

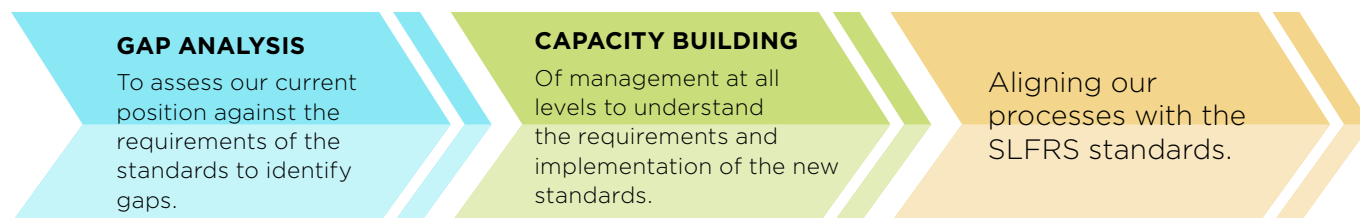
# Boundless Impact

Progress Towards Adopting  
SLFRS Sustainability Reporting Standards



# Progress Towards Adopting SLFRS Sustainability Reporting Standards

In June 2023, the ISSB introduced its inaugural sustainability standards, and CA Sri Lanka issued localised versions—SLFRS S1 and S2—which will be effective from January 1, 2025. We initiated adoption of these standards during the 2023/24 financial year and have continued to enhance our sustainability processes in 2024/25. A summary of our progress is provided below.



Requirement		Reference	Pages
Governance	<ul style="list-style-type: none"> <li>Formed an ESG Steering Committee with cross-functional representation</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>Established an ESG Unit</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>The Committee met quarterly during the year to monitor ESG performance</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>Developed a Terms of Reference for the ESG Steering Committee</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>Assigned the ESG and Risk Management Committee to ensure the necessary skills and competencies are in place or developed</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>ESG performance criteria are being incorporated into remuneration policies</li> </ul>	✓	71
	<ul style="list-style-type: none"> <li>ESG data is captured through the Hayleys Sustainability Portal and audited annually</li> </ul>	✓	
	<ul style="list-style-type: none"> <li>Established an internal audit mechanism headed by the Haycarb Sustainability Manager</li> </ul>	✓	52
	<ul style="list-style-type: none"> <li>All sustainability and climate related risks and opportunities are reviewed by the Audit Committee and the Board of Directors.</li> </ul>	✓	
Strategy	<ul style="list-style-type: none"> <li>Identified sustainability-related risks and opportunities likely to impact the Group's prospects</li> </ul>	✓	59-80
	<ul style="list-style-type: none"> <li>Assessed their effects on the business model and value chain</li> </ul>	✓	59-80
	<ul style="list-style-type: none"> <li>Identified the impacts of these sustainability related risks and opportunities on the Group's strategy and decision making.</li> </ul>	✓	59-80
	<ul style="list-style-type: none"> <li>Quantified their impact on financial position, performance, and cash flows for the reporting period &amp; anticipated effect over the short to medium long term</li> </ul>	🚩	59-80
Risk Management	<ul style="list-style-type: none"> <li>Developed a sustainability risk management policy outlining processes to identify, assess, prioritise, and monitor sustainability related risks.</li> </ul>	✓	200-201
	<ul style="list-style-type: none"> <li>Conducted a materiality assessment to identify and prioritise key sustainability risks and opportunities.</li> </ul>		
	<ul style="list-style-type: none"> <li>Based on insights from the materiality assessment the creation of "Activate," our 2030 ESG Roadmap with defined priorities, metrics, and targets.</li> </ul>	✓	107-108
	<ul style="list-style-type: none"> <li>ESG performance and risk assessments are reviewed quarterly; materiality is reassessed annually.</li> </ul>		
Metric and targets	<ul style="list-style-type: none"> <li>Aligned metrics and targets with identified sustainability and climate-related risks and opportunities using Haycarb's risk matrix.</li> </ul>	✓	53-55
	<ul style="list-style-type: none"> <li>Mapped metrics and targets to SASB standards, GRI material topics, and the UN SDGs.</li> </ul>	✓	53-55

Requirement		Reference	Pages
Transitional Reliefs	<b>Prior Period Disclosures</b> <ul style="list-style-type: none"> <li>Entities are not required to provide disclosures or comparative information for periods before the initial application date.</li> </ul>		
	<b>Sustainability-related financial disclosures</b> <ul style="list-style-type: none"> <li>In the first year, entities can publish sustainability-related financial disclosures after financial statements, within these timelines: <ul style="list-style-type: none"> <li>Required Interim Report: With the next second-quarter or half-year interim report.</li> <li>Voluntary Interim Report: With the next interim report, but within nine months of the period end.</li> <li>No Interim Report: Within nine months of the period end.</li> </ul> </li> </ul>		48-75
	<b>Climate-Only Disclosures (First Year)</b> <ul style="list-style-type: none"> <li>Entities may disclose only climate-related risks and opportunities in the first year and must disclose this choice.</li> </ul>		76-88
	<b>Comparative Information Relief</b> <ul style="list-style-type: none"> <li>First Year: No comparative information on climate-related risks and opportunities.</li> <li>Second Year: No comparative information on other sustainability-related risks and opportunities, except climate-related ones.</li> </ul>		
	<b>Proportionality</b> <p>Qualitative approach to determine anticipated financial effects of SRROs, CRROs and climate-related scenario analysis</p>		69-88
	<b>GHG Protocol and Scope 3 disclosures</b> <p>Information is limited to what is reasonable, supportable, and available without undue cost or effort in measurement of Scope 3 emissions and determination of the scope of the value chain</p>		

Complied 
 In progress 
 Transitional relief considered 