

# Human Capital

## OUR WAYS OF WORKING

Our greatest strength lies in our diverse and highly skilled team of over 38,000 employees—united by shared values, driven by purpose, and empowered by a spirit of excellence. In return, the Group strives to nurture its team, enabling every employee to realise their full potential and thrive in a dynamic, future-focused workplace.



Head - Group Human Resources and Legal  
Scan to view



Like firefly squid whose collective glow lights up the sea, the combined strengths of Hayleys family create powerful impact through teamwork, innovation, and shared purpose.

HUMAN CAPITAL AS A STRATEGIC DRIVER

- PORTFOLIO OPTIMISATION**

  - Drive growth across diverse verticals and geographical regions
  - Drive efficiency and productivity improvements
- CUSTOMER CENTRICITY**

  - Facilitate the customer experience
  - Effectively understand and respond to customer demands
- NURTURING INSPIRED TEAMS**

  - Shaping and sustaining organisational culture
  - Strengthen Hayleys brand through acting as brand ambassadors
- INCLUSIVE BUSINESS MODELS**

  - Our people support ethical sourcing, environmental responsibility and social compliance across the supply chain
- STRATEGIC ESG INTEGRATION**

  - Fuel the Group's sustainability and ESG aspirations through innovation and collaboration



**38,029**  
Employees

**Rs. 194.87 mn**  
Training Investment

**Rs. 55.87 bn**  
Payments to employees(+5%)

Secure employment and  
competitive wages

An inclusive and  
respectful workplace

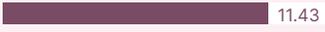
Digitalisation of HR  
processes

Multi-skilled teams  
collaborating across  
industries and borders

# Human Capital

## MEASURING PROGRESS

### Human Capital - Our KPIs

RETAINING TALENT	TRAINING AND DEVELOPMENT	WOMEN IN LEADERSHIP ROLES
<p><b>Retention rate</b></p> <p>2023  80%</p> <p>2024  74%</p> <p>2025  76%</p>	<p><b>Average training hours/employee</b></p> <p>2023  8.45</p> <p>2024  10.19</p> <p>2025  11.43</p>	<p><b>Female representation rate at managerial level (%)</b></p> <p>2023  12%</p> <p>2024  13%</p> <p>2025  13%</p>
<p><b>Why we use this KPI:</b> Measures employee satisfaction, success of HR interventions and effectiveness of the HR strategy and creating a conducive work environment</p> <p><b>How we performed:</b> The Group's talent retention improved, reflecting a moderation in talent migration overseas and a stronger employer brand</p>	<p><b>Why we use this KPI:</b> Measures the organisation's emphasis on learning and growth and opportunities for skill development</p> <p><b>How we performed:</b> The Group continued to record an increase in this KPI, driven by the focus on leadership and competency development programmes</p>	<p><b>Why we use this KPI:</b> Demonstrates gender diversity in leadership and effectiveness of opportunities provided to women</p> <p><b>How we performed:</b> The Group maintained female representation in leadership roles at 13%</p>

## APPROACH TO MANAGING TALENT

As a diversified Group, Hayleys operates a centralised Group HR Division which offers specialised services aimed at steering the Group's overall people strategy and governance framework. This is effectively supported by HR functions at each Sector, ensuring alignment with industry-specific dynamics and operational contexts. A robust HR policy framework and clearly defined procedures ensure a consistent and equitable approach to managing talent, which extends beyond regulatory requirements to align with voluntary global benchmarks and standards such as the UN Global Compact Principles 1 to 6 and ILO Declaration.



**POLICY**

The Group's holistic HR policy framework integrates key areas such as recruitment, employee development, performance management, disciplinary, grievance handling, personal data protection, health and safety and ethical conduct among others



**HR PRIORITIES**

Digital transformation for process efficiency

Talent development

Employee well-being

A respectful workplace

Succession planning



**VALUE PROPOSITION**

A conducive, supportive and inclusive environment in which all employees feel valued with opportunities for career progression with compensation and benefit schemes on par with market



**2030 TARGETS\***

Target attrition rates

- Managerial: 12%
- Executive: 19%
- Non-Executive: 22%

Average 40 hours of training per person p/annum

100% coverage of DEI training

Zero significant workplace injuries



\*Targets are defined under the Hayleys Lifecode and with the launch of the 2nd edition during the year, the attrition target was revised to reflect more realistic labour market dynamics

## CONTEXT - A CHANGING WORKPLACE

Workplaces are being shaped by rapidly evolving contextual dynamics which are compelling organisations to improve the agility and adaptability of people strategies. For Hayleys, these dynamics include the following:

### Demographics

Unique needs and aspirations of Gen Zs who are increasingly becoming a significant portion of the workforce

### Well-being

Increased focus on mental well-being and overall health and wellness

### Shifting skill requirements

Complementing HR capabilities with digital skills



### Evolving employee expectations

Demand for meaningful work, alignment to purpose and work-life balance

### New ways of working

Redefining communication, workplace norms and goal congruence

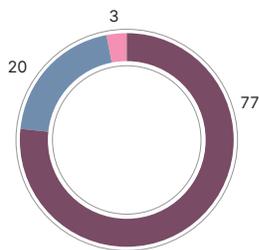
### Digital transformation and AI

Integration of AI and automation in HR processes

## THE HAYLEYS FAMILY

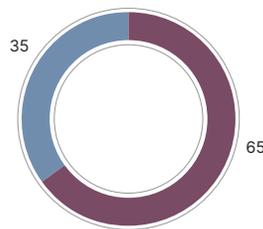
The profile of our inherently dynamic, functionally diverse and multicultural team of 38,029 employees mirror the diversity, depth and breadth of the Group's operations. The diversity of the team's skills, experiences and perspectives collectively enhance the Group's resilience, agility and ability to generate value.

### EMPLOYEES BY CONTRACT



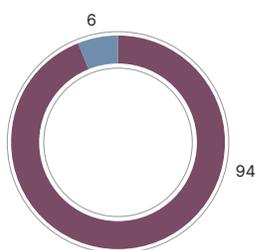
■ Permanent ■ Contract ■ Casual

### EMPLOYEES BY GENDER



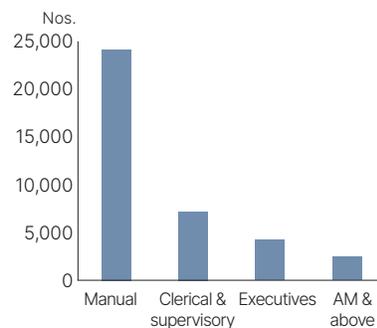
■ Male ■ Female

### EMPLOYEES BY GEOGRAPHICAL REGION



■ Sri Lanka ■ Overseas

### EMPLOYEES BY CATEGORY



Eco Solutions	1,123
Hand Protection	2,570
Purification	2,026
Textiles	3,397
Construction Materials	1,001
Plantations	15,775
Agriculture	1,223
Consumer & Retail	3,444
Leisure	1,566
Industry Inputs, Power & Energy	374
Transportation & Logistics	2,893
Projects & Engineering	1,880
Tea Exports	343
Others	414

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## TALENT MOVEMENTS

The increase in the Group's total headcount from 36,266 last year to 38,029, represents operational expansion in key Sectors including Projects & Engineering, Hand Protection and Construction Materials as well as variations in the Plantation Sector. Talent migration which surged in the immediate aftermath of the economic crisis slowed during the year, resulting in the Group's retention rates improving to 76% compared to 74% the year before.

### Sector Composition



### Profile of new recruits

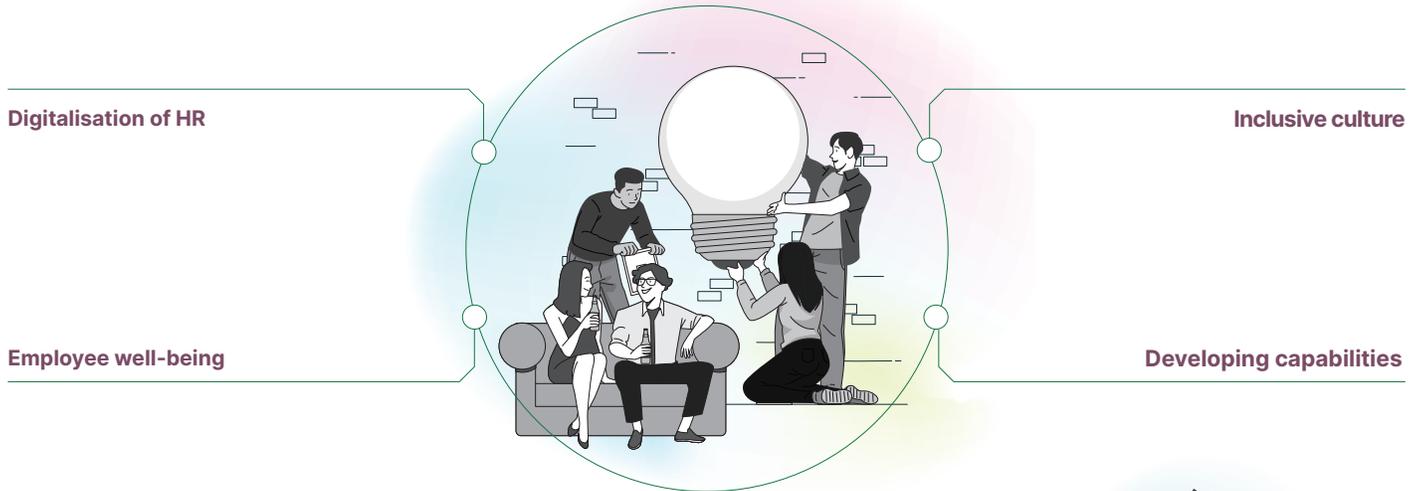
By Gender	No/Rate	By Age	No/Rate	By Region	No/Rate
Male	7,137 (67%)	Less than 30 years	5,993 (56%)	Sri Lanka	10,358 (97%)
Female	3,549 (33%)	30-49 years	3,903 (37%)	Overseas	328 (3%)
		>50 years	790 (7%)		
Total	10,686		10,686		10,686

### Profile of exit employees

By Gender	No/Rate	By Age	No/Rate	By Region	No/Rate
Male	5,918 (66%)	Less than 30 years	3,911 (44%)	Sri Lanka	8,686 (97%)
Female	3,077 (34%)	30-49 years	3,550 (39%)	Overseas	309 (3%)
		>50 years	1,454 (16%)		
Total	8,995		8,995		8,995

**PEOPLE STRATEGY IN 2024/25**

The Group's overarching people strategy for the year remained aligned with the interventions initiated in the previous year and represented a strategic consolidation and reinforcement of the earlier efforts. The strategic thrust takes into consideration the changing aspirations of employees and the emerging dynamics shaping the world of work. Key pillars of the strategy and progress made during the year are summarised below.



**DEVELOPING CAPABILITIES**

We believe that effective leadership capabilities are a crucial driver of organisational success and a determinant of organisational culture. Accordingly, the Group placed strategic emphasis on developing leadership skills through its customised Management and Leadership Development Programmes as well as the Hayleys Management Trainee programme, 'FYOUTURE CEO'.

Management and Leadership Development Programmes (MLDP): These holistic, multi-faceted development interventions were aimed primarily towards middle management as well as executive and supervisory levels during the year. The programme was rolled out across 4 sectors this year, bringing the cumulative total to 11 Sectors since its launch. The programme is customised and delivered to align with the specific needs of each Sector and includes coaching sessions and project-based assessments, covering a spectrum of skills including entrepreneurial thinking, emotional intelligence and productivity among others.

'FYOUTURE CEO'- The Group Management Trainee Programme: Applications for the programme reached a record high of over 5,500+ during the year, retaining its position as one of the most sought-after programmes of its kind in the country. A rigorous seven-step selection process took place which included evaluating many skills such as cognitive ability, teamwork, interpersonal, emotional intelligence, presentation, decision-making, strategy and many more.

In addition to the above, the Group focused on competency and soft-skill development through a multitude of structured programmes, workshops, coaching, digital learning and on-the-job training



**136**  
Employees trained under MLDPs



**70,176**  
Leadership development training hours



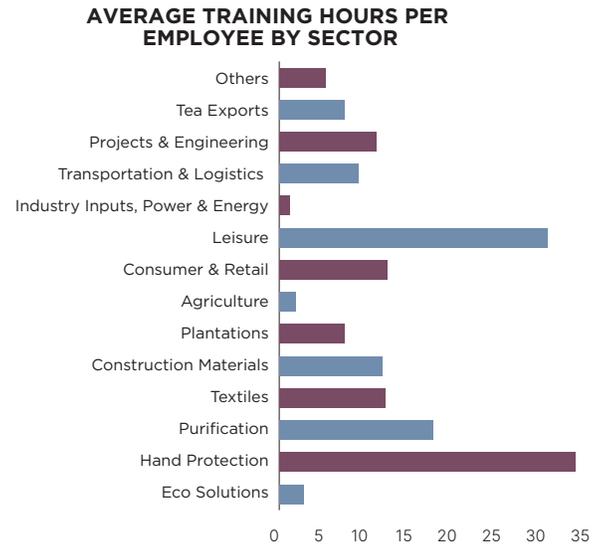
**FYOUTURE  
—CEO—**

Hayleys Management Trainee Programme

- Visits to operating locations across sectors
- C-suite level mentors assigned to each MT
- Core project within allocated Sector
- Cross-sector exposures with mini-projects
- Competency Development through multiple learning interventions
- Direct engagements with Senior Leadership

# Human Capital

Total training hours	2025	2024	2023
Total training hours	<b>434,715</b>	369,589	265,877
Investment in training (Rs.mn)	<b>195</b>	183	184
Average training hours (by category)			
Managerial	<b>17.35</b>	13.51	16.74
Executive and Junior Executive	<b>15.32</b>	12.51	16.80
Others	<b>10.44</b>	9.66	9.68
Average training hours (by gender)			
Male	<b>11.61</b>	9.82	10.93
Female	<b>11.10</b>	10.88	10.87
Average training hours/employee	<b>11.43</b>	10.19	8.45



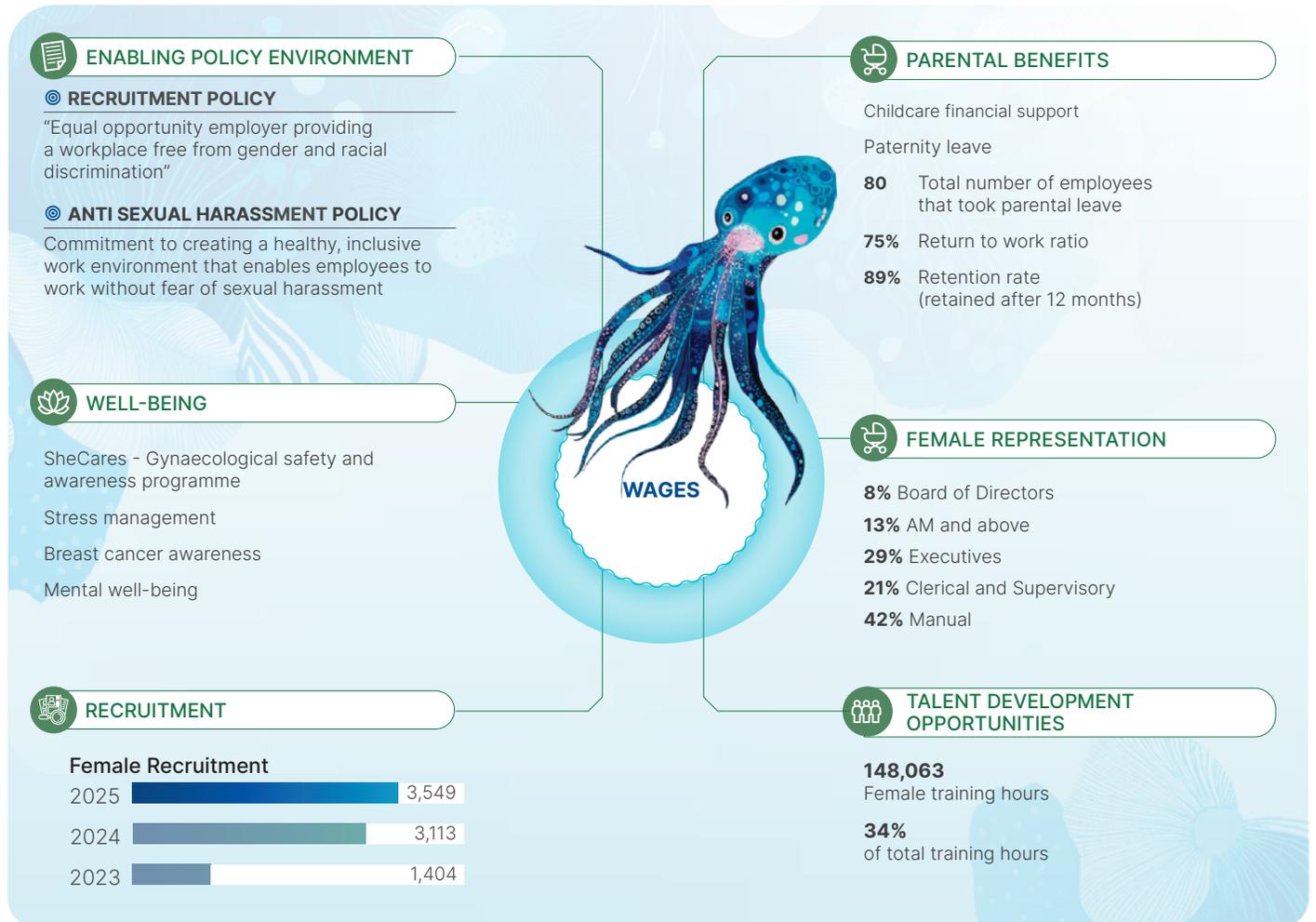
## CREATING A RESPECTFUL WORKPLACE

Inclusion is central to our corporate purpose and serves as a guiding principle in fostering a culture where every employee feels valued and is empowered with equal opportunities to realise their full potential. In a major milestone during 2024/25, the Group rolled out a holistic DEI programme covering multiple dimensions of diversity. 30 potential Trainers were identified across the Group initially and a Train-The-Trainer programme was carried out equipping the participants with the knowledge, skills and material in all 3 languages to carry out the programme. These 30 trainers identified will be instrumental in rolling out the DEI programme across the entire Group covering all employees. Key elements of the programme included the following;



## GENDER INCLUSIVITY AND WOMEN EMPOWERMENT

We are deeply committed to fostering gender diversity at every level of our organisation and nurturing inclusive leadership. This commitment is woven into our HR policies and practices - ensuring fairness and opportunity from recruitment and training to compensation and career advancement.



## WELL-BEING

Shifting demographics in the workplace, including the growing proportion of Gen Z employees who prioritise emotional well-being and work-life balance has encouraged the Group to broaden its conventional focus on physical health to emotional and mental health. Emphasis on mental well-being fosters a more resilient and productive workforce with employees feeling supported and free from overwhelming workloads. Accordingly, Hayleys PLC introduced confidential counselling support for employees, which has received an extremely encouraging response from employees.

In addition, employees are provided access to regular medical camps, free Zumba and yoga sessions and gym and pool memberships among others. During the year, the following awareness sessions were held across the Group;

- Drug abuse
- HIV awareness
- Stress management
- Rubella and mumps awareness

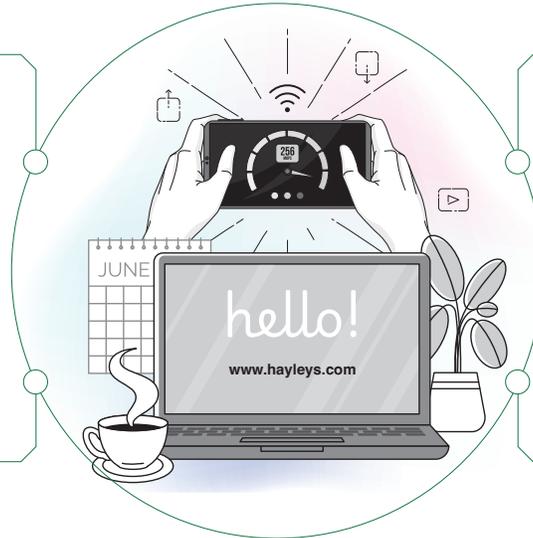
# Human Capital

## DIGITALISATION

In line with the Group's overall digital transformation agenda, digitalisation is being systematically embedded into HR processes, enabling greater operational efficiency, enhanced employee experiences and access to more accurate data insights. Key developments are summarised below:

Integration of AI technology to the HRIS, facilitating enhanced user interface experience

Generative AI capabilities integrated in to the recruitment process, providing access to real-time dashboards and improved analytics



Digitalisation of remuneration computation, ensuring improved accuracy and consistency across the Group

Ease of user access through HR administration kiosks

## EMPLOYEE ENGAGEMENT

We believe there is a clear link between employee engagement and business performance, directly influencing productivity, motivation, innovation and retention. In addition to formal communication platforms, an open-door policy and employee satisfaction surveys, the Group has an active year-round activity calendar which includes sports events, cultural events and family engagements. The Group continues to invest in employee welfare including supporting transportation, nutrition and health facilities.



## CULTURE

Organisational culture plays a key role in shaping how we collaborate, operate and deliver value across the Group. It serves as the foundation of our identity and influences all aspects of the employee experience, including how they interact with internal and external stakeholders. During the year, we sought to strengthen the following cultural dimensions to further embed our values and align with our strategic aspirations.

### Ethical conduct

The Hayleys Way serves as the Group's Code of Conduct and ethical roadmap and sets out the expectations of all Group employees. Key commitments are reinforced through regular awareness and training.

### Inclusivity

Group-wide DEI programme aimed at fostering inclusive mindsets and creating a diverse and equitable work environment



### Sustainability consciousness

Launch of the Hayleys Lifecode Pledge which formalises each employee's commitment to be an agent of positive change

### Digital mindset

Ongoing employee engagement driving a cultural shift towards automation, integration of AI and data-driven decision-making

## PERFORMANCE MANAGEMENT

The performance management process from goal setting to mid and year end reviews for all employees in executive and above categories are conducted through the Human Resource Information System; the appraisals for all non-executive employees are conducted offline. Approximately 99% of the Group's permanent employees undergo annual performance appraisals.

The Group's Remuneration policy ensures a consistent approach across Group companies, while factoring industry-specific dynamics and regulations (refer to page 74 for further information). Our benefits include components that are applicable across the Group as well as non-core benefits which are applicable to selected Sectors or employee groups. Remuneration schemes are designed to be fair, competitive, equitable and factor growth and adjustments reflecting economic and market dynamics.

### PERFORMANCE MANAGEMENT PROCESS

- 1 Employees set annual objectives aligned to the relevant business/department strategy, which are reviewed and approved by the relevant manager
- 2 Mid-year performance review where progress against expectations and deliverables are discussed
- 3 Year-end performance review where final performance rating is confirmed subsequent to a Company-wide calibration process

# Human Capital

## PRESERVING HUMAN RIGHTS

The Group's comprehensive Human Rights policy aligns with globally recognised principles including the 10 principles of the UNGC and the Universal Declaration of Human Rights. This policy is accessible to the public through the Hayleys Lifecode and reflects the Group's commitment to eradicating child, forced and compulsory labour and safeguarding the right to freedom of association.

Approximately 13% of the Group's employees are covered by Collective Agreements. We have not identified any operations in which the right to freedom of association and collective bargaining may be at risk. Minimum notice periods vary depending on the sector and circumstances, but relevant collective agreements ensure that a reasonable notice period is given for operational changes. During the year, Group and Sector HR teams maintained cordial relationships with all trade unions and there were no disruptions to operations due to industrial action.

## HEALTH AND SAFETY

The framework for managing health and safety aspects includes holistic management systems, compliance to safety certifications, incident reporting and stringent procedures as well as hazard management systems. Despite the continued emphasis on health and safety measures, the Group deeply regrets the occurrence of two fatalities during the year and actively reviewed protocols to prevent any future incidents.

Sector	% of employees covered by Collective Agreements
Plantations	7%
Purification	34%
Hand Protection	31%
Agriculture	12%
Eco Solutions	24%
Consumer & Retail	31%
Textiles	27%

H&S Management System	H&S Services	H&S Culture
<p>H&amp;S champions in multiple Sectors and dedicated departments with qualified H&amp;S personnel</p> <ul style="list-style-type: none"> <li>Compliance with relevant regulations under the Factories Ordinance, BOI requirements and Labour Laws of Sri Lanka.</li> <li>Several sectors also comply with the ISO 45000: 2018 OHS Management system certification</li> <li>Hazard identification mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Availability of OHS persons and visual communication</li> <li>Emergency vehicles at sites, medical centres, dedicated nurses/medical representatives at facilities etc.</li> <li>Fully qualified in-house nurses and employees are provided access to a doctor upon request</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing safety training for all employees based on the specific OHS risks faced by the Sectors</li> <li>Selected Sectors such as Transportation &amp; Logistics have also embedded OHS related KPIs into employee performance evaluations to ensure the nurturing of a safety conscious culture</li> </ul>
Safety record in 2024/25		
Work related injuries		798
No and rate of recordable work-related injuries		12 per 1 mn hours
No of man hours		65,067,113.68

## SUCCESSION PLANNING

Group HR has established a holistic succession planning framework designed to build strong talent pipelines and ensure long-term leadership continuity. The implementation of the framework in close collaboration with sector-level HR teams is in progress, with particularly robust practices in place at the Transportation & Logistics and Consumer & Retail Sectors. Targeting C-1 level roles, the process typically spans a five-year horizon and is supported by customised development plans aligned to individual readiness and organisational timelines.

## FUTURE READINESS OF THE WORKFORCE

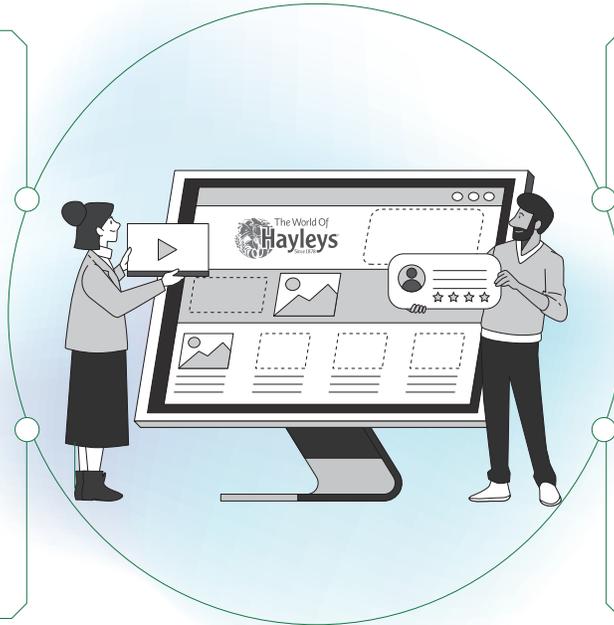
We aspire to build a future-ready workforce, both in mindset and capability that can successfully thrive in the rapidly evolving business landscape that is characterised by technological advancements, changing customer expectations and global disruptions.

### Adaptable and resilient

Multi-skilled and ability to pivot swiftly in response to shifting priorities and market conditions

### Digitally fluent

Ability to leverage digital tools for collaboration, innovation and problem-solving



### Human centricity

Strong in emotional intelligence, critical thinking, creativity, and leadership

### Purpose-driven

Personal and professional values align with the organisation's purpose

## WAY FORWARD

### Priorities for 2025/26

- Ongoing focus on embedding digitalisation across the HR process
- Development of leadership tiers and capabilities
- Continuous focus on employee well-being and welfare
- Driving holistic, organisation-wide, diversity, equity & inclusion initiatives

### Adequacy of Human Capital for future plans

While the challenges associated with talent migration have been alleviated to a certain extent, attraction and retention remain a challenge in selected skill profiles and categories. However, recent investments in strengthening leadership capabilities through training and new recruitments have equipped the Group with the right talent to achieve its strategic goals.

We will seek to further strengthen our employer brand, enhance our value proposition and develop a multi-skilled talent pool towards addressing this challenge.