



# **HAYCARB**

## **SUSTAINABILITY IMPACT**

**ACTIVATING  
A GREENER FUTURE**



January 2025

# OVERVIEW

## About this Publication

This publication seeks to provide a high-level update of the Haycarb Group's performance against its ESG targets, as set out in its ESG Roadmap 'Activate'. This Report is released as a biannual publication and this issue covers the period from 1<sup>st</sup> of April 2024 to 30<sup>th</sup> of September 2024.

## Scope and Boundary

The Report covers the operations of Haycarb PLC and its subsidiaries operating in 11 locations, including in Indonesia and Thailand.

## Targets

As defined in Activate, the baseline year for the Group's Environmental and Social targets are 2022/23. Actual performance for the first six months of the financial year ending 31<sup>st</sup> March 2025, reflect performance against the defined timeline.

## Navigation

Further information on the Group's ESG aspirations and performance can be found in the following sources.



Haycarb PLC  
Integrated  
Annual Report  
2023-24



Activate

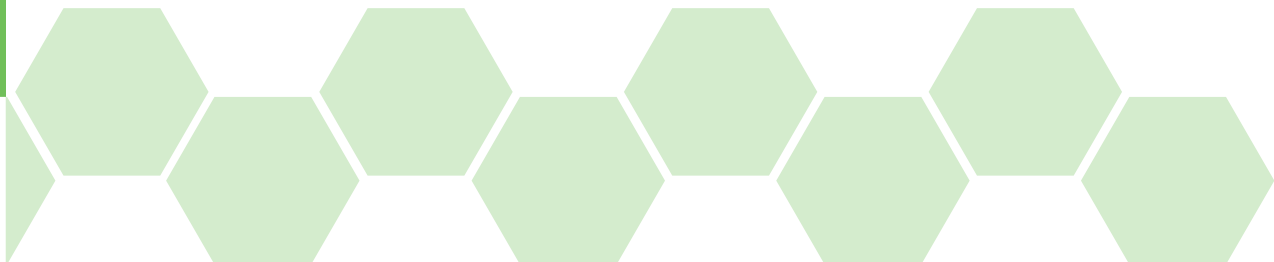


Haycarb  
Website

Haycarb PLC is a global leader in coconut-shell based activated carbon, commanding an estimated market share of 16% and through a portfolio of over 1,500 products. The Group's unique waste-to-value proposition centers on procuring coconut shell charcoal from smallholder communities, which are used to produce an array of world-class solutions which support critical applications in purification, well-being and energy storage. Haycarb operates seven manufacturing facilities in Sri Lanka, Indonesia and Thailand and caters to customers in over 50 countries through marketing offices in Sri Lanka, USA, Europe and Australia.

## Commitment to ESG

While sustainability has always been central to the Group's ethos, Haycarb formalised its commitment to environmental and social consciousness in 2023, with the launch of its holistic ESG Roadmap, 'Activate'. The roadmap sets ambitious environmental, social and governance targets to be achieved by 2030 together with annual targets, KPIs, strategies and action plans. The implementation of Activate also followed the establishment of suitable governance structures, policy frameworks and reporting mechanisms. Accordingly an ESG Steering Committee was established with Board representation, in addition to an ESG Working Committee which is responsible for executing the strategic decisions taken by the Steering Committee.



# JOINT MESSAGE FROM MD AND DEPUTY MD



Dear Stakeholders,

As we present the second edition of Haycarb's ESG Progress Report, we are proud to share the progress we have made on our sustainability journey. Guided by our enduring purpose to *Envision, Empower, and Enrich*, we remain committed to creating a lasting impact through purposeful innovation, community empowerment, and environmental stewardship.

Our ESG framework, *Activate*, continues to serve as our guiding principle. It is built on the foundation of governance and accountability. Its five strategic pillars—Restore, Inspire, Excite, Uplift, and Innovate—drive our efforts to align Haycarb's business strategies with the UN Sustainable Development Goals.

The year witnessed remarkable progress in advancing our ESG 2030 Roadmap. In line with our commitment to socio-economic empowerment, initiatives like *Puritas Sath Diyawara* continued to provide clean drinking water to rural communities, while the *Sisu Divi Pahana* program supported state university students through laptop donations. Environmental restoration remained a key focus with projects such as rainwater harvesting and *Turtle conservation*. These initiatives, combined with robust stakeholder engagement, have greatly contributed to improving community well-being and fostering sustainable development.

We have also intensified our focus on employee development and workplace safety, fostering a culture of empowerment and engagement. Innovation remains central to our success, with advancements in research & development driving sustainability in activated carbon technologies. Our focus on digital transformation has optimized processes, minimized waste, and enabled data-driven decision-making.

Our efforts have garnered accolades and certifications, highlighting the tangible impact of our sustainability initiatives. Looking ahead, we remain committed to pursuing renewable energy adoption, emissions reduction, and sustainable innovation to achieve a net-zero future.

This report is evidence of our shared journey and an invitation for all stakeholders to join us in activating transformative change. Together, we are confident in building a sustainable future rooted in growth and purpose.

With gratitude for your continued partnership,

**Rajitha Kariyawan**

Managing Director



**Brahman Balaratnarajah**

Deputy Managing Director & Head of ESG

# OUR ESG COMMITMENTS

<b>RESTORE</b>	<b>the natural world</b>	Through transforming our relationship with nature focusing on energy and emission management, water consumption, material usage and waste and effluent management	
<b>INSPIRE</b>	<b>our teams to drive meaningful and impactful change</b>	By enhancing our employee value proposition with focus on training and development, increasing satisfaction and creating a safe work environment	
<b>EXCITE</b>	<b>our customers</b>	Through unique products and excellent customer service which drives increased satisfaction	
<b>UPLIFT</b>	<b>our communities</b>	By propagating best practices along the supply chain and drive community empowerment	
<b>INNOVATE</b>	<b>for a greener future</b>	Drive impactful change through sustainable product and process innovation	

# RESTORE the natural world through transforming our relationship with nature



	2030 TARGET	PERFORMANCE 6M 24/25	PROGRESS AGAINST INTERIM TARGET
	<b>50%</b> reliance on renewable electricity		
	<b>25%</b> reduction in Scope 1 & 2 emissions		
	<b>10%</b> reduction in energy intensity		
	<b>10%</b> sustainable water sourcing		
	<b>30%</b> reduction in water intensity		
	<b>15%</b> water usage dedicated to reuse and recycling		
	<b>15%</b> reduction in solid waste generation (per MT)		

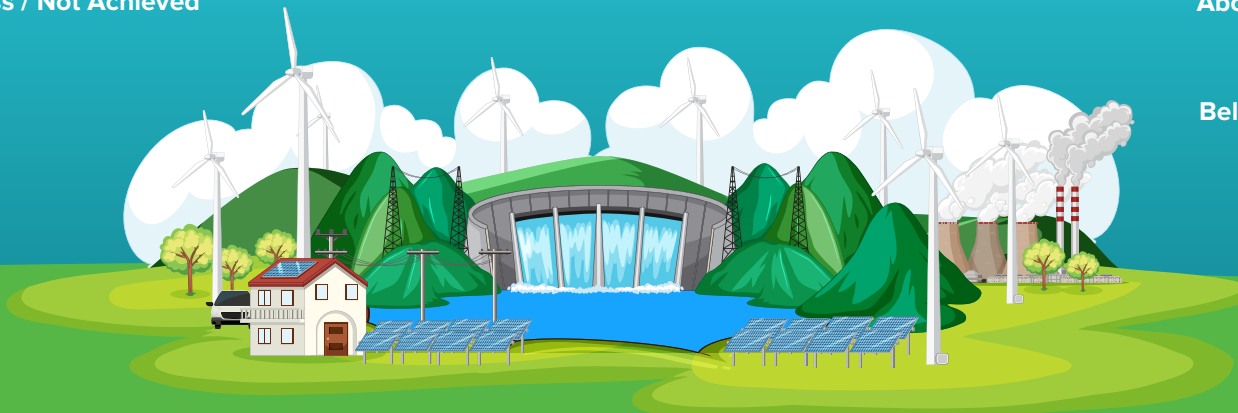
In Progress / Not Achieved

Achieved

Above expectation

In Progress

Below expectation



## RENEWABLE ENERGY GENERATION

The Group continues to invest in greening its energy footprint with solar power generated in 3 locations. During the preceding 6 months, Haycarb generated 846,239 kWh renewable electricity through solar power, of which 80% was consumed internally with the remainder supplied to the national grid.

Additionally, through our RECOGEN facility we have generated 1,191,050 kWh amount of electricity from waste heat recovery while exporting 467,430 units to the national grid.



## BIODIVERSITY PRESERVATION
















In view of World Environment Day 2024, the Haycarb Group engaged in several biodiversity preservation initiatives across all its manufacturing locations in Sri Lanka, Thailand and Indonesia. These initiatives included tree planting, awareness sessions to adjacent communities, establishment of a butterfly garden and interactive workshops with employees, thereby showcasing the Group's commitment to ecological conservation and biodiversity preservation.



# INSPIRE

our teams to drive impactful and meaningful change



2030 TARGET	PERFORMANCE 6M 24/25	PROGRESS AGAINST INTERIM TARGET
 <b>5%</b> attrition rate		
 <b>40</b> average training hours per annum		
 <b>100%</b> mapping of all training requirement across the group		
 <b>100%</b> permanent employees to receive performance appraisals		
 <b>Zero</b> fatalities		



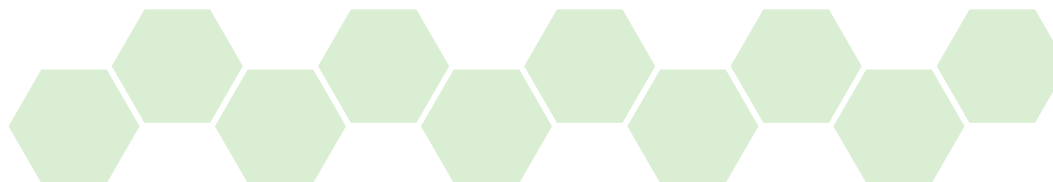
## MENTAL WELL-BEING

Having recognised the critical importance of mental well-being in today's work environment, Haycarb launched a mental health drive across the organisation. Accordingly, the Group partnered with Cary Goulston, an international educator, public and motivational speaker to conduct an interactive training session at Haycarb Madampe, focusing on mental well-being and communication skills. Sessions were also conducted on workplace stress, work-life balance, positive attitude and team building. Through ongoing emphasis on both physical and mental well-being Haycarb aspires to build a healthier, happier and more satisfied workforce.



## SAFETY




The Haycarb Group made a step change in its health and safety agenda, through launching an organisation-wide holistic initiative to nurture a safety conscious culture. This included the appointment of 206 safety champions across all manufacturing locations, tasked with the responsibility of leading the Group's safety strategy and aspirations. The Group also formulated a safety vision and pledge with the aim of driving a unified commitment towards safety reinforcing the critical importance of safety across all levels of the organisation. Several safety-related training interventions were also carried out including fire safety and first-aid training, employee engagement initiatives and other awareness building programmes. The safety culture program was initiated in Sri Lanka.





# EXCITE our customers through unique products and excellent customer service



2030 TARGET	PERFORMANCE 6M 24/25	PROGRESS AGAINST INTERIM TARGET
 <b>&gt;85%</b> customer satisfaction rate		

## ECO-LABEL CERTIFICATION

Haycarb received the Eco-Label Sri Lanka certification from the National Cleaner Production Centre (NCPC) in collaboration with GIZ GmbH. The certification attests to the Group’s commitment to promote environmentally-friendly products and adhere to international standards for eco-consciousness. During the event, Haycarb’s Deputy Managing Director, Brahman Balaratnarajah contributed his insights as a panelist.



## CUSTOMER ENGAGEMENT:

Haycarb continued to actively participate in international trade fairs and exhibitions, showcasing its innovative products to existing and potential customers. Products showcased included advanced carbon solutions for the mining industry, innovative water treatment solutions and renewable and bio-based electrode materials designed for battery and supercapacitor applications.



# UPLIFT **our supply chains and communities through driving shared value creation**



2030 TARGET	PERFORMANCE 6M 24/25	PROGRESS AGAINST INTERIM TARGET
50% increase in CSR beneficiaries	<div style="width: 50%; background-color: orange;"></div>	➔
>75% use of green charcoal as raw material	<div style="width: 75%; background-color: orange;"></div>	➔
40% of suppliers screened for environmental and social criteria	<div style="width: 40%; background-color: green;"></div>	✔

## COMMUNITY EMPOWERMENT:

The Group’s strategic CSR initiatives are aimed at driving long-term, impactful change through addressing critical social and environmental issues facing the communities in which we operate. The Group’s four key CSR projects are,

- **Puritas Sath Diyawara:** Launched in 2015, this initiative seeks to address the issue of chronic kidney disease in affected areas through providing these communities with access to clean drinking water through reverse osmosis plants.

19 projects	21 villages	>45,000 people benefitted
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- **Going Beyond:** The 2<sup>nd</sup> phase of Puritas Sath Diyawara, this project empowers CKD-affected rural and poverty-stricken villages through supporting educational requirements of schools.
- **Behold the Turtle:** A turtle conservation project conducted in collaboration with the Department of Wildlife Conservation, Sri Lanka, along the shores of Kumana National Park on the East Coast of Sri Lanka to preserve endangered sea turtles.

- **Sisu Divi Pahana:** Provides nutritious midday meals to schools across 6 districts in Sri Lanka

850 students	13 schools
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In addition to the above, the following CSR interventions were carried out during the period under review.



## DAY OF DISCOVERY AND FUN

Haycarb organised a full-day excursion in Colombo for 29 students from Viranagama Primary School in Mahiyanganaya, facilitating visits to the planetarium, Independence Square, Galle Face Green, Gangarayama temple and the Colombo Zoo. Students were also presented with vouchers together with a speaker system to the school.



## HEALTH AND SAFETY WORKSHOP

The Haycarb team collaborated with representatives from the National Youth Corps to conduct a health and safety management workshop for 70 youth from the Wennapuwa region, providing valuable insights on practical aspect relating to safety and well-being.

## BLOOD DONATION CAMPAIGN

Employees from the Haycarb Badalgama and Madampe facilities, together with the communities from adjacent villages, totaling around 150 persons engaged in a blood donation campaign.



## DONATION OF LAPTOPS

As part of the Sisu Divi Pahana initiative, Haycarb donated 100 laptops to economically disadvantaged students from seven state universities. Conducted for the 2<sup>nd</sup> consecutive year, this initiative aims to strengthen digital literacy among students thereby contributing enhancing this critical skill which is vital for success in the modern workplace.



# INNOVATE

for a greener future through driving  
product and process innovation

## COMMITMENT TO INNOVATION:

Progress made in 6M FY 2024/25

**Rs. 149 Mn**

Investment in R&D

**08**

New products

The Group's approach to sustainable innovation is multi-pronged, centering on product applications that support a more sustainable future as well as process innovations which focus on less resource-intensive raw materials, circular production technologies and sustainable management practices among others. During the period under review, Haycarb established a new electrochemical laboratory which is anticipated to drive state-of-the-art innovations in activated carbon applications, particularly in energy storage solutions



# AWARDS AND RECOGNITION

The Haycarb Group continued to be recognised and awarded across all facets of its operations, attesting to its commitment for excellence and continuous improvement across multiple areas of its operations. Key awards received in recent months include the following:

<b>National Business Excellence Awards - 2024</b>	<b>The National Chamber of Commerce of Sri Lanka</b>	Overall Gold Award Winner - Extra-large category
		Winner - Export Sector category
		Runner-up - Excellence in Performance Management
		Merit Awards - Excellence in Global Market Reach
		Merit Award - Excellence in Capacity Building
<b>Green Industry Awards - 2024</b>	<b>The Industrial Development Board, Sri Lanka</b>	Gold Award - Inclusive Business Development Category
<b>Presidential Environment Awards - 2024</b>	<b>Central Environmental Authority, Sri Lanka</b>	Silver Award - Chemical Industry category
<b>38<sup>th</sup> International ARC Awards in New York</b>	<b>MerComm, Inc.</b>	Our 2023/24 Annual Report, themed “Thriving Together”, Gold award for ‘Cover Photo/Design’ in the manufacturing and distribution category, Silver Award for ‘Non-Traditional Annual Report’ in the manufacturing and distribution category
<b>North Sulawesi investment forum 2024</b>	<b>Central Bank of Indonesia and the North Sulawesi Regional Government</b>	MMCI was recognized for its commitment to responsible business practices, including compliance with business permits and obligations.



## WAY FORWARD

The Group's short-to-medium term sustainability agenda will be guided by the action plans set out in Activate, with ongoing focus on reducing dependence on fossil-fuel based energy sources, improving waste management and optimising the use of natural resources. The social agenda will center on driving further enhancements in the employee value proposition through a focus on employee development, safety and well-being and nurturing a culture of diversity and inclusion. Supplier and community empowerment through shared value creation and ongoing investments in strategic CSR projects will continue in line with the aspirations set out in Activate.



**VISIT US**

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