

ACTIVATE



HAYCARB
Activated carbon solutions

HAYCARB PLC
ESG Roadmap 2030

Activate

With boundless energy and unwavering determination, we have embraced the possibilities that lie ahead, remaining steadfast in our commitment to creating a more sustainable and healthier planet. '*Activate*' aims to be a beacon of hope, inspiring those around us to embrace sustainable practices, thus proving that it is possible to achieve our organisational goals while making a positive impact on the environment and society.

We firmly believe in activating our influence to create a more sustainable future for generations to come. At Haycarb, we are more than just a company – we are an active catalyst for positive change, invigorating stakeholders and communities to join us in creating a vibrant, resilient, and sustainable future. By aligning our business goals with environmental and social responsibility, we strive to create a more equitable and compassionate world.

ABOUT ACTIVATE

'Activate' articulates Haycarb Group's (herein referred to as 'Haycarb' or the 'Group') commitment to embedding Environmental, Social and Governance (ESG) drivers across all aspects of its strategy and operations, as it seeks to effectively respond to shifting risk landscapes and forge new decision-making norms that appropriately values nature and society. 'Activate' details our 2030 environmental, social and governance targets and a clear roadmap, towards delivering these goals through collective action. Titled 'Activate', the Roadmap includes detailed disclosures on the Group's approach to managing material ESG topics, long-term sustainability aspirations, baseline performance, strategies, and the necessary ESG-related governance mechanisms.

Scope and boundaries

The Group's ESG Roadmap, 'Activate', is implemented across all operating locations including its manufacturing, marketing and sales, R&D, support services, investments and environmental engineering arms. (refer to Annex 2 for Group Structure). Haycarb's operations are located primarily in Sri Lanka, Indonesia and Thailand as well marketing offices in Europe, USA, Australia and other regions. Haycarb's Corporate Sustainability & ESG Department will maintain a list of all operating locations and ensure that these locations report on relevant material topics in alignment with UN SDGs and GRI Standards. The scope of the ESG reporting also does not extend beyond locations that are owned or leased and operated by businesses that are consolidated for financial reporting purposes, thereby harmonising the scope of financial reporting and ESG reporting.

New locations and businesses

New locations have a grace of two years from commencement of operations to comply with the ESG reporting requirements. New locations added must be named in the annual report to facilitate comparability of ESG information within the annual report.

Annual assessment of scope

The Corporate Sustainability and ESG Department will assess the adequacy of coverage/scope on an annual basis by September of each financial year to facilitate implementation of the ESG Roadmap in a consistent manner across all our businesses and provide a status report to the Haycarb ESG Steering Committee for their information and necessary action.

Cessation of operations

Locations that cease operations must be identified and named in the annual report to facilitate comparability of ESG information over previous years.

External standards and frameworks


The Roadmap has been designed to ensure compliance with regulatory requirements while embracing best practices in ESG, corporate reporting and corporate governance. Key frameworks adopted include the following:

- Integrated Reporting Framework issued by the International Integrated Reporting Council
- GRI Standards issued by the Global Reporting Initiative
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka 2017
- Taskforce for Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB)
- Ten Principles of the United Nations Global Compact
- UN Sustainable Development Goals


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
The relevant Environmental, Social, and Governance policies are annexed and attached herewith.


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
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
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
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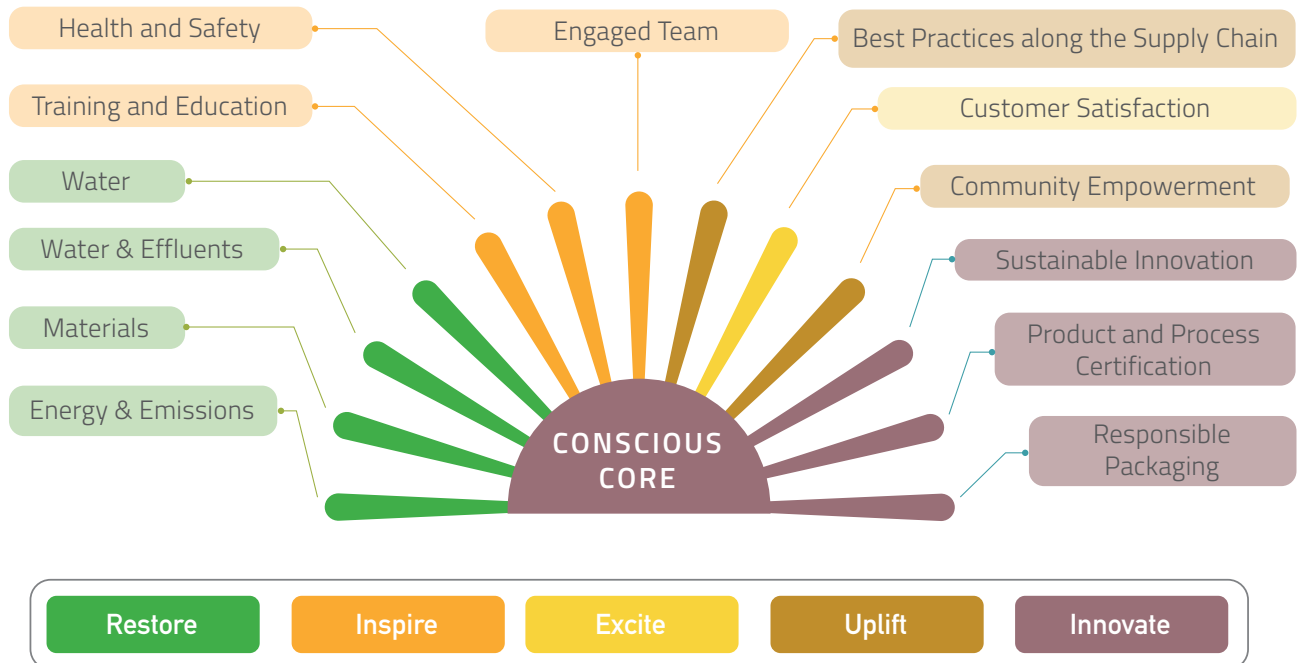
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This document can be viewed online on,



OUR AMBITIONS – ACTIVATE

'Activate' centres on five action-driven pillars of Restore, Inspire, Excite, Uplift and Innovate which articulates the Group's commitment respectively to the environment, its employees, customers, communities and its product value proposition. The 'Conscious Core' of 'Activate' represents its central focus on governance and the role played by robust and responsive governance practices in driving the Group's ESG agenda. We have identified 13 material topics. These key thematic areas have been clustered under each of the pillars listed in the below visual and detailed in subsequent chapters of this ESG Roadmap.



Our five action-driven pillars 'Activate' is mapped as follows:

- 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.
- 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.
- 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.
- Uplift:** We uplift our communities and suppliers by working with them to develop meaningful and impactful projects. We believe that by empowering Micro, Small & 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 where we operate.
- 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.

JOINT MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



"As we celebrate a legacy of 50 years of innovative and sustainable growth centred around converting coconut shells to a diverse array of value-added activated carbons and lean manufacturing practices, it is opportune that we launch Activate to embrace ESG in a structured and measurable framework."

We are delighted to unveil '*Activate*', Haycarb Group's holistic ESG Roadmap which sets the wheels in motion to drive the Group's environmental, social and governance aspirations in a strategic and integrated manner. The Roadmap represents our commitment to operating our business in a manner that balances diverse stakeholder interests within planetary boundaries while upholding the highest standards of accountability and integrity. While sustainability has always been part of our ethos, '*Activate*' offers a platform to embed consciousness of environmental, social and governance drivers into the Group's strategy, decision-making and processes, thereby strengthening the resilience of our business and contributing towards the creation of a more equitable, greener and sustainable tomorrow.

As we celebrate a legacy of 50 years of innovative and sustainable growth centred around converting coconut shells to a diverse array of value-added activated carbons and lean manufacturing practices, it is opportune

that we launch '*Activate*' to embrace ESG in a structured and measurable framework. Haycarb Group is thus aligning its ESG aspirations with Hayleys Lifecode as it leverages its inherent strengths, the passion of its team and market intelligence to support integrated thinking, optimum resource allocation and sustainable value creation across the organisation. We are confident that the Group's commitment to rewiring its business to create a more sustainable business model will be a defining feature of its evolution over the next decade.

At the COP27, UN Climate Summit held in November 2022, António Guterres, Secretary-General of the United Nations opined that 'our planet is fast approaching tipping point that will make climate chaos irreversible.' The adverse effects of human activity on the planet is undeniable and unless governments, organisations and individuals urgently join forces with true commitment and passion, the future of the next generations hang in the balance. '*Activate*' offers an opportunity for each and every member of the Haycarb

team to fulfil their individual responsibility in contributing to this critically-needed global effort, as we unite to transition to a low-carbon economy and a more just and equitable society.

We together with the board of directors, leadership team and employees commit ourselves to this journey and are firm in our belief that this step will position the Group to emerge as a stronger, more resilient and sustainable business.

Thank you.

Mohan Pandithage
Chairman

Rajitha Kariyawasan
Managing Director

MESSAGE FROM DEPUTY MANAGING DIRECTOR HEAD OF CORPORATE SUSTAINABILITY & ESG



“There is an even greater sense of urgency about the impact of environmental issues, represented by climate change, and ensuring the sustainability of societal inclusivity, and resilience in governance where values overwhelm all odds. This is paving the way for remarkable opportunities to ‘build back better’ while fostering sustainable innovation.”

It’s my pleasure as the Director responsible for the Corporate Sustainability and ESG Division of the Haycarb Group, to pen my message on the launch of the ‘*Activate*’, Haycarb’s ESG Roadmap which coincides with the memorable 50th year anniversary of Haycarb! The Purpose Statement of Haycarb with the ‘3Es’ Envision, Empower and Enrich which precisely align with the 5 pillars of our ESG philosophy speaks volumes on the strides taken by our teams to ‘kick off’ our much awaited ESG journey. In the past few years, new challenges have emerged, far beyond our expectations, including the impact of the COVID-19 global pandemic and the increasing escalation of conflict having adverse ripple effects on supply chains and economies. We are witnessing a growing prevalence of recessions, both globally and within specific countries, exacerbated by economic challenges, defaults, and financial instability.

However, even under such circumstances, there is an even greater sense of urgency about the impact of environmental issues, represented by climate change, and ensuring the sustainability of societal inclusivity, and resilience in governance where values overwhelm all odds. This is paving the way for remarkable opportunities to “build back better” while fostering sustainable innovation.

To ensure we ourselves are appropriately responsive to this evolving context and contribute to the realisation of a sustainable society while engaging in our business activities, we must constantly monitor trends from a variety of perspectives based on dialogue with our stakeholders, identify accurate information, explore the direction the Group should take, and consider our best options. It is expected of organisations that they promote a virtuous cycle between economy and the environment to drive the creation of a sustainable society. Today, it is

no longer possible to increase corporate value without also striving to increase societal value.

I believe it will be necessary to continually assess societal changes, dynamically respond, and steadily progress towards our shared goals, guided by a clear sense of direction and pledge our commitment towards ensuring that the people, planet and profit remains ingrained in our organisation’s DNA.

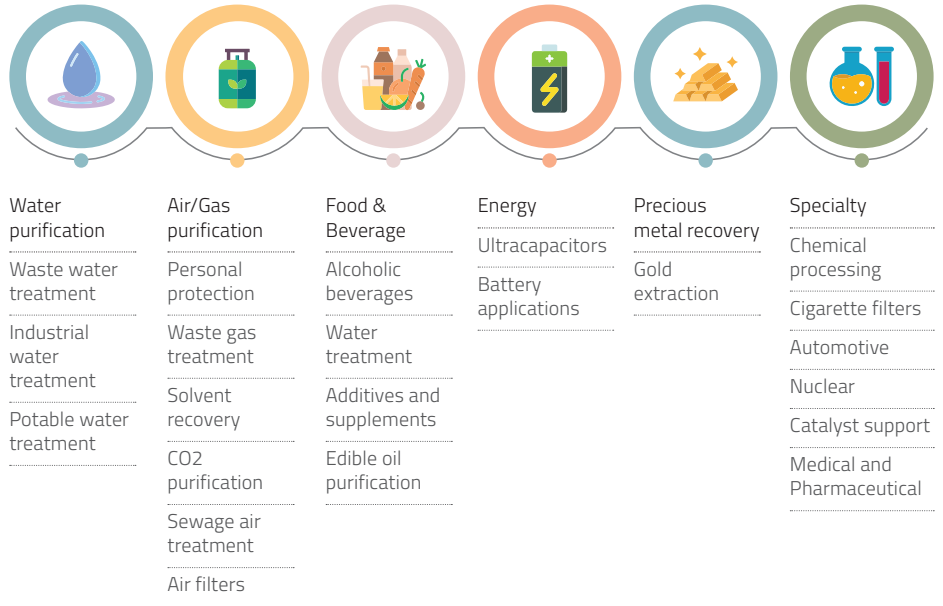
Brahman Balaratnarajah
Deputy Managing Director

OUR GROUP

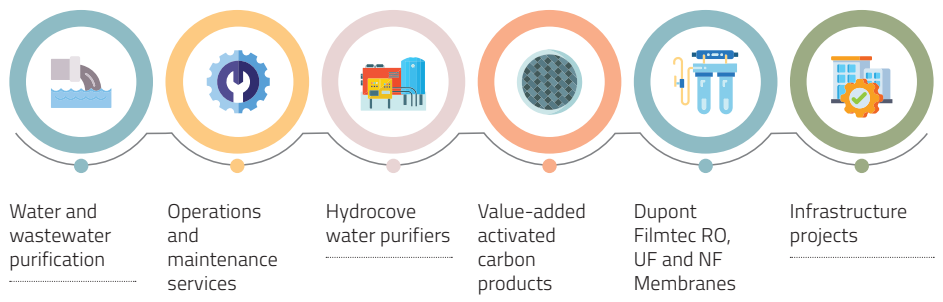
Haycarb is a global leader in the manufacture and marketing of coconut-shell based activated carbon. The Group commands a global market share of approximately 16% with a competitive superiority underpinned by a strong reputation for product and service innovation, research and development, quality assurance, manufacturing excellence and sustainable innovation. Haycarb's diverse portfolio of products cater to a wide range of solutions for diverse industries, including improving air quality, water quality, health and safety, gold/precious metal and mining productivity, chemical synthesis and renewable energy storage. The Group operates 7 manufacturing facilities in Sri Lanka, Thailand and Indonesia. Through its environmental engineering arm, Puritas (Pvt) Ltd, the Group is also a leading provider in the region of water and wastewater purification solutions and consultancy services with a focus on B2B and infrastructure projects. Puritas also creates value-added activated carbon products and Hydrocove water purifiers. They also exclusively represent the global market leader for RO membrane - Dupont Filmtec in both Sri Lanka and Maldives.

Product Applications

Activated Carbon



Environmental Engineering



HAYCARB AT A GLANCE 2022/23

Financial performance and stability



Rs. **60.94** bn

Revenue



Rs. **6.51** bn

Profit After Tax



25.8 %

Return on Equity (%)



Rs. **40.19** bn

Total Assets

Power of our people



1,880

Employees



Rs. **4.74** bn

Total Remuneration



21 %

Female representation at Board



100 %

Employees receiving performance appraisals

Economic value creation



Rs. **17.86** bn

Economic Value Added



> 500

Supplier base



Rs. **23.73** bn

Payments to suppliers



> 100,000

CSR beneficiaries

OUR APPROACH

Shifting global risk landscapes and megatrends such as climate change-induced rise in temperatures, sea-level rise, shifting weather patterns, apart from increasing biodiversity loss, rising inequality and demographic changes are placing increasing demands on companies to rethink “business-as-usual” strategies and operations/established ways of doing things. As a corporate group with a global clientele, extensive supplier relationships and operations in multiple regions, we are acutely aware that understanding ESG issues is critical to effectively manage our risks and opportunities. A unified corporate strategy and roadmap towards ESG enable us to embed understanding of stakeholder concerns and changing dynamics in the operating landscape into our decision-making processes, thereby supporting efficient resource allocation and driving innovation. Accordingly, this Roadmap will allow Haycarb to scrutinise its business through an ESG lens, ensuring that emerging risks and opportunities are effectively identified, whilst driving shared value creation within planetary boundaries.

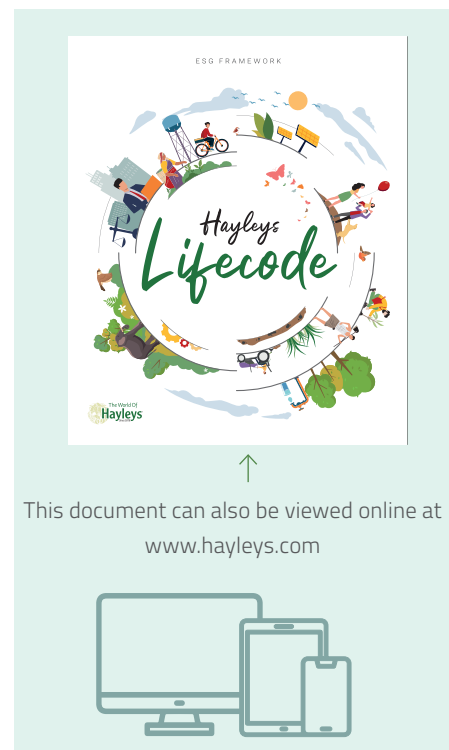
Purpose-driven

The Group recently launched its Purpose Statement ‘Driving Value Changing Lives’, which encompasses a 3E culture framework of Envisioning, Empowering and Enriching. The five pillars of the Group’s ESG Roadmap ‘*Activate*’ are also aligned to the 3Es demonstrating how a strategic focus on Environmental, Social, and Governance (ESG) considerations enhancing our drive towards fulfilling the Group’s purpose for posterity and sustainability.



Alignment to Hayleys Lifecode

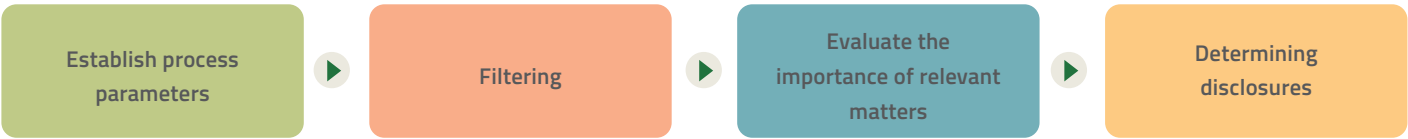
As part of the Hayleys Group, Haycarb’s ESG Roadmap is broadly aligned to that of the parent entity ‘Hayleys Lifecode’. The Hayleys Lifecode articulates the Hayleys Group’s Environmental, Social and Governance (ESG) aspirations and roadmap for 2030. The Lifecode and its related ESG policies are applicable as a minimum standard across all Group companies; however, Sectors are encouraged to develop their own ESG Roadmaps taking into consideration industry-specific operating dynamics, opportunities and risks and their business model. Sector goals and aspirations are aligned to the Group goals set out by the Hayleys Lifecode while clear governance structures and reporting lines have been defined to ensure Sector-level progress is reported to Hayleys PLC and monitored frequently.



Materiality and Scoring

Haycarb determines its material issues following a holistic, Group-wide materiality assessment as per the guidelines provided by Hayleys Group Material Assessment Policy. Haycarb’s Head of Corporate Sustainability & ESG has oversight responsibility for ensuring that the materiality assessment is carried out in accordance with the guidelines set out by the Hayleys Materiality Assessment Policy.

Filtering



Process parameters: The Hayleys Group ESG Division will set out a list of material ESG topics which are a reference point in conducting the material assessment. These topics will be determined following assessment of emerging risks and opportunities in the internal and external landscape, developments in the corporate reporting dialogue and other relevant factors. Sectors may add new topics which are relevant to their industries and could post material risks in the future. The exhaustive list of identified material topics considered by Haycarb Group are listed below. In addition to the ESG topics listed below, the Group also considers other topics related to business strategy and financial performance in its materiality assessment.

Pillars	Themes	Material topics
Environment	Climate Change	<ul style="list-style-type: none">▪ Energy▪ Emissions
	Water Utilisation	<ul style="list-style-type: none">▪ Water
	Waste management	<ul style="list-style-type: none">▪ Effluents and Waste
	Resource consumption and Chemical management	<ul style="list-style-type: none">▪ Materials
	Preserving biodiversity	<ul style="list-style-type: none">▪ Biodiversity▪ Sustainable packaging▪ Product carbon footprint▪ Post-consumption waste
Social	Employees	<ul style="list-style-type: none">▪ Employment▪ Employee well-being▪ Freedom of association and collective bargaining▪ Training and education▪ Diversity and equal opportunity▪ Labour management relations▪ Non-discrimination
	Health, safety, and well-being	<ul style="list-style-type: none">▪ Occupational health and safety

Pillars	Themes	Material topics
Social	Customer relationships	<ul style="list-style-type: none"> ▪ Innovation ▪ Product and process certifications ▪ Customer satisfaction ▪ Product quality ▪ Timely delivery ▪ Customer health and safety ▪ Responsible marketing and labelling ▪ Customer privacy
	Supplier relationships	<ul style="list-style-type: none"> ▪ Procurement practices ▪ Best practices along supply chain ▪ Forced or compulsory labour ▪ Child labour ▪ Supplier environmental assessment ▪ Supplier social assessment ▪ Human rights ▪ CSR practices along supply chain
	Community relationships	<ul style="list-style-type: none"> ▪ Local communities ▪ Indirect economic impacts ▪ Livelihood development
Governance	Structure and oversight	<ul style="list-style-type: none"> ▪ Socioeconomic compliance ▪ Environmental compliance
	Corporate behaviour	<ul style="list-style-type: none"> ▪ Anti-competitive behaviour
	Ethics and Integrity	<ul style="list-style-type: none"> ▪ Economic performance ▪ Accountability

Measuring progress

Progress against internal goals and targets will be monitored on a quarterly basis. Environmental, Social and Governance (ESG) performance is tracked, collated and monitored through the Hayleys CUBE - the Group's non-financial information reporting system. The system allows visibility to Company and Group-level information, which is aggregated under the purview of the Haycarb Corporate Sustainability & ESG Division. Performance is reported to the Haycarb ESG Steering Committee,

Management Team and subsequently to the Board of Directors on a quarterly basis. Performance is also monitored by the Hayleys Group ESG Division on quarterly basis, which in turn reports Sector and Hayleys Group-level performance to the Hayleys Group ESG Steering Committee and the Hayleys Group Management Committee.

Data definition and ownership: Data source owners and approvers have been defined in the CUBE system and comprises of representatives from all departments

including Human Resources, Finance, Marketing and Sales, Business Development, Procurement, R&D, Manufacturing, and Environmental Engineering departments.

Data controls: Multi-level approval hierarchies are defined in the CUBE to ensure integrity of data and accountability. Independent assessment is also provided by Haycarb's third-party assurance on sustainability and integrated reporting practices, which includes the verification of quantitative data.

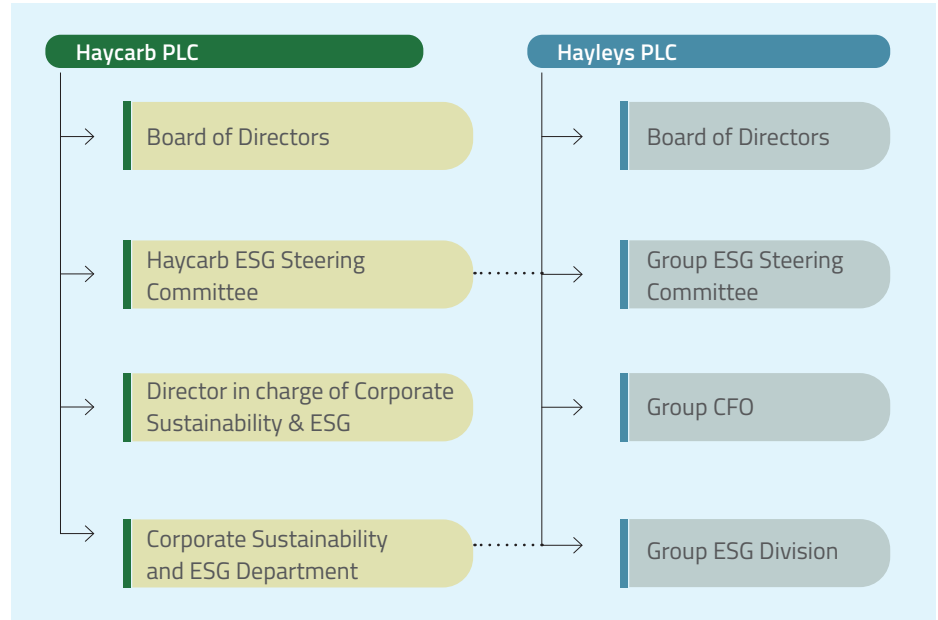
STEWARDSHIP OF ACTIVATE

This Chapter sets out the governance structure, roles and responsibilities and policy framework which governs implementation of “Activate”.

Roles and Responsibilities

Board of Directors

Haycarb’s Board of Directors is the apex decision-making authority and holds overall responsibility for determining the Group’s strategic direction, adopting a strong governance framework, shaping organisational culture and implementing robust risk management and internal control systems as well as formulating and driving the Group’s ESG Roadmap. The Board includes an Executive Director who is responsible for overseeing the implementation of ‘Activate’, including identifying and effectively responding to the Group’s ESG related risks and opportunities. This Director is also tasked with ensuring that aspirations of ‘Activate’ are integrated in the Group’s strategy and decision-making across functions.



Haycarb ESG Steering Committee

Haycarb has established an ESG Steering Committee to drive the formulation and implementation of ‘Activate’. The Committee is led by the Director in charge of Corporate Sustainability & ESG and comprises representatives from diverse functions across the Group including Human Resources, Finance, Marketing and Sales, Business Development, Procurement, R&D, Manufacturing, and Environmental Engineering. The Committee provides oversight on the Group’s ESG strategy, policies, risks and opportunities, initiatives and external commitments.

Underpinning the functions of the ESG Steering Committee, is the Committee’s Terms of Reference (TOR). The TOR serves to provide guidance for the Committee’s objectives, composition, meeting frequency, authorities, and responsibilities. It serves as

a guiding reference for the Committee’s work in overseeing our Environment, Social, and Governance (ESG) initiatives, addressing risks and opportunities, and driving sustainability efforts throughout the Haycarb Group.

The Committee has the following specific responsibilities:

Authorities

- Provide oversight and monitor the execution of the Haycarb Group’s ESG Framework - ‘Activate’, including progress against ESG targets in the short, medium, and long-term.
- Identify ESG-related risks, opportunities, and impacts and recommend the implementation of appropriate measures to effectively address these dynamics.
- Review and provide guidance on ESG-related policies and programmes required to drive the Haycarb Group’s ESG Framework and strategy.
- Review and approve the Haycarb Group’s stakeholder engagement strategy, which allows management to identify, understand, and respond to stakeholders’ legitimate concerns.
- Receive updates at least quarterly or as and when required on ESG matters, including progress against targets, key performance indicators (KPIs), and strategy implementation.
- Review, approve, and make recommendations regarding sustainability and ESG factors in the Haycarb Group’s corporate reporting and external communications.
- Review emerging trends and issues in the ESG areas and assess their potential impact on the Haycarb Group.
- Ensure synchronisation of all ESG aspirations and initiatives with the Haycarb Group’s Corporate Purpose.

Other Responsibilities

- a. Review the adequacy of the Committee Charter periodically, requesting board approval for proposed changes.
- b. Discuss with management and assign task masters with responsibility for different aspects.
- c. Perform any other activities as directed by the Board of Directors.

Corporate Sustainability and ESG Department

Haycarb's Corporate Sustainability and ESG Department is primarily responsible for actioning '*Activate*' in collaboration with relevant internal and external stakeholders. The Department has the following specific responsibilities;

- a. Supporting formulation of ESG policies in consultation with the Board, Haycarb ESG Steering Committee and Hayleys Group ESG Division
- b. Tracking, monitoring and reporting relevant ESG metrics and ensuring their reliability and comparability in supporting effective decision-making
- c. Providing qualitative and quantitative information to relevant departments to support integration of ESG factors in decision-making
- d. Driving strategic ESG initiatives including CSR engagements in line with Haycarb's ESG aspirations
- e. Monitoring stakeholder engagement processes, results and identifying potential risks arising from their concerns
- f. Determining material topics including business and ESG topics and addressing information requirements with regards to the same, clearly distinguishing between internal and external disclosures

- g. Providing feedback to the board on ESG performance, areas for potential improvement and escalation of immediate concerns
- h. Supporting the Group's external sustainability and ESG reporting requirements

Oversight from Hayleys PLC

Hayleys PLC is a strategic investment and holding company which is organised into 12 diverse business verticals. The Hayleys Group's ESG aspirations are driven through the Group ESG Division, which leadership oversight provided by the Hayleys Group ESG Steering Committee. Each Sector has appointed a Lifecode Champion who plays a critical role at Sector-level in effectively implementing the Group's ESG aspirations. The role of the Lifecode Champion can be combined with another, although Sectors that have significant scale and complexity may consider appointment of a dedicated person for the role where adherence to ESG factors is a key criterion for access to markets or by key customers. A sufficiently diverse group of Sustainability Champions will facilitate knowledge sharing and replication of successes within the Group.

Sector Sustainability Champions will coordinate activities and reporting with Group Sustainability Division (GSD) to support achievement of corporate goals for ESG factors. Quarterly or more frequent meetings between Sector Sustainability Champions and GSD are necessary for steering the Group towards a coordinated effort in this regard.

Hayleys Group ESG Steering Committee

The Hayleys Group ESG Steering Committee is discharged with providing oversight with respect to the Group's ESG framework, strategy, policies, risks and opportunities, initiatives and external commitments. The Committee consists of 3 Executive Directors of Hayleys

PLC and 3 members of the Group Management Committee (GMC) including the Group Chief Financial Officer (GCFO) and Head-Group Human Resources and Legal. The Committee receives updates at least quarterly on pertinent ESG matters across the Group including sector-level progress against targets, key KPIs and strategy implementation.

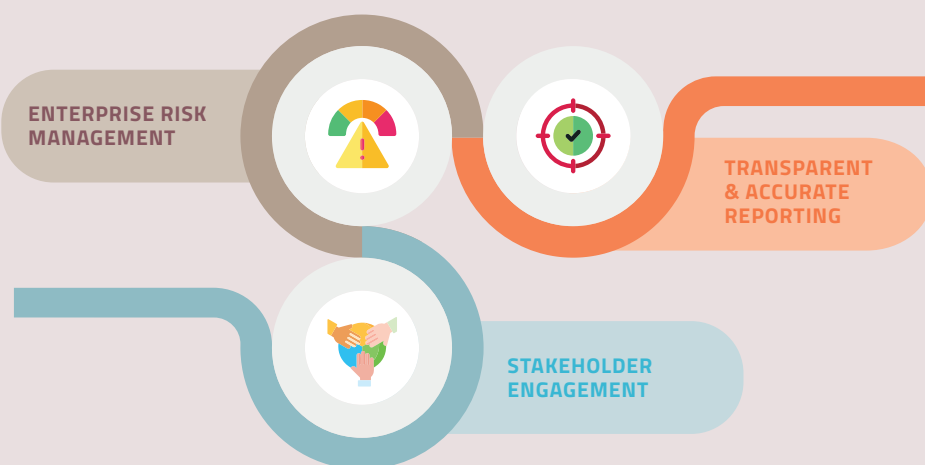
Policy Architecture

The policy architecture of '*Activate*' is given below. Haycarb has formulated a number of policies for ESG factors which entail significant risk, are a strategic area of focus and/or is a criterion for success in accessing markets. Other areas are governed by the policies of the Hayleys Lifecode, which serve as a minimum standard across all entities of the Hayleys Group.

HAYCARB POLICIES		
ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> • Material and waste management policy • Energy and emission management policy • Water management policy • Environmental policy 	<ul style="list-style-type: none"> • Human resource policies <ul style="list-style-type: none"> • Recruitment and selection procedure • Disciplinary policy • Salaries and benefits policy • Fit for work policy • No harassment and abuse policy • Anti-discrimination policy • No child labour policy • No forced labour policy • Health and safety policy • Policies related to other stakeholders <ul style="list-style-type: none"> • Customer management policy • Procurement policy 	<ul style="list-style-type: none"> • Board and Sub-Committee Charters • Information Technology (IT) policy • Information security policy • Vendor and third-party management policy • Innovation policy
HAYLEYS LIFECODE POLICIES		
ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> • Biodiversity conservation policy • Chemical management policy 	<ul style="list-style-type: none"> • Human resource policies <ul style="list-style-type: none"> • Disciplinary policy • Grievance handling policy • Recruitment policy • Learning & Development policy • Talent Management and Succession Planning policy • Performance Management Policy • Human Rights Policy • Whistle-blower Policy • CSR policy 	<ul style="list-style-type: none"> • Stakeholder Engagement • Business data back-up policy

CONSCIOUS CORE: GOVERNANCE

The Group's corporate governance framework and practices are aligned to that of its parent entity, Hayleys PLC from which it inherits formalised structures, board procedures and policies. The Group's governance framework has evolved over the years to reflect industry dynamics, regulatory requirements and emerging stakeholder expectations. These governance practices form the 'Conscious Core' of Activate, ensuring that stakeholder interests are balanced, board responsibilities are effectively discharged and that ESG risks are managed in a holistic manner.



Stakeholder Engagement

Effective engagement with stakeholders, enables the Group to identify, mitigate and manage ESG risks and opportunities before a problem arises. Feedback received from stakeholders is also a vital input in determining materiality, formulating strategy and in corporate reporting. This section sets out the Group's approach to stakeholder engagement.

Approach to stakeholder engagement

Stakeholder identification and prioritisation

Step 1: Stakeholder mapping

Criteria for identifying and prioritising stakeholders

Determine level and method of engagement

Step 2: Determine engagement approach and mechanisms

Determine the intensity, frequency, and logistics

Conduct engagement and identify concerns

Step 3: Conduct engagement

Communicate and collaborate inclusively with identified stakeholders

Adapt strategy in response to stakeholder concerns

Step 4: Adapt strategy

Adapt strategy, identify risks/opportunities from feedback and determine actions

Stakeholder mapping

In the identification stage, all parties who currently have an interest in the Group's business or are likely to have an interest in the future should be considered. The selected stakeholders do not remain static over time but evolve with changes in the internal and external operating environments. Prioritisation of stakeholders will be based on the following factors:

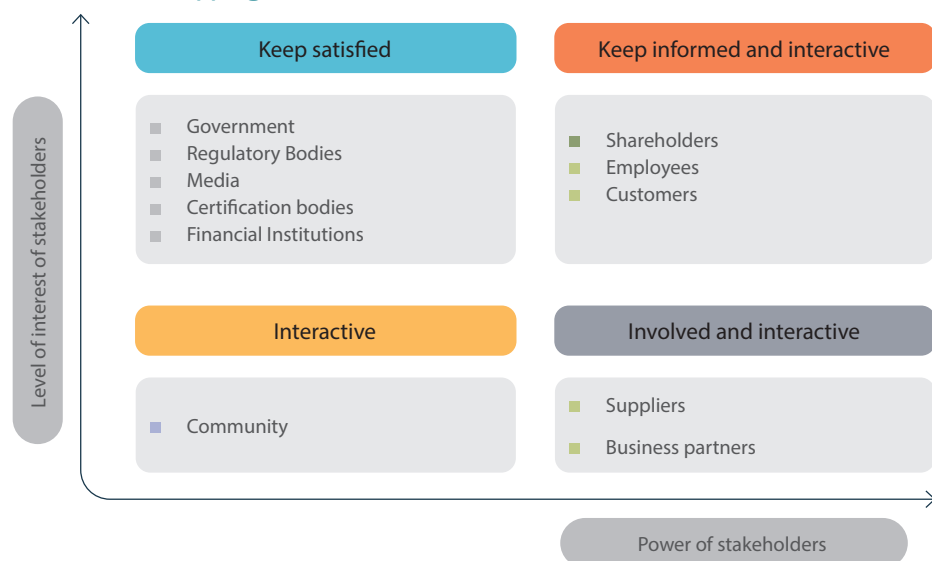
- **Influence:** The level of influence the stakeholder has over the organisation directly or through other stakeholders

- **Vulnerability:** The degree to which the stakeholder will be impacted by the Group's activities
- **Expertise:** The expertise, level of information and guidance that can be given by the stakeholder
- **Orientation:** The nature of the relationship (i.e. collaborative or combative)

Determine engagement approach and mechanism

The strategy for engagement based on the level of interest and potential influence of stakeholders is set out alongside:

Stakeholder mapping



Conducting engagement

When planning and conducting engagement due consideration should be given to the platform, formality, expected level of participation and atmosphere. Roles and responsibilities should be defined, providing adequate time for participants to prepare, develop agendas and set rules

of engagement. Employee and customer satisfaction surveys should be conducted at least annually.

Transparent and Accurate Reporting

The Group should communicate its ESG performance to both internal and external stakeholders through effective, regular and transparent channels of communication.

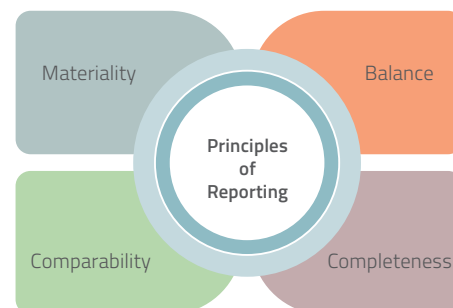
Reporting should move beyond compliance and viewed as a mechanism in which the Group can effectively communicate its sustainability vision and progress made to stakeholders.

Financial and operating results

Quarterly financial statements and the Annual Report serve as regular communication of our operational and financial performance which is disseminated through the Colombo Stock Exchange. Material developments that arise between these reporting dates are announced through the Colombo Stock Exchange to facilitate equal access to information by investors and market participants.

ESG results

The Annual Report serves as the key mechanism for disseminating the Group's ESG related information and is prepared in line with several global sustainability reporting frameworks including the GRI Standards, requirements of the Sustainability Accounting Standards Board (SASB), Integrated Reporting Framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It is also in alignment with the 17 UN Sustainable Development Goals. Key principles of the Group's ESG reporting includes the following:



Ethics and Integrity

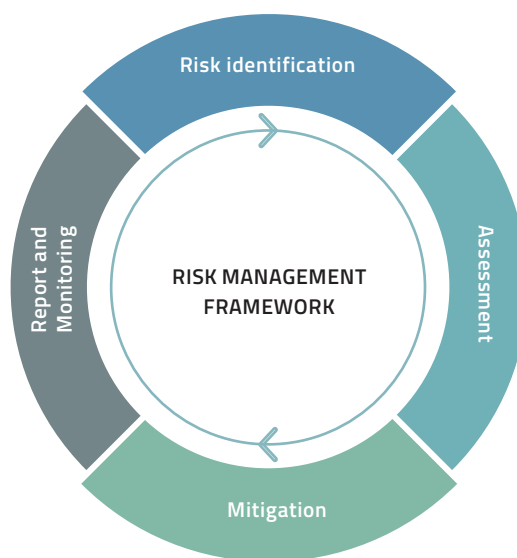
The Hayleys Way serves as the Hayleys Group's Internal Code of Conduct which is applicable to all employees, including the key management personnel. The Hayleys Way sets out the behavior expected from employees, in reinforcing the Group's organisational values. Key elements of the Hayleys Way include, business integrity, environment, competition, regulatory compliance, conflict of interest, and corporate responsibility among others. This code of conduct is reinforced through the orientation training which all employees joining the Group undertake, typically within one month of joining.

Enterprise Risk Management

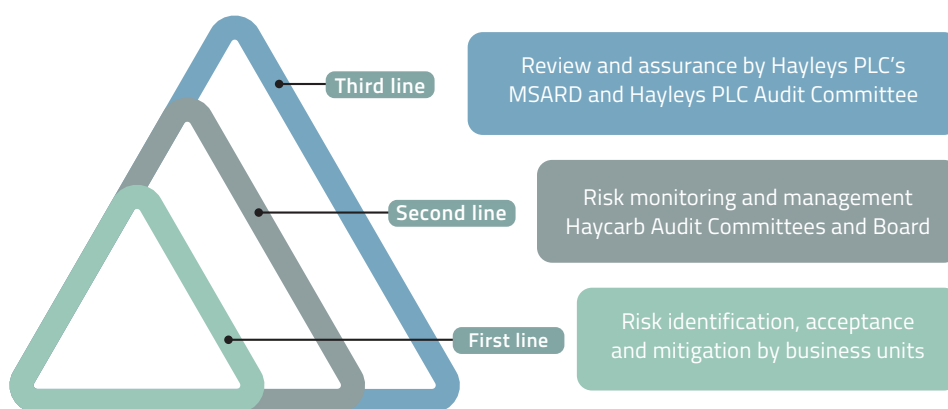
An increasingly complex and rapidly evolving ESG risk landscape underscores the critical importance of embedding environmental, social and governance risk assessments to the Group's Enterprise Risk Management (ERM) frameworks. Risk is a regular item on the board agenda, with different Group functions monitoring external and internal developments for early detection of any threats and opportunities. The board holds ultimate responsibility for the Group's risk management, supported by the Audit Committee, as well as the Management Systems Audit and Review Department (MSARD) of the parent company, which plays a key role in identifying risks and opportunities.

Approach to risk management








The Group's formal risk management processes are coordinated by the Finance Department, with all operational heads being responsible for identifying risks relevant to their own areas. These risks are then captured on the risk register and reviewed at least quarterly.



In line with its parent entity, Haycarb adopts the globally accepted three lines of defence model in understanding, managing and measuring its risks, thereby ensuring clear segregation of duties in risk management.



Risk Universe

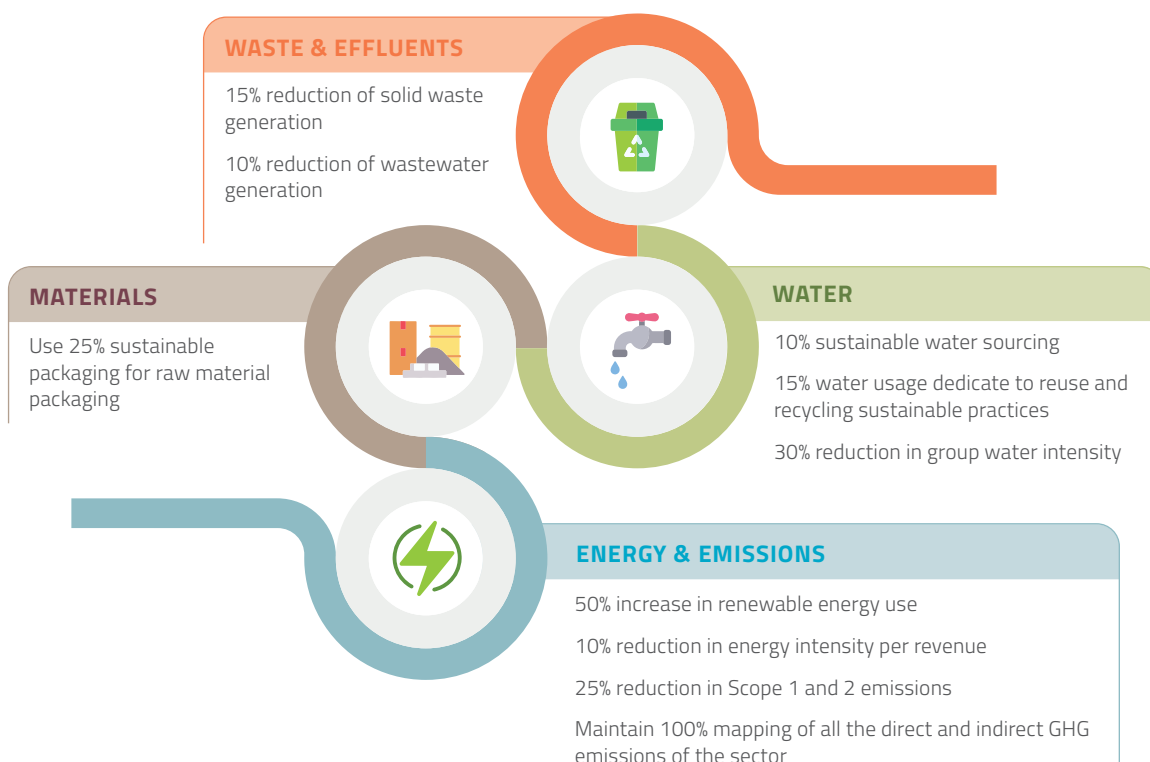
Key Themes	Risk monitoring		Notes
 Customer-related issues	Measure & Monitor	<ul style="list-style-type: none"> Number of issues reported Customer satisfaction rate 	Our products are sold globally through an extensive distribution network and the Group seeks to proactively ensure that customer needs are fulfilled in order to aid retention and long-term relationships
 People-related risks	Measure & Monitor	<ul style="list-style-type: none"> Retention rate Employee satisfaction rate Injury rate 	A holistic people management strategy is in place to ensure that employees thrive in conducive, performance-driven and safe working environment. The Group also aims to have zero fatalities and significant injuries in minimising potential threats to the safety of people.
 Diversification & Market Development	Measure & Monitor	<ul style="list-style-type: none"> Sector and Regional diversification for revenue, profits and assets 	We will invest in diversifying our businesses across sectors and actively seek to develop new markets.
 Fraud & Error	Measure & Monitor	<ul style="list-style-type: none"> Operational losses from fraud & error Number of loss events due to fraud or error 	Systems of internal controls are put in place to prevent and detect fraud and minimise errors. The Group has zero tolerance for fraud and investigations are conducted in all instances of suspected fraud.
 Financial Risks	Measure & Monitor	<ul style="list-style-type: none"> ROE Profit growth Liquidity Leverage 	The Group adopts a cautious approach to financial risks, actively monitoring and measuring potential impacts to optimise returns to shareholders in the long term.
 Supply Chain Risks	Measure & Monitor	<ul style="list-style-type: none"> Lead times Number of rejects and delays Price volatility 	The Group seeks to secure risks along the supply chain to manage customer expectations and reputation for timely delivery of quality goods and services at a reasonable cost.
 Regulatory Compliance	Measure & Monitor	<ul style="list-style-type: none"> Number of incidents of non-compliance reported Fines Litigation 	The Group complies with all legal enactments and regulatory requirements and has committed significant resources to ensure compliance including internal controls, internal audit, codes of conduct and training. Employees are required to understand the legal requirements and comply with the same.

RESTORE

“Restore the natural world through transforming our relationship with nature”

We are an organisation that relies heavily on natural resources and our environmental agenda centres on adopting nature-positive actions across our business while improving our resilience to environmental risks. This entails transforming our strategy, operations and decision-making to drive sustainability solutions at scale.

Our 2030 aspirations



Energy and Emissions

The Group's emission reduction strategies centre on the pillars of increasing reliance on renewable energy sources, increasing utilisation of biofuels and driving reductions in energy intensity through operational improvements. These actions are aimed towards achieving net-zero status by 2050 and governed by Haycarb's Energy and Emission Management Policy, which is

aligned to the Hayleys Group's corresponding policy. Haycarb's policy clearly sets out the Group's commitment to energy and emission management initiatives and includes guidelines on compliance, interventions, timely reporting, energy conscious procurement procedures and prioritisation of renewable energy sources. Energy usage will be optimised through lean management practices, the application of Life Cycle

Assessment (LCA) concepts and embedding Greenhouse Gas (GHG) emissions at the centre of decision-making. The Group's plans also emphasise the importance of driving energy and emission improvements and innovation among its employees and supply chain partners as we seek to propagate sustainable innovation among our ecosystem partners.

Energy and Emission Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Energy and Emission Management Policy	Enhance renewable energy resources and increase biofuels utilisation	50% increase in existing renewable energy usage	<ul style="list-style-type: none"> Baseline Assessment (In Progress) <ul style="list-style-type: none"> Promoting direct sunlight for drying operations Promoting gas utilisation over furnace for drying operations Total non-renewable energy usage is 265,137 GJ. Total self-generated energy usage is 942,301 GJ
		Increase biofuels utilisation	<ul style="list-style-type: none"> Baseline Assessment (In Progress)
	Reduction in energy intensity through improving operational efficiencies.	10% reduction in energy intensity per revenue	<ul style="list-style-type: none"> Baseline Assessment (In Progress) Overall Energy Intensity is 19.81 GJ/Rs. Mn (Per Revenue)
	Promote alignment with Net-Zero by 2050	Ensuring science-based target approach to reduce carbon footprint per revenue	<ul style="list-style-type: none"> Baseline Assessment (In Progress) Emission intensity 0.47 tCO₂eq/ Rs. Mn (Per revenue)
		25% reduction in Scope 1 and 2 emissions Maintain 100% mapping of all the direct and indirect GHG emissions of the sector	Total emissions across the group relating to Scope 1 and 2 emissions - 27,832 tCO ₂ eq <ul style="list-style-type: none"> Scope 1 - 10,906 tCO₂eq Scope 2 - 16,926 tCO₂eq

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
 7 AFFORDABLE AND CLEAN ENERGY	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	302-1
	7.3 By 2030, double the global rate of improvement in energy efficiency	
 8 DECENT WORK AND ECONOMIC GROWTH	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	302-1 302-2 302-3 302-4 302-5
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	302-1 302-2
	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	302-3 302-4 302-5 305-1 305-2
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	305-3 305-6 305-7

RESTORE



Materials

Haycarb’s primary raw materials are coconut shell and coconut shell charcoal, which are renewable. Other raw materials include chemicals, water and for the consumer packaging, the respective packaging materials. The Group’s approach to material management centres on increasing reliance on renewable and recyclable materials, which includes raw materials, semi-manufactured goods, associated process materials and packaging materials. Adopting sustainable material sourcing practices through green procurement and safe material handling across all operations also remains a key priority. Increasing the yield of material usage through process innovations is also an ongoing priority. These actions are guided by the Group’s Materials and Waste Management Policy which clearly sets out guidelines on material compositions, sustainable procurement, data capture and reporting among others.

Material Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Material and Waste Management Policy	Promote sustainable packaging alternatives	Use 25% sustainable packaging for raw material packaging.	<ul style="list-style-type: none">Baseline Assessment (In Progress)

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	301-1 301-2 301-3
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	301-1 301-2 301-3




Waste and Effluents

The Group's sustainable waste management efforts are based on the 7R principles of Reject, Reduce, Reuse, Reclaim, Replace, Repair and Recycle and are guided by the Group's Material and Waste Management Policy. Waste minimisation practices include improving resource efficiency through lean manufacturing, process innovation and the use of tools such as Life Cycle Assessment (LCA). In addition to ensuring the proper segregation of all categories of process and non-process waste, minimising waste generation across all touch points and conducting regular waste audits we are also committed to promoting zero landfilling practices through agreements with third-parties including waste collectors and disposers. Waste management information is tracked and monitored on an ongoing basis to drive continuous improvements and ensure progress to targets.

Waste and Effluents Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Material and Waste Management Policy	Promoting sustainable waste management	15% reduction of solid waste generated	<ul style="list-style-type: none"> Total Solid Waste Generated – 0.11 MT/ Rs. Mn Per Revenue
	Reducing wastewater and effluents generation	10% reduction of wastewater generated	<ul style="list-style-type: none"> Total Wastewater Generated – 3.66 m3/Rs. Mn Per Revenue

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
 6 CLEAN WATER AND SANITATION	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	303-2 303-4
	6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	306-1 306-3 306-5
 8 DECENT WORK AND ECONOMIC GROWTH	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	306-2
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	306-1 306-2 306-3 306-4 306-5
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	

RESTORE


Water

Haycarb's consumes water in its manufacturing processes as well as for domestic consumption (including cleaning, gardening and employee usage). Water requirements are fulfilled through a variety of sources including deep wells, owned and leased water reservoirs and water supplied by third parties. The Group's water management aspirations focus on conserving and optimising water usage, increasing dependence on sustainable water sourcing and exploring new avenues for recycling and reusing water. Meanwhile maintaining the concerted efforts in reuse of steam for boiler operations. The Group is also currently exploring new initiatives in blackwater and greywater recycling, and reducing its water consumption through collection methods such as commercial rainwater harvesting. Haycarb is also committed to nurturing more sustainable water consumption through stimulating behavioural changes among employees in addition to driving process efficiencies, and innovations to reduce water consumption, across all operations. The Group benefits from the in-house expertise of their engineering arm Puritas, to continuously improve in their delivery of raw water and wastewater systems. Performance against water management targets and objectives are monitored on an ongoing basis.

Water Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Water Management Policy	Application of sustainable water sources	10% sustainable water sourcing across the group	<ul style="list-style-type: none"> • Baseline Assessment (In Progress) • Plans to initiate rainwater harvesting system across operations
	Reduction in water intensity through efficiency improvements	15% water usage dedicated to reuse and recycling sustainable practices.	• Baseline Assessment (In Progress)
		30% reduction in group water intensity	• Group water intensity of 10.66 m3 per revenue (m3/Rs. Mn)

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
 6 CLEAN WATER AND SANITATION	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	303-1 303-3 303-5
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of fresh water to address water scarcity and substantially reduce the number of people suffering from water scarcity	
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	301-1
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	

INSPIRE

“Inspire our teams to drive positive and meaningful change”

Our dedicated workforce of 1,880 employees who are spread across 7 countries power the Group’s strategy, manufacturing excellence, research and development and innovation, a key source of competitiveness. We in turn, strive to foster a culture of risk-taking and learning, empowering our team to fulfil their highest potential through opportunities for both career and professional development.

Our 2030 aspirations



Engaged Team

The Group’s people management agenda is guided by a comprehensive suite of HR policies, which includes policies pertaining to anti-discrimination, no harassment and abuse, no child labour and no forced labour . The Group’s people management policy framework aims to foster diversity and inclusion, the physical and mental well-being of all employees which in turn, facilitates a conducive and performance-driven culture. To drive such a culture that nurtures productivity, we aim to ensure 100% of permanent employees receive performance appraisals. Haycarb also maintains a high level of engagement through numerous formal and informal platforms which aims to create a sense of camaraderie and team spirit among our team.

People Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Recruitment and selection procedure	Reduction of attrition rate	Maximum of 5% attrition rate	• 5% attrition rate
	Create a performance driven, conducive work culture	100% permanent employees to receive performance appraisals	• 100% of permanent employees receive performance appraisals
Salaries and benefit policy			

INSPIRE



Training and Development

Haycarb’s training and development agenda is guided by the Hayleys Group Learning & Development policy which clearly sets out guidelines on the identification and prioritisation of training needs, design and delivery of training programmes and post-training evaluations among others. Employees are given the opportunity to attend Hayleys Group-wide training programmes as well as sector-specific training programmes coordinated at sector level. Haycarb’s training targets are aligned with that of the Hayleys Lifecode. The Group is also committed to enhancing internal learning and knowledge management resources and capabilities, which has ensured that our inherent intellectual capital has been harnessed within the Group. Haycarb also maintains a high level of engagement through numerous initiatives with academic and professional institutions to elevate capabilities ensuring they are up to date with the latest industry trends and requirements.

Training and Development Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)	
No Harassment and Abuse Policy	Conducting needs-based training for all employees	100% mapping of all training requirement across the group	• Completed the 100% mapping of all training requirements across the group	
Anti-Discrimination Policy	Conducting trainings on policies and employee compliance to foster a respectful and inclusive workplace	40 hours of average training hours per employee, per annum.	• 9 hours of average training hours per employee	
No Child Labour Policy			Staff category	Average training hours per head
No Forced Labour Policy			Assistant Managers and above	28
			Executive	8
			Non-Executive	8

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
	5.1 End all forms of discrimination against all women and girls everywhere	2-9 2-10
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	401-1 401-2 401-3 405-1 405-2 406-1
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	2-7 2-8 202-1 202-2
	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	401-1 401-2 401-3 404-1
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	404-2 404-3 405-1 405-2 408-1 409-1 406-1

INSPIRE



Health & Safety

As a manufacturing entity, creating a safe and injury-free work environment for our employees is essential to our employees' wellbeing. This is governed by the Group's Health and Safety Policy, which provides guidelines on ensuring compliance to all health and safety laws, rules and regulations, hazard identification and risk assessment, while maintaining hygienic working conditions and ensuring complete and accurate reporting of relevant health and safety data.

Health and Safety Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Health and Safety Policy	Ensuring a safe, healthy and hygienic working environment for all	Zero fatalities and reduce work related injuries across all manufacturing facility, <ul style="list-style-type: none"> • Reduce Recordable Incident Rate, RIR <1 • Lost Time Injuries Frequency Rate, LTIFR <1 	<ul style="list-style-type: none"> • RIR - 1.8 • LTIF - 0.9
	Promoting the physical and mental well-being of employee	In addition to mandatory health screening for all employees - Ensuring annual 'Haycarb Health Plan' conducted for all executives (>40 years age) considered at risk	<ul style="list-style-type: none"> • Total number of executives (>40 years age) considered at risk – 133 executives

Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
 3 GOOD HEALTH AND WELL-BEING	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	305-1 305-2 305-3 305-6 305-7 306-1 306-2 306-3 306-4 306-5 403-9 403-10
 8 DECENT WORK AND ECONOMIC GROWTH	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	403-1 403-2 403-3 403-4 403-5 403-7 403-8 403-9 403-10

EXCITE


“Excite our customers through unique products and excellent customer service”

The Group caters to a global network of retail and B2B customers who are served through an extensive distribution network. The value proposition to customers is driven by the key pillars of engagement and collaboration, innovation, product range, quality assurance, timely delivery, responsible marketing practices and customer health and safety. The standards expected in managing customer relationships is set out in the Group’s Customer Management Policy which has been formulated in line with industry best practices and includes guidelines on compliance, building long-term relationships, sharing product information, customer satisfaction surveys and reporting.

Customer Management Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Customer Management Policy	Ensuring customer satisfaction on our product and services	To reach a target satisfaction score of 90% or above (conducted customer satisfaction surveys with a customer coverage of 100% of active customers across all manufacturing locations)	<ul style="list-style-type: none">Customer satisfaction rate on our overall product supply > 85%
	Expanding marketing presence	Increase global market share by 1%	<ul style="list-style-type: none">Current global market share approximately is 16%.

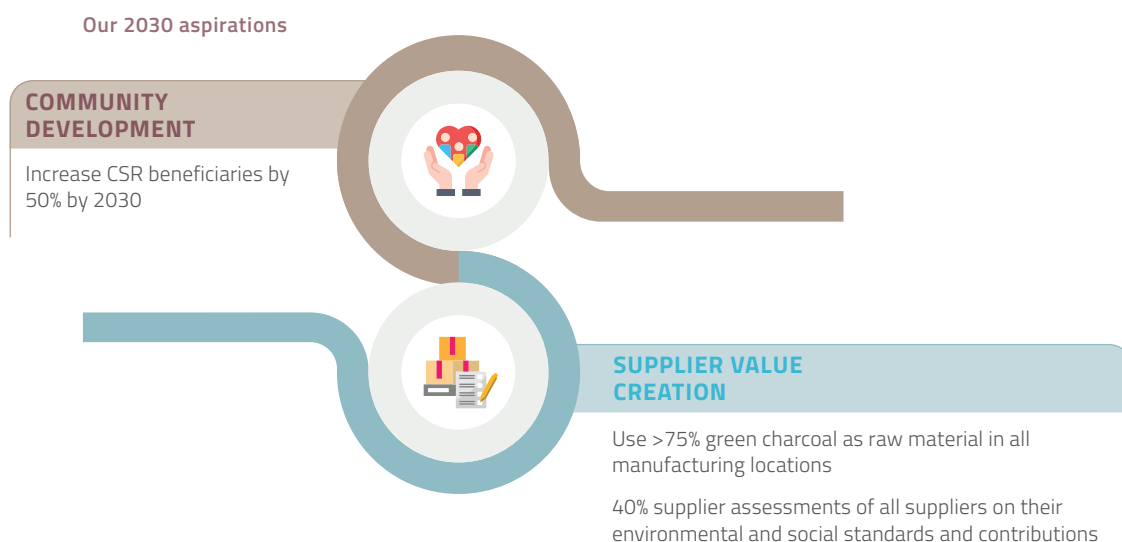
Alignment to UN SDGs & GRI Standard

UN SDG	UN SDG Target	GRI Standard
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	417-1
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature Indicators	
	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	417-2 417-3

UPLIFT

“Uplift our communities and suppliers through meaningful and impactful development”

As a Group with a global value chain which is strengthened through a community empowered supply chain having a deep-rooted presence across Sri Lanka, Indonesia and Thailand’s coconut industries We are acutely aware of the critical role we play in uplifting the livelihoods of suppliers and the communities we operate in through injecting value, propagating valuable ESG practices and empowering communities.





Supplier Relationships

The Group’s supplier relationships are guided by Haycarb’s Procurement Policy, which clearly sets out the Group’s commitment in driving responsible value creation across supply chains and disseminating sustainable practices. The Policy provides guidelines on supplier selection, evaluation criteria and encourages regular supplier audits. The Group also adopts a strategic approach towards supplier development, committing towards long-term capability and capacity development, which will strengthen both the resilience of the Group’s supply chain as well as continuing to uplift supplier livelihoods.

Procurement Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)
Procurement Policy	Drive best practices for a sustainable supply chain	Maintain >75% green charcoal as raw material in all manufacturing locations	<ul style="list-style-type: none"> >75% green charcoal supply as raw material across all manufacturing locations.
		40% supplier assessments of all suppliers on their environmental and social standards and contributions	<ul style="list-style-type: none"> Currently 5% assessment is being done by every functional location.

Alignment to UN SDGs & GRI Standard


UN SDG	UN SDG Target	GRI Standard
	16.1 Significantly reduce all forms of violence and related death rates everywhere	414-1
	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	414-2
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	204-1 203-2 414-1 414-2

UPLIFT

Community Development

The Group has nurtured strong partnerships with the communities in which it operates, with an established track record in driving positive and meaningful change through strategic community development programmes. Corporate Social Responsibility (CSR) projects are generally long-term in nature and seek to address urgent community needs which can arise. CSR is governed by the Hayleys Group Community Relationships policy which sets out key priority areas for strategic community development initiatives which includes education, health and well-being, livelihood development, and culture.

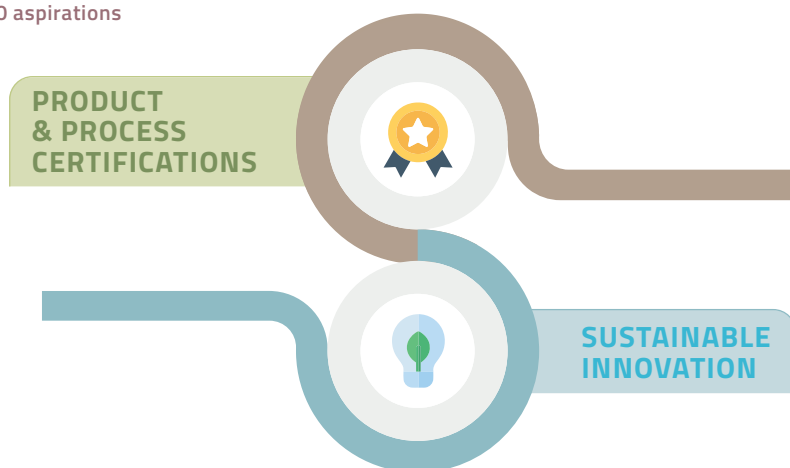
Community Development Strategies, Targets & KPIs

Policy	ESG Strategy	2030 Target	Baseline Performance (2022/2023)	Alignment to UN SDGs & GRI Standard
Community Relationships Policy	Uplifting livelihoods and empowering communities	Increase CSR beneficiaries by 50%	>100,000 beneficiaries	<div> Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status GRI Standard: 4 13-1</div>

INNOVATE

The Group has consistently demonstrated its expertise with a proven track record in innovation, having leveraged its market intelligence, manufacturing excellence, and research and development capabilities to build a comprehensive array of products for a diverse range of industry applications. The Group's ability to identify emerging market trends, collaborate with customers and formulate innovative product propositions has enabled it to sharpen its competitive advantage over the years, thereby enhancing its unique selling proposition for its customers and accessing new markets.

Our 2030 aspirations



Sustainable Innovation

Haycarb's unique selling proposition entails converting an industry by-product to value, based on which it has built a portfolio of sustainable and future-ready products. Our comprehensive product range caters to a wide range of industry applications which are focused on supporting a more sustainable future. Increasingly stringent ESG regulations and opportunities presented by the transition to a low-carbon economy presents significant growth potential for Haycarb, particularly in and water and air purification applications and energy storage solutions.

The Group's Innovation Policy seeks to drive alignment between emerging market trends, sustainability aspirations and research and development strategies. As such, the Group continues to strengthen its portfolio of sustainable products and climate proof its supply chain. This includes exploring alternate opportunities in less intensive raw materials, more sustainable management practices and processes and technologies which promote circularity, resource efficiency as well as social responsibility.

Product and process certifications

The Group complies with a host of international and local certifications which

ensure access to all markets, strengthen our global operations and provide assurance to our customers on the integrity of our products and processes. We continue to build on our existing landscape of certifications on environmental management, quality management, food safety, and health and safety. Stringent policies and processes are in place to ensure compliance to the requirements set out by these certifications.

As the Group expands its production capacities and capabilities we will seek to further increase the repertoire of relevant certifications that we comply with, and continue integrating international best practices into the Group's operations and processes.

ANNEXURE 1

Policies

Environmental Policies

Energy and Emission Management Policy

The Haycarb Group is dedicated to manufacturing activated carbon in an environmentally responsible manner. Our Energy and Emission Management Policy reflects our commitment to sustainable practices and the responsible use and preservation of natural resources.

The Haycarb Group operates within an Energy and Emission Management framework designed to minimise the environmental impact of our manufacturing processes. We strive to optimise energy usage by improving energy efficiency and increasing the utilisation of clean energy sources specifically tailored for the production of activated carbon.

Scope

This policy applies to all operations and activities carried out by the Haycarb Group.

Our Commitment

As a company dedicated to promoting sustainable energy consumption, the Group is committed to the following energy and emission management initiatives:

We adhere to all relevant laws, guidelines, and regulations concerning energy and emission management practices. This includes compliance with the standards set by the Central Environmental Authority, Sustainable Energy Authority, Sustainable Development Goals, UNGC (United Nations Global Compact), and Responsible Care Council.	Compliance
We appoint knowledgeable and competent teams to implement energy and emission management programmes that align with the specific requirements of our operations. These teams ensure effective execution of our initiatives.	Assign competent teams
We maintain a complete and accurate reporting system for relevant energy and emission data. This information is reported to the Group’s Sustainability Department in a timely manner, following established reporting frameworks based on GHG (Greenhouse Gas) protocol and national guidelines, using our designated reporting formats.	Accurate and timely reporting
We develop and implement customised energy and emission management programmes that focus on the materiality of relevant energy and emission aspects. Through these programmes, we identify, evaluate, and set targets for energy and emission-related processes and applications. We continuously monitor performance and drive improvement based on defined Key Performance Indicators (KPIs), aligning with the Group’s Energy & Emission Management Strategies, Targets, and KPIs.	Implement holistic energy and emission management programmes at all entities
We ensure the availability of relevant information, documents, training tools, and guidance to support our energy and emission management programmes at all levels of the organisation.	Availability of resources
The Group is dedicated to gradually shifting from non-renewable energy sources to maximise renewable energy use, such as solar, biomass energy, and others suitable for our operations. We prioritise the sustainable sourcing of biofuels, through the utilisation of coconut shell rejects, thereby minimising deforestation.	Shift to renewable energy
We actively strive to minimise the environmental impact of our energy usage. Through lean management practices, the application of Life Cycle Assessment (LCA) concepts, carbon-neutral operations, and recognised green building concepts, we aim to reduce energy-related environmental impacts while enhancing our competitiveness.	Minimise energy related impact on environment

We adopt energy and emission-conscious procurement procedures for all relevant operations. We also promote our energy and emission management practices throughout our supply chain. We implement effective operation and maintenance programmes to ensure energy-efficient operations and minimise emissions from significant energy-consuming applications within our manufacturing processes.	Energy and emission management
We foster a culture of energy and emission consciousness among all relevant stakeholders. Furthermore, we encourage our supply chain partners to embrace clean energy practices and observe energy efficiency standards.	Energy and emission conscious cultures
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and accurate Reporting
Our energy and emission management practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

This policy will be periodically reviewed, updated, and communicated to all relevant and interested parties within the organisation. We encourage collaboration and raise awareness

Responsibility

The Heads of all sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The Quality Assurance Department, will oversee the implementation and enforcement of this policy.

Water Management Policy

The Haycarb Group recognises the importance of water conservation and optimisation in our operations as a manufacturer of coconut shell activated carbon. Our Water Management Policy aims to effectively manage water resources, promote recycling and reuse of water, and responsibly dispose of wastewater. We address the environmental, social, and governance aspects of water management through this policy.

Scope

This policy applies to all business entities and relevant service providers within the Haycarb Group.

Our Commitment

As water use has been identified as a material topic, water conservation has been identified as a key priority in the Group's environmental agenda. Following are the key aspects relating to the ESG framework regarding water use, consumption and efficiency;

We commit to complying with all relevant laws, guidelines, national and international standards, and other requirements related to water management.	Compliance
We align with the CEO's water mandate by UNGC, encompassing six elements - Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement, and Transparency. Through individual and collective efforts, we implement a water management strategy that addresses these elements and other relevant requirements.	Implement water management strategy
We identify, clearly map, and measure all water inputs (classified by source), water applications (process and non-process water), and wastewater generation (hazardous and non-hazardous) within our defined boundaries.	Mapping of water sources, applications, distribution and wastewater generation

Metering is available for main water inputs and wastewater outputs, and we promote establishing sub-metering processes based on the level of water consumption and wastewater generation.	Reliable metering
We appoint competent teams to effectively implement our water management programme, ensuring alignment with the operating model and business requirements of each sector.	Assign competent teams
We establish targets and objectives for water management and drive continual improvement programmes, focusing on monitoring, corrective and preventive actions, and conducting regular audits and reviews.	Set water management targets and objectives
We ensure the availability of relevant information, documents, training tools, and guidance to support our defined water management programmes.	Availability of resources
We promote sustainable sourcing of water, including rainwater harvesting, explore water reuse opportunities, implement recycling practices, and seek innovative solutions to minimise water consumption within our operations.	Sustainable sourcing, reuse, recycling of water and innovation to minimise consumption
We ensure the appropriate and adequate treatment of raw water inputs and wastewater discharge to meet quality parameters for designated usages and discharge standards, prior to discharge into the environment or further treatments.	Water quality controls
We properly track and manage all wastewater discharges and locations, monitoring quantity and quality while ensuring compliance with environmental regulations.	Manage discharge of wastewater
We implement effective operation and maintenance programmes to ensure water efficiency in all relevant operations within the Group.	Water efficiency
We foster a water consumption conscious culture that emphasises conserving and reducing water utilisation through the adoption of technologies, process improvements, and promoting behavioural changes among staff through awareness campaigns.	Water consumption conscious culture
We drive Corporate Social Responsibility (CSR) programmes that focus on water management applications, addressing the specific needs and concerns related to water resources.	Water-themed CSR
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and accurate Reporting
Our water management practices are aligned with the Group's overall ESG strategy, ensuring integration into our long-term business goals and commitment to sustainable practices.	Align to Group

This policy will be periodically reviewed and communicated to relevant stakeholders, facilitating collaboration and raising awareness of our sustainable water management practices.

Responsibility

The Heads of all sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The Quality Assurance Department, will oversee the implementation and enforcement of this policy.

Material and Waste Management Policy

The Haycarb Group as a responsible manufacturer of activated carbon, prioritises the optimisation and management of material consumption while minimising waste generation and implementing sustainable waste disposal methods. This policy ensures the effective implementation of material and waste management practices across all our operations.

Scope

This policy applies to all business entities and relevant service providers within the Haycarb Group.

Our Commitment

This policy covers all types of materials used in the production and packaging of our primary products and services, as well as the solid waste generated within our manufacturing and service sectors. The following guidelines aim to promote sustainable material and waste management practices across the company.

Overall: Materials & Waste	
We commit to complying with all relevant laws, guidelines, national and international standards, and other requirements related to material and waste management.	Compliance
We appoint competent teams to effectively implement material and waste management programmes aligned with the operating model and business requirements of each sector.	Assign competent teams
We promote sustainable waste management best practices through identified Corporate Social Responsibility programmes.	CSR to support sustainable waste management
We introduce waste minimisation practices, improve resource efficiencies through the application of concepts such as Life Cycle Assessment (LCA), lean manufacturing, innovation, technology, and other relevant material and waste management concepts.	Innovation to drive resource efficiency
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and accurate Reporting
Our material and waste management practices are aligned with the Group's overall ESG strategy, ensuring integration into our long-term business goals and commitment to sustainable practices.	Align to Group
Materials	
We establish a comprehensive system to capture quantitative information regarding recyclable and non-recyclable material consumption relevant to our operations, including raw materials, semi-manufactured goods, associated process materials, and packaging materials.	Capture quantitative information in sufficient detail
We implement a material management program to prioritise sustainable sourcing and increase the use of biodegradable, recycled or reclaimed materials wherever possible.	Prioritise sustainable sourcing
We adopt sustainable material sourcing, green procurement practices, and safe material handling practices across the company.	Comprehensive sustainable sourcing practices to be adopted by Group

Waste	
We define solid and semi-solid waste categories within our operating boundaries, map them accordingly, and establish mechanisms to quantify waste generation.	Quantifying waste generation by appropriate categories
We develop waste management programmes focused on minimising, reducing, and controlling waste generation, based on the 7R concept (Reject, Reduce, Reuse, Reclaim, Replace, Repair, Recycle) for significant operations.	Waste management programmes based on 7R concept for significant applications
We implement proper segregation practices for all categories of waste generation, both process and non-process waste.	Segregation of waste
We ensure segregated waste is stored separately, complying with all relevant legal and other requirements, including the availability of separate waste storage for hazardous and non-hazardous waste, adherence to defined colour codes and labelling mechanisms, zero contamination to the environment, and the application of emergency preparedness programmes and health and safety requirements for waste handling.	Compliance over safe storage of waste
We ensure the sustainable disposal of all types of waste, promoting “zero landfilling” practices through agreements with waste collectors and disposers, and conducting regular waste audits.	Sustainable disposal of waste
We establish material and waste management targets and objectives and drive continuous improvement programmes, including monitoring, corrective and preventive actions, audits, and reviews on waste management.	Establishing targets and objectives to drive continuous improvement
We provide relevant information, documents, training tools, and guidance to enable the implementation of defined waste management programmes.	Training and tools to enable performance

This policy will be reviewed periodically and communicated to relevant and interested parties, facilitating collaboration and raising awareness on sustainable practices.

Responsibility

The Heads of all sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The Quality Assurance Department, will oversee the implementation and enforcement of this policy.

Social Policies

No Harassment and Abuse Policy

The Haycarb Group is committed to maintaining a respectful and safe working environment for all employees. We value diversity, inclusion, and the well-being of our workforce. This policy sets the standard for addressing and preventing harassment and abuse within our organisation. It is our utmost priority to foster a culture of respect, dignity, and equality.

Scope

This policy applies to all employees, contractors, and suppliers at any given time on-site within the Haycarb Group.

Commitment

We are committed to creating a work environment that is free from harassment and abuse. Our policy includes the following commitments:

We strictly prohibit any form of harassment or abuse based on race, colour, gender, sexual orientation, age, religion, national origin, disability, or any other protected characteristic. This includes but is not limited to verbal, physical, or written harassment, as well as any other unwelcome conduct that creates an intimidating, hostile, or offensive work environment.	Prohibition of Harassment and Abuse
We will implement proactive measures to prevent harassment and abuse. This includes providing training and awareness programmes to all employees, promoting respectful communication, and ensuring that everyone understands their rights and responsibilities.	Prevention and Awareness
We provide multiple channels for reporting incidents of harassment or abuse. We encourage all employees to promptly report any concerns to their immediate supervisor, and or the Human Resources Department. All reports will be promptly and thoroughly investigated, ensuring confidentiality and impartiality throughout the process.	Reporting and Investigation
We strictly prohibit any form of retaliation against individuals who report incidents or cooperate in investigations. We will take appropriate action against any individual found to engage in retaliation.	Non-Retaliation
Any employee found to have engaged in harassment or abuse will be subject to disciplinary action, up to and including termination of employment. The severity of the action will depend on the nature and circumstances of the incident.	Disciplinary Action
We are committed to providing support to victims of harassment or abuse. We will offer appropriate remedies to ensure the well-being of the affected individuals, which may include counselling, reassignment, or any other reasonable accommodations.	Support and Remedies
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and Accurate Reporting
Our human resources practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

Anti-Discrimination Policy

This policy will be periodically reviewed to ensure its effectiveness and compliance with applicable laws and regulations. The Group is committed to continuously improving our work environment and maintaining a culture of respect, equality, and zero tolerance for harassment and abuse.

Responsibility

All employees, including supervisors and managers, have a responsibility to comply with and enforce this policy. The Human Resources Department will oversee the implementation and adherence to this policy.

The Haycarb Group is committed to promoting a workplace that is inclusive, diverse, and free from discrimination. We value equal opportunities, respect for individual differences, and the fair treatment of all employees. This policy outlines our commitment to preventing discrimination and fostering an environment where everyone can thrive.

The Haycarb Group is committed to promoting ethical and responsible practices in all our operations, including our supply chain. We firmly oppose the use of child labour and are dedicated to ensuring that our business activities are free from any form of child exploitation. This policy outlines our commitment to prevent and eliminate child labour throughout our operations.

No Child Labour Policy

Scope

This policy applies to all employees, contractors, and suppliers at any given time on-site within the Haycarb Group.

Commitment

We are committed to the following principles to prevent and eliminate child labour:

We strictly prohibit the use of child labour in any of our operations, including our supply chain. Child labour refers to any work or activity that deprives children of their childhood, interferes with their ability to attend regular schooling, and is mentally, physically, socially, or morally harmful.	Prohibition of Child Labour
We will comply with all applicable laws and regulations related to child labour in the countries and jurisdictions in which we operate. We will also adhere to internationally recognised standards, including the International Labour Organisation (ILO) Convention No. 182 on the Worst Forms of Child Labour.	Compliance with Laws and Standards
We will conduct appropriate due diligence to assess and monitor our suppliers’ compliance with our no child labour policy. This includes evaluating our suppliers’ policies and practices, verifying the age of workers, and ensuring that adequate safeguards are in place to prevent the use of child labour.	Supplier Due Diligence
We will work towards enhancing transparency in our supply chain to identify and address any risks of child labour. This includes engaging with our suppliers and stakeholders to promote responsible sourcing practices and encouraging them to adopt similar no child labour policies.	Supply Chain Transparency
In the event that child labour is identified in our supply chain or any other aspect of our operations, we will take immediate action to address the issue. This may include terminating relationships with non-compliant suppliers, providing support to affected children, and collaborating with relevant stakeholders to implement remediation measures.	Remediation and Support
We will provide regular training and awareness programmes to all employees, suppliers, and stakeholders to educate them about the importance of preventing and eliminating child labour. Training will cover the signs of child labour, reporting mechanisms, and the consequences of non-compliance.	Awareness and Training

We encourage all employees and stakeholders to report any concerns or suspicions of child labour promptly. Reports can be made to the immediate supervisor, the designated compliance officer, the Human Resources Department, or through the company's designated reporting mechanisms. All reports will be treated confidentially, and appropriate action will be taken to investigate and address reported incidents.	Reporting and Whistleblowing
We strictly prohibit any form of retaliation against individuals who report concerns or cooperate in investigations related to child labour. We will protect whistle-blowers and ensure they are not subjected to any adverse actions as a result of their reporting.	Non-Retaliation
We will regularly monitor and review our supply chain and operations to identify and address any risks of child labour. This will be effectively facilitated through the use of age verification documents (National Identity Card and Birth Certificate) at the time of joining employment. Internal audits and third-party assessments may be conducted to assess compliance with this policy.	Monitoring and Review
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and Accurate Reporting
Our human resources practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

The Group is committed to maintaining a culture of respect, fairness, and ethical conduct in all aspects of our business. We will work collaboratively with our employees, suppliers, and stakeholders to prevent and eliminate child labour and contribute to the well-being and development of children worldwide.

Responsibility

All employees, contractors, and individuals associated with the Group have a responsibility to comply with and enforce this policy. The Human Resources Department will oversee the implementation and adherence to this policy.

No Forced Labour Policy

The Haycarb Group is committed to upholding the principles of human rights and promoting ethical practices in all our operations, including our supply chain. We strictly prohibit the use of forced labour in any form and are dedicated to ensuring that our business activities are free from any exploitation or coercion. This policy outlines our commitment to prevent and eliminate forced labour throughout our operations.

Scope

This policy applies to all employees, contractors, and suppliers at any given time on-site within the Haycarb Group.

Commitment

We are committed to the following principles to prevent and eliminate forced labour:

We strictly prohibit the use of forced labour, including any form of slavery, human trafficking, debt bondage, or involuntary servitude, in any of our operations, including our supply chain.	Prohibition of Forced Labour
We will comply with all applicable laws and regulations related to forced labour in the countries and jurisdictions in which we operate. We will also adhere to internationally recognised standards, including the International Labour Organisation (ILO) Convention No. 29 on Forced Labour.	Compliance with Laws and Standards
We will conduct appropriate due diligence to assess and monitor our suppliers' compliance with our no forced labour policy. This includes evaluating our suppliers' policies and practices, ensuring that workers are not subjected to any form of coercion, and verifying that they are engaged in employment voluntarily.	Supplier Due Diligence

We will work towards enhancing transparency in our supply chain to identify and address any risks of forced labour. This includes engaging with our suppliers and stakeholders to promote responsible sourcing practices and encouraging them to adopt similar no forced labour policies.	Supply Chain Transparency
We will ensure that our recruitment and employment practices are fair, transparent, and free from any form of coercion or exploitation. We will not withhold workers' identity documents, use excessive recruitment fees, or subject workers to any conditions that would indicate forced labour. In the event of resignation, three months' notice period or lieu payment is required by the employee.	Recruitment and Employment Practices
In the event that forced labour is identified in our supply chain or any other aspect of our operations, we will take immediate action to address the issue. This may include terminating relationships with non-compliant suppliers, providing support to affected individuals, and collaborating with relevant stakeholders to implement remediation measures.	Remediation and Support
We will provide regular training and awareness programmes to all employees, suppliers, and stakeholders to educate them about the importance of preventing and eliminating forced labour. Training will cover the signs of forced labour, reporting mechanisms, and the consequences of non-compliance.	Awareness and Training
We encourage all employees and stakeholders to report any concerns or suspicions of forced labour promptly. Reports can be made to the immediate supervisor, the designated compliance officer, the Human Resources Department, or through the company's designated reporting mechanisms. All reports will be treated confidentially, and appropriate action will be taken to investigate and address reported incidents.	Reporting and Whistleblowing
We strictly prohibit any form of retaliation against individuals who report concerns or cooperate in investigations related to forced labour. We will protect whistle-blowers and ensure they are not subjected to any adverse actions as a result of their reporting.	Non-Retaliation
We will regularly monitor and review our supply chain and operations to identify and address any risks of forced labour. Internal audits and third-party assessments may be conducted to assess compliance with this policy.	Monitoring and Review
We will ensure complete and accurate reporting of related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and Accurate Reporting
Our human resources practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

The Group is committed to maintaining a work environment that respects human rights, promotes dignity, and ensures the well-being of all individuals. We believe in the importance of upholding ethical practices and eliminating forced labour in all its forms.

Responsibility

The responsibility for implementing and adhering to this policy rests with all employees, contractors, suppliers, and individuals associated within the Group. The Human Resources Department, will oversee the implementation and enforcement of this policy.

Customer Management Policy

Standard

The Haycarb Group, as a manufacturer of activated carbon serving a global network of B2B and retail customers, we strive to become the preferred and trusted choice for our customers. Our commitment is to exceed customer expectations by providing a unique value proposition that fulfils their needs. This policy sets the minimum standard for customer relationship management that all our companies should adopt, along with industry-specific best practices to maintain a competitive edge.

Scope

This policy applies to all business entities and relevant service providers within the Haycarb Group.

Commitment

We aim to delight our customers by delivering superior product quality at a competitive price and excellent service that meets or exceeds their needs and expectations. To achieve this goal, we are committed to the following:

We develop long-term partnerships based on trust and mutual respect, centring on value propositions supported by innovation, responsible production and marketing, customer service, and satisfaction.	Nurturing Customer Relationships
We maintain 100% compliance with relevant laws and regulations concerning customers, including health and safety aspects of our products/services, marketing practices, and product labelling.	Compliance with Laws and Regulations
We ensure that customers receive all relevant information about our products/services and fully understand the terms and conditions associated with each product/service they obtain from the Haycarb Group.	Transparency and Information Sharing
We are highly responsive and comply with all relevant ESG certifications set out by customers and establish a mechanism to ensure ongoing compliance with these requirements.	Compliance with ESG Requirements
We conduct customer satisfaction surveys at least annually to gather feedback on critical aspects, including product quality, service, ease of transactions, and reliability.	Customer Satisfaction Surveys
We will ensure complete and accurate reporting of relevant procurement and supply chain-related data to the Group's Sustainability Department, following the reporting requirements of the GRI Standards and Haycarb's internal CUBE reporting system.	Complete and Accurate Reporting
Our customer management practices are aligned with the Group's overall Sustainability strategy, ensuring integration into our long-term business goals and commitment to sustainable practices.	Align to Group

Responsibility

The Heads of all business sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The Sales & Marketing Department, will oversee the implementation and enforcement of this policy.

Procurement Policy

Standard

The Haycarb Group, as a manufacturer of activated carbon with extensive supply chains both locally and internationally, recognises the importance of procurement activities in delivering a competitive advantage and generating sustainable value. This policy sets the minimum standard for procurement practices that all our companies should adopt. Additionally, we encourage aligning procurement practices with our strategic aspirations and industry best practices.

Scope

This policy applies to all business entities and relevant service providers within the Haycarb Group.

Commitment

We are committed to propagating sustainable practices and fostering responsible value creation across our supply chains. Therefore, we commit to the following:

We will follow a formal and structured process for supplier selection, based on objective and transparent criteria, free from bias, discrimination, or personal interests. The Group Procurement Division has developed a standard Supplier Verification Process and a Supplier On-Boarding Template for the Group.	Supplier Selection
The evaluation criteria will include, at a minimum, product specifications, price and payment flexibility, financial stability, safety and quality, technical and innovation capabilities, and social and environmental compliance.	Evaluation Criteria
Over the long-term, sectors should aim to screen all key suppliers for social and environmental practices to ensure responsible sourcing. Initially, sectors should focus on screening large-scale suppliers and gradually increase coverage. Additionally, sectors are encouraged to conduct regular supplier audits to ensure ongoing compliance with safety, health and quality standards, social responsibilities, and environmental practices.	Responsible Sourcing
We will ensure effective and appropriate segregation of duties within all procurement functions to prevent possible fraud.	Segregation of Duties
We will proactively engage with suppliers and implement long-term supplier development programmes to enhance their capabilities and capacity, aligning with the Group's long-term needs. These programmes will be designed based on identified ESG benefits for both the supplier and Haycarb. Resource allocations, including financial, human, and other resources, will be determined annually. Sectors should formalise programmes through suitable MoUs, project plans, and supplier agreements.	Supplier Development Programmes
We will actively seek alternative local counterparts to foreign suppliers, aiming to increase the percentage spend on local procurement and enhance local value addition.	Local Procurement
We will ensure complete and accurate reporting of relevant procurement and supply chain-related data to the Group's Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and Accurate Reporting
Our procurement practices are aligned with the Group's overall Sustainability strategy, ensuring integration into our long-term business goals and commitment to sustainable practices.	Align to Group

This policy will be periodically reviewed and communicated to relevant parties, facilitating collaboration and raising awareness of sustainable practices in alignment with the Group's Sustainability strategy.

Responsibility

The Heads of all business sectors, along with the Heads of Business Units, are responsible for valuing and adhering to this policy within the Group. The Procurement Division, will oversee the implementation and enforcement of this policy.

Governance Policies

Innovation Policy

The Haycarb Group recognises the critical role of innovation in driving sustainable growth, competitiveness, and positive impact. This policy outlines our commitment to fostering a culture of innovation, promoting creativity, and supporting the development and implementation of innovative solutions throughout our organisation.

Scope

This policy applies to all employees and stakeholders involved in the innovation process, including research and development, product development, process improvement, and business strategy.

Commitment

We are committed to the following principles in our approach to innovation:

We will cultivate an organisational culture that encourages and rewards innovation, creativity, and entrepreneurship. We will promote an environment where employees are empowered to generate and share ideas, experiment with new approaches, and learn from failures.	Foster a Culture of Innovation
We will align our innovation efforts with our strategic objectives, sustainability goals, and market trends. We will define clear innovation goals and priorities that address key challenges, create value for our customers, and contribute to the sustainable development of our business and industry.	Strategic Innovation Goals
We will invest in research and development activities to drive continuous improvement, explore new technologies, and develop innovative products, processes, and services. We will allocate resources to support R&D initiatives, collaborate with external research institutions, and leverage partnerships to accelerate innovation.	Research and Development
We will establish mechanisms and platforms for employees to contribute their ideas and suggestions for innovation. We will implement systems for capturing, evaluating, and managing ideas, ensuring that all proposals receive fair consideration and feedback.	Idea Generation and Management
We will actively seek collaboration opportunities with external partners, including customers, suppliers, academia, and other stakeholders. We will embrace open innovation principles, such as co-creation and knowledge sharing, to leverage external expertise and perspectives for innovative solutions.	Collaboration and Open Innovation
We will protect and respect intellectual property rights arising from our innovation efforts. We will establish appropriate procedures for intellectual property management, including patent filings, copyrights, trademarks, and trade secrets, ensuring compliance with relevant laws and regulations.	Intellectual Property
We will integrate sustainability considerations into our innovation processes. We will encourage the development of environmentally friendly technologies, materials, and practices. We will promote circular economy principles, resource efficiency, and social responsibility in our innovation projects.	Sustainable Innovation
We will create a safe environment that encourages risk-taking and learning from both successes and failures. We will recognise and reward employees who demonstrate entrepreneurial spirit, embrace calculated risks, and learn from setbacks to drive continuous improvement and innovation.	Risk-Taking and Learning
We will establish key performance indicators (KPIs) and metrics to measure and evaluate the effectiveness of our innovation efforts. These metrics may include the number of successful product launches, patents filed, revenue generated from new products, customer satisfaction with innovations, and the level of employee engagement in innovation activities.	Innovation Metrics and Evaluation

We will provide training and development opportunities to enhance employees' innovation skills, including creativity, problem-solving, design thinking, and entrepreneurial mindset. We will encourage cross-functional collaboration and knowledge-sharing to foster a multidisciplinary approach to innovation.	Innovation Training and Capability Building
We will regularly review and improve our innovation processes, incorporating feedback from stakeholders and benchmarking against industry best practices. We will create mechanisms for capturing and implementing lessons learned, promoting a continuous cycle of improvement in our innovation capabilities.	Continuous Improvement
We will transparently communicate our innovation initiatives, achievements, and progress to internal and external stakeholders. We will share success stories, lessons learned, and best practices to inspire and engage employees and to showcase our commitment to innovation and sustainability	Reporting and Communication
Our research and development practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

Responsibility

The responsibility for implementing and adhering to this policy rests with all employees, contractors, suppliers, and individuals associated within the Group. The Research & Development Department, will oversee the implementation and enforcement of this policy.

Information Security Policy

The Haycarb Group recognises the critical importance of safeguarding information assets and protecting the confidentiality, integrity, and availability of information. This policy outlines our commitment to maintaining effective information security practices throughout our organisation.

Scope

This policy applies to all employees and all other persons who have access to or support the Haycarb Group IT systems.

Commitment

We are committed to the following principles to ensure information security:

We will protect the confidentiality of sensitive information by implementing appropriate access controls, authentication mechanisms, and encryption methods. Access to sensitive information will be granted on a need-to-know basis, and employees will be trained on handling confidential data.	Confidentiality
We will maintain the integrity of information by implementing controls to prevent unauthorised modification, destruction, or alteration. This includes implementing data backup and recovery procedures, using secure storage systems, and employing data validation mechanisms.	Integrity
We will ensure the availability of information to authorised users when required. This involves implementing appropriate safeguards against service disruptions, establishing business continuity plans, and regularly testing and maintaining our information systems.	Availability
We will conduct regular risk assessments to identify potential vulnerabilities and threats to our information assets. Based on these assessments, we will implement controls and safeguards to mitigate risks effectively.	Risk Assessment and Management
We will comply with all applicable laws, regulations, and industry standards relating to information security and privacy. This includes adhering to data protection regulations and industry-specific requirements.	Compliance with Laws and Regulations
We will establish an incident response plan to effectively address and mitigate any security incidents or breaches. All incidents will be promptly reported, investigated, and appropriate actions will be taken to prevent future occurrences.	Incident Response and Reporting

We will provide regular training and awareness programmes to employees, contractors, and stakeholders to enhance their understanding of information security practices, policies, and procedures. This includes promoting good security practices, such as password hygiene, phishing awareness, and secure handling of sensitive information.	Security Awareness and Training
We will implement physical security measures to protect our information assets from unauthorised access, theft, damage, or loss. This includes securing our premises, controlling access to sensitive areas, and properly disposing of physical media.	Physical Security
We will assess the information security practices of our suppliers and third-party partners to ensure they meet our standards and requirements. Contracts and agreements with external entities will include provisions for information security and confidentiality.	Supplier and Third-Party Security
We will regularly monitor and review our information security controls, practices, and procedures to identify and address any vulnerabilities or areas for improvement. Internal audits and assessments may be conducted to ensure compliance with this policy.	Monitoring and Review
We are committed to continuously improving our information security posture by incorporating emerging best practices, technologies, and industry standards. We will stay informed about new threats and vulnerabilities and proactively adapt our security measures accordingly.	Continuous Improvement
Any suspected violations of this policy should be immediately reported to the IT Department or the designated information security officer. Reports can be made anonymously through our confidential reporting mechanisms.	Reporting Violations
We will ensure complete and accurate reporting of relevant procurement and supply chain-related data to the Group's Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group's internal CUBE reporting system.	Complete and Accurate Reporting
Our information security practices are aligned with the Group's overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

Responsibility

The Heads of all sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The IT Department, will oversee the implementation and enforcement of this policy.

Vendor and Third-Party Management Policy

Scope

This policy applies to all employees involved in the vendor and third-party management process, including procurement, contract management, and relationship management within the Haycarb Group.

Commitment

We are committed to the following principles in our vendor and third-party management:

We will employ a transparent and objective selection process when engaging with vendors and third-party entities. Selection criteria will include factors such as product quality, service capability, sustainability practices, compliance with laws and regulations, and adherence to ethical standards.	Vendor and Third-Party Selection
Prior to entering into agreements or partnerships, we will conduct appropriate due diligence to assess the integrity, financial stability, and sustainability performance of vendors and third parties. Risk assessments will be conducted to identify potential risks associated with the engagement, including legal, operational, reputational, and sustainability risks.	Due Diligence and Risk Assessment
We will only engage with vendors and third parties who adhere to high ethical standards and demonstrate a commitment to anti-corruption practices. We will not tolerate any form of bribery, kickbacks, or unethical conduct in our business relationships. Anti-corruption clauses will be included in contracts and agreements with vendors and third parties.	Ethical Conduct and Anti-Corruption
Vendors and third parties must comply with all applicable laws, regulations, and industry standards in the jurisdictions where they operate. We expect our vendors and third parties to uphold legal requirements related to labour, human rights, environmental protection, health and safety, and data protection.	Compliance with Laws and Regulations
We will prioritise engaging with vendors and third parties who demonstrate a commitment to sustainability and environmental responsibility. We will assess their sustainability practices, including resource efficiency, waste management, emissions reduction, and social responsibility, to ensure alignment with our sustainability goals.	Sustainability and Environmental Responsibility
Vendors and third parties will be required to maintain the confidentiality and security of any sensitive information or data they have access to during the course of their engagement. Contracts and agreements will include provisions for data protection and confidentiality.	Confidentiality and Data Protection
We will establish processes for monitoring and evaluating the performance of vendors and third parties on an ongoing basis. Key performance indicators (KPIs) will be defined, and regular assessments will be conducted to ensure compliance with contractual obligations, service level agreements, sustainability targets, and ethical standards.	Performance Monitoring and Evaluation
We will develop and maintain contingency plans to address any potential disruptions in the supply chain or business operations caused by vendor or third-party issues. These plans will include identifying alternative sources or providers to ensure continuity of critical goods or services.	Continuity Planning and Contingency Measures

We will provide training and awareness programmes to employees involved in vendor and third-party management to ensure they understand and adhere to the principles and requirements outlined in this policy. Training will cover topics such as ethical conduct, sustainability considerations, risk assessment, and due diligence.	Training and Awareness
We will periodically review and assess our vendor and third-party management processes to identify areas for improvement. Feedback from stakeholders, performance evaluations, and emerging best practices will inform our continuous improvement efforts.	Review and Improvement
Any suspected violations of this policy should be immediately reported to the Procurement Department or the designated vendor and third-party management officer. Reports can be made anonymously through our confidential reporting mechanisms.	Reporting Violations
We will ensure complete and accurate reporting of related data to the Group’s Corporate Sustainability & ESG Department, following the reporting requirements of the GRI Standards and the Group’s internal CUBE reporting system.	Complete and Accurate Reporting
Our vendor and third-party management practices are aligned with the Group’s overall ESG strategy. We integrate these practices into our long-term business goals to ensure a holistic approach to sustainability.	Align to Group

Responsibility

The Heads of all sectors, along with the Heads of Business Units will be responsible in ensuring that this policy is valued and adhered to. The IT Department, will oversee the implementation and enforcement of this policy.

ANNEXURE 2

GROUP STRUCTURE

