style="list-style-type: none"> <li>Biodiversity conservation policy</li> <li>Chemical management policy</li> </ul>	<ul style="list-style-type: none"> <li>Human resource policies</li> <li>Community relations policy</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Business data back-up policy</li> </ul>



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## METRICS, TARGETS AND TRANSPARENCY

Our roadmap, which spans to 2030, outlines performance indicators ranging from emissions reduction and resource efficiency to employee engagement and community upliftment. These targets are monitored regularly and aligned with global benchmarks such as the UN Sustainable Development Goals (SDGs) and Global Reporting Initiative (GRI) standards.

Our commitment to measurable impact is further reinforced by Haycarb's introduction of bi-annual sustainability reporting, enabling transparent communication of progress and accountability to stakeholders. The Sustainability Report described the Group's progress towards achieving its ESG goals during the half yearly period. These reports were made available on its corporate website.

## STAKEHOLDER ENGAGEMENT AND CONTINUOUS PROGRESS

Our ESG journey is built on strong, collaborative relationships with the people and partners who shape our impact. At Haycarb, we view stakeholder engagement not as a touchpoint, but as a continuous exchange of ideas, innovation and shared value creation.

As a pioneer in sustainable activated carbon, we actively collaborate with industry peers, regulators, academia and communities to co-create solutions that address pressing environmental and social challenges. These partnerships have enabled us to share knowledge, drive innovation and extend the reach of our impact.

### Knowledge sharing & capacity building

- Meetings with suppliers, technical workshops, audits and evaluation to promote sustainable raw material sourcing and process excellence
- Collaborative partnerships and frequent engagement with customers for innovative and sustainable products and processes
- Employee awareness and training to embed sustainability at all levels
- Conducted meetings and training sessions for industry associations
- Implemented CSR initiatives focused on knowledge sharing to enhance students' understanding of sustainability within school communities
- Facilitated factory visits for university students to promote practical learning and industry exposure

### Multi-stakeholder initiatives

- Partnership with the Coconut Development Authority and Coconut Cultivation Board to establish the second coconut triangle in Sri Lanka.
- Community-focused programmes such as Sisu Divi Pahana, Puritas Sath Diyawara to support health and nutrition
- Sea turtle conservation in partnership with the Department of Wildlife Conservation
- Collaborated with government agencies (e.g. MMCI - Indonesia) to report sustainability information and enhance transparency.
- Supported universities through student engagement initiatives and by facilitating industry visits.
- Partnered with certification bodies to obtain key certifications and memberships (e.g. Eco Label, Responsible Care Council)

Through these efforts, we continue to strengthen our stakeholder relationships and evolve our sustainability practices in alignment with global priorities and local realities.



## RESTORE

We restore the natural world by transforming our relationship with nature using sustainable practices in our manufacturing process and by supporting projects that protect and restore ecosystems.







Key performance indicator	Source of metric used	Baseline (2022/23)	2024/25		Short-term	Medium-term	Long-term
			Progress made*	On track / Achieved / Missed	2025 target	2028 target	2030 target
Waste and effluents							
Reduction of solid waste generation (Mt per revenue Rs. Mn)	GRI	0.11	0.12 (↑9%)		↓4%	↓10%	↓15%
Reduction of wastewater generation (m³ per revenue Rs Mn)	GRI	3.66	8.47 (↑131%)		↓2.8%	↓7%	↓10%
Materials							
Use of sustainable packaging for raw material packaging	GRI	Purchased 1,000,000 No. of Leno sacks for charcoal intake	Purchased 600,000 - 700,000 bags and sacks - reduction mainly due to increase in usage* of bulk bags (BB's) for charcoal intake.		7%	21%	25%
Water							
Sustainable water sourcing (Litres '000)	GRI		68,827(10%)		2.8%	7%	10%
Water usage dedicated to reuse and recycling sustainable practices (Litres '000)	GRI		16,361(2.3%)		4%	10%	15%
Reduction in Group water intensity (m³ per revenue Rs. Mn )	GRI	10.66	16.12 (↑51%)		↓8%	↓20%	↓30%
Energy and emissions							
Increase in renewable energy use – as a % of total non-renewable energy consumption (GJ)	GRI		10,050 (4%)		14%	35%	50%
Increase biofuels utilisation (GJ)	GRI	Assessment in progress	-	-	-	-	-
Reduction in energy intensity (GJ per revenue Rs Mn)	GRI	19.81	26.43(↑33%)		↓2.8%	↓7%	↓10%
Ensuring science based target approach to reduce carbon footprint per revenue	Non-GRI		-		-	-	-
Reduction in Scope 1 and 2 emissions (tCO <sub>2</sub> e)	GRI	25,952	28,097(↑8%)		↓7%	↓17.5%	↓25%
Maintain mapping of all the direct and indirect GHG emissions of the sector	GRI	Direct and indirect emissions calculated annually.	Direct and indirect emissions calculated annually.		100%	100%	100%

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## INSPIRE



We inspire our teams to drive positive and meaningful change by providing them with the resources, training and support they need to succeed. We also create a culture of innovation and collaboration that encourages our employees to think outside the box and to come up with new ways to make a difference.

Key performance indicator	Source of metric used	Baseline (2022/23)	2024/25		Short-term	Medium-term	Long-term
			Progress made*	On track / Achieved / Missed	2025 target	2028 target	2030 target
Engaged team							
Maximum attrition rate	GRI	5%	9%		5%	5%	5%
Coverage of permanent employee performance appraisals	GRI	100%	100%		100%	100%	100%
Training and development							
Mapping of all training requirements across the Group (%)	Non-GRI	100%	100%		100%	100%	100%
Average hours of training per employee per annum	GRI	9 hrs	17.3 hrs		17 hrs	29 hrs	40 hrs
Health and safety							
Zero fatalities and reduce work related injuries across all manufacturing facilities. Reduce recordable incident rate Lost time injuries frequency rate	SASB	RIR – 1.8 LTIF – 0.9	RIR – 2.1 LTIF – 27.6		1.5 1	11	0 <1
Mandatory health screening for all employees Ensure annual ‘Haycarb Health Plan’ conducted for all executives (>40 years age) considered at risk.	Non-GRI		Periodic health checks conducted to identify any health issues early on.				



## EXCITE

We aim to excite our customers by guaranteeing their satisfaction through the provision of unique products and excellent service. Our goal is to create a positive and memorable customer experience that leaves them wanting to come back for more.




Key performance indicator	Source of metric used	Baseline (2022/23)	2024/25		Short-term	Medium-term	Long-term
			Progress made*	On track / Achieved / Missed	2025 target	2028 target	2030 target
Customer management							
Target customer satisfaction	GRI	85%	>90%		>90%	>90%	>90%
Increase in global market share (%)	GRI	16%	Stability in demand				1%





## UPLIFT

We uplift our communities and suppliers by working with them to develop meaningful and impactful projects. We believe powering micro, small and medium enterprises (MSME) and entrepreneurs, we can create a more sustainable and equitable supply chain. We also support a variety of local organisations that are working to improve the lives of people in the communities we operate in.

Key performance indicator	Source of metric used	Baseline (2022/23)	2024/25		Short-term	Medium-term	Long-term
			Progress made*	On track / Achieved / Missed	2025 target	2028 target	2030 target
Community development							
Increase in CSR beneficiaries (Nos)	GRI	>100,000	>71,500 (↘28%)		↑14%	↑35%	↑50%
Supplier value creation							
Use of green charcoal as raw material in all manufacturing locations	GRI	42%	44%		52%	67%	>75%
Supplier assessments of all suppliers on their environmental and social standards and contributions	GRI	5%	11%		15%	30%	40%



## INNOVATE

We innovate products and services by investing in research and development, by developing new and innovative products and by using cutting-edge technology to improve our manufacturing and management processes. We are committed to being at the forefront of innovation in the coconut shell activated carbon industry and we believe that our products and services have the potential to make a positive impact on the world.

Key performance indicator	Source of metric used	Baseline (2022/23)	2024/25		Short-term	Medium-term	Long-term
			Progress made*	On track / Achieved / Missed	2025 target	2028 target	2030 target
Customer management							
Product and process certifications (Nos)	Non-GRI	All mandatory and strategically important certifications obtained.	32				
Sustainable innovation (Rs Mn)	Non-GRI	Continuous efforts to carry out initiatives relating to sustainable innovation.	209				

Achieved On track Missed

\*Progress percentages mentioned here against the "Activate" targets are calculated compared to the base year 2022/2023