

Haycarb Sustainability Impact Report 2025/26



Activating a Greener Future
January 2026

Commitment to ESG

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

About this Publication:

This publication seeks to provide a high-level update of the Haycarb Group's performance against its ESG targets, as set out in its ESG Roadmap 'ACTIVATE'. This Report is released as a biannual publication and this issue covers the period from 1st of April 2025 to 30th of September 2025.

Scope and Boundary:

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

Targets:

As defined in ACTIVATE, the baseline year for the Group's Environmental and Social targets are 2022/23. Actual performance for the first six months of the financial year ending 31st March 2026, reflect performance against the defined timeline.



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Haycarb at a Glance



HAYCARB
Activated carbon solutions

One of the World's Leading
Manufacturer & Marketer of
Coconut Shell Activated Carbon



Production Capacity

56,800
MT/ Year

USD

145 Mn

Revenue 2024/25



7 Marketing
Subsidiaries:
USA, UK, AU

3 Manufacturing
Locations: Sri Lanka,
Thailand, Indonesia



16%

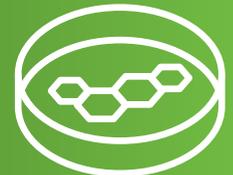
Global Market Share

2000+
People



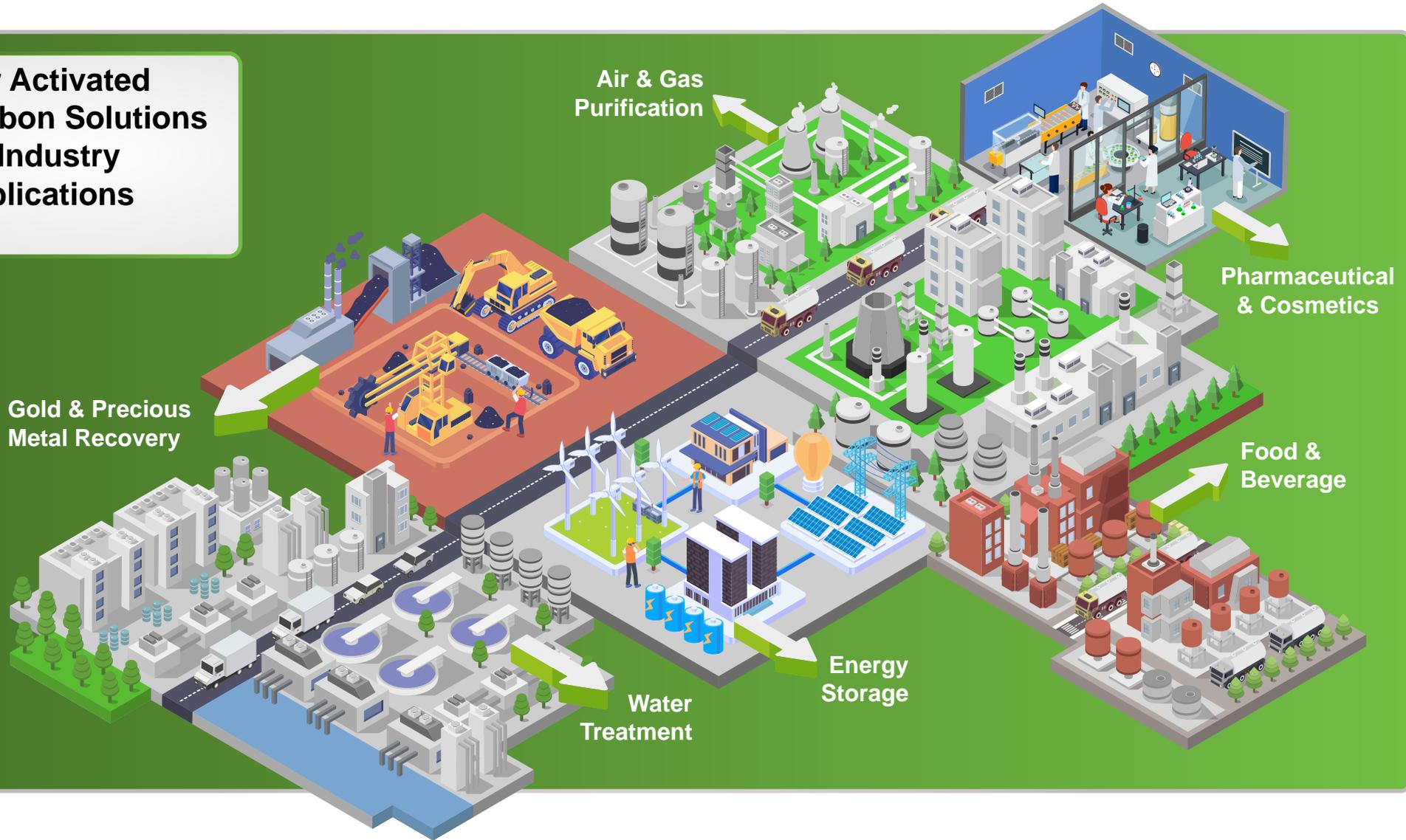
Products

>1,500



Haycarb at a Glance

Our Activated Carbon Solutions for Industry Applications



Joint Message from the Managing Director and Deputy Managing Director



Rajitha Kariyawan
Managing Director

We are pleased to present the fourth edition of Haycarb's ESG Progress Report, which captures our journey during the period from April to September 2025 under the ACTIVATE ESG Roadmap. This report reflects our continued commitment to embedding environmental, social, and governance principles into the way we operate, make decisions, and create value across our global footprint. It highlights how sustainability is integrated across our operations, supply chain, and innovation agenda, reinforcing ACTIVATE as a common framework that guides responsible growth, long-term resilience, and purposeful value creation.

During the first half of 2025/26, our focus remained on strengthening the fundamentals that underpin long-term resilience. Operationally, we continued our transition toward lower-carbon manufacturing, advancing renewable energy integration while improving resource efficiency and emissions management. Across our people agenda, safety remained non-negotiable, with zero fatalities recorded, alongside sustained investment in training and capability development to support stable, high-quality operations.

Innovation and customer relevance continued to shape our growth. Targeted R&D investments supported the development of new products addressing emerging needs in energy storage and advanced water treatment. These solutions reflect our intent to translate regulatory, environmental, and performance requirements into scalable, commercially viable outcomes that support both customer objectives and broader ESG expectations. Equally important is the shared value created across our supply chain and communities. Through programmes such as Haritha Angara and long-term community initiatives, we continued to support livelihoods, promote cleaner production practices, and strengthen access to essential services.

At the heart of this progress is our purpose Driving Value, Changing Lives. It defines how we create value responsibly, how we engage with our stakeholders, and how we measure success beyond financial performance. As we move forward, we remain committed to growing with integrity, innovating with purpose, and delivering meaningful impact across the ecosystems we serve.



Brahman Balaratnarajah
Deputy Managing Director
& Head of ESG

2025/26 Highlights (Q1 - Q2)



77%

Renewable energy use
(inclusive of self-generated energy)

Number of farmers
supported through
coconut plantation

204



3.9%

Recycled water used in
our operations worldwide



New
products
innovated

8



Acres of
coconut
planted
through
farmer
support

148



100%

Use of rainwater for
operations in Shizuka Thailand

467,922 GJ

Renewable energy
consumption through
self-generated
energy



Customer
satisfaction rate

>90%

for last 3 years



Total number of
Haritha Angara
green charcoaling
pits in operation

>400

5062 GJ

Renewable energy
consumption through solar



77,000 MT

Renewable material used (coconut shells and charcoal)



Total number of
CSR beneficiaries

>60,000

Investment in R&D (Rs.)

86 Mn



Revenue
generated
from new
products
(Rs.)

30 Mn



Investment
in training &
development
(Rs.)

3.64 Mn



GHG emission tCO₂e

13,180 (Scope 1 + 2)



Certifications, Memberships and Awards

Memberships



Certifications



Awards

20th Annual w3 Awards
Silver Award for General Websites
(Manufacturing Category)

Sri Lanka Coconut Awards 2025

- Outstanding Exporter - Shell Products Category
- Special recognition "For the work done to establish the coconut industry outside the coconut triangle"



ESG Benefits of Haycarb Products

Haycarb's product portfolio strengthens both environmental and industrial performance in areas where customers face increasing technical and regulatory demands. In the last six months, two product segments have seen notable traction globally: advanced carbons for energy storage applications and high-performance carbons for PFAS removal in water treatment.

Energy Storage Carbons

Haycarb's activated carbon technologies for energy storage support the development of next-generation energy devices. These materials are engineered with high surface area and controlled pore structures to meet the performance requirements of supercapacitors, lithium-ion batteries, and other emerging energy applications.

Specialist carbons are designed with tailored surface characteristics and particle properties to support improved energy density, charge discharge efficiency, and device stability across industrial and commercial applications.

Applications for these materials include silicon-carbon anode systems for electric vehicles, energy storage solutions for vertical mobility devices such as drones, power tools, consumer electronics, and high-performance computing and AI server infrastructure.

This product category reflects Haycarb's strategic focus on materials that support the global energy transition, offering customers a way to improve performance while maintaining supply chain traceability and raw material sustainability.

PFAS Removal Carbons

Per- and polyfluoroalkyl substances (PFAS) are a class of persistent organic contaminants widely recognized for their resistance to degradation and potential impact on human and ecosystem health. Haycarb's PFAS removal carbons are engineered to address this challenge by providing targeted adsorption at very low concentrations. The 5000 Series granular activated carbons are designed for point-of-use, municipal, industrial wastewater, groundwater remediation, and other critical water treatment systems.

Independent performance testing shows these carbons can effectively remove both long- and short-chain PFAS compounds that are increasingly regulated around the world. At international events like WQA 2025, Haycarb's PFAS solutions drew attention from municipal and industrial stakeholders seeking performance and sustainability in advanced water treatment applications.

ESG Benefits of Haycarb Products

Haycarb's products translate into measurable outcome areas that matter to customers and stakeholders:

Clean Water Outcomes



- Enhanced removal of emerging contaminants like PFAS supports public and ecosystem health objectives.
- Consistent performance across drinking water, industrial effluent treatment, and groundwater remediation systems strengthens regulatory compliance.

Energy & Climate Interface



- Carbons tailored for energy storage applications contribute to devices that support renewable energy systems and grid resilience.
- Use of coconut shell based raw materials contributes to a lower lifecycle footprint relative to non-renewable carbon sources, aligning with circular economy principles.

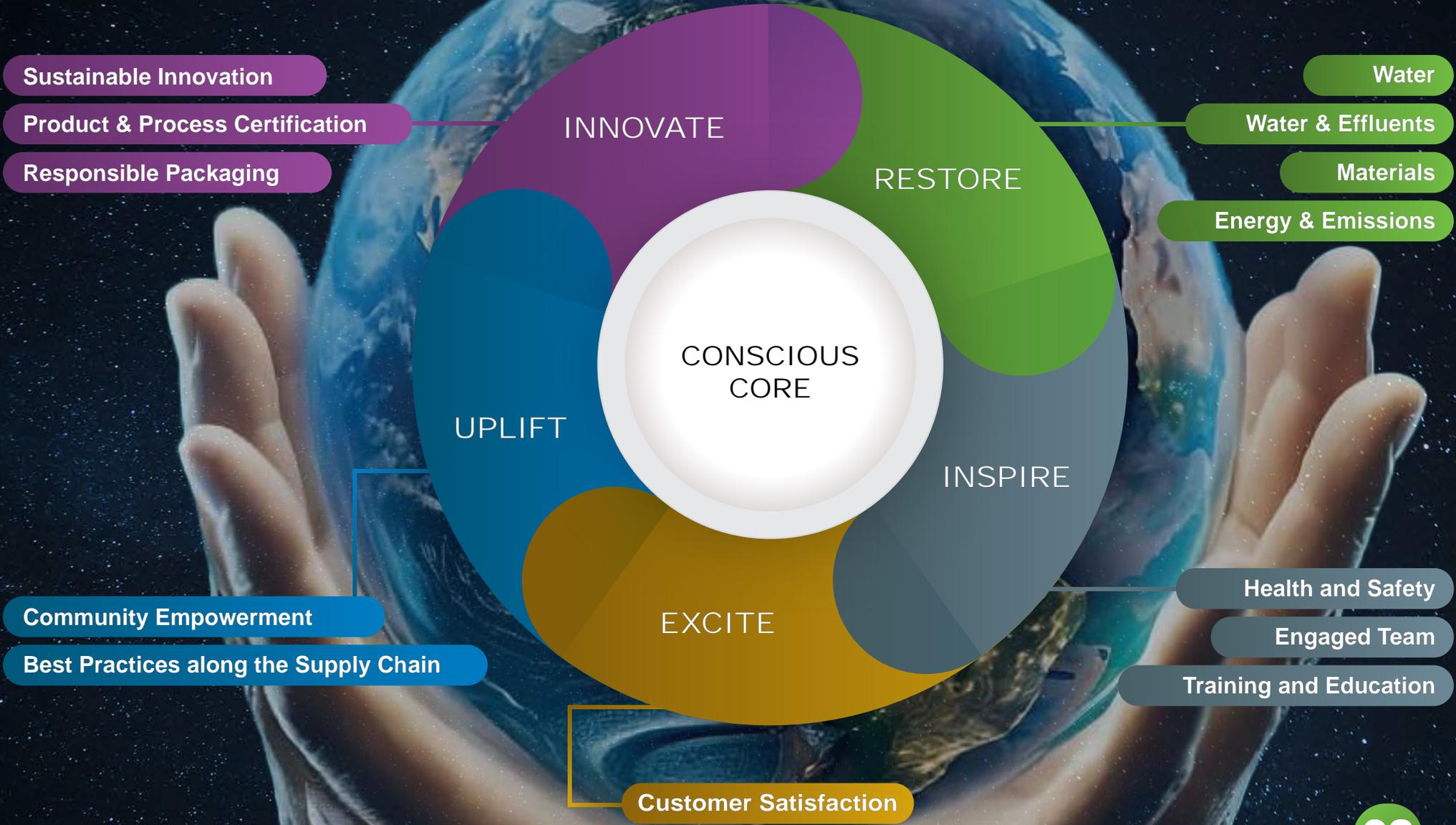
Supply Chain & Circularity



- Activated carbons derived from renewable coconut shells support waste to value manufacturing.
- Selected products can be reactivated or regenerated for reuse, extending functional life and reducing waste.

These product benefits reflect Haycarb's commitment to delivering solutions that meet both technical performance criteria and broader ESG expectations across diverse industrial ecosystems.

ACTIVATE ESG Roadmap 2030



RESTORE – The Natural World



During the first half of 2025/26, Haycarb focused on strengthening the fundamentals of environmental performance across energy, water, and material use. Rather than pursuing short-term gains, priority was placed on improving system reliability, efficiency, and resilience across operations.

Strengthening energy and water systems is not only an environmental priority but also a supply reliability consideration, ensuring consistent production performance under increasingly constrained resource conditions.

off track
 on track
 achieved

2030 TARGET	STATUS (6M 25/26)	PROGRESS TOWARDS INTERIM TARGET (6M 25/26)
50% Increase in renewable energy use		Accelerating renewable expansion
25% Reduction in Scope 1 & 2 emissions		Accelerating emissions reduction
10% Reduction in energy intensity per production quantity(GJ/MT)		Increased energy efficiency improvements
10% Sustainable water sourcing		Rainwater harvesting maximized
30% Reduction in group water intensity (m ³ /MT)		Exploring water use improvements
15% Water usage dedicate to reuse and recycling		Advancing wastewater reuse through RO
15% Reduction of solid waste generation per production quantity (MT/MT)		Process and waste efficiency increased

RESTORE – The Natural World

Renewable Energy Integration and System Performance

Renewable energy remained central to how energy is supplied and managed across Haycarb's operations during the first half of 2025/26. This was supported by rooftop solar generation, ongoing capacity and efficiency enhancements for steam-powered electricity generation using integrated waste heat recovery at the Recogen facility and targeted projects to convert LPG-fired dryers to operate on recovered waste heat. As a result, over 77% of total energy consumption during the reporting period was derived from renewable sources, driven primarily by the utilization of waste heat for steam generation.

During the six-month period, 5,061 GJ of renewable energy was supplied to operations from rooftop solar installations, while the in-house patented Recogen system generated 1,598 GJ. In parallel, Haycarb supplied 1,541 GJ of renewable electricity to the national grid, supporting Sri Lanka's National Climate Change Action Plans.

Targeted Efficiency Improvements and Fuel Substitution

Operational pilots focused on reducing direct fossil fuel use delivered tangible results. One dryer was converted to operate using waste heat, generating 3,193 GJ of renewable energy and reducing LPG consumption by approximately 11,000 kilograms per month. Additional efficiency improvements implemented on another dryer resulted in monthly furnace oil savings of approximately 13,000 liters.

These initiatives were implemented as targeted pilots on selected equipment to validate performance and operational feasibility. Based on outcomes achieved to date, similar conversions and efficiency improvements are planned for phased expansion, supporting Haycarb's long-term renewable energy and greenhouse gas emission reduction objectives while stabilizing energy intensity as production shifts toward higher value-added products.

RESTORE – The Natural World

Water Stewardship

Water stewardship remained a priority during the first half of 2025/26, particularly at sites operating under water-stressed conditions. Rainwater harvesting, RO treatment plants, and internal recycling systems continued to be integrated into operations to reduce reliance on freshwater sources as washing and processing requirements increased.

While overall water consumption rose compared to the previous year due to higher processing intensity, the share of recycled water also increased. Recycled water accounted for 3.9% of total water consumption, driven mainly by the RO water treatment facility at Haycarb Badalgama, which enabled treated effluent to be reused for both gardening and selected process applications. More than 45,000 m³ of rainwater was harvested and used across operations, reducing the need for surface and groundwater extraction. Our Shizuka factory in Thailand continued to operate 100% on rainwater for all operational requirements. Together, these measures increased the share of sustainably sourced water to 15%, strengthening water source resilience while supporting operational needs.

Biodiversity and Natural Capital

Biodiversity initiatives during the reporting period focused on integrating nature meaningfully within operational sites rather than treating it as a peripheral activity. Pollinator gardens at Madampe and Badalgama continued to be maintained as functional habitats, supporting butterflies, bees, and other indicator species while embedding biodiversity within active industrial environments.

At Madampe, the pollinator garden repurposed an underutilized space into a living ecological buffer using native and adapted plant species, recycled water, and compost generated on site. Beyond habitat creation, the presence and diversity of pollinators provide a practical, low-tech indication of environmental conditions at the site, complementing formal monitoring systems.

In parallel, operations in Thailand continued to maintain vegetable and green spaces within factory premises, supporting local biodiversity while strengthening employee connection to food systems and land stewardship. Together, these initiatives demonstrate how industrial sites can support ecological value alongside core manufacturing activities.

RESTORE – The Natural World

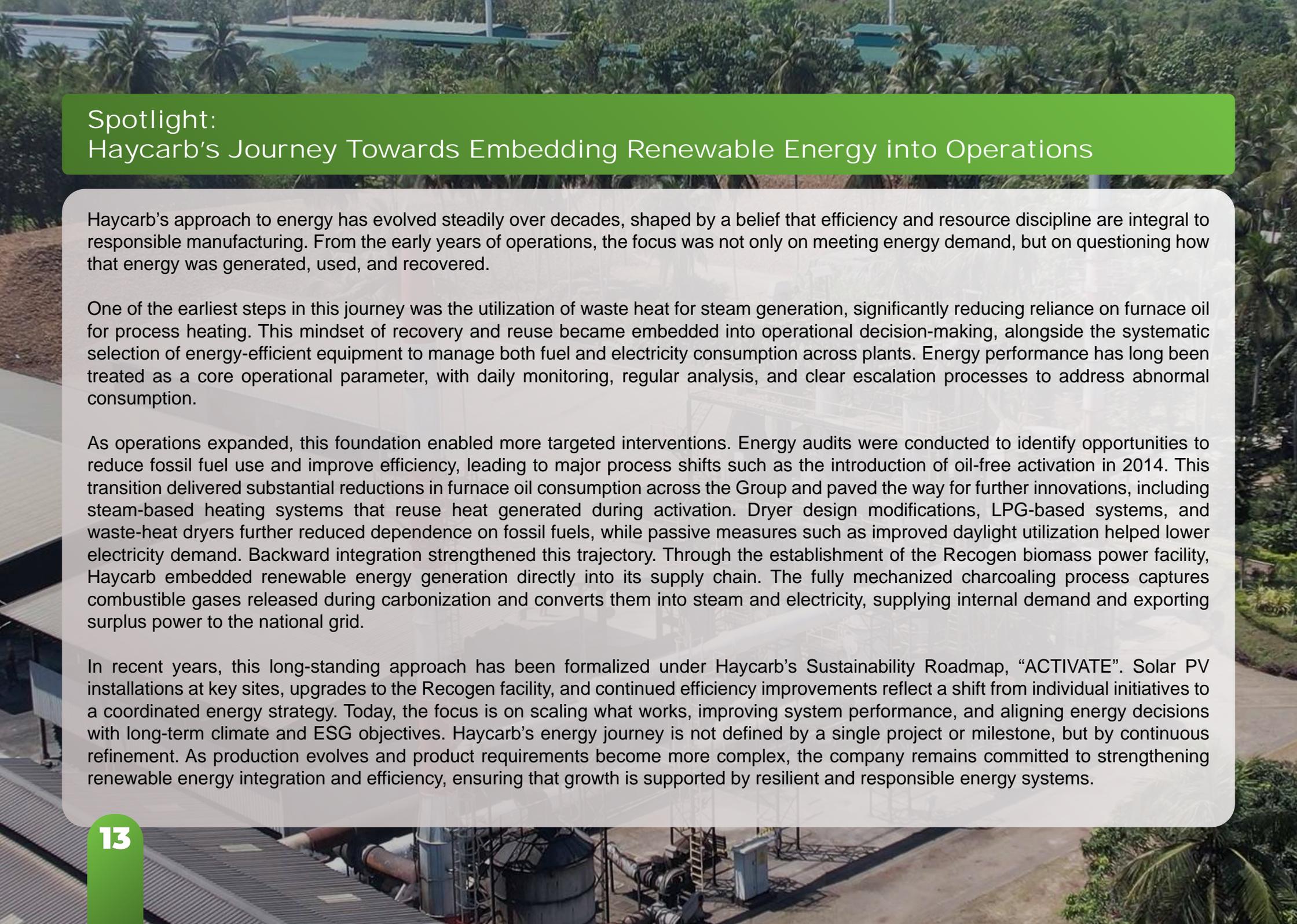
Off-Spec Utilization and Carbon Reactivation

Haycarb continues to strengthen circularity within activated carbon manufacturing by reducing reliance on virgin raw materials and improving the utilization of off-spec carbon. Rather than treating off-spec material as waste, operational processes focus on recovering, reprocessing, and reintegrating it into production where performance and safety requirements are met.

Across manufacturing operations, selected off-spec carbon is reused or reactivated to replace virgin charcoal on a one-to-one basis, reducing raw material demand while maintaining product quality. This approach improves efficiency and supports more responsible use of coconut shell resources without compromising application performance.

At Carbokarn, Thailand, activated carbon regeneration services further extend material life cycles by restoring spent carbon for reuse by both Haycarb and external customers. By reactivating carbon instead of producing new material, the facility reduces material intensity across the value chain while helping customers to achieve both cost efficiency and sustainability objectives.





Spotlight: Haycarb's Journey Towards Embedding Renewable Energy into Operations

Haycarb's approach to energy has evolved steadily over decades, shaped by a belief that efficiency and resource discipline are integral to responsible manufacturing. From the early years of operations, the focus was not only on meeting energy demand, but on questioning how that energy was generated, used, and recovered.

One of the earliest steps in this journey was the utilization of waste heat for steam generation, significantly reducing reliance on furnace oil for process heating. This mindset of recovery and reuse became embedded into operational decision-making, alongside the systematic selection of energy-efficient equipment to manage both fuel and electricity consumption across plants. Energy performance has long been treated as a core operational parameter, with daily monitoring, regular analysis, and clear escalation processes to address abnormal consumption.

As operations expanded, this foundation enabled more targeted interventions. Energy audits were conducted to identify opportunities to reduce fossil fuel use and improve efficiency, leading to major process shifts such as the introduction of oil-free activation in 2014. This transition delivered substantial reductions in furnace oil consumption across the Group and paved the way for further innovations, including steam-based heating systems that reuse heat generated during activation. Dryer design modifications, LPG-based systems, and waste-heat dryers further reduced dependence on fossil fuels, while passive measures such as improved daylight utilization helped lower electricity demand. Backward integration strengthened this trajectory. Through the establishment of the Recogen biomass power facility, Haycarb embedded renewable energy generation directly into its supply chain. The fully mechanized charcoaling process captures combustible gases released during carbonization and converts them into steam and electricity, supplying internal demand and exporting surplus power to the national grid.

In recent years, this long-standing approach has been formalized under Haycarb's Sustainability Roadmap, "ACTIVATE". Solar PV installations at key sites, upgrades to the Recogen facility, and continued efficiency improvements reflect a shift from individual initiatives to a coordinated energy strategy. Today, the focus is on scaling what works, improving system performance, and aligning energy decisions with long-term climate and ESG objectives. Haycarb's energy journey is not defined by a single project or milestone, but by continuous refinement. As production evolves and product requirements become more complex, the company remains committed to strengthening renewable energy integration and efficiency, ensuring that growth is supported by resilient and responsible energy systems.

INSPIRE – Our Teams



In the first half of the year, Haycarb focused on strengthening the foundations of its people systems. Efforts centered on managing expectations, building capability, and reinforcing a safe and supportive work environment across operations.

A skilled and stable workforce underpins product consistency, process control, and safe operations across sites, directly supporting the reliability customers expect from long-term manufacturing partners.

off track
 on track
 achieved

2030 TARGET	STATUS (6M 25/26)	PROGRESS TOWARDS INTERIM TARGET (6M 25/26)
5% Attrition rate		Employee expectations embedded
40 Average training hours per annum		Advancing training cadence
100% Mapping of all training requirements across the group		Strategic training rollout
100% Permanent employees to receive performance appraisals		Appraisal cycles operational
Zero fatalities		Safety systems embedded

INSPIRE – Our Teams

Health and Safety

Health and safety remained a non-negotiable priority during the first half of 2025/26, with a clear focus on prevention, capability, and shared responsibility. Rather than relying solely on incident response, emphasis was placed on building everyday safety awareness through consistent training, regular site inspections, and targeted safety campaigns across operations.

These efforts were supported by over 70 site-level safety champions and reinforced through system-level improvements designed to embed safety into routine decision-making and work practices. During the reporting period, this approach was accompanied by a reduction in workplace accidents and zero fatalities, reflecting the growing emphasis on proactive risk management and visible ownership of safety across sites.

Learning and Development

Learning and development during the first half of 2025/26 focused on building capability in a structured and sustained way, while aligning with operational requirements and leadership priorities. Training followed a planned monthly rhythm, allowing teams to balance learning with production demands while maintaining consistency across sites.

Strategic learning programs were delivered alongside digital platforms such as HayLearn, supporting both technical competence and the development of soft skills required for effective supervision, collaboration, and decision-making. During the reporting period, a total of 31,358 training hours were delivered across Haycarb, reflecting a continued commitment to strengthening workforce capability and operational discipline. An investment of LKR 3.6 million over the six-month period supported structured training programs and improved access to relevant learning opportunities. Together, these efforts reinforce a learning culture that supports safe operations, process reliability, and long-term organizational resilience.

HayLearn – Enabling a Culture of Continuous Learning

Haycarb became the first company within the Hayleys Group to introduce an end-to-end digital learning platform, marking an important step in its digital and people development journey. Recognizing the limitations of traditional classroom-based training in a manufacturing environment, the organization adopted a Learning Management System to support more flexible, accessible, and modern learning approaches.

Following a review of multiple platforms, a system aligned with Haycarb's learning needs was selected. Employees were involved in naming the platform, which was launched as HayLearn in February, reinforcing a sense of ownership from the outset. The focus from day one was on engagement, participation, and practical value.

HayLearn enables employees to access learning content at their own pace and from any location, helping overcome scheduling and shift-related challenges. Interactive features such as quizzes, leaderboards, certificates, and progress tracking encourage participation, while structured course design supports clear and effective learning, particularly for digital and productivity tools.

The platform has also improved training efficiency by allowing employees to build skills independently, reducing reliance on scheduled sessions, and enabling better identification of learning gaps. This supports more targeted development planning and continuous capability building across teams.

HayLearn course offerings include:

- Microsoft applications and digital productivity tools
- IT fundamentals and technical skills
- Management and business skills
- Life skills and wellbeing
- Security awareness and compliance training

"As a user of the HayLearn system, I have grown as a learning partner while supporting others in their development. I have observed positive changes in employee engagement, knowledge sharing, and enthusiasm for learning. The platform encourages continuous learning and helps employees build skills with confidence."

Amila Rukshan
Executive – HR

"I am grateful for the opportunity to participate in the HayLearn training programs. This initiative has made a meaningful difference in my career by providing practical knowledge and skills that support my professional growth. Being able to apply what I learned has delivered real results."

Niranjana Fernando
Executive – Production,
Madampe

EXCITE – Our Customers



In the first half of 2025/26, Haycarb focused on staying close to customer requirements while maintaining product reliability and service consistency. The priority was to ensure that quality and responsiveness keep pace with evolving technical needs across applications and markets.

Maintaining close technical engagement allows us to respond to evolving application requirements while ensuring that product quality and service levels remain consistent across markets.

off track on track achieved

2030 TARGET	STATUS (6M 25/26)	PROGRESS TOWARDS INTERIM TARGET (6M 25/26)
>85% customer satisfaction rate		Customer expectations embedded

EXCITE focuses on maintaining high levels of customer satisfaction through technical collaboration, product reliability, and service consistency. This approach supports evolving customer requirements while reinforcing trust across applications and markets.

EXCITE – Our Customers

Customer Engagement and Collaboration

Customer engagement during the first half of 2025/26 continued to focus on close technical collaboration and application-specific support across key markets including the USA, the UK, Europe, China, Korea, Taiwan, and Dubai. Teams worked alongside customers through structured product trials, joint product development initiatives, and ongoing technical assistance, particularly in applications with evolving regulatory and performance requirements.

Customer discussions increasingly extended beyond product specifications to include ESG-related considerations such as regulatory compliance, traceability, and performance in sensitive applications, including advanced water treatment and energy storage-related uses. This collaborative, market-specific approach supports customers in navigating changing expectations while strengthening long-term partnerships built on trust, consistency, and technical depth.

Digital and Service Improvements

Improvements in digital tools and service processes during the reporting period focused on enabling faster access to technical information and more responsive customer support. Enhanced documentation, structured data management, and service platforms strengthened the connection between product performance and customer experience.

Updates to Haycarb's website supported this shift by improving access to product information, technical documentation, and application insights, making it easier for customers and partners to engage with relevant content and understand product capabilities. This digital layer complements direct technical support by providing consistent, up-to-date information across markets.

The implementation of a centralized Customer Relationship Management (CRM) platform, integrated with a redesigned corporate website, served as a structured digital entry point for customer engagement. Together, these improvements support clearer communication, quicker issue resolution, and more efficient collaboration between customers, technical teams, and operations, particularly complex or customized product applications.

EXCITE – Our Customers

Industry Engagement and Exhibitions

During the reporting period, Haycarb maintained an active presence at key international industry exhibitions, supporting market engagement, technical dialogue, and visibility across priority applications and regions. These platforms enabled engagement with customers, partners, and wider industry stakeholders, complementing direct customer collaboration by facilitating knowledge exchange on emerging technologies, regulatory expectations, and sustainability considerations.

Exhibitions attended during the first half of 2025/26 included:

- WQA Convention & Expo 2025 (USA)
- China International Battery Fair 2025 (China)
- WATERTECH China 2025 (China)
- International Chemical Industry Fair 2025 (China)



Spotlight:

Supporting Gold Recovery through Long-term Collaboration - BME Visit to MMCI

We were pleased to host one of Haycarb's long-standing mining customers, BME, at our Indonesia operations during their visit in September 2025, reaffirming a partnership built on technical collaboration and long-term trust.

The visit took place in a year marked by record gold prices, driven by geopolitical uncertainty, central bank accumulation, and sustained industrial demand. Against this backdrop, mining operations are increasing throughput and optimizing recovery, placing greater emphasis on the performance and reliability of gold-grade activated carbon. As production intensity rises, customers are increasingly focused on adsorption efficiency, carbon life, and process stability to maximize recovery while managing overall operating costs. These evolving requirements underscore the importance of consistent product quality and dependable technical support.

During the engagement, we reviewed carbon performance trends, supply continuity, and future requirements. The customer shared very positive feedback on product consistency, adsorption performance, and reliability of supply, reinforcing the strength of our long-standing technical partnership.

As one of our oldest and most valued customers, their continued confidence in us reflects Haycarb's ability to deliver consistent performance, maintain high manufacturing standards, and support customers through changing market conditions. We look forward to further strengthening this partnership as demand for gold, and the carbon that supports its recovery, continues to grow.



UPLIFT – Our Communities and Supply Chain



During the reporting period, Haycarb continued to strengthen shared value across its supply chain and community engagements. The focus remained on long-term relationships, cleaner production, and needs-based community support rather than one-off interventions.

Long-term supplier relationships and cleaner sourcing practices support material quality, traceability, and supply stability across the value chain.

off track
 on track
 achieved

2030 TARGET	STATUS (6M 25/26)	PROGRESS TOWARDS INTERIM TARGET (6M 25/26)
50% Increase in CSR beneficiaries		Ongoing community-focused investment
>75% Use of green charcoal as raw material		Green charcoaling regional expansion
40% of suppliers screened for environmental and social criteria		Advancing supplier screening

UPLIFT – Our Communities and Supply Chain

Supply Chain Empowerment

Supply chain empowerment continued to center on the Haritha Angara program, which remains the primary platform for engaging coconut shell and charcoal suppliers across Sri Lanka. By the end of Q2 2025/26, the program had reached near-capacity implementation locally, reflecting the widespread adoption of improved charcoaling practices within the domestic supply base.

As domestic implementation matures, focus has expanded to strengthen regional supply resilience. During the reporting period, in-house charcoaling operations were initiated at two logistics hubs in Indonesia, enabling localized conversion of coconut shells into charcoal in the Haritha Angara model and supplying an estimated 30% of operational requirements. In parallel, replication of Haritha Angara pits commenced in Thailand, supporting supplier continuity while aligning charcoaling practices with environmental and regulatory requirements.

Together, these initiatives reinforce a structured approach to supply chain empowerment and backward integration, strengthening sourcing resilience, traceability, and long-term supply security.

Community Programs

Community programs during the first half of 2025/26 continued to focus on long-term engagement and locally relevant outcomes. Flagship initiatives such as Puritas Sath Diyawara, Haritha Angara, Sisu Divi Pahana, Support to Health sector and Behold the turtle remained active, reflecting sustained commitments across water access, education, environmental protection, and community resilience.

During the reporting period, engagement was further strengthened through targeted interventions addressing immediate community needs on healthcare. This included the renovation and upgrading of critical facilities at Ward No. 6 of the Negombo Base Hospital, the primary healthcare facility serving surrounding communities. Following on-site consultations, support was provided to improve washroom facilities, patient mobility, and essential ward infrastructure. The initiative represents an estimated investment of Rs. 1.2 million and is expected to benefit approximately 10,000 patients annually.

In parallel, additional initiatives included education and skills development, health and nutrition awareness, blood donation drives, and youth engagement activities. Together, these efforts reinforce a community engagement approach centered on continuity, responsiveness, and shared value.

Spotlight: Protecting Coastal Life Through Long-Term Care

Sea turtles have returned to Sri Lanka's shores for millions of years, yet today six of the world's seven sea turtle species are endangered, with five nesting regularly along Sri Lanka's coastline. As keystone species, turtles play a critical role in maintaining healthy marine ecosystems by supporting seagrass beds, balancing coral reef populations, and sustaining biodiversity across coastal environments.

Haycarb's Behold the Turtle initiative was developed in response to this ecological urgency, alongside a responsibility to protect the natural systems connected to surrounding communities. At Kirigalbae Beach in Kumana National Park, high levels of nest predation and limited prior protection posed a serious threat to turtle hatchling survival. The site's pristine habitat and low human interference offered strong conservation potential if managed interventions were introduced.

Working with conservation partners and local custodians, the initiative focuses on protecting nesting beaches, monitoring nests, and supporting the safe release of hatchlings into the ocean. The program supports multiple species, including Green, Loggerhead, Olive Ridley, Hawksbill, and Leatherback turtles, each facing varying levels of global threat.

Community involvement is central to the initiative. Local custodians play a key role in monitoring and protection activities, helping ensure continuity beyond individual nesting seasons. Over time, Behold the Turtle has evolved into a long-term partnership rooted in care, vigilance, and shared responsibility.

Under the UPLIFT pillar of the ACTIVATE ESG Roadmap, the initiative reflects Haycarb's commitment to biodiversity protection through sustained, place-based action.



INNOVATE – Future Solutions

Innovation at Haycarb is shaped by readiness and relevance. During the first half of 2025/26, efforts focused on maintaining the technical capability and agility required to respond to evolving customer needs and regulatory developments, while progressing solutions that anticipate future applications.

This included product development aligned to emerging regulatory requirements in areas such as advanced water treatment and energy-related applications, supporting customer readiness as markets evolve

2030 TARGET	STATUS (6M 25/26)	PROGRESS TOWARDS INTERIM TARGET (6M 25/26)
Investment in R&D	Rs Mn. 86	Needs-based investment focus
Revenue from new products	Rs. Mn 30	New product revenue growth
New products	8	Pipeline development ongoing

Note:

The INNOVATE pillar does not operate against fixed interim targets. Product and technology development is shaped by real world conditions, including evolving customer requirements, regulatory developments, and shifts within the activated carbon industry. As a result, priorities and timelines are continuously reassessed.

At Haycarb, innovation is guided by readiness and relevance. Our focus is on maintaining the technical capability and agility required to respond to emerging needs while developing solutions that anticipate future applications. This approach allows us to remain aligned with market expectations and, where possible, to introduce technologies and products ahead of them

INNOVATE – Future Solutions

New Product Applications Introduced

During the first half of 2025/26, Haycarb expanded its product portfolio with new activated carbon solutions developed in response to evolving customer and application needs. These products support purification, environmental, and energy storage-related applications where performance and reliability are critical. Recent developments include specialized carbons for water purification and energy storage applications including catalytic carbons for monochloramine removal, PFAS removal carbon for the treatment of regulated contaminants such as PFOA and PFOS (Forever Chemicals) in drinking water applications. In parallel, advanced hard carbon solutions optimized for use as anode materials in sodium-ion batteries, high-surface-area activated carbons engineered for supercapacitor and energy storage electrodes, and specially engineered activated carbons for silicon-carbon composite anodes addressing key challenges in advanced lithium-ion battery systems. These advanced carbon solutions support the global transition to cleaner, more resilient energy storage solutions.

The period also saw the research and development of alternative renewable-origin carbons for water treatment, strengthening raw material flexibility while maintaining performance standards. Together, these developments reflect Haycarb's focus on translating customer needs and regulatory trends into validated, scalable products.

Process and Technology Innovation

Process and technology innovation focused on strengthening operational efficiency and consistency across manufacturing operations. Initiatives centered on lean process improvements, selective automation, and enhanced monitoring systems to improve yield, quality, stability, and resource efficiency.

These improvements support both environmental performance and product competitiveness by reducing variability, minimizing material losses, and strengthening process control. By continuously refining how products are manufactured, Haycarb reinforces its ability to deliver consistent performance at scale while responding to increasing expectations around efficiency, traceability, and reliability.



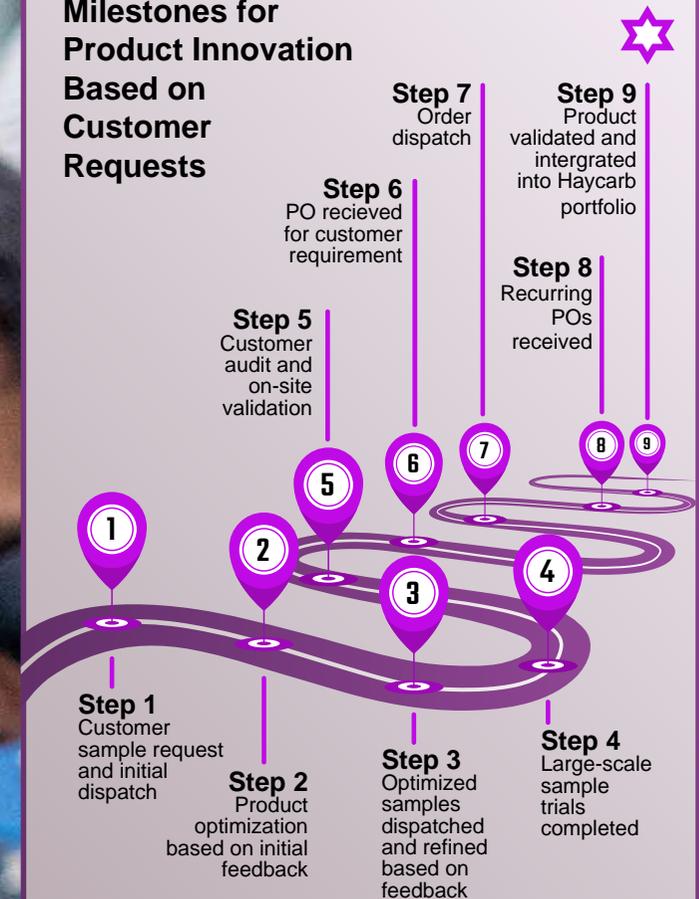
Spotlight: How Real-World Needs Shape Haycarb's Innovation

Innovation at Haycarb begins with a real customer or application need, whether a performance challenge, new use case, regulatory requirement, or field feedback. Regardless of the trigger, the approach is consistent: innovation is driven by purpose, with clearly defined requirements and practical solutions designed for real operating conditions. Each request is formally reviewed and approved before development begins, ensuring the right expertise and resources are applied from the outset. Approved projects are tracked through a structured process that provides clarity, accountability, and confidence that commitments are met.

Customer needs are translated into a clear project brief defining performance objectives, operating conditions, and compliance requirements. Cross-functional technical reviews bring together manufacturing, engineering, customer relationship management, and business teams to ensure solutions are technically robust, scalable, reliable, and commercially ready. Trials are planned and executed with rigor at both laboratory and commercial scale. Each stage is documented, tested against agreed criteria, and reviewed regularly, allowing progress and refinements without compromising the original objective.

Customer validation closes the loop. Prototypes or trial samples are produced under controlled conditions and released only after verification. Once approval is secured, specifications and process controls are locked in to ensure consistent performance at scale. This disciplined approach ensures that innovation at Haycarb delivers more than new products. It delivers reliability, traceability, and confidence that customized solutions will continue to perform, consistently and safely, long after they enter routine production.

Development Milestones for Product Innovation Based on Customer Requests



Our Roadmap for 2025/26

	What We Focused on the First Half of 2025/26	What We Will Focus On In Q3 & Q4 (Forward Roadmap)
RESTORE Environment & Natural World	<ul style="list-style-type: none"> Consolidated renewable energy generation and waste heat recovery systems across operations. Improved energy and water efficiency to support higher value-added production requirements. Advanced water reuse and recycling initiatives. 	<ul style="list-style-type: none"> Expand renewable energy and energy efficiency initiatives where feasibility and impact are highest. Further integrate water stewardship measures into operational planning and risk management. Strengthen biodiversity and natural capital initiatives linked to site-level priorities.
INSPIRE People & Culture	<ul style="list-style-type: none"> Strengthened safety practices through training, system improvements, and site-level ownership. Reinforced workforce capability through structured training and development programs. 	<ul style="list-style-type: none"> Deepen skills development and leadership capability aligned with operational and safety needs. Introduce DEI policy within the organization.
UPLIFT Supply Chain & Communities	<ul style="list-style-type: none"> Continued supplier engagement through Haritha Angara and cleaner charcoaling practices. Maintained focus on long-term supplier relationships and responsible sourcing. 	<ul style="list-style-type: none"> Scale supplier capacity building and responsible sourcing initiatives across regions. Continue needs-based community programs aligned with local priorities.
INNOVATE Product & Technology	<ul style="list-style-type: none"> Progressed product development aligned with emerging regulatory and customer needs, including advanced water treatment and energy-related applications. 	<ul style="list-style-type: none"> Advance selected product innovations toward validation, customer trials, or readiness for scale. Continue process and technology improvements to support efficiency and performance. Expansion of Haycarb Energy Storage Carbons Facility in Sri Lanka focusing on addressing customer needs for Energy Storage Carbon.
EXCITE Customers & Quality	<ul style="list-style-type: none"> Supported customer requirements through consistent product quality, technical engagement, and service reliability. 	<ul style="list-style-type: none"> Strengthen customer engagement on ESG-related requirements, application performance, and technical support. Enhance service and communication tools to improve responsiveness and transparency.

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



Activate
ESG Roadmap 2030



Haycarb PLC
Annual Report 2024/25



Website
www.haycarb.com



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Activated carbon solutions