

HAYCARB

SUSTAINABILITY IMPACT



Activating A Greener Future
June 2025

Executive Summary

Haycarb PLC continues to lead the global activated carbon industry with a commanding 16% market share and a portfolio of over 1,500 products. Our unique value proposition transforms coconut shells, a by-product of the coconut industry from smallholder communities into world-class purification, and energy storage solutions. Operating 7 manufacturing facilities across Sri Lanka, Indonesia, and Thailand, we serve customers in over 50 countries through our global network of marketing offices and distributors.

Our ESG Journey

In 2023, we formalized our sustainability commitment through our comprehensive ESG roadmap, "Activate." This ambitious framework sets clear environmental, social, and governance targets for 2030, supported by annual KPIs, strategic initiatives, and robust governance structures including an ESG Steering Committee with board representation and an ESG working committee responsible for executing the strategic decisions taken by the Steering Committee.

About This Report

Reporting Period: April 1, 2024 to March 31, 2025.

Coverage: All manufacturing facilities and business units across 11 global locations.

Framework: Aligned with UN Sustainable Development Goals (SDGs).

Baseline: Performance measured against 2022/23 baseline year.



Joint Message From MD & Deputy MD

Dear Stakeholders,

We are pleased to present the third edition of Haycarb's Sustainability Impact Report, which reflects our progress during the period April 2024 to March 2025, under our ESG roadmap Activate. This report captures our continued commitment to embedding sustainability across our operations, supply chain, and value creation model, as we pursue our 2030 ESG targets.

The year was defined by significant progress across key sustainability priorities, including renewable energy adoption, water stewardship, waste reduction, product innovation, and community empowerment. We are proud to have achieved a 50% increase in rainwater harvesting, and extended our community initiatives to positively impact over 71,500 beneficiaries. Our Puritas Sath Diyawara initiative celebrated its 10th anniversary, reinforcing our dedication to addressing critical health and well-being challenges in vulnerable communities. At the same time, we see opportunities to further strengthen our performance, particularly in managing Scope 1 and 2 emissions, which increased as we expanded into more value-added product categories. We are actively addressing this through targeted investments in energy efficiency, innovative processes, and deeper collaboration with our suppliers, initiatives that position us well to achieve meaningful progress in the years ahead.

Sustainable innovation remains a cornerstone of our strategy. We invested in R&D to develop solutions in emerging sectors such as energy storage and advanced water treatment such as PFAS removal demonstrating our intent to lead in sustainable activated carbon technologies. Our team's resilience and passion have been instrumental in driving these outcomes, and we are proud of their commitment to our ESG ambitions.

Looking ahead, we will further integrate ESG principles into our business model, strengthen partnerships to amplify our community impact, and continue to deliver long-term value to our stakeholders. We remain dedicated to transparent reporting and accountability, as we navigate our path towards a greener, more inclusive future.

We thank our employees, customers, suppliers, and all stakeholders for their trust and collaboration as we activate a better tomorrow.



Rajitha Kariyawasan
Managing Director



Brahman Balaratnarajah
Deputy Managing Director & Head of ESG

Our Five-Pillar ESG Strategy

Our "Activate" framework centers on five strategic pillars, each designed to create measurable impact:

RESTORE	Natural World	Transform our relationship with nature through energy, emissions, water, and waste management.	
INSPIRE	Our Teams	Enhance employee value through training, satisfaction, and workplace safety.	
EXCITE	Our Customers	Deliver unique products and exceptional service driving customer satisfaction.	
UPLIFT	Our Communities	Empower communities and propagate best practices throughout our supply chain.	
INNOVATE	Future Solutions	Drive sustainable change through product and process innovation.	

RESTORE: Protecting Our Natural World



2024/25 Performance Highlights

- **Renewable Energy Generated through Solar and New Projects:** 8,132 GJ
- **Water Recycled/Reused:** 16.4 million liters
- **Wastewater Treated:** 321,433 m³
- **Trees Planted:** Over 75,000
- **Carbon Footprint:** 28,097 tCO₂e (Scope 1 & 2)



Key Achievements

Energy & Emissions Management

We continue to harness exothermic energy generated during our production processes to produce steam, thereby reducing our reliance on fossil fuels. This year, we piloted an additional initiative to repurpose this waste heat for dryer operations, thereby maximizing its use across the production line. Our solar power generation capacity expanded to 5,648 kWp. We are currently progressing with the capacity enhancement of our Recogen facility through the addition of a new boiler and turbine.



Challenge: Scope 1 and 2 emissions increased by 15% due to higher value-added production and increased non-renewable energy consumption. We're implementing targeted strategies to address this in 2025/26.

Water Stewardship

Total water withdrawal decreased by 5% year-over-year, while surface water usage dropped 5% compared to our baseline. Notable improvements include:

- 50% increase in rainwater harvesting
- 33% increase in recycled water usage
- Installation of a 120 m³ Reverse Osmosis plant at the Badalgama factory



RESTORE: Protecting Our Natural World



2030 Targets Progress

Target	Status	Progress
50% renewable electricity reliance	●	Implementing new measures to increase renewable energy
25% reduction in Scope 1 & 2 emissions	●	Requires acceleration
10% reduction in energy intensity (GJ per MT)	✓	Target met
10% sustainable water sourcing	✓	Target met
30% reduction in water intensity (m ³ per MT)	●	Implementing new measures
15% water reuse/recycling	●	Progress continues
15% reduction in solid waste (MT per MT)	✓	Target met

Achieved
 On Track
 Behind

INSPIRE: Empowering Our People



2024/25 Performance Highlights

- **Total Employees:** 2,026
- **Training Hours Delivered:** 35,129 (17.3 hours per employee)
- **Employee Retention Rate:** 91%
- **Female Leadership Representation:** 29%
- **New Hires:** 439 employees



Key Achievements

Talent Development

We launched "HayLearn," our comprehensive e-learning platform offering 203 courses across 19 specialized areas. Training hours per employee increased by 43%, demonstrating our commitment to continuous learning and development.



Workplace Safety

We designated 206 employees as health and safety champions and established departmental safety sub-committees. Enhanced safety measures included boiler digitalization projects and expanded training programs totaling 10,811 safety training hours.



Critical Focus: We experienced one workplace fatality and 43 occupational injuries (up from 32 in 2023/24). This remains our highest priority, with comprehensive safety protocol reviews and additional training initiatives underway.



Employee Engagement

Post-onboarding reviews were introduced for all new employees, supporting better integration and retention. Our 91% retention rate reflects strong employee satisfaction and engagement.



INSPIRE: Empowering Our People



2030 Targets Progress

Target	Status	Progress
5% attrition rate	●	Currently at 9%
40 average training hours per annum	●	Currently at 17.3 hours
100% training requirement mapping	✓	Complete
100% performance appraisals	✓	All permanent employees
Zero fatalities	●	Safety Systems Re-validated and intensified

Achieved
 On Track
 Behind/ Missed

EXCITE: Delighting Our Customers



2024/25 Performance Highlights

- **Customer Satisfaction:** >90% across all segments
- **New Customers Acquired:** 26
- **New Products Launched:** 16
- **Revenue from New Products:** Rs. 467 million



Key Achievements

Customer Experience Excellence

We maintained exceptional customer satisfaction scores above 90% across both our Activated Carbon and Environmental Engineering Solutions segments. Our annual customer survey was enhanced with eight sustainability-focused questions to better understand evolving customer needs.



Digital Transformation

Our corporate website was completely relaunched and integrated with a new CRM platform, featuring interactive tools and chatbot assistance. Enhanced digital marketing capabilities including SEO optimization and social media engagement expanded our market reach significantly.



Product Innovation & Quality

We launched 16 new products generating Rs. 467 million in revenue, while maintaining stringent quality standards through international certifications including ISO, GMP and NSF. Expanded warehousing facilities in key markets, including two new warehouses in Indonesia, ensure reliable supply chain performance.



EXCITE: Delighting Our Customers



2030 Targets Progress

Target	Status	Progress
>85% customer satisfaction rate	✓	Consistently above 90%

✓ Achieved
 ● On Track
 ● Behind

UPLIFT: Strengthening Our Communities



2024/25 Performance Highlights

- **CSR Beneficiaries:** Over 71,500 people
- **CSR Investment:** Rs. 50.4 million
- **Coconut Shell/Charcoal Suppliers:** Over 500
- **Community Projects:** 7 major initiatives



Flagship Community Programs

Puritas Sath Diyawara - Celebrating 10 Years

Our flagship water purification initiative marked its 10th anniversary, providing clean drinking water to communities affected by chronic kidney disease (CKD).

Cumulative Impact:

- 200,000+ liters of purified water provided daily
- 45,000+ people positively impacted
- 20 water treatment plants established
- Rs. 104.4 million total investments from Hayleys Group

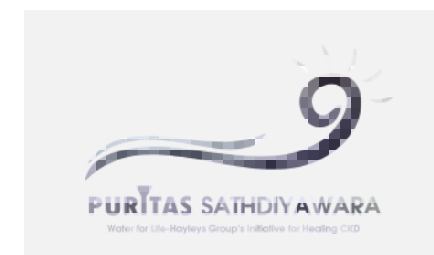
Education & Health Initiatives

School Meal Programme: Rs. 15.3 million invested, 170,000+ meals provided to 850+ children across 13 schools.

Educational Support: Rs. 12.1 million in books/stationery donations supporting 3,500+ children across 14 schools.

Laptop Donation: Rs. 5.8 million invested, 140+ students across 9 universities benefited.

Medical Carbon Donations: Rs. 1.5 million invested, 10,000+ patients treated.



UPLIFT: Strengthening Our Communities



Environmental Conservation

Coconut Seedling Program:

100,000 seedlings planted in Northern Province (completed), additional 100,000 pledged for Eastern Province.

Sea Turtle Conservation:

10,366 turtle hatchlings returned to sea through our Kumana National Park partnership.



Supply Chain Development

Our "Haritha Angara" program supported over 200 small-scale suppliers in eco-friendly charcoaling practices. Total payments to coconut shell and charcoal suppliers reached Rs. 14.9 billion, directly supporting rural livelihoods.

2030 Targets Progress

Target	Status	Progress
50% increase in CSR beneficiaries	●	Expanding program reach
>75% green charcoal usage	●	Progressing steadily
40% suppliers screened (environmental/social)	●	25% currently achieved

✓ Achieved ● On Track ● Behind

INNOVATE: Pioneering Sustainable Solutions

2024/25 Performance Highlights

- **R&D Investment:** Rs. 209 million
- **New Products Developed:** 16 (4 more in pipeline)
- **New Product Revenue:** Rs. 467 million
- **Lean Initiatives:** 31 projects saving Rs. 460.4 million



Innovation Excellence

Product Development

Our innovation pipeline focused on high-growth sectors including energy storage carbons, PFAS removal solutions, pelletized carbon for H₂S removal, and high-capacity chloramine removal carbon. These strategic investments position us at the forefront of emerging market needs.

Process Innovation

Major capacity expansions included Rs. 1.23 billion invested in energy storage carbon manufacturing and enhanced post-activation facilities for water treatment applications.

Technology Leadership

Our newly established state-of-the-art electro-chemical laboratory accelerates the innovation of energy storage carbon, which supports the development of next-generation batteries and capacitors. Our SAP ERP system was upgraded to EHP 8.0, enhancing operational efficiency and data management capabilities.



INNOVATE: Pioneering Sustainable Solutions

Operational Excellence

31 lean manufacturing initiatives delivered Rs. 460.4 million in cost savings while improving process efficiency. Advanced automation and digitalization projects enhanced real-time monitoring of critical process parameters.



Recognition & Awards 2024/25

Our commitment to sustainability excellence earned significant recognition:

Major Awards

Best Corporate Citizen Sustainability Awards - Ceylon Chamber of Commerce

- Top Ten Best Corporate Citizens
- Winner of Best Project Sustainability Award to Puritas Sath Diyawara & Going Beyond

Green Industry Awards: Gold Award for Inclusive Business Development

Presidential Environment Awards: Silver Award in Chemical Industry category

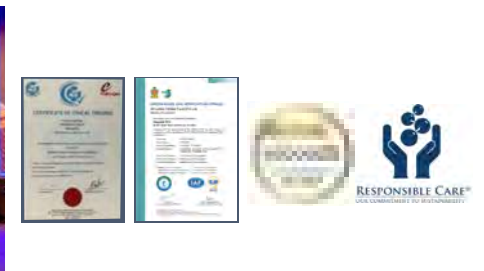
Sustainability Reporting Awards by ACCA Sri Lanka: Joint Runner-Up in Manufacturing Category

Excellence in Integrated Reporting Awards by CMA Sri Lanka: Best Integrated Report in Manufacturing Category

TAGS Awards: Gold Award Winner in the Manufacturing Sector for Corporate Reporting Excellence

Certifications

- EcoVadis Gold Certification
- Certificate of Ethical Trading
- GHG verification 2024/2025 – Sri Lanka Climate Fund



Looking Ahead: Our 2030 Vision

As we advance toward our 2030 targets, we remain committed to:

Immediate Priorities (2025/26)

- Accelerating emissions reduction through renewable energy expansion
- Maintaining comprehensive workplace safety enhancements and digitizing safety systems
- Expanding community program reach and impact
- Advancing sustainable supply chain practices

Strategic Focus Areas

- Strengthening ESG integration across our entire value chain
- Enhancing digital infrastructure and automation capabilities
- Expanding environmental engineering solutions for regional markets
- Maintaining bi-annual sustainability reporting for transparency

Long-term Commitments

By embedding ESG principles into every aspect of our strategic planning and operational execution, Haycarb is positioned to deliver sustainable growth, enhanced stakeholder value, and measurable positive impact on people and planet. With our 2030 targets as our guiding framework, we reaffirm our commitment to maintaining leadership in activated carbon solutions renowned for sustainable innovation while creating lasting value for all stakeholders.



Contact Information

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This report represents our continued commitment to transparency, accountability, and sustainable business practices. We welcome feedback from all stakeholders as we work together toward a more sustainable future.



Activate ESG Roadmap 2030



Haycarb PLC Annual Report
2024/25



Haycarb Website



HAYCARB

Activated carbon solutions