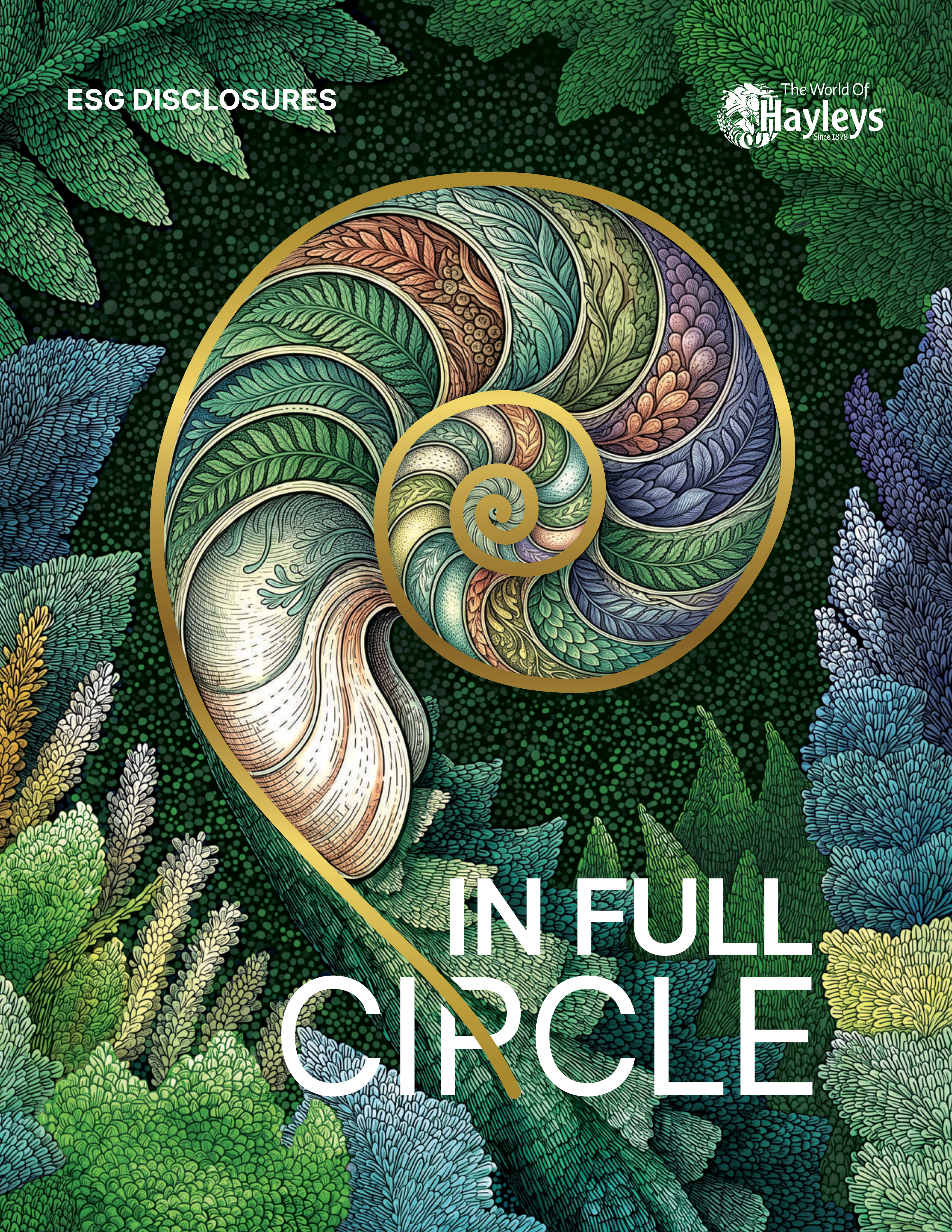
ESG DISCLOSURES

The World Of Hayleys Since 1878



IN FULL CIRCLE

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About this Report

Hayleys PLC's inaugural ESG Report reflects the Group's commitment to delivering on its purpose of "Inspiring an Inclusive World and a Thriving Planet," while creating sustainable value across its diverse stakeholder base. The Report outlines our ESG approach, performance against key priorities, and the progress made in embedding sustainability into our value creation processes. It is intended to complement the Hayleys PLC Integrated Annual Report 2025/26 and should be read in conjunction with it.

BASIS OF PREPARATION

Period	The Group adopts an annual reporting cycle, and this Report covers the period from 1st April 2025 to 31st March 2026. Material information and post balance sheet events up to the Board approval date of 29th May 2026 have also been included
Audience	The Report is designed to cater primarily to the information requirements of capital providers, but also includes information that is relevant to other stakeholders
Changes to reporting	Addition of 13 new subsidiaries that were formed/acquired during the year and amalgamation of 2 subsidiaries.
Restatements	There were no major restatements of financial or non-financial information during the year

SCOPE AND BOUNDARY

The reporting boundary is consistent with that of the Group's financial reporting boundary and comprises Hayleys PLC and its 202 affiliates (collectively referred to as "the Group") operating in both Sri Lanka and overseas. Key changes to the Group's structure during the year included the following:

- Formation of 6 subsidiaries and acquisition of 7 new subsidiaries in the Energy, Mobility & Projects, Industry Inputs, Power & Energy, Tea Exports, Transportation & Logistics Sector

REPORTING FRAMEWORKS

We understand that our diverse stakeholders have specific information requirements on our ESG performance. In preparing the disclosures in this Report we have adopted several standards and frameworks including the following:

- GRI Standards (2021)
- 10 principles of UN Global Compact
- United Nations Sustainable Development Goals
- Gender Parity Reporting Framework of CA Sri Lanka

MATERIALITY

The Group adopts a 'double materiality' in our annual reports, reflecting the nature of our businesses, our impacts and dependencies as well as recent developments in disclosure standards.

- **Financial materiality:** Our Integrated Annual Report is primarily designed to provide decision-useful information on matters (including sustainability-related risks and opportunities) that are likely to influence the organisation's ability to create economic value.
- **Impact materiality:** The Group's ESG Report is prepared primarily on the basis of impact materiality, with emphasis placed on the Group's most significant impacts on people, society and the environment.

DISCLOSURE APPROACH

Our ESG disclosures are prepared under the supervision of the executive leadership team, led by the Group Chief Financial Officer and are subject to a robust internal and external review process. Topics for disclosure are identified through a comprehensive materiality assessment (refer page 14) while disclosure requirements are guided by applicable international reporting frameworks as well as the evolving information needs of our stakeholders. Quantitative data is captured through the Group's sustainability information systems, while qualitative insights are gathered through cross-functional engagement across all Sectors. All reported information is subject to internal review by the Group ESG Division, with additional independent assurance obtained through our external assurance partners, Messrs. KPMG, to ensure accuracy and credibility.

ASSURANCE

Messrs. KPMG conducted a limited assurance on whether selected sustainability- related indicators have been prepared with reference to the GRI Standards (2021). Please refer page 50 for Assurance Statement. Meanwhile, the Group's GHG inventory was verified by Control Union in line with ISO 14064-1(2018):Greenhouse Gases Standard

Navigation Icons

CAPITALS

- FC Financial
- IC Intellectual
- MC Manufactured
- SC Social & Relationship
- HC Human
- NC Natural

STAKEHOLDERS

- Shareholders
- Business partners
- Employees
- Communities
- Customers
- Government
- Suppliers

STRATEGIC PILLARS

- Building resilience through portfolio optimisation
- Inclusive business models
- Customer centricity
- Nurturing inspired teams
- ESG integration

Evolving our Report

ENHANCING CLARITY THROUGH DUAL-REPORTING APPROACH

This year marks a significant evolution in the Group's reporting journey, with the introduction of a dual-reporting approach comprising the Integrated Annual Report and a dedicated ESG Report.

Together, these form a cohesive suite of reports, each tailored to distinct stakeholder needs while remaining closely interconnected. The Integrated Report continues to provide an investor-focused perspective on value creation, while the ESG Report offers a more detailed, impact-oriented view of the Group's sustainability priorities. Both reports are cross-referenced and aligned, ensuring consistency and connectivity.

Our Reporting Suite

The reporting suite presented below is designed to meet the diverse information needs of our stakeholders, enabling stakeholders to fairly assess the Group's financial and sustainability performance.

Environmental, Social and Governance (ESG) disclosures
Topic-specific disclosures structured in line with the priority areas of the ESG Roadmap- the Hayleys Lifecode and designed to meet the diverse information needs of stakeholders

Integrated Annual Report 2025/26
Our Integrated Annual Report serves as our primary communication with our stakeholders, with key focus on capital providers

MATERIALITY

The Group's material topics have been organised into four overarching themes and the accompanying illustration demonstrates how each material theme is addressed across the Group's suite of reports, enabling stakeholders to easily navigate and access relevant disclosures.

Financial materiality

Audited Financial Statements
Cumulative impact of four key material topics are disclosed in the Financial Statements

Double materiality

Materiality themes in Integrated Annual Report
- Geopolitical and economic factors
- Adapting business models
- Sustainability and ESG integration

Impact materiality

Materiality themes in ESG Report
- Sustainability and ESG integration
- Stakeholder demands

Reported in the following sections

- IAR Operating Environment, Chairman's Message, Portfolio Reviews
- IAR Purpose-led Strategy, Portfolio Reviews
- IAR Purpose-led Strategy, Portfolio Reviews, Capital Management
- IAR Purpose-led Strategy, Portfolio Reviews
- ESG Hayleys Lifecode, Sector ESG Interventions
- ESG Social Commitments, Stakeholder Engagement

Materiality themes

Geopolitical and economic factors	Adapting business models	Sustainability and ESG integration	Stakeholder demands

NAVIGATING THE REPORT

The Report is structured in alignment with the six priority areas of the Hayleys Lifecode, which form the foundation of the Group's sustainability framework. These priority areas are mapped to relevant GRI indicators and the SDGs, ensuring alignment with globally recognised standards. In addition, the Report provides insights into the governance of sustainability within the organisation, stakeholder engagement processes, and key sector-level initiatives undertaken during the year. Where relevant, disclosures are further connected to the Integrated Annual Report through the use of QR codes and cross-referencing, enabling seamless navigation across the Group's suite of reports

Optimise resource footprint

Materials and waste
Water

(Page 25)

Restore and regenerate nature

Biodiversity and ecosystems

(Page 31)

Accelerate climate action

Energy, Emissions

(Page 18)

Responsible workplace

Employee value creation

(Page 33)

Partner progress

Supplier value creation Community engagement

(Page 39)

Responsible and responsive corporate citizenry

Stakeholder engagement

Transparent and accurate reporting

Ethics and culture

ESG risk management

(Page 47)

WHERE TO FIND MORE INFORMATION

Related information in this Report	Read more information on the Hayleys website	IAR Integrated Annual Report	ESG ESG Report

Evolving our Report

HIGHLIGHTS IN 2025/26

ACCELERATING CLIMATE ACTION

185,794 (+1%)
Scope 1&2 GHG emissions

763,955 (0%)
Scope 1,2,3 GHG emissions

75%
Reliance on renewable energy sources

428,132 Mwh
Renewable energy generation

3 Companies
committed to SBTi

5.95 mn GJ (-10%)
Total energy consumption

OPTIMISING OUR RESOURCE FOOTPRINT

Group-wide waste optimisation initiatives

- Waste-to-value propositions
- Waste-to-energy generation
- E-waste collection

7.65 Mn m³ (+5%)
Water withdrawal

23,332 MT (+1%)
Waste generated

3,978 m³/ USD mn
Water intensity

12,136 MT/ USD mn (-13%)
Waste intensity

OPTIMISING OUR RESOURCE FOOTPRINT

Rs. 408 Bn (+20%)
Payments to Suppliers

59%
Spending on local suppliers

5,512
Suppliers supported through development programmes

Rs. 444 Mn
Investment in CSR

668,859
CSR Beneficiaries

RESTORING AND REGENERATING NATURE

84,115
Trees planted

248.9 ha
Biodiversity enhancing programmes to cover 5 times the built area

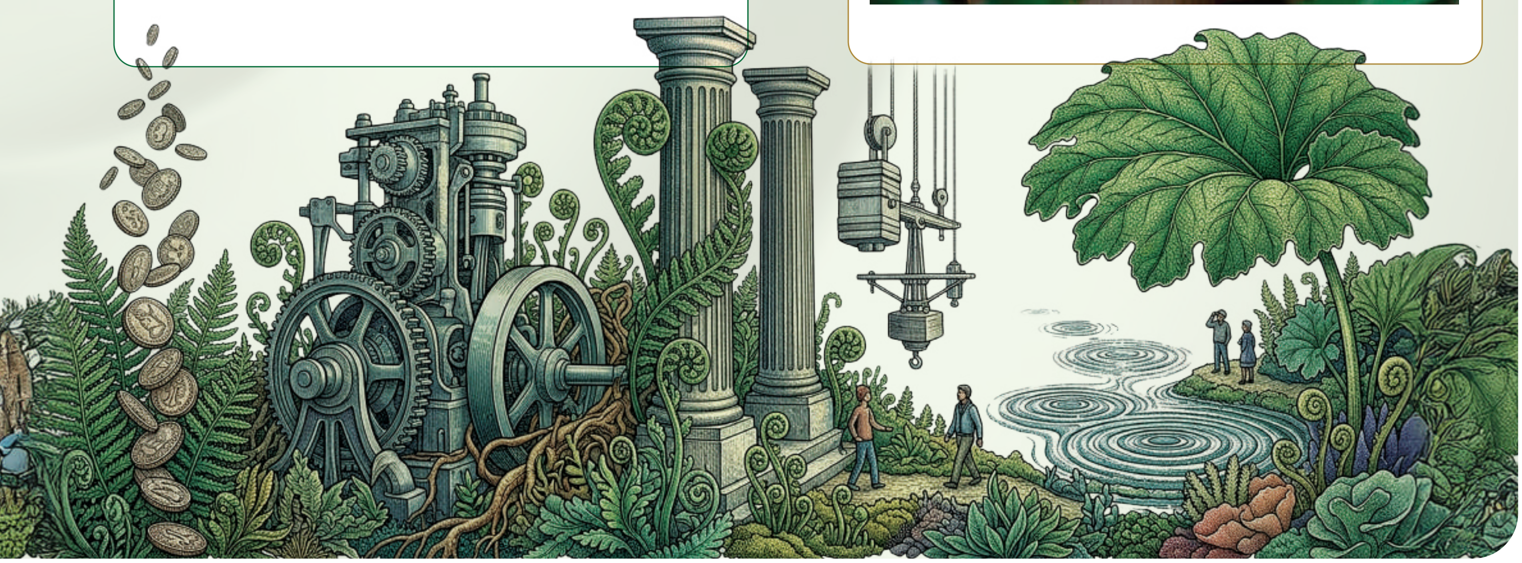
Key ongoing programmes

- Project Kirulu: The Group's flagship biodiversity programme involving the planting of native, endemic trees
- Mangrove restoration: The Transportation & Logistics Sector's Project Advantis Blue C
- Biodiversity preservation in the Plantations Sector
- Behold the Turtle by Purification Sector

ENGAGED WORKFORCE

38,746 Total Employees	**Rs. 325 Mn** Training Investment
34% Female Representation	**74%** Retention Rate

Hayleys ranked among Sri Lanka's top 10 employers at the EFC National Best Employer Awards 2025



Our Approach to ESG

At Hayleys, our approach to ESG is inherently purpose-driven, anchored in our commitment to “Inspire an Inclusive World and a Thriving Planet.” Sustainability has long been integral to the Group’s identity, reflecting our deep linkages with nature and the communities we serve. In recent years, this commitment has been further strengthened through the deliberate integration of ESG considerations into the Group’s strategic pillars, ensuring that they are embedded across all aspects of strategy formulation, operational processes and decision-making. The Group’s ESG strategy is set out in the Hayleys Lifecode, the Group’s holistic ESG Roadmap which clearly sets out the Group’s 2030 aspirations as well as targets and action plans to achieve the targets.

STRATEGIC PRIORITIES

- Portfolio optimisation
- Customer centricity
- Nurturing Inspired Teams
- Inclusive Business Models
- ESG Integration

PURPOSE

To Inspire an Inclusive World and a Thriving Planet

ESG INTEGRATION

The Group’s ESG strategy is set out in the Hayleys Lifecode, the Group’s holistic ESG Roadmap for 2030. Since the launch of the 1st edition in 2022, the Group has made significant progress in strategically integrating ESG considerations across the business. Through the launch of the 2nd edition in 2025, the Group identified areas for further refinement and improvement in line with developments in both the internal and external operating landscape.

TARGETS FOR 2030

Engaged team
100% coverage of anti-discriminatory training

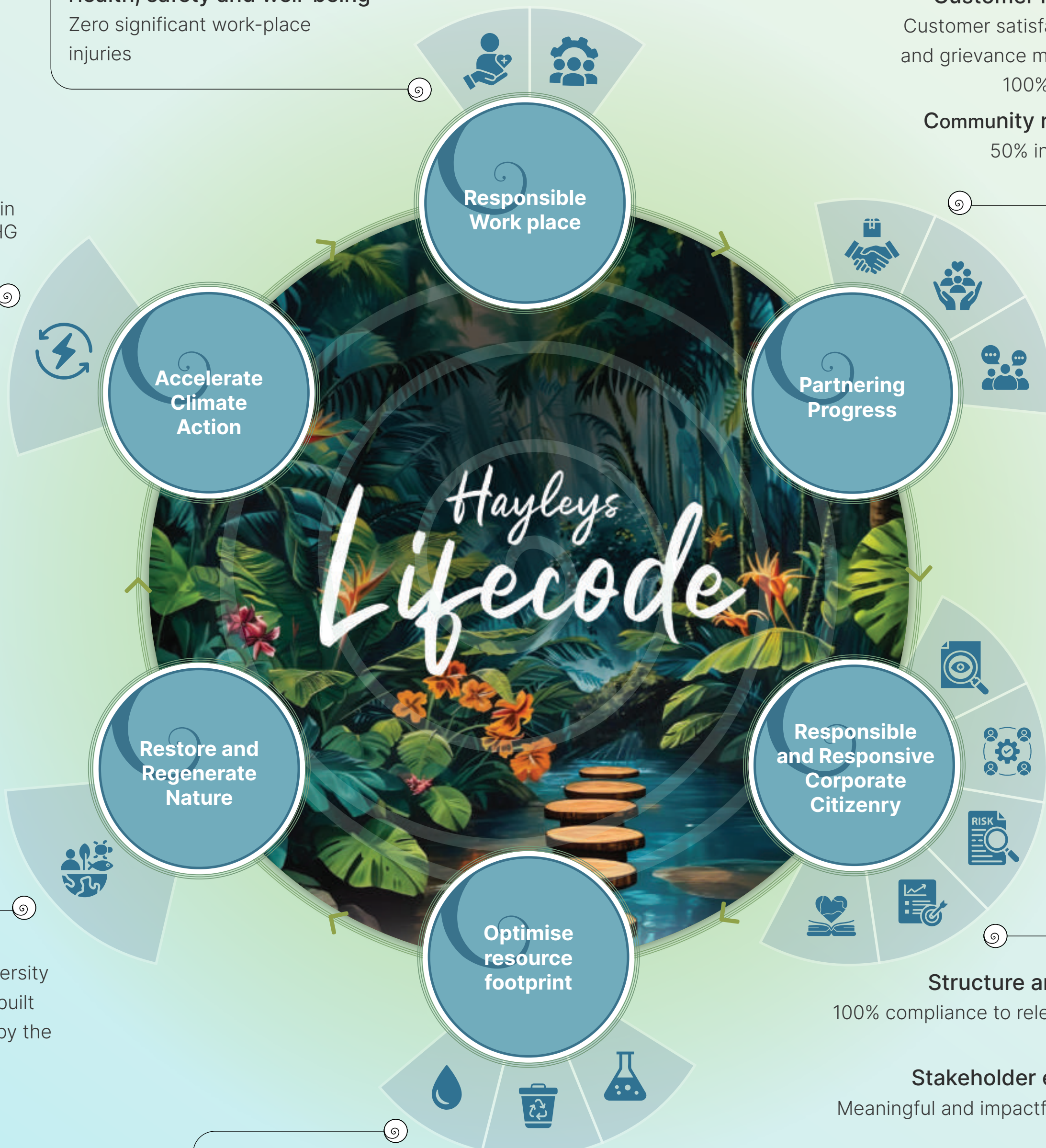
Health, safety and well-being
Zero significant work-place injuries

Supplier relationships
40% of suppliers screened for environmental and social criteria

Customer relationships
Customer satisfaction surveys and grievance mechanisms for 100% of operations

Community relationships
50% increase in CSR beneficiaries

Energy and emissions
30% reduction in Scope 1 & 2 GHG emissions



Biodiversity
Enhance biodiversity by 5 times the built area occupied by the Group

Water
50% sustainable water sourcing

Materials and waste
40% of waste recycled

Chemicals
100% alignment with safe chemical management practices

Structure and oversight
100% compliance to relevant laws and regulations

Stakeholder engagement
Meaningful and impactful stakeholder relationships

Transparent and accurate reporting
Internal and external reporting on ESG factors

ESG Risk management
Holistic process to identify, measure and mitigate ESG risks

Ethics and culture
Zero tolerance of bribery and corruption

Our Approach to ESG

ESG GOVERNANCE

The Board is the highest decision-making authority in the Group and has overall responsibility for formulating the Group's sustainability-related policies and goals and implementing the Group's ESG Framework. The Board has established an ESG Steering Committee to assist in the discharge of its sustainability and ESG related duties and during the year

Board level oversight

Board of Directors

Receive quarterly updates on non-financial metrics, performance against ESG targets, sustainability, climate and nature -related risks, opportunities and emerging external developments

ESG Steering Committee

Monitor the Group's quarterly non-financial metrics, sustainability-related risks and opportunities (SRRO), ongoing initiatives and recommends strategic interventions

Audit Committee

Review quarterly risk exposures as per the Group Risk Matrix, which includes SRRO-related factors

Management Committee oversight

Group Management Committee

Receive monthly updates from the Group ESG Division on emerging external developments, ESG initiatives, progress against targets and non-financial metrics (quarterly)

Leadership Team Oversight

Group ESG Division

Responsible for driving the Group's ESG Strategy and escalating relevant information to the Board and Sub-Committee

Sector ESG Champions

Drive Sector-level ESG strategy and initiatives aligned with the overall agenda of the Hayleys Group

Other Functions

Collaboration with related functions including HR, Procurement and Digital among others

Board's role in management of impacts and ESG oversight: The Board holds apex responsibility for formulating and updating the Group's goals, strategies and policies related to sustainable development. These aspirations are set out in the Hayleys Lifecode, the Group's ESG Roadmap; the Board reviews performance against the ESG targets set out in the Hayleys Lifecode on a quarterly basis while also providing oversight on policy updates, target revisions and strategic actions whenever required. Established reporting lines both at Group and Sector-level also enable the Board to play a central role in overseeing due diligence processes to identify impacts on the economy, environment and society. In fulfilling this responsibility, the Board considers insights derived from stakeholder engagement mechanisms, ensuring that stakeholder perspectives are meaningfully integrated into strategic decision-making.

Board responsibility in sustainability reporting: The Board retains ultimate responsibility for ensuring the integrity and relevance of the Group's disclosures, including the formal approval of material topics at the outset of each reporting cycle. In addition, the Annual Report is subject to comprehensive review and approval by the Board prior to publication.

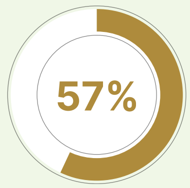
Board and sub-committee compositions

Best practice in corporate governance underscores the need for Boards to comprise a diverse mix of independence, experience and expertise to effectively discharge their duties. At Hayleys, this diversity is reflected across multiple dimensions, including age, gender and tenure, as illustrated below

INDEPENDENCE

Majority of the Board comprises Non-Executive Directors (7), of which four (4) are independent, thereby enriching discussions and bringing objective judgement to Board decisions

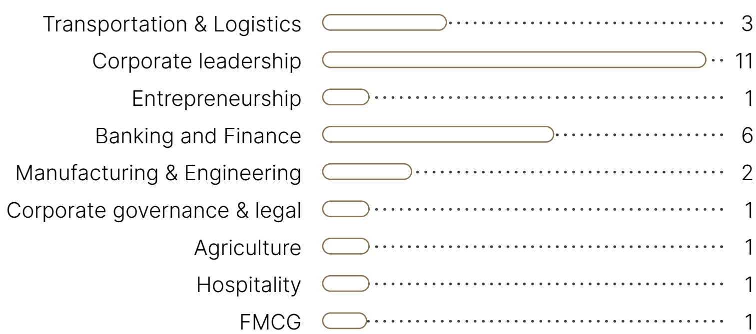
Board composition



DIVERSITY OF AGE

With **31%** of Directors **below the age of 60**, the Board is diverse in its age representation, thereby combining both experience and fresh perspectives.

SKILL COMPOSITION



GENDER DIVERSITY

11 Males

02 Females

Selection of the highest governing body

Board appointments follow a formal and transparent manner, as determined by the Nominations and Governance Committee, which assesses the Group's strategic demands as well as diversity, skills and competencies of the Board. The Board considers the recommendations of the Nominations Committee and recommends suitable candidates for appointment or re-election by the shareholders at the Annual General Meeting under the advisement of the Nomination Committee.

In evaluating prospective candidates, due consideration is given to diversity across multiple dimensions, including professional experience, skills, industry expertise and personal background, recognising that a balanced mix of perspectives strengthens the quality of Board deliberations and decision-making. The Group also places particular emphasis on improving female representation on the Board as part of its ongoing commitment to fostering greater diversity and inclusion. Independence is assessed in accordance with applicable regulatory requirements and corporate governance standards, ensuring that the Board maintains an appropriate balance of independent oversight.

Role of Chairman

The functions of Chairman and Chief Executive are vested in one person due to the diversity and scale of operations of the Group and the Board is of the view that this is the most appropriate arrangement for Hayleys PLC. The Board has also appointed Mr.P.Y.S Perera- Non-Executive Director as Senior Independent Director to facilitate board balance and ensure effective engagement with Non-Executive Directors

Conflicts of interest: The Group-wide Corporate Governance policy sets out guidelines on effectively managing actual and perceived conflicts of interest, particularly relating to Directors. For instance, Board members must inform the Chairperson of the Board and the Company secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. Meanwhile, employees are expected to disclose any material interests they may have in outside business interests and obtain prior approval if considered required.

Communication of critical concerns: Critical concerns identified through stakeholder engagement processes are systematically communicated to the Board through established reporting structures. Insights derived from mechanisms such as customer satisfaction surveys, employee engagement assessments and community grievance channels are consolidated and presented at quarterly Board meetings by the respective business and functional heads. This ensures that emerging issues, stakeholder concerns and areas requiring attention are brought to the timely attention of the highest governance body. Matters requiring governance oversight are addressed in the first instance at the relevant Sector Board and Group Management Committee (GMC) levels through established governance processes. During the reporting period, no matters of a Group-wide critical nature requiring escalation to the Board were identified.

Director training: Directors are kept abreast relevant developments through ongoing training including formal sessions, distributing of reading materials and deep dives into specific aspects. Directors are also encouraged to attend sessions conducted by the Sri Lanka Institute of Directors. Many of the Directors also conform to the Continuing Professional Development requirements of the respective professional organisations. Quarterly ESG reporting by designated ESG resource persons to the respective Boards has also provided an opportunity to broaden directors' understanding of emerging sustainability matters and strengthen the Board's collective knowledge base.

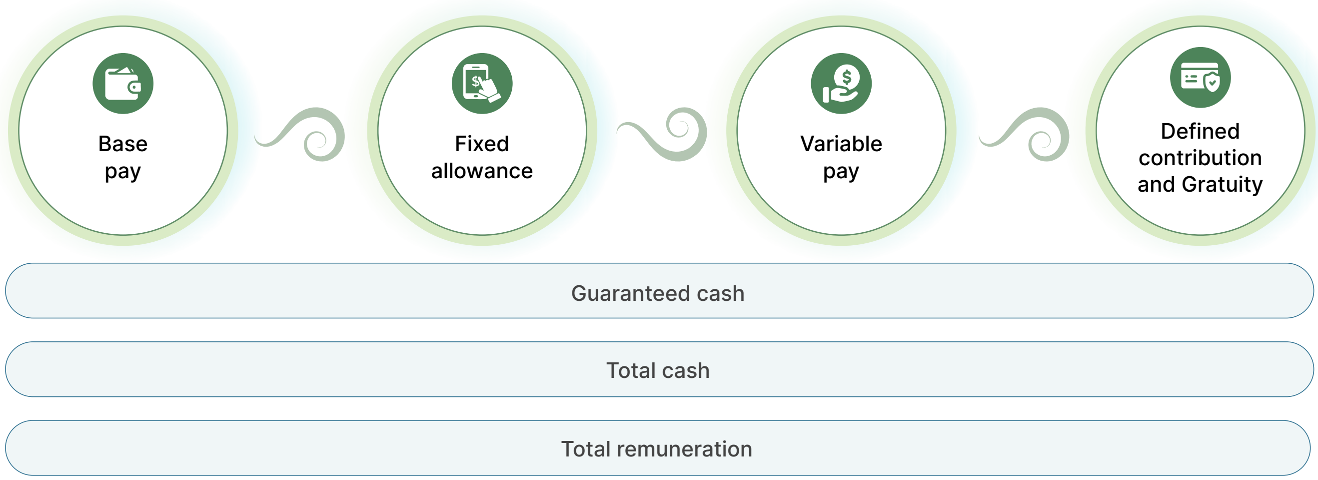
Board performance evaluation: The Board's performance is evaluated through established governance processes, with the current evaluation framework primarily focusing on Board effectiveness, governance practices and the discharge of fiduciary responsibilities. While oversight of the Group's economic, environmental and social impacts is exercised through regular Board reporting, strategy reviews and committee oversight, these areas are not yet assessed as standalone performance criteria. The Group is, however, progressively strengthening its Board evaluation framework to incorporate sustainability-related oversight and responsibilities in line with evolving governance expectations and reporting practices.

Director Remuneration

The Remuneration Committee determines the combination of remuneration needed to attract, retain and motivate Executive Directors of the quality required to achieve corporate goals. The Remuneration Committee ensures that the remuneration of executives of each level of management is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is competitive with those of comparative companies. Remuneration for Non-Executive Directors reflect the time commitment and responsibilities of their role, taking into consideration market practices. Non-Executive Directors are not included in share options as there is no scheme in existence.

The Group's remuneration scheme for executive and above categories is based on the following elements:

Remuneration elements



While remuneration is not yet directly linked to the full spectrum of the Group's economic, environmental and social impacts, the Group is progressively strengthening the integration of sustainability considerations into its performance management and remuneration frameworks.

ESG Policy Framework

The Group’s ESG Roadmap, the Hayleys Lifecode includes a comprehensive suite of ESG policies across all material focus areas. The policies apply as a minimum standard across the Group and ensures a consistent approach in managing the Group’s material ESG risks. A summary of selected ESG policies are set out below:

Policies and Procedures	Scope and highlights
Energy & Emissions Policy	⦿ Energy efficiency, renewable energy adoption and emissions reduction. ⦿ GHG measurement, reporting and external verification ⦿ Group targets for renewable energy, energy intensity and Scope 1, 2 and 3 emissions
Water Management Policy	⦿ Sustainable water sourcing, conservation and efficiency ⦿ Water recycling, reuse and rainwater harvesting ⦿ Group targets for sustainable water sourcing, recycling and water intensity reduction
Material & Waste Management Policy	⦿ Sustainable sourcing and responsible material consumption ⦿ Waste segregation, storage, tracking and disposal ⦿ Targets for waste reduction, recycling and green production initiatives
Anti-Sexual Harassment Policy	⦿ Prevention of workplace sexual harassment. ⦿ Reporting, investigation and resolution procedures. ⦿ Protection and confidentiality for complainants
Whistleblower Policy	⦿ Mechanism to report unethical, illegal or inappropriate conduct. ⦿ Confidential and protected reporting channels. ⦿ Investigation and resolution of reported concerns
Human Rights Policy	⦿ Commitment to internationally recognised human rights principles. ⦿ Prohibition of child labour, forced labour and discrimination. ⦿ Respect for freedom of association and fair labour practices.
Health & Safety Policy	⦿ Safe and healthy working environment for all employees. ⦿ Hazard identification, risk assessment and incident management. ⦿ Occupational health services, training and emergency preparedness

Our Approach to ESG

Targets and Measurements

Monitoring metrics: Performance against the Lifecode targets as well as other social and environmental metrics are tracked through the Hayleys CUBE- the Group's sustainability information portal. The web-based system enables over 300 users across the Group's operating locations to submit relevant social and environmental information quarterly, which is aggregated and reported to the ESG Steering Committees at both Sector level and Group level.

>300 Users

NEARLY 60 INDICATORS TRACKED

Data integrity: In addition to controls built into the CUBE system, which includes multiple levels of approval and error flagging, the integrity of the non-financial information is ensured through third-party assurance on both the GHG inventory and Integrated Report/GRI.

ESG in practice: The following mechanisms are in place to embed ESG considerations across the Group's governance framework, operational processes, and decision-making.

MATERIALITY

The Group undertakes an annual materiality assessment to identify and evaluate the issues most relevant to its operations and stakeholders, enabling a structured prioritisation of key matters requiring attention. This assessment is guided by a double-materiality perspective, encompassing both the impact of the Group's activities on society and the environment, as well as the influence of environmental and social factors on the Group's financial performance. The process is carried out through three distinct stages, as outlined below.

ESTABLISH PROCESS PARAMETERS

List of potential material issues are selected as process parameters and a reference point in conducting the materiality assessment by the Group ESG Division.

1. Discussions with Sector leadership teams
2. Evaluation of the Group's business model and strategic aspirations
3. Stakeholder feedback
4. Emerging risks and opportunities

SECTOR LEVEL PRIORITISATION OF MATERIAL TOPICS

The issues are prioritised at Sector level using the following filters to assess the relative importance of the topics to stakeholders and the importance to the organization.

FILTERING TESTS

Organisational materiality	Impact materiality
Financial impact	Stakeholder impact (7 stakeholder groups)
Innovation opportunity	Environmental impacts
Reputation	
Externalities	
Strategic link	
Risk	

AGGREGATION AT HAYLEYS PLC LEVEL

Sector level materiality matrices are aggregated at Hayleys PLC weighted using a suitable metric based on the importance of the Sector to the Group.

- **Economic topics:** Revenue contribution to the Group
- **Social factors:** Headcount of the Sector
- **Environmental factors:** Relative impact to the Group's carbon footprint and water consumption

Our Approach to ESG

RESULT OF THE MATERIALITY ASSESSMENT IN 2025/26

During the year, 22 material topics were identified from the materiality assessment process. Two new material topics were identified during the year; tax, regulations and compliance while social issues along supply chains which was material in 2024/25 was classified as not being material this year. Reflecting the Group's evolving reporting approach, financially material matters are comprehensively addressed in the Group's Integrated Annual Report, while topics of high impact materiality are discussed in detail in this Report.

Theme	Material topics 2024/25	Material topics 2025/26	Reference to disclosure
Geopolitical and economic factors	1 Macro-economic impacts	1. Macro-economic impacts	Integrated Annual Report
	2. Foreign exchange impacts	2. Foreign exchange impacts	
	3. Domestic and international government policy	3. Domestic and international government policy	
	4. Economic performance	4. Economic performance (GRI 201: Economic Performance 2016)	Integrated Annual Report ESG Report-Partner in Progress (Page 39)
		5. Tax	Integrated Annual Report
Adapting business models	5. Energy consumption	6. Energy consumption (GRI 302: Energy 2016)	Integrated Annual Report ESG Report-Climate Action (Page 18)
	6. Evolving climate regulations	7. Evolving climate regulations	Integrated Annual Report
	7. Climate change adaptation	8. Climate change adaptation	Integrated Annual Report
	8. Operational efficiency and productivity	9. Operational efficiency and productivity	Integrated Annual Report
	9. Technology and product innovations	10. Technology and product innovations	Integrated Annual Report
	10. Operational safety and emergency preparedness	11. Operational safety and emergency preparedness	Integrated Annual Report ESG Report-Engaged Workforce (Page 33)
	11. Manufacturing capabilities	12. Manufacturing capabilities	Integrated Annual Report
Addressing stakeholder demands	12. Product quality and responsibility	13. Product quality and responsibility	Integrated Annual Report
	13. Employee value proposition and well-being	14. Employee value proposition and well-being (GRI 401: Employment 2016)	Integrated Annual Report ESG Report-Engaged Workforce (Page 33)
	14. Customer satisfaction	15. Customer satisfaction	Integrated Annual Report
	15. Evolving customer requirements	16. Evolving customer requirements	Integrated Annual Report
	16. Principal relationships	17. Principal relationships	Integrated Annual Report
		18. Regulations and compliance	Integrated Annual Report

Theme	Material topics 2024/25	Material topics 2025/26	Reference to disclosure
Sustainability and ESG integration	17. Managing environmental and ecological impacts	19. Managing environmental and ecological impacts (GRI 301: Materials 2016, GRI 303: Water & Effluents 2016	ESG Report-Optimising Resources (Page 25)
	18. Environmental and social issues along value chain	20. Environmental impacts along supply chain	Integrated Annual Report
	19. Physical climate risks	21. Physical climate risks	Integrated Annual Report
	20. Community and livelihood development	22. Community and livelihood development (GRI 203 Indirect Economic Impacts 2016,	ESG Report-Partnering Progress (Page 25)

Our Approach to ESG

ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

The focus areas and the targets of the Hayleys Lifecode are directly aligned to selected SDGs and targets thereby providing clearer focus and direction to our aspirations. Integration of the SDGs is also expected to fuel innovation and provide access to new market opportunities while building credibility among both internal and external stakeholders.

Accelerating Climate Action

Sri Lanka remains highly vulnerable to climate change due to rising temperatures, changing rainfall patterns, and extreme weather events. In response, the Group continues to strengthen its climate mitigation and adaptation efforts with focus on reducing Scope 1 and Scope 2 greenhouse gas emissions, while gradually advancing efforts to better manage and reduce emissions across its value chain.

185,794 (+1%)
SCOPE 1&2 GHG EMISSIONS

763,955 (0%)
SCOPE 1,2,3 GHG EMISSIONS

96.65 (-13%)
EMISSION INTENSITY

5.95 Mn GJ (-10%)
TOTAL ENERGY CONSUMPTION

3097.49 (-22%)
ENERGY INTENSITY

2 Sectors
COMMITTED TO SBTI

Contribution to SDGs: This pillar of the Group's ESG strategy aims to contribute towards the following Sustainable Development Goals

GHG emissions

3 Sectors recorded emission reductions

The Group continued to systematically integrate emissions reduction initiatives into its corporate strategies while further strengthening emissions monitoring, reporting, and management practices across

Reducing dependence on fossil fuels

75% Reliance on renewable energy

The Group continued to widen its reliance on sustainable and green energy sources through pursuing expansion of biomass sourcing

Energy intensity

-22% Energy intensity

The consistent reduction in energy intensity demonstrates the Group's ability to improve operational efficiency and generate greater economic value with lower energy consumption

Management approach: Energy and emissions management across the Group is supported through established policies, monitoring processes, and climate-related commitments aimed at strengthening the management of energy consumption and greenhouse gas emissions across operations. The Group has established targets and commitments under the Hayleys Lifecode relating to renewable energy, energy intensity, climate action and emissions reduction, which are operationalised through sector-level ESG roadmaps aligned with Group priorities. To strengthen the reliability and credibility of emissions reporting, the Group also obtains independent third-party assurance over its carbon footprint disclosures. The Group continues to strengthen its approach towards emissions management through operational efficiencies, cleaner technologies, renewable energy initiatives, and enhanced monitoring and reporting processes aimed at reducing its climate-related impacts over time.

Impacts: Given the diversified nature of the Group's operations, emissions arise primarily from energy consumption, fuel usage, transportation, manufacturing processes, and broader supply chain activities. The Group recognises that greenhouse gas emissions generated across its operations and value chain contribute to climate change, which may create significant environmental and socio-economic impacts including rising temperatures, changing rainfall patterns, biodiversity loss, and increased frequency of extreme weather events.

Accelerating Climate Action

Policies
Energy and Emission Management Policy

How we track progress
Progress against these targets is monitored on a monthly and quarterly basis through the Hayleys CUBE and reported to the Board as part of quarterly performance and ESG reviews.

OUR COMMITMENTS AND TARGETS TO 2030

Reliance on sustainable and renewable energy sources
90% sustainable and renewable energy applications

Reduction in absolute carbon footprint
30% reduction in absolute GHG emissions of Scope 1 & 2 by

10% reduction in absolute carbon emissions of Scope 3

4% y-o-y reduction in annual Scope 1,2 and 3 emissions

Reduction in energy intensity
30% energy intensity reductions

GHG EMISSIONS

Measuring progress

Progress on emissions management is measured using Scope 1, 2 and 3 GHG emissions and emission intensity metrics calculated per USD Mn of revenue

Emission targets

- 30% reduction in absolute Scope 1 & 2 GHG emissions by 2030*
- 10% reduction in Scope 3 GHG emissions*
- 4% y-o-y reduction in Scope 1 & 2 GHG emissions of all new acquisitions

*For entities within the scope in the 2018/19 baseline

Progress in 2025/26

- Scope 1 emisssions relatively unchanged despite growth in operational activity
- 3% increase in Scope 2 emissions
- Improved coverage of Scope 3 emissions

Connectivity to SLFRS S1 & S2 disclosures

- CRRO 1 and 2
- Climate Strategy
- GHG emission metrics

While emission reduction strategies are tailored at sector level based on operational requirements and emissions profiles, the Group's overall climate approach is broadly guided by three overarching pillars

Operational interventions

- Increasing reliance on sustainable and renewable energy sources
- Energy efficiency drives

Integrating climate considerations

- Strengthening governance, risk management and reporting process
- Integration into budgeting and financial planning

Value chain interventions

- Supporting Sri Lanka's transition to a low-carbon econmy through Hayleys Fentons
- Emission reduction across supply chains

Key emission reduction initiatives implemented across the Group during the year included the following:

- Increased investments in renewable energy generation across the Group
- Conversion of fossil fuel boilers to renewable energy across manufacturing sectors and conversion of fuel sources
- Improvements in the coverage of Scope 3 emissions with 7 categories measured during the year
- Product carbon footprints for several products (Hand Protection and Construction Material Sector)
- Strategic expansion into sustainable mobility solutions
- Expansion of electric vehicle fleet in the Transportation & Logistics Sector

Emission computation methodology

The Group measure its Greenhouse gas (GHG) emissions based on the GHG Protocol-Corporate Accounting and Reporting Standard (revised edition). Hayleys also conducted a Group-wide verification of its carbon footprint in accordance with ISO 14064-1(2018)-Greenhouse Gas (GHG) through engaging Control Union. The gases include in the Group's GHG emission inventory are CO_2, CH_4, N_2O, and HFC. The Group applies the financial control approach in defining its organisational boundary for greenhouse gas accounting purposes. The Group does not consider offsets when reporting on GHG emissions targets. Sources of the emission factors used are summarised below:

Scope 3 emission category	Emission factors
Scope 1	IPCC (AR6) emission factors
Scope 2	Grid emission factors in the respective countries
Category 2: Capital goods	DEFRA emission factors 2025
Category 3: Fuel and energy related services	DEFRA emission factors 2025
Category 4: Upstream transportation and distribution	DEFRA emission factors
	India GHG emission factors
Category 5: Waste generated in operations	DEFRA emission factors 2025
Category 6: Business travel	ICAO Carbon Emissions Calculator
	Ecoinvent 3.1
Category 7: Employee commuting	India GHG emission factors
Category 9: Downstream transportation and distribution	DEFRA emission factors
	India GHG emission factors

Accelerating Climate Action

Scope 1			Scope 2	Scope 3				
Stationary combustion	Mobile combustion	Fugitive emissions	Purchased electricity	Upstream & downstream transport	Waste generated	Employee commuting	Business travel	Others
6%	6%	3%	10%	3%	0%	1%	0%	58%
Shift to renewable energy sources	Electrification of vehicle fleets	-	Renewable electricity	Route optimization	Reduce landfill waste	Employee buses across 14 routes	-	-

	2025/26	2024/25
Scope 1 GHG emissions	113,207	112,756
Scope 2 GHG emissions	72,587	70,520
Scope 3 GHG emissions	578,161	576,969
- Category 2: Capital goods	4,966	-
- Category 3: Fuel and energy related activities	35,239	-
- Category 4: Upstream distribution and transportation	25,178	30,537
- Category 5: Waste generated in operations	935	1,550
- Category 6: Business travel	2,890	791
- Category 7: Employee commuting	8,724	7,504
- Category 8: Downstream transportation and distribution	54,184	111,153
Total	*763,955	760,245
Biogenic emissions	493,929	391,750

*The total emissions figure includes emissions from the seven reported categories together with other categories that are applicable to and reported by few sectors

Emission intensity: The Group computes emission intensity for Scope 1 and Scope 2 GHG emissions using USD Mn of revenue as the denominator across all sectors. Greenhouse gases included in the computation comprise CO_2, CH_4, N_2O, and HFCs.

(13%)

Scope 1 & 2 emission intensity

Sectors	Scope 1	Scope 2	Scope 3	Sector total (2025/26)	Y-O-Y change (%)	Sector total (2024/25)
Eco Solutions	860	2,885	7,823	**11,568**	6	10,875
Hand Protection	7,224	12,575	214,158	**233,957**	24	188,272
Purification	13,303	16,066	20,416	**49,785**	12	44,554
Textiles	18,563	13,065	146,228	**177,856**	-13	204,896
Construction Materials	6,212	4,681	2,848	**13,741**	9	12,660
Agriculture	2,979	1,164	10,145	**14,288**	16	12,312
Plantations	18,711	5,079	15,565	**39,355**	2	38,420
Tea Exports	132	161	1,110	**1,403**	-77	6,187
Transportation & Logistics	28,935	2,050	110,132	**141,117**	-25	187,150
Consumer & Retail	5,971	7,732	13,388	**27,091**	41	19,197
Leisure	5,358	5,569	3,801	**14,728**	27	11,624
Industry Inputs, Power & Energy	643	229	1,084	**1,956**	57	1,243
Projects, Energy and Mobility	4,010	437	30,512	**34,959**	63	21,448
Others	308	892	950	**2,150**	53	1,407
Total by scope	113,207	72,587	578,161	**763,955**	-	760,245

ENERGY

Measuring Progress

Progress on energy management is tracked through the monitoring of energy consumption across all significant sources and is periodically measured, reviewed, and reported to the Board on a quarterly basis.

Energy targets

- 90% sustainable and renewable energy applications
- 30% reduction in energy intensity
- 100% sustainable biomass sourcing

Progress in 2025/26

- 75% reliance on sustainable and renewable energy
- 22% reduction in energy intensity
- 13% decrease in biomass

Connectivity to SLFRS S1 & S2 disclosures

- CRRO 1,2 and 3: Climate Strategy

Computation methodology: 302-1 (f) Energy consumption is measured based on the consumption of electricity, fuel, steam, and heat across the Group's operations. 302-1 (g) Key fuel sources include furnace oil, diesel, LPG, and marine gas oil among others. Consumption data is captured through meter readings, supplier invoices, and operational records, and subsequently converted into gigajoules (GJ) using applicable energy conversion factors based on internationally recognised standards and fuel-specific calorific values.

Energy strategy: The Group's energy strategy continues to centre on gradually reducing dependence on fossil fuels through opting for sustainable and renewable energy sources while optimising energy usage across our operations. Key interventions made during the year under review are:

- Fuel switching and conversion of furnace boilers to biomass boilers across key sectors
- Majority of new production lines are powered with biomass energy
- Energy-efficient machinery, infrastructure and buildings
- Real-time energy monitoring systems across several sectors
- Corporate shuttle service which provides transportation to 450 employees through 16 buses, thereby saving approximately 104,905 of tCO2e

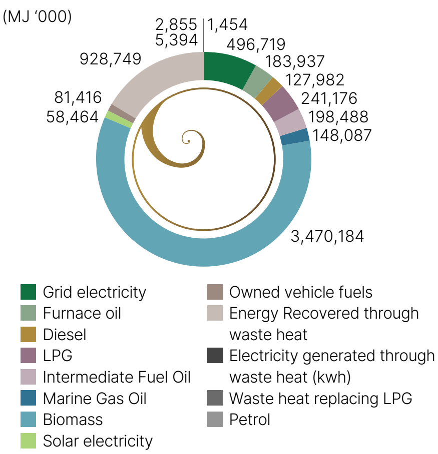
Accelerating Climate Action

	2025/26	2024/25	%
Fuel consumption: Non-renewable (GJ) [LA] 302-1 (a)			
Petrol	**1,454**	2,047	-29
Diesel	**127,981**	144,744	-12
Furnace oil	**183,936**	247,157	-26
LPG	**241,176**	200,131	21
Marine Gas Oil	**148,087**	100,511	47
Intermediate Fuel oil	**198,487**	173,570	14
Fuel consumption: Renewable (GJ) [LA] 302-1 (b)			
Biomass	**3,470,184**	3,969,532	-13
Solar	**58,463**	47,279	24
Hydro	**6,469**	6,302	3
Electricity generated through waste heat (kwh)	**2,854**	8,955	-68
Waste heat replacing (LPG)	**5,394**	-	
Energy recovered through waste heat kg	**928,749**	888,102	5

The Group's total energy consumption decreased by 10% to 5.95 million GJ, reflecting improvements in energy management and operational efficiency across the Group. The Group continued to accelerate its shift towards renewable energy sources, with renewable and sustainable energy sources fulfilling 75% of total energy consumption during the year. In terms of Sector composition, Hand Protection, Textiles and Transportation & Logistics emerged as the largest energy consumers in the Group.

ENERGY CONSUMPTION BY SOURCE

(MJ '000)



	Energy consumption		
	GJ	**Y-o-y change (%)**	**% composition**
Eco Solutions	107,357	-4	2
Hand Protection	2,278,007	-1	38
Purification	1,237,234	-16	21
Textiles	1,125,955	-24	19
Construction materials	126,045	13	2
Plantations	484,858	-11	8
Agriculture	31,903	-61	1
Consumer & Retail	72,111	20	1
Leisure	100,720	3	2
Industry Inputs, Power & Energy	2,297	15	0
Transportation & Logistics	372,138	8	6
Projects, Energy and Mobility	5,262	17	0
Tea exports	2,355	22	0
Others	8,468	2	0
Total	*5,954,711* [LA] 302-1 (e)	-10	100

Energy intensity: 302-3 (b) *Energy intensity is calculated using total energy consumption within the organisation as the numerator and USD mn of revenue as the denominator.* 302-3 (c) *The computation includes energy consumed from electricity, fuel, steam, and heat sources across operations, enabling consistent monitoring of energy efficiency across sectors and reporting periods.*[LA]

302-3 (a)

3097.49 GJ/ USD mn (-22%)

Energy intensity [LA]

Contribution to the country's green energy transition

In addition to driving clean energy transition within its own operations, the Group is also catalyzing the country's transition to renewable energy, both through reducing dependence on fossil fuels in its own operations and commercial installations across the country.

Hayleys is also catalysing the country's transition to renewable energy, both through reducing dependence on fossil fuels in its own operations and commercial installations across the country.

Solar installation through Hayleys Fentons

Sri Lanka's leading solar EPC company, having installed **500 MWp** of rooftop solar power systems since 2011

Renewable energy generation

Hayleys Fentons: Pipeline of 110MW of wind power and 300 MW of ground mount solar

Power & Energy Sector: Installed capacity of over 50 MW of wind and hydropower plants

Hydro power generation across Sectors

The Group's Plantation Sector generates renewable energy through several hydropower plants

Talawakelle Tea estates: **2.1 MW**

Kelani Valley Plantations PLC: **1.1 MW**

Horana Plantations PLC: **0.12 MW**

Reliance on biomass energy by several sectors

Eco solutions: **71%**

Hand Protection: **93%**

Plantations: **84%**

Textiles: **77%**

ROOFTOP SOLAR INSTALLATION ACROSS THE GROUP

Organisation-wide rooftop solar installation project

201,413 M2	38 MW	29,467 tCO_2e	Rs. 7 Bn	4-5 years
of rooftop area covered	Generation capacity	Annual reduction	Total investment	Payback period

Optimising Resources

Given the diverse nature of the Group's operations, optimising the use of resources remains a key priority across all businesses. Through continuous investment in innovation, process improvements and responsible resource management, the Group seeks to enhance operational efficiency while minimising its environmental footprint.

7.65 Mn m³ (+5%)
WATER WITHDRAWAL

23,332 MT (+1%)
WASTE GENERATED

29%
WASTE RECYCLED

3,978 m³/ USD Mn (-10%)
WATER INTENSITY

12,136 Kg/ USD Mn (-13%)
WASTE INTENSITY

Contribution to SDGs: This pillar of the Group's ESG strategy aims to contribute towards the following Sustainable Development Goals

Water

-10% Water intensity

Reducing water withdrawal and consumption remains a key priority in the ESG roadmaps of the manufacturing sectors which have continued to drive water efficiency initiatives

Waste water management

46% Waste water treated through internal treatment plant

Key manufacturing sectors such as Hand Protection invested in expanding the capacity of the effluent treatment plants across major locations

Waste intensity

-13% Waste intensity

Measures to taken to improve waste monitoring and tracking across all Sectors as well as efficiency and optimisation measures to reduce waste generation

Management Approach:
306-1 (a) (i) (ii) *Resource management across the Group is guided by established policies, operational controls and monitoring processes aimed at promoting the responsible use of water, materials and chemicals, while minimising waste generation across operations. The Group has established targets and commitments under the Hayleys Lifecode relating to water stewardship, waste management, circularity and sustainable resource use, which are operationalised through sector-level ESG roadmaps aligned with Group priorities. Responsibility for managing these areas rests with designated operational personnel across the Group, supported by governance and oversight mechanisms to ensure effective implementation and performance monitoring.*

Impacts: *The Group's operations have the potential to generate environmental impacts through the consumption of natural resources and the generation of waste across its value chain. These impacts include the use of water from surface and groundwater sources, the consumption of renewable and non-renewable materials, the use and handling of chemicals, and the generation of both hazardous and non-hazardous waste streams. If not effectively managed, these activities may contribute to resource depletion, pollution, waste accumulation and broader environmental degradation. Accordingly, the Group remains focused on minimising these impacts through responsible resource management practices, efficient utilisation of materials, appropriate chemical handling procedures and initiatives aimed at reducing, reusing and recycling waste wherever feasible.*[LA]

WATER

Policies

Water Management Policy

Material & Waste Management Policy

How we track progress

Progress against these targets is monitored on a monthly and quarterly basis through the Hayleys CUBE and reported to the Board as part of quarterly performance and ESG reviews. The Group currently does not consider water stress levels in local areas when setting water-related targets

Measuring Progress

Progress on water management is tracked through water metering and sub-metering systems across operational locations, enabling the monitoring of water consumption from significant sources.

Energy targets

- 50% sustainable water sourcing
- 75% of total wastewater recycled and reclaimed
- 30% reduction in water intensity

Progress in 2025/26

- 25% sustainable water sourcing
- 14% of total wastewater recycled and reclaimed
- 10% reduction in water intensity

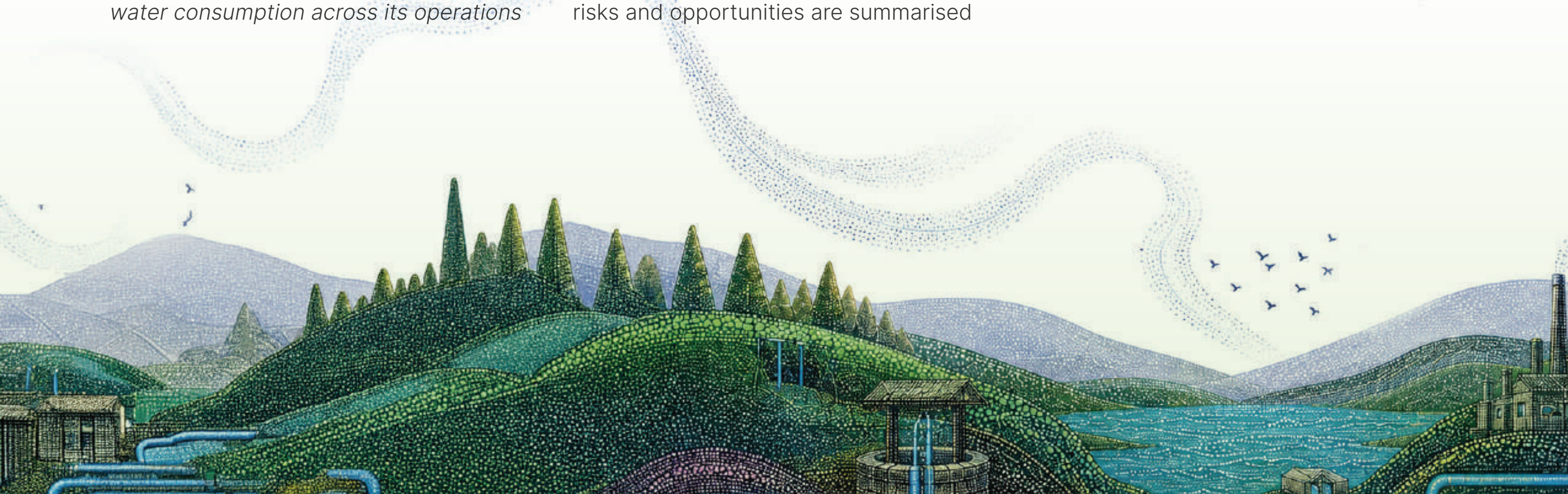
Connectivity to SLFRS S1 & S2 disclosures

- SRRO 1: Ecological impacts

The world is facing an unprecedented water crisis, with global freshwater demand predicted to exceed supply by 40% by 2030. As a Group that relies significantly on water, we are cognisant of the potential disruptions to our operations stemming from water stress. The Group has established targets and commitments under the Hayleys Lifecode relating to sustainable water sourcing and the efficient use of water resources, alongside its broader environmental sustainability objectives

Measurement methodology: 303-1 (b) *The Group identifies and assesses water-related impacts through the direct measurement and monitoring of water consumption across its operations using water metering and sub-metering systems. Assessments cover significant operational locations and consider both water withdrawal and consumption patterns over the reporting period.*[LA]

Interaction with water: 303-1 (a) *The Group's water sources include groundwater, surface water, pipe - borne water and harvested rainwater, with the largest source being surface water with a share of 54%. The Group's interaction with water as a shared resource stems primarily from its use in manufacturing operations as well as for cleaning and employee usage across the Group.*[LA] The Group's key water-related dependencies, impacts, risks and opportunities are summarised below. 303-1 (c) *To support the effective management of water-related impacts on local communities, the Group maintains ongoing dialogue with community representatives across many of its operating locations and provides accessible grievance mechanisms through which concerns can be raised, reviewed and addressed in a timely manner.*[LA] During the year, the Group adopted the recommendations of TNFD at a foundational level to strengthen its understanding of nature-related considerations, including water stewardship. Additional information on the Group's approach to TNFD-aligned disclosures and nature-related matters is provided in the Integrated Annual Report.



Optimising Resources

303-1 (a)

Primary uses of water in Hayleys

Industrial Use
- Glove manufacturing
- Fabric manufacturing
- Blending of industrial raw materials

Agriculture
Cultivation of tea, rubber and other crops

Hydropower generation
Other

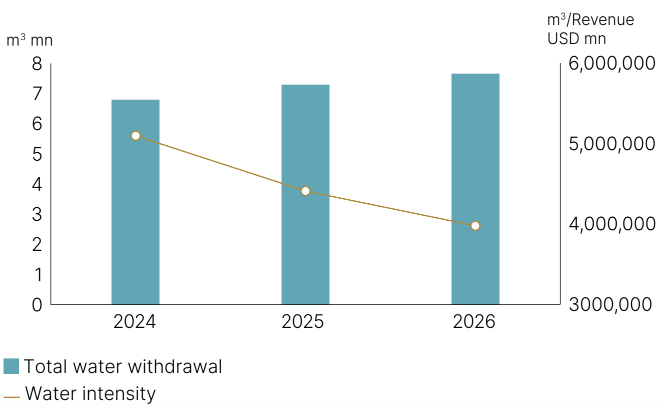
DEPENDENCIES IMPACTS

Impacts
- Potential water degradation due to effluents from the organisation into water bodies
- Potential depletion of local water sources
- Ecosystem destruction through disruption of aquatic habitats

Measuring water impacts

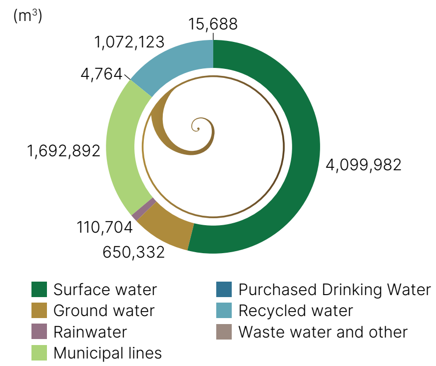
The Group's total water withdrawal increased by 5% to 7.6 mn m3 during the year, driven primarily by increased operational activity in the Hand Protection and Agriculture Sectors together with higher usage in the new manufacturing operations of the Industrial Inputs, Power & Energy Sector. As illustrated below, surface water accounts for the largest portion of the Group's water withdrawal, followed by municipality water and recycled water. 303-3 (b) *According to the Aqueduct Water Risk Atlas, Sri Lanka is generally classified as facing medium to high levels of water stress, India and Thailand are considered to have extremely high levels of water stress (>80%) and water stress levels in Indonesia are considered to be low below 10%.* LA

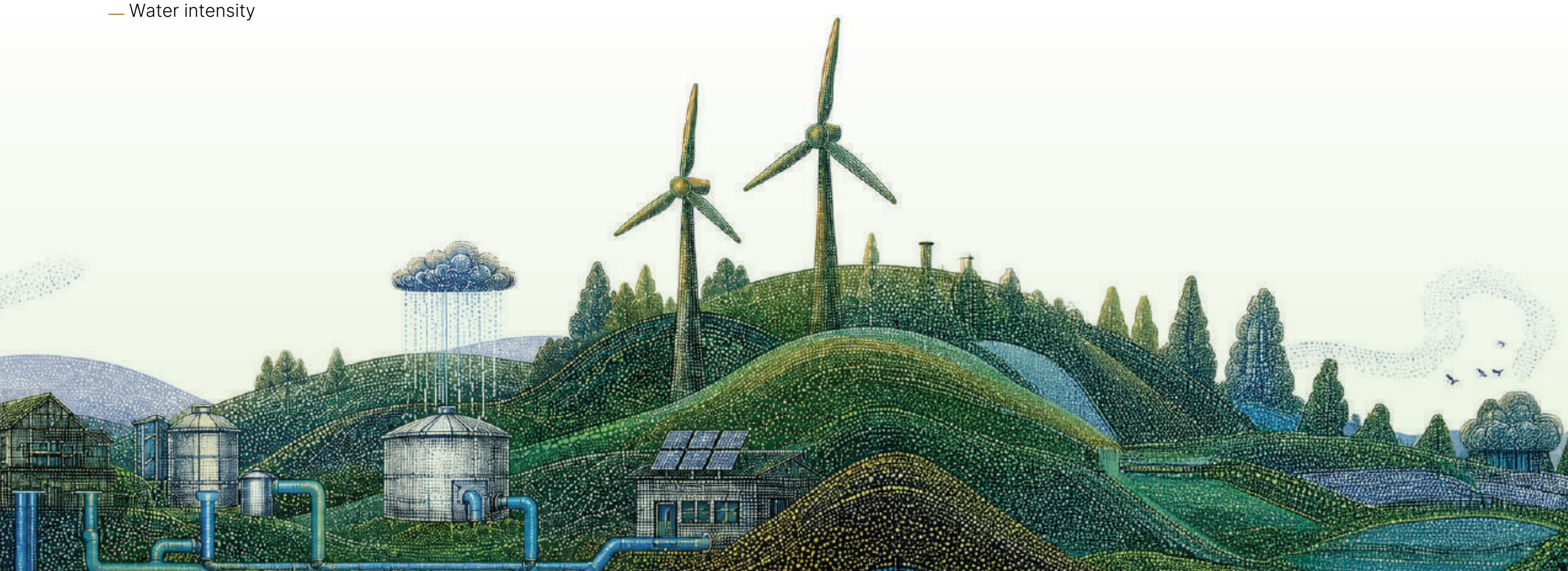
WATER WITHDRAWAL TRENDS



303-3 (a)

WATER WITHDRAWAL BY SOURCE LA





Water consumption by Sector (2025/26) m^3

	2025/26	2024/25	%
Eco Solutions	59,964	42,969	28
Hand Protection	2,334,702	2,163,917	7
Purification	807,939	689,921	15
Textiles	3,363,702	3,398,195	-1
Construction materials	123,727	124,966	-1
Plantations	131,927	99,145	25
Agriculture	237,346	197,043	17
Consumer & Retail	128,016	121,618	5
Leisure	328,739	343,816	-5
Industry Inputs, Power & Energy	6,237	1,676	272
Transportation & Logistics	88,276	77,694	12
Projects, Energy and Mobility	13,940	11,671	16
Tea exports	4,150	4,111	1
Others	17,818	17,022	4
Total	**7,646,483**	7,293,764	5

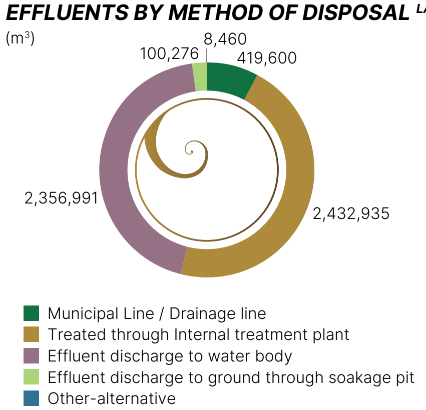
Water discharge

303-1 (a) *The Group's manufacturing processes involve the discharge of wastewater, and effluent treatment plants to responsibly dispose of effluents.*[LA] Wastewater discharges from the Group's operations can affect the quality of receiving water bodies and surrounding ecosystems if not adequately treated and managed. Potential impacts include changes to water quality, contamination from chemicals, oils, nutrients and risks to aquatic life and communities that depend on these water sources. Wastewater is typically treated and recycled for reuse for gardening and/or organic farming purposes. 303-2 (a) *Priority substances and discharge parameters are identified based on applicable regulatory requirements and the nature of operational activities, with key parameters including Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), pH and oil and grease. Discharge limits are established in accordance with relevant environmental regulations and permit conditions applicable to each operation. All operating locations are subject to applicable regulatory limits governing their operations while The Group's internal policy framework requires compliance with all such standards. The Group manages water-related impacts in accordance with applicable legal and regulatory requirements in each jurisdiction of operation. As these requirements differ based on the nature of the sector and operations, the Group does not apply any additional sector-specific standards beyond those required by the relevant authorities. Compliance is monitored through periodic testing conducted by independent accredited laboratories to verify adherence to prescribed standards. The Group considers the characteristics of the receiving water body, together with the potential impacts on surrounding communities and other water users, when managing water discharges.* [LA]

The Group's water discharge during the year is given below:

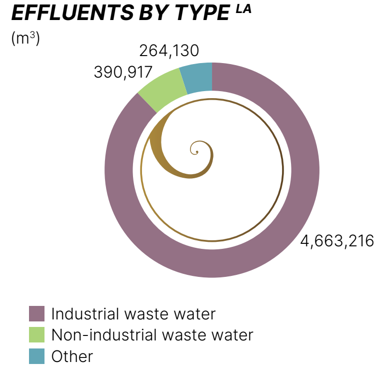
303-4

EFFLUENTS BY METHOD OF DISPOSAL [LA]



303-4

EFFLUENTS BY TYPE [LA]



Key water and effluent-related interventions during the year are given below:

- Enhanced the capacity and operational effectiveness of effluent treatment plants across key manufacturing operations
- Increased investments in rainwater harvesting and water recycling

Optimising Resources

MATERIALS AND CIRCULARITY

Optimising the resource footprint

Drive the responsible consumption of natural resources and increase value generation across all wastes

Material and waste

- Achieve traceability across all waste categories
- 25% reduction in waste intensity
- 40% of waste recycled
- 20% recyclable, reusable or compostable packaging

Progress in 2025/26

- Improved waste monitoring across the Group
- 13% reduction in waste intensity
- 29% solid waste recycled

306-2 (a) *The Group continues to strengthen its focus on waste management and circularity through initiatives aimed at reducing waste, improving resource efficiency and increasing the use of recycled and renewable materials. These efforts are supported by sustainable product design practices, responsible sourcing and the adoption of environmentally preferable materials and chemicals across its operations.*[LA]

Key initiatives and developments across the Group include the following: [LA]

Warna by Mahogany by Textiles Sector

A pioneering waste-to-fashion initiative which extracts dye in -house using waste material generated by the local furniture industry

Circular product solutions

Eco-One is an additive which is applied during the manufacturing process to enhance the biodegradation of plastic and polythene products. Carbon nanotube product for the glove industry uses carbon black recovered from used tires which in turn leads to a significant reduction in crude oil consumption

Use of PET bottle recycled yarn by multiple Sectors

The Textile Sector and Hand Protection Sectors use recycled PET yarn as an input for their fabric and glove manufacturing respectively

Use of recycled Aluminium

The Construction Materials Sector continues to increase the use of recycled aluminium in its production process, thereby reducing the need for virgin aluminium

47.34%

301-1 (a) *The Group's primary raw materials and relevant sustainability factors are set out below:* [LA]

Renewable material		Non-renewable material	
Purification		Construction Materials	
- Coconut charcoal	109,397 MT	- Aluminium billets	5,782 MT
- Coconut shells	69,099 MT		
Hand Protection		Plantations	
- Latex	5,624 MT	- Fertilizer	7,785 MT
Eco Solutions		Textiles	
- Coconut husks	3,697 MT	- Yarn	8,558 MT
		- Recycled yarn	3,361 MT

The Group has only disclosed its primary raw materials in its Manufacturing and Plantation Sectors.

WASTE MANAGEMENT

Method of computation:

306-2 (c), 306-3 (b) *Waste-related data is collected and monitored at the point of disposal, with waste quantities recorded and categorised by waste type across operational locations.LA*

306- 2 (a) *As set out in the Group's waste management policy, we are committed to minimising waste generation while pursuing avenues for sustainable waste disposal. The Group engages only third-party waste management service providers that are approved and licensed by the Competent Environmental Authority (CEA) or the relevant regulatory authority in the jurisdictions where they operate.* 306-2 (b) *As these service providers are required to comply with all applicable environmental laws, regulations, and licensing obligations, the Group relies on their regulatory compliance and does not separately monitor their waste treatment and recovery processes. The Group performs due diligence during the selection and engagement of these service providers to ensure they possess the necessary approvals and authorizations. All Sectors have stepped up efforts to engage in the segregation and responsible disposal of waste, in compliance with regulatory requirements and industry best practice.LA*

Key interventions during the year included the following: LA

- *Hayleys PLC conducted an e-waste collection drive across its Head Office premises*
- *TTE partnered with Coca Cola and Janashakthan Institute to establish the Somerset ECO Material Collection & Processing Centre, marking the first public–private partnership in waste management within the plantation sector,*
- *KVPL launched a strategic initiative to transform electronic waste into sustainable jewellery*

In addition, the following ongoing initiatives are in place within the Group.

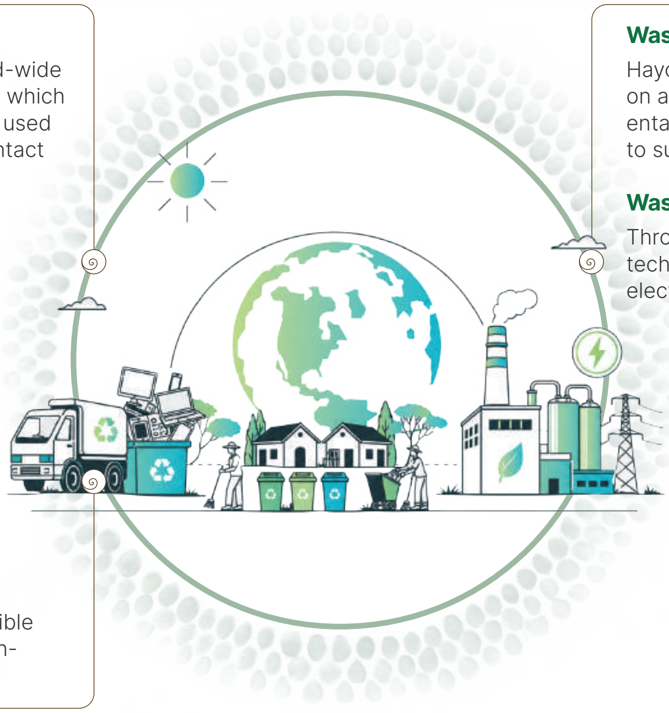
E-waste collection

Singer conducts a large-scale, island-wide e-waste collection initiative, through which customers are encouraged to return used electronic items across over 400 contact points

Televisions: **1,041**

Washing machines: **625**

Refrigerators: **180**



Community waste management in plantations

The Sector conducts ongoing awareness building initiatives and training programmes on the responsible disposable of biodegradable and non-biodegradable waste

Waste-to-value business proposition

Haycarb PLC's business model is built on a waste-to-value proposition which entails converting waste coconut shells to sustainable solutions

Waste-to-energy generation

Through a patented green charcoaling technology, Recogen, Haycarb generates electricity using.

The Group's total waste reported for the year increased by 1% to 306-3 (a) *23,332 MT LA*, reflecting both an increase in operational activity and improved waste reporting. Non-hazardous waste accounted for 74% of the Group's total waste generated. Waste recycled increased by 29% to 6,710 MT reflecting strategic emphasis on driving responsible waste management practices.

Optimising Resources

Total waste by type and composition LA 306-3 (a)

Hazardous waste	Quantity (MT)	Non-hazardous waste	Quantity (MT)
Sludge	5,447	Food	767
Contaminated materials	25	Paper	234
E-waste	49	Cardboard	1,318
Fluorescent lights	0.093	Polythene	686
Chemical waste/oil	80	Mixed waste	1,937
Ash	371	Glass	45
Mixed waste	0.7	Metal	613
Other	101	Garden waste	151
Total	6,074	Biomass waste	4,845
		Wet garbage	79
		Other	5,202
		Total	16,976

Waste by disposal method LA 306-5 (b) (c)

Hazardous waste		Non-hazardous waste	
Incineration	5,329	Incineration	488
Landfilling	5	Landfilling	2,335
Other	108	Other	385

Recycling, reuse and other recovery operations LA 306-4

Total Waste diverted from disposal	14,669,670
Hazardous diverted from disposal	
Reuse	76,246
Recycling	445,474
Composting	-
Energy Recovery	110,158
Total	631,878
Non-Hazardous diverted from disposal	
Reuse	4,863,202
Recycle	6,264,430
Composting	2,805,272
Energy Recovery	104,888
Total	14,037,792

BIODIVERSITY AND ECOSYSTEM PRESERVATION

Biodiversity

- Increase biodiversity enhancing programme to cover 5 times the built area

Progress in 2025/26

- 84,115 trees planted
- 248.9 ha long-term biodiversity enhancing programmes

Connectivity to SLFRS S1 & S2 disclosures

- SRRO 1: Ecological impacts

RESTORING AND REGENERATING NATURE

Sri Lanka is recognised as a global biodiversity hotspot and given the close interdependence between several of the Group's operations and nature, we commenced aligning our disclosures with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) during the year. Relevant nature-related disclosures have been integrated throughout this Annual Report.

The Group's biodiversity footprint

The Group's most significant interactions with nature arise from its Plantation and Leisure sectors. Over 23,000 hectares of cultivated land across the low-grown regions of Galle, Deniyaya, Kalutara and Kegalle and the high-grown regions of Talawakelle, Nanu Oya and Nuwara Eliya are located within landscapes of considerable ecological value. Similarly, the Group's Amaya Lake resort is situated within approximately 15 hectares of ecologically rich landscapes, underscoring its close connection to areas of significant biodiversity value.

Biodiversity interventions: The Group's biodiversity projects are conducted as ongoing initiatives and the key interventions are summarised below. (Please refer to Sector-specific interventions on page 57 and 81 of this Report)

Project Kirulu: The Group's flagship biodiversity program, seeks to leverage the Group's extensive land bank, cross-sector synergies and insights on ecosystems to preserve Sri Lanka's rich and vibrant ecosystems. Actioned by Talawakelle Tea Estates, the programme involves the planting of native, endemic trees with the contribution of Group companies.

>4,450

Trees planted to date

Obtained Eco System Verification by Preferred Nature

Mangrove restoration: The Transportation & Logistics Sector's Project Advantis Blue C seeks to increase the national blue carbon sinking capacity by supporting the conservation and replenishment of coastal ecosystems. The Project received the UN Decade of Restoration Flagship Award for Sri Lanka by the UNEP and FAO of the United Nations

8.9 hectares

Under restoration in Pubudugama

Biodiversity preservation in the Plantations Sector

Shade-tree carbon credit programme: Horana Plantations PLC launched the T-SHADE Restoration Project, Sri Lanka's first shade-tree carbon credit initiative registered under the Verified Carbon Standard. By linking ecological restoration with carbon finance, the project seeks to enhance biodiversity, strengthen estate resilience and create new avenues of sustainable value creation, while positioning Sri Lanka's plantation sector at the forefront of regenerative agricultural practices.

Rotary one million trees project: During the year, the Group partnered with Rotary Sri Lanka to launch an ambitious reforestation initiative aimed at planting one million trees to support the restoration of Sri Lanka's forest cover and enhance ecological resilience for future generations. The programme adopts a site-specific approach, with suitable tree species identified for planting across designated areas within the Group's plantation estates. While Rotary Sri Lanka leads awareness and fundraising efforts, Hayleys Plantations is responsible for the planting and long-term nurturing of the trees, helping to maximise survival rates and environmental impact.

Surakimu Ganga: KVPL in partnership with IUCN launched the Surakimu Ganga initiative which strives for collaboration between the private, sector and international organisations to adopt nature-based solutions for greening the river basin in We Oya catchment area in the Kelani River.

Project REGROW by Horana Plantations in partnership with WNPS Plant includes the restoration of a nine-kilometre-long forest corridor along the Maskeliya Oya creating 55 hectares of new forests in the process. In the future, this initiative will enable species to move among larger forest patches in an uninterrupted manner.

EcoPulse Cloud Forest Restoration

Dipped Products PLC, in partnership with Horana Plantations PLC, launched the EcoPulse Cloud Forest Restoration Project, Sri Lanka's first private-sector-led cloud forest restoration initiative above 6,000 feet. Located within the Bambarakelle Estate in the Central Highlands, the project focuses on restoring montane forest ecosystems, conserving biodiversity and protecting critical watershed areas.

40 hectares

(100 acres) within Bambarakelle Estate, Lindula

>6,000 feet

(1,860 m) Elevation

Behold the Turtle

A longstanding initiative of the Purification Sector, Behold the Turtle is implemented in partnership with Sri Lanka's Department of Wildlife Conservation and aims to support the conservation of endangered sea turtles within the Kumana National Park. The programme focuses on protecting vulnerable hatchlings during the critical early stages of their lifecycle, enhancing their chances of survival before being released into their natural habitat.

Engaged Workforce

Our workforce of over 38,000 employees represents one of the Group's most valuable assets and remains central to its long-term success and sustainability. The impacts we create on our people is a key area of focus under the Social pillar of the Hayleys Lifecode, reflecting the Group's commitment towards fostering a capable, engaged and future-ready workforce. Across the Group's diverse operations, employees serve as the architects of strategy execution, custodians of the Group's values and enablers of customer experience and operational excellence.

38,746
TOTAL EMPLOYEES [LA]

74%
RETENTION RATE

Rs. 325 Mn
TRAINING INVESTMENT

34%
FEMALE REPRESENTATION [LA]

3,960
EMPLOYEES COVERED THROUGH ANTI-DISCRIMINATORY TRAINING

Contribution to SDGs: This pillar of the Group's ESG strategy aims to contribute towards the following Sustainable Development Goals

Diverse and engaged workforce

Attrition rates:
25.78%

Continued progress towards achieving retention targets, with retention levels improving compared previous years which was impacted by elevated workforce migration trends and broader labour market challenges

Learning & development

Average training hours: [LA]
15

Total training hours:
579,104

Ongoing programmes focused on leadership development, AI and automation-related capabilities, technical competencies and soft skills.

Health & safety

Injury rate:
9%

Continued focus on strengthening health and safety procedures, management systems and policies to support safer workplaces and enhance risk management practices

Management approach: Human capital governance and management across Hayleys PLC is supported through a comprehensive suite of HR policies designed to promote responsible people management practices across the Group. The Group has also established targets and commitments under the Hayleys Lifecode across several key areas of focus, as graphically illustrated below, with related targets presented alongside. These commitments are applicable at Group level and are further operationalised through sector-level ESG roadmaps aligned with the Hayleys Lifecode, supporting the consistent implementation of the Group's human capital priorities across its diverse business operations.

Impacts: 2-7 d *The Group, with a workforce of over 38,000 employees across diverse business verticals and local and overseas operations, creates significant economic and social value through employment generation and socio-economic empowerment across the communities we operate in. The Group creates positive impacts through fair employment opportunities, skills development, employee well-being initiatives and the fostering of a diverse and inclusive working environment. Given the scale and diversity of operations, the Group also recognises the potential adverse impacts associated with employment-related activities, including occupational health and safety risks, employee wellbeing challenges, labour relations matters and broader human rights-related risks if not effectively managed. The mechanisms in which the Group addresses these negative impacts are detailed in subsequent sections of this Chapter.*[LA]

Policies

- Industrial relations
- Discipline
- Grievance handling
- Recruitment
- Learning & development
- Talent management & succession
- Performance management
- Anti-sexual harassment
- Whistleblower
- Human rights
- Health and safety
- Personal data protection

How we track progress

Progress against HR-r is monitored on a monthly and quarterly basis through the Hayleys CUBE and reported to the Board as part of quarterly performance and ESG reviews.

OUR COMMITMENTS AND TARGETS TO 2030

Diverse and engaged team
Attrition rates
Managerial: **12%**
Executive: **19%**
Non-Executive: **22%**

Opportunities for learning
40 average training hours per employee

Performance driven conductive work culture
100% employees to receive performance appraisals

Talent pipelines and succession plans
Clear succession plans for GMC members' immediate subordinates

Health, safety and well-being
Zero significant workplace injuries

Inclusive and equitable culture
100% coverage on anti-discriminatory training

Leadership and supervisory development
10,000-man hours of leadership and supervisory development programmes training

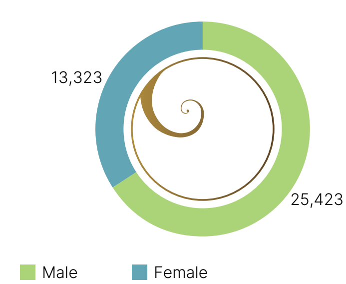
Talent pool 2-7 e

The Group's total workforce as at 31 March 2026 amounted to 38,746 employees, compared to 38,029 employees in the previous year. The increase was primarily driven by expansion within the Consumer & Retail and Projects & Engineering sectors, whilst employee numbers across most other sectors remained relatively stable during the year.[LA]

Computation methodology 2-7 c

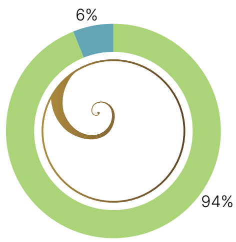
The employee figures presented include full-time permanent, contract and casual employees for whom EPF and ETF contributions are made by the Group at the end of the year. Hayleys does not engage employees on a part-time basis. A regional breakdown between Sri Lanka and overseas operations is presented given the Group's presence across multiple countries and geographically diverse business operations.[LA]

EMPLOYEES BY GENDER [LA]



Engaged Workforce

EMPLOYEES BY REGION LA



2-7

	By region		Total
	Local	Overseas	
Permanent employees LA	28,726	1,906	30,632
Contract employees	7,191	272	7,463
Casual employees	651	-	651

DEVELOPING A DIVERSE AND ENGAGED WORKFORCE

Measuring progress

Attrition rates measure the percentage of employees who leave the organisation over a given period and serve as an indicator of workforce stability, employee engagement and retention effectiveness.

Attrition targets

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

Progress in 2025/26

- Overall attrition rate: 25.78%

The Group remains focused on fostering an engaged and motivated workforce, recognising employee engagement as a key driver of organisational performance, productivity and long-term sustainability. Progress towards this objective is monitored through attrition targets established across different employee categories, enabling the Group to assess workforce stability, employee retention and overall engagement levels.

Profile of new recruits LA 401-1 a

By Gender	Number	Rate	By Age	Number	Rate	By Region	Number	Rate
Male	7,210	68%	Less than 30 years	5,797	55%	Sri Lanka	10,223	96%
Female	3,425	32%	30-49 years	3,279	31%	Overseas	412	4%
			>50 years	1,559	15%			
Total	10,635			10,635			10,635	

Profile of exit employees LA 401-1 b

By Gender	Number	Rate	By Age	Number	Rate	By Region	Number	Rate
Male	6,720	68%	Less than 30 years	4,570	46%	Sri Lanka	9,436	95%
Female	3,177	32%	30-49 years	3,173	32%	Overseas	461	5%
			>50 years	2,154	22%			
Total	9,897			9,897			9,897	

OPPORTUNITIES FOR CONTINUOUS LEARNING

Measuring progress

Training hours are monitored to assess the Group's investment in employee development and the extent to which the workforce is being equipped with the knowledge, technical competencies and behavioural capabilities required to drive strategy

Training and development targets	Progress in 2025/26
40 average training hours per annum/employee	*Average training hours per person: 14.95* LA

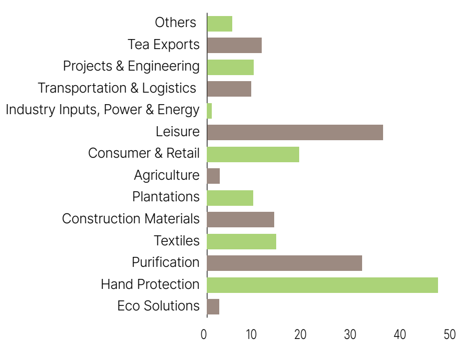
404-2 *The Group continued to place strong emphasis on talent development and capability building recognising human capital as a key driver of long-term growth and competitiveness. Key focus areas during the year included leadership development, strengthening AI and digital capabilities and the continued development of future talent through management trainee programmes. In addition, sectors conducted a wide range of technical and function-specific training programmes tailored to operational requirements, including customer service training, technical skills development, research and development capabilities and sector-specific competency enhancement initiatives.*LA

*The Group does not currently maintain formal transition assistance programmes specifically relating to retirement or termination of employment. However, the Group continues to invest significantly in employee training, skills development and continuous learning initiatives aimed at strengthening long-term employability, adaptability and lifelong learning capabilities across its workforce.*LA

Performance management: 404-3 a *The performance management process from goal setting to mid and end-year 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. The proportion of employees receiving performance appraisals are summarised below:* LA

By gender	%	By category	%
Male	66	Manual	62
Female	34	Clerical & supervisory	19
		Executives	12
		AM & Above	7

AVERAGE TRAINING HOURS BY SECTOR LA



	2026	2025	2024
Total training hours LA 404-1 a	**579,104**	422,269	369,589
Investment in training (Rs.mn)	**325**	195	183
Average training hours (by category) LA 404-1 a			
Managerial	**17.52**	17.24	13.51
Executive	**15.22**	15.33	12.51
Others	**14.69**	10.07	9.66
Average training hours (by gender) LA 404-1 a			
Male	**13.90**	11.23	9.82
Female	**16.93**	10.90	10.88
Average training hours/ employee LA 404-1 a	**14.95**	11.12	10.19

Engaged Workforce

Labour management relations

2-30a *The Group recognises and respects the right to freedom of association and collective bargaining, with approximately 14% of employees covered by collective agreements across its operations.*[LA] 402-1 *The Group does not maintain a formally defined minimum notice period applicable to all significant operational changes. However, where material changes may substantially affect employees, the Group generally seeks to provide adequate and reasonable notice and communication to employees and relevant stakeholders, taking into consideration the nature and circumstances of the change. Where applicable, provisions relating to employee consultation, engagement and negotiation are addressed through relevant collective bargaining agreements and established labour relations processes in accordance with applicable legal and regulatory requirements.*[LA]

HEALTH AND SAFETY [LA]

Measuring progress

Injury rates indicate the frequency and severity of workplace injuries occurring within an organisation over a given period

Target	Progress in 2025/26
Zero significant workplace injuries [LA]	Injury rate: 9% Fatality rate: 0.03%

Health and safety across the Group is managed through a combination of Group-wide governance and sector-specific interventions, recognising the diverse operational nature of the Group's businesses. A Group-wide Health and Safety Policy establishes the overarching principles and expectations, sectors implement tailored governance structures, procedures and initiatives aligned with their specific operational risk profiles and regulatory requirements. The Group's occupational health and safety framework is supported through dedicated health and safety departments and appointed H&S champions across multiple sectors, led by qualified health and safety personnel.

Occupational health and safety management system: 403-1 *The Group's health and safety practices are aligned with relevant legislation and regulations in Sri Lanka, including the Factories Ordinance, Shop and Office Employees Act, Workmen's Compensation Ordinance, Industrial Safety regulations and other applicable labour and occupational safety requirements relevant to the sectors within which the Group operates. In addition, several sectors maintain internationally recognised health and safety certifications and management systems, including ISO-45001: 2018, to strengthen operational safety standards and continuous improvement processes. These systems are further aligned with sector-level health and safety targets and ESG roadmaps, supporting the proactive management of workplace risks and employee wellbeing across the Group. In general, the Group's permanent, casual and contractual employees are covered in the occupational health and safety system.*[LA]

Hazard identification and risk assessment: 403-2 *These processes typically include workplace inspections, hazard identification assessments, risk registers, incident and near-miss reporting, safety audits, fire drills and audits by independent auditors, equipment and operational reviews and employee consultations conducted at site and operational level. Risk assessments are also carried out prior to the commencement of higher-risk, non-routine or maintenance-related activities to identify potential hazards and implement appropriate control measures. Meanwhile, the Group has established processes and reporting mechanisms enabling employees to report work-related hazards, injuries, incidents and hazardous situations through supervisors and established incident reporting channels at operational levels.*[LA]

Occupational health services: 403-3 *While services and interventions may differ across entities depending on the nature of operations and sector-specific risk exposures, the following occupational health and safety services and practices are generally prevalent across the Group's sector entities.*[LA]

- *Availability of OHS persons and visual communication*
- *Emergency vehicles at sites, medical centres, dedicated nurses/medical representatives at facilities etc.*
- *Fully qualified in-house nurse*
- *Doctor available for consultation twice a week and upon request*

Worker participation: 403-4 *The Group maintains joint management-worker health and safety committees across selected operations to support collaborative engagement on occupational health and safety matters. These committees typically comprise* *representation from employees across different levels of the organisation, including workers, management representatives and other stakeholders. The committees facilitate two-way communication on workplace safety matters, enabling site-level risks, incidents and concerns to be identified, discussed and addressed in a timely manner. Where issues cannot be adequately resolved at operational level, matters are escalated through established governance channels, including to the ESG Steering Committee, whose mandate includes oversight of occupational health and safety-related matters.*[LA]

Process for developing health and safety systems: *While health and safety management processes may differ across sectors depending on the nature of operations and risk exposure, the Group generally incorporates the following elements when developing health and safety management systems.*[LA]

Information collection → Hazard identification → Review of existing control measures → Review of hazard identification and risk assessment → Training and communication

Health and safety culture: 403-5 *Ongoing health and safety training programmes are conducted across the Group, tailored to the specific occupational health and safety risks and operational environments of each sector. These initiatives are aimed at strengthening employee awareness, operational discipline and the consistent adoption of safe work practices across the organisation. In addition, selected sectors, including Transportation & Logistics, have integrated occupational health and safety-related KPIs into employee performance evaluations, reinforcing accountability and supporting the development of a strong safety-conscious culture across operational teams.*[LA]

Promotion of worker health: 403-6 *The Group provides comprehensive non-occupational medical and healthcare support to employees through health insurance and life insurance coverage applicable across the workforce. In addition, the Group continues to promote employee wellbeing through a range of initiatives focused on both physical and mental wellness, including awareness programmes, health-related activities and employee engagement initiatives, as presented alongside.*[LA]

- *Medical camps*
- *Eye tests*
- *Stress management sessions*
- *First-aid awareness*
- *Session on emotional intelligence*

Health and safety impacts linked to business relationships: 403-7 *The Group's approach towards managing occupational health and safety impacts arising through business relationships differs across sectors depending on the nature of operations and associated risk exposures. Certain sectors, including Transportation & Logistics, Projects, Energy and Mobility, incorporate subcontractors, contractors and other third parties within their occupational health and safety management systems and operational procedures. To mitigate such risks, sectors implement a range of controls including operational procedures, site-level supervision, hazard identification processes and compliance monitoring mechanisms where relevant.*[LA]

Injury record for 2025/26: 403-9 *The Group deeply regrets the occurrence of two workplace fatalities during the year under review. These incidents were treated with the utmost seriousness, and the Group has since undertaken further reviews and corrective actions aimed at strengthening health and safety practices, operational controls and risk prevention measures across its operations. Work-related hazards that pose a risk of high-consequence injury are mainly physical risks such as machinery-related hazards and chemical-related risks. During the year, high-consequence injuries stemmed mainly from machinery related hazards while there were no fatalities The injury record for the year is summarised below.*[LA]

Definitions and contextual information

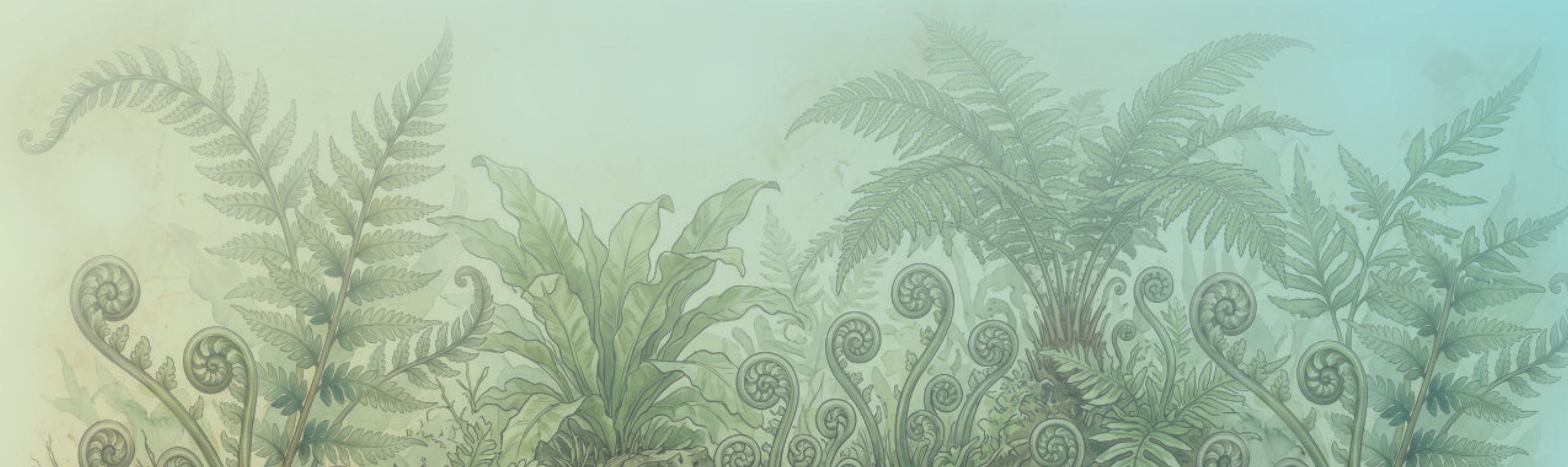
- **Occupational injuries:** Injuries due to work related accidents resulting lost man days
- **Commuting accidents:** Injuries during work related travels / transport
- **Near misses:** An undesired event which slightly different circumstances could have resulted in harm to people, environment and damage to property or loss to process

Unless otherwise specified, disclosures presented within this section include information relating to all employee categories across the Group's operations in Sri Lanka and overseas. The Group does not currently collate health and safety information relating to workers who are not employees.

	Number	Rate*
Work-related fatalities 403-9	2	0.03
Near misses	64	-
Commuting incidents	48	-
Occupational injuries resulting in lost days	201	-
First-aid injuries	397	-

*Rates have been calculated on 1,000,000 hours worked

Work-related ill health: 403-10 *Work-related hazards that may pose a risk of ill health differ across Hayleys PLC's sectors depending on the nature of operational activities and working environments. Across manufacturing operations, potential risks may include exposure to machinery, noise, chemicals and ergonomic strain, whilst plantation operations may involve exposure to agrochemicals, weather conditions and repetitive manual activities. In sectors such as Transportation & Logistics, commuting-related risks, driver fatigue and operational safety exposures are also relevant considerations. These hazards are generally identified through workplace inspections, hazard identification and risk assessment processes, incident and near-miss reporting and compliance monitoring activities conducted across the Group's operations.*[LA]



Partnering Progress

Social inclusivity lies at the heart of Hayleys' Corporate Purpose. With an unparalleled footprint across Sri Lanka, the Group is uniquely positioned to create lasting value for its customers, suppliers, employees and the communities it serves. Through its diverse businesses, extensive supply chains and global market reach, Hayleys strengthens livelihoods, fosters trusted partnerships, delivers quality products and services and contributes to inclusive socio-economic development, reinforcing resilient business models and shared value creation.

Rs. 408 Bn
PAYMENTS TO SUPPLIERS

59%
SPENDING ON LOCAL SUPPLIERS

5,512
SUPPLIERS DEVELOPED

Rs. 444 Mn
INVESTMENT IN CSR

668,859
CSR BENEFICIARIES

Contribution to SDGs: This pillar of the Group's ESG strategy aims to contribute towards the following Sustainable Development Goals (SDGs). Refer to page 17 for further information and descriptions relating to the Group's contributions and initiatives.

Customers

95%
of customer complaints resolved

Product stewardship across procurement, manufacturing, marketing and produce use

Suppliers

Target of achieving
40%
supplier screening

Supplier due diligence expanded across key sectors with environmental and social criteria embedded into the screening process

Communities

CSR beneficiaries surpassed target

Numerous CSR engagements across our diverse business verticals

Management approach: Social & Relationship Capital governance across Hayleys PLC is supported through a comprehensive suite of Group-wide policies and frameworks that guide responsible engagement with customers, suppliers, communities and other key stakeholders. The Hayleys Lifecode further strengthens this approach by establishing clear commitments and targets across these priority stakeholder groups, as graphically illustrated below, with related targets presented alongside. These commitments are implemented consistently across the Group through sector-level ESG roadmaps aligned with the Hayleys Lifecode, enabling each business to respond to stakeholder needs while advancing the Group's broader social and relationship capital priorities.

Impacts: The Group's extensive relationships with customers, suppliers and communities enable it to create significant economic and social value across its diverse value chains. Through responsible sourcing, supplier development, indirect employment generation and livelihood enhancement, the Group supports inclusive economic growth while strengthening the resilience of its

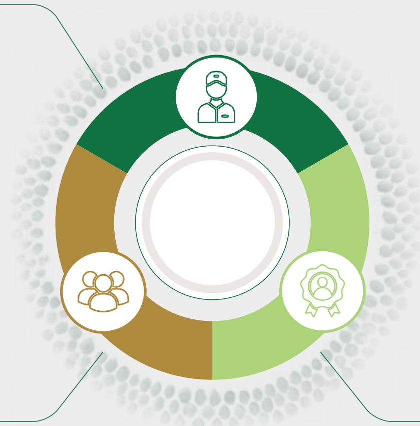
Partnering Progress

supply chains. At the same time, its commitment to innovation, product and service responsibility and customer-centricity enables the delivery of trusted products and services that create lasting value for customers. Beyond its business operations, the Group contributes to community development through strategic investments in education, health, safety and well-being, creating positive and enduring impacts across the communities in which it operates. The mechanisms through which the Group manages these impacts are discussed in the subsequent sections of this Chapter.

Policies
Customer Management Policy
Procurement Policy
CSR Policy
Human Rights Policy

How we track progress
Progress against our social indicators monitored on a monthly and quarterly basis through the Hayleys CUBE and reported to the Board as part of quarterly performance and ESG reviews

OUR COMMITMENTS AND TARGETS TO 2030



Supplier Relationships
40% of suppliers screened for environmental and social criteria

All Sectors to establish at least one long term supplier development programme

Customer Relationships
Customer satisfaction surveys and grievance mechanisms for 100% of operations

Customer grievance handling processes covering 100% of operations

40% of all products and services to include relevant product information,

Community Relationships
50% increase in CSR beneficiaries

PARTNERING PROGRESS
The Group is committed to nurturing long-term, mutually beneficial relationships with its customers through ongoing engagement and responsible business conduct.

Customer-related targets
- Customer satisfaction surveys covering 100% of operations
- Customer grievance handling processes covering 100% of operations
- Adopt responsible marketing practices

Progress in 2025/26
- Acquisition of over 2.12 mn customers across the Group
- 95% of customer complaints resolved

Connectivity to SLFRS S1 & S2 disclosures
- SRRO 3-Escalating customer requirements on sustainability (SLFRS Icon 3)

CUSTOMERS

Hayleys' customer base spans over 80 countries across its diverse business verticals, comprising both retail and B2B customers. This far-reaching presence enables the Group to serve a broad spectrum of customer needs across local and international markets, supported by a strong value proposition centred on quality, innovation, reliability and service excellence.

Disclosures relating to innovation and customer service are discussed in detail in the Group's Integrated Annual Report

Product Stewardship

The Group's commitment to product stewardship is embedded across different aspects of its customer journey through compliance to certifications, internal policies as well as responsible marketing practices.

1.	**PROCUREMENT/BUYING STAGE**	Stringent procurement practices and strong relationships with suppliers limit the risk of potential issues at the purchasing stage
2.	**MANUFACTURING**	Compliance to an array of certifications and clearly defined policies, procedures and guidelines for manufacturing operations.
3.	**MARKETING**	A Responsible Marketing Guideline ensures the integrity and accuracy of all marketing communications. The Hayleys Group Corporate Communications Department reviews all key press releases and publications.
4.	**PRODUCT USE**	Compliance with a range of certifications which provide assurance to external stakeholders regarding the quality and safety of our products. These include the following certifications obtained by various sectors ⦿ ISO 9001: 2015 Quality Management Systems ⦿ ISO 22000: 2018 Food Safety Management Systems ⦿ British Retail Consortium Certification Safety and Quality certification for consumer products

Assessment of health and safety impacts: Selected products across the Group are assessed for health and safety impacts, with the scope and nature of assessments varying based on the product category, and applicable regulatory or certification requirements. Product health and safety assessments are carried out in the Hand Protection, Purification, Textiles, Plantations, Agriculture, Consumer & Retail, Leisure and Tea Exports. These assessments include, where relevant, testing and evaluation for allergy risks, chemical safety, food safety, product durability, safe use and conformity with customer or market-specific standards. In the Leisure Sector, health and safety assessments are primarily linked to food safety and hygiene standards, while in Tea Exports, assessments focus on product quality, food safety, residue levels and compliance with destination-market requirements. The criteria and methodologies used for assessment differ across business verticals. During the year there were no major instances of non-compliance concerning the health and safety impacts of products and services.

Product and service information and labelling: 417-1 a *Product and service information and labelling requirements vary by sector. Across the Group, such information may include safe use, handling instructions, product features, sourcing details, content, components, materials used and quality specifications among others. For example, the Consumer & Retail Sector provides information on safe use and key product features, while consumable products in Tea Exports and Agriculture include relevant sourcing, content and quality information. In Textiles and Hand Protection, information requirements include components, materials, safety specifications and performance characteristics.*[LA] 416-2 *During the year there were no major instances of non-compliance concerning product and service information and labelling.*[LA]

Partnering Progress

PARTNERING PROGRESS
The Group aspires to drive long-term value across its supply chain through collaborating with its diverse network of suppliers.

Supplier-related targets	Progress in 2025/26
Achieve 40% environmental and social screening of total suppliers	Increased emphasis on supplier screening and traceability
All Sectors to establish at least one supplier development programme	Expansion in supplier development programmes

SUPPLIERS
The Group has cultivated diverse, robust, and far-reaching supply networks across the country—an enduring hallmark of its DNA and a cornerstone of its value creation journey. By engaging a broad and inclusive supplier base the Group injects significant value across communities, driving socio-economic empowerment. Suppliers are diverse in geographical profile and scale of operations, ranging from individuals and small-scale suppliers to large B2B players.

Disclosures relating to the expansion and diversification of the Group's supply chain and supplier development activities are disclosed in detail in the Group's Integrated Annual Report

Supplier due diligence
In response to emerging global standards (including evolving EU regulations) and escalating environmental and social risks on the supply chain, the Group is strengthening its supply chain due diligence to ensure ethical, transparent, and sustainable practices across all tiers of its operations. This is an area of focus under the Hayleys Lifecode while the criteria to be used for environmental and social screening of suppliers is set out in the Group's Procurement Policy. Key environmental and social criteria included in the Group's supplier screening are listed below:

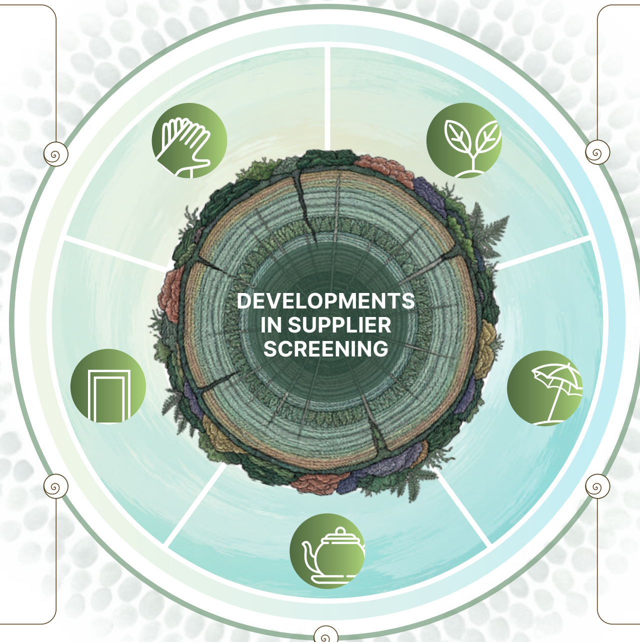
Social	Environmental
Labour practices	Compliance
Working conditions	Plans for minimising energy, water and emissions
Health and safety	Responsible waste disposal

Industry Partnerships
The Group is also an active contributor to multiple industry associations and forums, engaging with stakeholders and the government to provide input in creating an enabling industry and regulatory environment. The Group holds memberships in the following industry associations.

Membership in Industry Associations LA 2-28

- *Ceylon Chamber of Commerce*
- *Ceylon Association of Ships' Agents*
- *Lanka Business Coalition for HIV-AIDS*
- *United Nations Global Compact*
- *National Agribusiness Council*
- *Sri Lanka Association of Inbound Tour operators*
- *National Chamber of Exporters*
- *Sri Lanka Institute of Nanotechnology*
- *Planters Association*
- *Sri Lanka Freight Forwarding Association*
- *SLASSCOM*
- *American Chamber of Commerce*

Progress made in supplier screening are summarised below:



Hand Protection Sector

Building on focused efforts undertaken over the past few years, the Sector is now well positioned for EUDR compliance. The Sector has progressively engaged its latex supplier base on traceability, and supply chain due diligence

Plantations Sector

The Company successfully has achieved compliance on EUDR following a comprehensive evaluation of suppliers

Construction Materials and Hand Protection

Building on the product lifecycle analysis conducted in the previous year, both sectors continued to strengthen supplier engagement and information gathering mechanisms during the year.

Leisure Sector

Having commenced environmental and social screening of suppliers, the Sector continued to widen the scope and coverage during the year

Tea Exports

During the year, Mabroc Teas launched TeaTrace, a data-driven traceability platform that provides buyers and consumers with batch-level visibility from estate to retail shelf.

COMMUNITIES

Partnering Progress

As a Group with an extensive geographical reach, Hayleys seeks to drive socio-economic value across the communities in which it operates

Community-related targets	Progress in 2025/26
Increase CSR beneficiaries by 50% by 2030	668,859 CSR beneficiaries during the year (67% increase over the baseline)

Partnering Progress

Hayleys' far-reaching presence across Sri Lanka gives the Group a deep and meaningful connection with communities across the country. Through its operations, supply chains and indirect employment opportunities, the Group supports livelihoods while advancing targeted community development initiatives in the localities it operates in.

CSR Governance: All CSR initiatives are aligned to the Group Community Engagement policy but formulated and driven at Sector level while certain significant projects are also driven by the Centre. The Group ESG Steering Committee has oversight responsibility on the Group's CSR activities. Details pertaining to CSR activities, beneficiaries and impacts are reported by the Sectors to the Group ESG division on a quarterly basis.

Volunteerism: The Group's volunteering platform, the Hayleys Nurture Network, provides an opportunity for employees to participate in environmentally-friendly initiatives, thereby enhancing their sense of purpose, driving positive impacts and nurturing a culture of sustainability consciousness in the organisation

Assessing impacts on local communities: 413-2 *The Group adopts a range of formal and informal mechanisms for local community engagement and impact assessment, with approaches varying based on the community context. Environmental impact assessments are carried out where required under applicable environmental regulations.*[LA]

Social impact assessments are currently at a more basic stage, although community-related considerations are addressed through ongoing engagement, grievance mechanisms and sector-level monitoring of community relationships. In sectors where vulnerable communities are closely connected to operations, particularly in the Plantations Sector, engagement is also maintained through established structures such as trade unions, worker representatives and estate-level community forums.[LA]

Indirect economic impacts [LA] 203-2

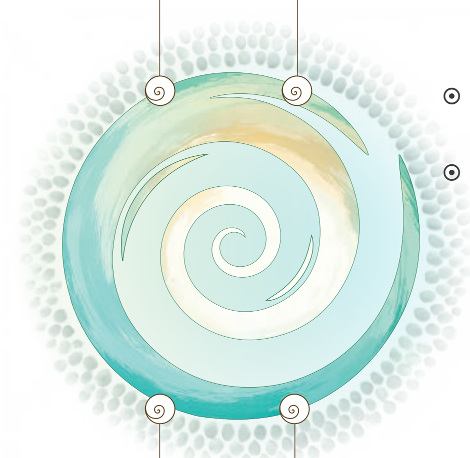
The Group's indirect economic impact extends well beyond its immediate operations, reflecting Hayleys' unique position as a critical part of Sri Lanka's national economic backbone. Through its diverse sectors, islandwide supply chains, export orientation, employment generation and deep linkages with suppliers, distributors, service providers and communities, the Group supports economic activity across multiple layers of the economy. Key indirect economic impacts are summarised below and described in further detail in the Portfolio Reviews from page 57 to 81 of this Report.

Products and services that elevate the quality of life

- Convenience, comfort and connectivity through consumer durable solutions
- Nutrition and dietary wellness through agricultural products
- Safety, hygiene and protection through gloves
- Purification of air and water through a range of purification solutions

National economic impact

- Generates 5% of the country's export income
- Facilitating business growth through transportation & logistics, industrial raw materials and digitalisation services
- One of Sri Lanka's largest producers of tea and rubber
- Indirect employment generation across supply chains



- Fabricator training by the Construction Materials Sector
- Sollar installers trained by Hayleys Fentons
- Supplier development across our agricultural value chains

Skill development across supply chains

- Numerous community engagement initiatives across the Group which support education, health, environmental preservation and culture

Community development projects

Infrastructure investments supported [LA] 203-1

The Group's sectors independently support community infrastructure development and related services on a pro bono basis, responding to both ongoing community development priorities and ad hoc requirements identified through regular engagement with local stakeholders. During the year, such support included contributions towards improving access to essential community infrastructure, primarily in education and healthcare. These initiatives were carried out through direct sector-level engagement, partnerships with local authorities, schools, community organisations and estate-level representatives, ensuring that support was aligned with actual community needs. For further details on Sector-specific interventions, please refer to the Portfolio Reviews on page 57 to 81.

Community development and impact

The Group's community development initiatives are designed to address specific social and environmental challenges within the communities connected to its operations and value chain. These initiatives are implemented through long-term engagement, sector-level expertise and a practical understanding of the needs of each community.

Key positive impacts [LA] 203-1 c

Puritas Sath Diyawara & Going Beyond	Sisu Divi Pahana	Home for Every Plantation Worker
45,000 Beneficiaries	**16** Schools	**>440,000** Beneficiaries
Rs.112.5mn Investment	**>800** Beneficiaries	**Rs.112.5mn** Investment

- *Improving access to safe drinking water through Puritas Sath Diyawara affected by chronic kidney disease. By leveraging the Group's water purification expertise, the initiative helps reduce exposure to unsafe water sources while supporting improved health outcomes and quality of life*
- *The Going Beyond initiative further extends this impact by addressing broader socio-economic needs in CKD-affected villages, including education, livelihoods and community wellbeing.*
- *Through Sisu Divi Pahana, the Group contributes towards addressing malnutrition among schoolchildren in vulnerable communities by providing nutritious midday meals across 13 schools. The initiative supports better nutrition, school attendance and learning outcomes while easing the financial pressure on low-income families.*
- *The Plantations Sector's Home for Every Plantation Worker initiative creates a wider community impact by supporting nearly 150,000 individuals across the estate community. Structured around 4 key pillars, the programme supports improvements in housing, wellbeing, skills development and long-term social mobility within plantation communities.*

While these initiatives continue to generate meaningful positive outcomes, the Group remains mindful of potential negative impacts and implementation challenges, although these did not materially manifest during the year. Such considerations include unequal access where programmes are unable to cover all vulnerable communities, increased expectations from surrounding communities and the need to ensure that interventions remain culturally appropriate and aligned with actual community priorities.

Stakeholder Engagement

The Group engages with a broad and diverse range of stakeholders across the markets and communities in which it operates. Building and sustaining strong and mutually beneficial relationships with these stakeholders has long been embedded in the Group's DNA and remains fundamental to its ability to generate value. Through structured and ongoing engagement, the Group seeks to understand evolving expectations and ensure that stakeholder perspectives are reflected in its decision-making.

Governance of stakeholder engagement: The Hayleys Lifecode articulates the Group's value propositions to each stakeholder group and includes specific policies for employees, suppliers and communities that offer guidelines on the engagement approach. The Lifecode also sets out the engagement measures adopted under each selected approach.

Addressing barriers to stakeholder engagement
The Group's stakeholder universe is widely diverse, which in turn necessitates differentiated approaches in conducting stakeholder engagement. This diversity includes language, cultural differences, general differences, gender imbalances and divisions within communities. The Group adopts the following measures to address these barriers;

- Trilingual communication wherever possible
- Tailor-made engagement initiatives for selected groups
- Use of independent parties to conduct engagement

Resources allocated for stakeholder engagement in 2025/26

- Board oversight of stakeholder relationships
- Corporate communications and investor relations teams
- Structured stakeholder engagement framework
- Community investment programmes
- Industry forums and memberships

A summary of the Group's stakeholder engagement during the year are given below:

SHAREHOLDERS/ INVESTORS

WHO THEY ARE

Stakeholder in context
Retail and institutional shareholders, together with banks, lenders and other providers of financial capital.

Purpose of engagement

Shareholder engagement is undertaken at the organisational level in line with applicable regulatory requirements and corporate governance best practices. The Group recognises the right of shareholders to engage with the Board and Management, providing a structured platform to communicate performance, understand shareholder perspectives and support informed decision-making on matters material to the business.

Our Engagement Approach

Providing feedback

- Quarterly financial results released to the CSE
- Press releases through the CSE (ongoing)
- Ongoing engagement with investment analysts stockbrokers and media
- Corporate website and social media

Receiving feedback

- Annual General Meeting
- Communication through the Company Secretarial Division

Purpose of engagement

Strong

Integrating stakeholder feedback
Shareholders' concerns (including those of minority shareholders) are brought to the attention of the Board of Directors and GMC members and incorporated into both strategic and operational decisions as required.

Stakeholder Scorecard

+3%
Growth in EPS

Rs. 4.50 bn
Total dividend payments

12.41%
Return on equity

+57%
Movement in share price

EMPLOYEES

WHO THEY ARE

Stakeholder in context

The Group's 38,700+ employees who are located across 15 countries of operation

Purpose of engagement

Employee engagement is primarily undertaken at the Sector level through dedicated Human Resources functions, recognising the diverse nature of the Group's businesses and workforce. This is supported by the Group Human Resources function, which provides strategic direction, establishes Group-wide people policies and frameworks and promotes a consistent approach to employee engagement across the organisation.

Our Engagement Approach

Providing feedback

- Regular multi-level staff meetings
- Annual performance appraisals
- Year-round event calendar including work-life balance initiatives, sports activities and cultural activities
- Digital engagement

Receiving feedback

- Bi-annual performance reviews
- Periodic satisfaction surveys (Sector-level)
- Open-door policy and grievance mechanisms

Purpose of engagement

Strong

Integrating stakeholder feedback

Identified employee concerns are escalated to the relevant GMC and Group HR Division which formulates the Group's overarching HR strategy for the year.

Stakeholder Scorecard

Rs. 62.33 bn
Employee payments

34%
Female representation

74%
Retention rate

Rs. 325 mn
Training investment

CUSTOMERS

WHO THEY ARE

Stakeholder in context

Our extensive network of retail and B2B customers spread across 5 continents who are served through our 14 diverse verticals

Purpose of engagement

Customer engagement is undertaken primarily at the Sector and company levels to identify areas for improvement, understand the impacts that matter most to customers and respond to their evolving needs. The decentralised approach allows customer feedback and expectations to be effectively incorporated into business decisions while supporting the delivery of high-quality products and services.

Our Engagement Approach

Providing feedback

- Customer interaction at contact points
- Print and electronic media publications as and when required
- Social media interaction

Receiving feedback

- Engagement through marketing teams
- Periodic customer satisfaction surveys in certain sectors
- Open-door policy and grievance mechanisms

Purpose of engagement

Strong

Integrating stakeholder feedback

Customer feedback is a key input in determining product development, marketing and sales strategy and pursuing opportunities in new markets

Stakeholder Scorecard

785
New products developed

680
Products in the pipeline

Rs. 969 mn
R&D investment

Stakeholder Engagement

SUPPLIERS AND BUSINESS PARTNERS

WHO THEY ARE

Stakeholder in context
The Group engages with an extensive network of small, medium and large-scale suppliers and business partners in Sri Lanka and beyond

Purpose of engagement

Supplier and business partner engagement is undertaken primarily at the Sector, or at times even Site level, with engagement tailored to the specific context and requirements of each business where appropriate. The Group's approach has always been centred on building long-term, mutually beneficial relationships that foster collaboration, strengthen resilience across the value chain and empower suppliers and business partners to achieve their next stage of growth

Our Engagement Approach

Providing feedback

- Engagement through procurement teams
- Supplier conventions
- Grievance mechanisms

Receiving feedback

- Periodic supplier reviews and assessments
- Supplier conventions
- Community development initiatives
- Site visits and audits

Purpose of engagement

Good

Integrating stakeholder feedback
Identified concerns are communicated by relevant procurement departments to the respective leadership teams who provide due consideration when determining working capital management and procurement-related decisions

Stakeholder Scorecard

+20%
Growth in supplier payments

59%
Spending on local suppliers

5,512
Suppliers supported through development programmes

COMMUNITIES

WHO THEY ARE

Stakeholder in context
Communities located in the vicinity of our operations that are affected by, or have the potential to be affected by, our activities

Purpose of engagement

Community engagement is primarily undertaken at the site level, recognising that local communities are best engaged by the operations with which they interact most closely. The Group maintains ongoing dialogue to understand community perspectives, identify and address grievances, while fostering positive and long-term relationships with the communities in which it operates.

Our Engagement Approach

Providing feedback

- Press releases and other publications when required
- Meetings with community representatives when required

Receiving feedback

- Meetings with beneficiaries of CSR initiatives and capacity building programmes
- Grievance mechanisms

Purpose of engagement

Good

Integrating stakeholder feedback
Identified community issues are swiftly addressed at operational site level or escalated to Sector Head Office/Group level if required

Stakeholder Scorecard

Rs. 444 mn
Investment in community engagement

668,859
CSR beneficiaries

Independent Practitioners' Limited Assurance Report

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TO THE BOARD OF DIRECTORS OF HAYLEYS PLC

REPORT ON SELECTED INDICATORS INCLUDED IN HAYLEYS PLC'S ESG REPORT FOR THE YEAR ENDED MARCH 31, 2026

Conclusion

We have performed a limited assurance engagement on whether the selected sustainability related indicators as defined in annexure A ("Subject matter Information" or "SMI") in Hayleys PLC's ("the Group") ESG report for the year ended March 31, 2026 have been prepared with reference to the selected Global Reporting Initiative Standards 2021 as mentioned in Annexure A ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the selected sustainability related indicators as defined in annexure A of Hayleys PLC for the year ended 31st March 2026 are not prepared, in all material respects, with reference to the Criteria.

The SMI subject to our limited assurance engagement are listed in Annexure A. The assured sustainability information is marked with *Italic* font and marked with **"LA"** in the ESG Report, and the corresponding GRI indicators are also provided in Annexure A.

Our conclusion on the SMI as defined in Annexure A does not extend to other information that accompanies or contains the SMI as defined in Annexure A and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Board of Directors of Hayleys PLC to provide limited assurance on whether the selected SMI as defined in annexure A have been prepared with reference to the Criteria. In accordance with the terms of our engagement, this independent limited assurance report has been prepared for the sole use of the Board of Directors of the entity in connection with its oversight of the selected subject matter information included in the ESG Report.

Restriction on use or distribution

This report has been prepared for the Board of Directors of Hayleys PLC for the purpose of providing an assurance conclusion on whether the selected SMI in the Hayleys PLC's ESG Report for the Year ended 31st March 2026 has been prepared with reference to the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than Hayleys PLC, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Hayleys PLC, for any purpose or in any other context. Any party other than Hayleys PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Hayleys PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Management for the SMI.

Independent Practitioners' Limited Assurance Report

The management of the Group are responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria
- Preventing and detecting fraud and ensuring the Group's compliance with applicable laws and regulations to its activities.
- Ensuring that staff involved in preparation and presentation of the description and Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- Preparing the Subject Matter Information with reference to the criteria

The maintenance and integrity of Hayleys PLC's website, including the presentation of our independent limited assurance report on the website, is the responsibility of Hayleys PLC's management. Management is responsible for any changes to either the information in the ESG report for the year ended 31st March 2026 or our independent limited assurance report that may have occurred since the initial date of its presentation on Hayleys PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the Group's SMI.

Inherent limitations

The preparation of SMI is subject to inherent limitations arising from the nature of non-financial data, including the use of estimates, assumptions, and third-party information. In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected. Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuous throughout the period.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained;
- reporting our conclusion to the Board of Directors of Hayleys PLC.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our procedures selected depended on our understanding of the SMI, other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviewed senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquired management to gain an understanding of the Group's processes for determining material issues for the Group's key stakeholder groups;
- enquired relevant staff at corporate and selected site level responsible for the preparation of the SMI in the ESG report of Hayleys PLC for the year ended 31st March 2026;
- enquired about the design and implementation of the systems and methods used to collect and report the SMI in the ESG Report of the Hayleys PLC for the year ended 31st March 2026, including the aggregation of the reported information;
- compared the SMI in the ESG Report of Hayleys PLC for the year ended 31st March 2026 to relevant underlying sources on a sample basis to determine whether the relevant information has been appropriately included in the Report; and was not designed to test the completeness of the relevant data collection systems.
- recalculated the Information subject to Limited Assurance based on the criteria;
- evaluated the overall presentation of the SMI to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the sustainability performance of the Group; and read the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

kpmg

CHARTERED ACCOUNTANTS

Colombo
16th July 2026

Annexure A to our limited assurance report dated 16th July 2026

The numbers in this annexure have been included in the ESG Report prepared by the Management.
Our reporting boundary is limited to the Group's operations Locally and Internationally.

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page Numbers
Disclosure 2-7 Employees	2-7 a	Group's operations Locally and Internationally	Employees Related Metrics	As at 31st March 2026	33, 34, 35
	2-7 b (i)				35
	2-7 c (i)				34
	2-7 d				33
	2-7 e				34
Disclosure 2-28 Membership associations	2-28 a	Group's operations Locally and Internationally	Membership Association	For the year ended 31st March 2026	43
Disclosure 2-30 Collective bargaining agreements	2-30 a	Group's operations Locally and Internationally	Collective bargaining agreements	For the year ended 31st March 2026	37
Disclosure 203-1: Infrastructure investments and services supported	203-1 a	Group's operations Locally and Internationally	Infrastructure investments and services supported	For the year ended 31st March 2026	46
	203-1 b				
	203-1 c				
Disclosure 203-2 Significant indirect economic impacts	203-2 a	Group's operations Locally and Internationally	Significant indirect economic impacts	For the year ended 31st March 2026	45
	203-2 b				
Disclosure 301-1 Materials used by weight or volume	301-1 a	Group's operations Locally and Internationally	Materials used by weight or volume	For the year ended 31st March 2026	29
Disclosure 302-1 Energy consumption within the organization	302-1 a	Group's operations Locally and Internationally	Energy consumption within the organization	For the year ended 31st March 2026	23
	302-1 b				23
	302-1 e				23
	302-1 f				22
	302-1 g				22
Disclosure 302-3 Energy Intensity	302-3 a	Group's operations Locally and Internationally	Energy Intensity	For the year ended 31st March 2026	24
	302-3 b				24
	302-3 c				24
Disclosure 303-1 Interactions with water as a shared resource	303-1 a.	Group's operations Locally and Internationally	Interactions with water as a shared resource	For the year ended 31st March 2026	26
	303-1 b				26
	303-1 c				26
	303-1 d				26

Independent Practitioners’ Limited Assurance Report

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page Numbers
Disclosure 303-2 Management of water discharge-related impacts	303-2 a	Group’s operations Locally and Internationally	Management of water discharge-related impacts	For the year ended 31st March 2026	28
Disclosure 303-3 Water withdrawal	303-3 a	Group’s operations Locally and Internationally	Water withdrawal	For the year ended 31st March 2026	27
	303-3 b				27
Disclosure 303-4 Water discharge	303-4 a	Group’s operations Locally and Internationally	Water discharge	For the year ended 31st March 2026	28
Disclosure 306-1 Waste generation and significant waste-related impacts	306-1 a	Group’s operations Locally and Internationally	Waste generation and significant waste-related impacts	For the year ended 31st March 2026	25
Disclosure 306-2 Management of significant waste-related impacts	306-2 a	Group’s operations Locally and Internationally	Management of significant waste-related impacts	For the year ended 31st March 2026	29/30
	306-2 b				30
	306-2 c				30
Disclosure 306-3 Waste generated	306-3 a	Group’s operations Locally and Internationally	Waste generated	For the year ended 31st March 2026	30/31
	306-3 b				30
Disclosure 306-4 Waste diverted from disposal	306-4 a	Group’s operations Locally and Internationally	Waste diverted from disposal	For the year ended 31st March 2026	31
	306-4 b				31
	306-4 c				31
Disclosure 306-5 Waste directed to disposal	306-5 a	Group’s operations Locally and Internationally	Waste directed to disposal	For the year ended 31st March 2026	31
	306-5 b				31
	306-5 c				31
Disclosure 401-1 New employee hires and employee turnover	401-1 a	Group’s operations Locally and Internationally	New employee hires and employee turnover	For the year ended 31st March 2026	35
	401-1 b				35
Disclosure 402-1 Minimum notice periods regarding operational changes	402-1 a	Group’s operations Locally and Internationally	Minimum notice periods regarding operational changes	For the year ended 31st March 2026	37
	402-1 b				37
Disclosure 403-1 Occupational health and safety management system	403-1 a	Group’s operations Locally and Internationally	Occupational health and safety management system	For the year ended 31st March 2026	37
	403-1 b				37

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page Numbers
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	403-2 a	Group's operations Locally and Internationally	Hazard identification, risk assessment, and incident investigation	For the year ended 31st March 2026	37
	403-2 b.				37
	403-2 c.				37
	403-2 d.				37
Disclosure 403-5 Worker training on occupational health and safety	403-5 a.	Group's operations Locally and Internationally	Worker training on occupational health and safety	For the year ended 31st March 2026	38
Disclosure 403-6 Promotion of worker health	403-6 a.	Group's operations Locally and Internationally	Promotion of worker health	For the year ended 31st March 2026	38
	403-6 b.				38
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7 a	Group's operations Locally and Internationally	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	For the year ended 31st March 2026	38
Disclosure 403-9 Work-related injuries	403-9 a	Group's operations Locally and Internationally	Work-related injuries	For the year ended 31st March 2026	38, 39
	403-9 c				
	403 - 9 d				
	403 -9 e				
	403-9 g				
Disclosure 403-10 Work-related ill health	403-10 a	Group's operations Locally and Internationally	Work-related ill health	For the year ended 31st March 2026	39
	403-10 b				
	403-10 c				
Disclosure 404-1 Average hours of training per year per employee	404-1 a	Group's operations Locally and Internationally	Average hours of training per year per employee	For the year ended 31st March 2026	36
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	404-2 a	Group's operations Locally and Internationally	Programs for upgrading employee skills and transition assistance programs	For the year ended 31st March 2026	36
	404- 2 b				
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	404-3 a	Group's operations Locally and Internationally	Percentage of employees receiving regular performance and career development reviews	For the year ended 31st March 2026	36

Independent Practitioners' Limited Assurance Report

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page Numbers
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	416-2 a	Group's operations Locally and Internationally	Incidents of non-compliance concerning the health and safety impacts of products and services	For the year ended 31st March 2026	42
Disclosure 417-1 Requirements for product and service information and labeling	417-1 a	Group's operations Locally and Internationally	Requirements for product and service information and labeling	For the year ended 31st March 2026	42

The assured sustainability information is marked with italic font and marked with "LA" in the ESG Report.

Portfolio Review

Eco Solutions

The Sector is one of Sri Lanka's leading exporters of traditional and value-added coconut fibre products, catering to a global network of retailers, industries and households through a wide portfolio of innovative and sustainable solutions.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, highlighting the key sustainability topics that have the potential to impact the business, as well as those areas where the Eco Solutions Sector creates significant environmental and social impacts across its value chain. These are mapped across upstream activities, the Group's own operations and downstream engagements, providing a comprehensive view of the most material sustainability considerations relevant to the Sector.

Manufacturing

- Energy consumption and efficiency
- Air emissions and dust control
- Chemical management
- Resource efficiency
- Waste management

Upstream

- Sustainable sourcing of coconut husks and fibre
- Environmental and labour conditions in the supply chain
- Transport emissions from inbound logistics
- Traceability of natural raw materials

Downstream

- Product stewardship
- Customer requirements on sustainability
- Product packaging
- Responsible marketing and product information

CROSS-CUTTING TOPICS

- Employee well-being and safety
- Biodiversity
- Community engagement

Financially material sustainability issues	Impact material sustainability issues
Product stewardship	Sustainable sourcing
Employee health and safety	GHG emissions
Waste reduction	Biodiversity and ecosystems

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Sector's ESG aspirations are set out in its ESG Roadmap, Entwine, which is centered on the pillars of Nurturing our Planet, Optimising Resources, Improving Lives and Responsible Leadership symbolising the connectivity between the three elements of people, planet and profit. Key interventions during the year and the connectivity to the UN SDGs are summarised below.

Biodiversity and ecosystems

Forest Cleanup Programme – Badagamuwa: As part of World Environment Day, over 1,000 kg of non-biodegradable waste was collected, segregated and recycled from roadside areas and internal paths within the Badagamuwa Conservation Forest Reserve.

World Photography Day Webinar – "Visual Storytelling for Conservation", with the participation of over 100 employees across the Group

Supplier value creation and development

70% of annual procurement spend on local suppliers

Periodic meetings, held both physically and virtually, provide a platform to communicate business requirements, align expectations and identify opportunities to enhance performance and create mutual value.

Community Engagement

- Going Beyond Sath Diyawara Programme, Mahiyanganaya benefitting 540 students supported with stationery and school essentials
- World Children's Day Celebration
- "Mansala" World Down Syndrome Day initiative: Provided educational support to 204 children with Down syndrome and other special needs.
- Jaffna foster school project: 24 Students were provided with educational suppor

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**107,357**	111,495	-4	132,477
	Energy intensity (GJ/Revenue USD mn)	**2,168**	2,583	-16	3,029
	Carbon footprint (tCO_2e)- Scope 1 & 2	**3,745**	3,648	3	3,997
	Emission intensity (tCO_2e/Revenue USD mn)	**76**	85	-11	91
	Water withdrawn (m^3)	**59,964**	42,969	40	18,426
	Water intensity (m^3/Revenue USD mn)	**1,211**	995	22	421

PERFORMANCE AGAINST TARGETS

Reliance on renewable energy	Emission reduction	Waste intensity
Target: 65% by 2030	Target: 3% linear annual reduction in Scope 1 & 2 emissions	Target: 2% annual reduction in waste intensity
2025/26: 71%	2025/26: 3% increase	2025/26: 48%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**1,105**	1,123	-2	1,119
	Revenue per employee (Rs. mn)	**14**	11	20	12
	Remuneration per employee (Rs.mn)	**1.1**	1.3	-21	1.3
	Investment in CSR (Rs.mn)	**4**	3	65	3
	No. of CSR beneficiaries	**1,939**	721	169	1,201

PERFORMANCE AGAINST TARGETS

Employees: Training and development	Employees: Health & safety	Community engagement
Target : 40 training hours per annum per employee in 2030	**Target:** 20% reduction in lost time-injury rate	**Target:** 50% increase in CSR beneficiaries
2025/26: 2.47	**Actual:** 47.95 increase	**Actual:** 1,939 beneficiaries

Hand Protection

The Sector, represented by Dipped Products PLC is a global leader in protective hand-wear, with a strong track record for innovation, quality, advanced manufacturing capabilities and sustainable operations. The Sector's products cater to diverse applications and markets across the world.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, highlighting the key sustainability topics that have the potential to impact the business, as well as those where the Hand Protection Sector has significant environmental and social impacts across its value chain. These are mapped across the procurement of raw materials, the Group's manufacturing operations, product development and downstream customer engagements, providing a comprehensive view of the Sector's most material sustainability considerations.

Manufacturing

- Energy consumption and GHG emissions
- Water consumption
- Wastewater management
- Resource efficiency

Upstream

- Responsible sourcing
- Supplier environmental and social compliance
- Raw material traceability
- Climate resilience

Downstream

- Sustainable innovation
- Product environmental footprint
- Sustainable packaging
- Product stewardship

CROSS-CUTTING TOPICS

- Employee well-being and safety
- Biodiversity and ecosystems
- Human rights & Community engagement
- Community engagement

Financially material sustainability issues		
Decarbonisation	Supplier development and screening	Water & effluent management

Impact material sustainability issues		
Biodiversity	Circularity	Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Sector's ESG roadmap, DPL Pulse, is anchored on five strategic pillars of Planet, People, Product, Partner and Governance which provide a structured framework for integrating sustainability across the business. The roadmap is supported by clearly defined KPIs embedded throughout the organisation, informing performance evaluations, strategic decision-making, capital allocation and continuous improvement initiatives to drive long-term value creation.

Circularity

- Natural scrapped gloves generated during manufacturing are recycled into industrial filler material, diverting approximately 8 Mt of waste from landfill.
- Selected rubber by-products, including cut beads and nitrile waste, are redirected through external partnerships for alternative industrial applications.
- Waste cotton from sports glove operations is redirected through third-party partnerships for alternative recovery.

Eco Pulse Nature Reserve

- In 2024/25, the Company officially launched the 2-acre EcoPulse Nature Reserve, restoring ecosystems and creating habitats for native flora and fauna while fostering stakeholder engagement through storytelling and awareness initiatives.
- In 2025/26, the Sector launched Cloud Forest, DPL's flagship ecosystem restoration initiative developed with Horana Plantations PLC to restore and protect a high-altitude montane cloud ecosystem in Sri Lanka's Central Highlands

Community Engagement

- Rs. 35 mn investment in community engagement
- 70+ projects and interventions delivered across livelihood development, education, health, nutrition, community wellbeing, disaster resilience and environmental stewardship

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**2,278,007**	2,290,821	-1	2,055,012
	Energy intensity (GJ/Revenue USD mn)	**13,615**	14,709	-7	15,129
	Carbon footprint (tCO_2e)- Scope 1 & 2	**19,799**	20,163	-2	20,202
	Emission intensity (tCO_2e/Revenue USD mn)	**118**	129	-9	149
	Water withdrawn (m^3)	**2,334,702**	2,163,917	8	2,042,638
	Water intensity (m^3/Revenue USD mn)	**13,954**	13,894	0	15,037

PERFORMANCE AGAINST TARGETS

Reliance on renewable energy

Target: 95%

2025/26: 94%

Emission reduction

Target: 2% Scope 1 & 2 annual reduction

2025/26: 2%

Sustainable water sources

Target: 25% reliance on sustainable water sourcing

2025/26: 10%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**2,679**	2,570	4	2,171
	Revenue per employee (Rs. mn)	**19**	18	6	20
	Remuneration per employee (Rs.mn)	**3**	2	8	3
	Investment in CSR (Rs.mn)	**2**	4	-36	16
	No. of CSR beneficiaries	**1,605**	4,364	-63	5,577

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target : 40 training hours per annum per employee in 2030

2025/26: 46.33

Injury rates

Target:

LTIFR = 0, TIFR = 0, DSCI = 100%

Actual:

LTIFR = 0, TIFR = 5.23, DSCI = 76%

Supply chain practices

Target: 40% environmental and social screening of suppliers

2025/26: 68%

Purification

The Sector, represented by the Haycarb Group is one of the world's leading manufacturers of coconut-shell based activated carbon, producing a range of world-class, innovative and sustainable solutions which shape a greener future across numerous applications in diverse industries.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, outlining the key sustainability topics that have the potential to impact the business, as well as those areas where the Purification Sector exerts a significant impact across its value chain. These are mapped across upstream activities, the Group's own operations and downstream engagements, providing a comprehensive view of the most material sustainability considerations relevant to the organisation.

Manufacturing

- High energy consumption
- Water consumption
- Waste and effluent management
- Chemical management
- Greenhouse gas emissions

Upstream

- Procurement of coconut shells
- Exposure to climate risks
- Environmental impacts in the supply chain
- Labour conditions in the supply chain
- Livelihood impacts

Downstream

- Sustainable innovation
- Customer requirements on sustainability
- Packaging and storage
- End-use applications

CROSS-CUTTING TOPICS

Resource efficiency | Workforce safety | Human rights & Community engagement | Biodiversity

Financially material sustainability issues		
Energy consumption	Sustainable innovation	Workforce safety

Impact material sustainability issues		
Emissions	Biodiversity	Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Sector's ESG aspirations are set out in its ESG Roadmap, Activate, which is centered on the pillars of Innovate, Restore, Inspire, Excite and Uplift and aim to accelerate positive social and environmental outcomes while strengthening the resilience of the business. Key interventions during the year and the connectivity to the UN SDGs are summarised below.

Behold the Turtle

- The Sector's long-term turtle conservation conducted at Kirigalbae Beach in Kumana National Park.
- Focuses on protecting nesting beaches, monitoring nests and supporting the safe release of turtle hatchlings into the ocean.
- 16,545 turtle eggs were collected and relocated during the year under review.

Decarbonisation

- Conversion of LPG dryers to waste heat
- Fuel switching from Furnace Oil to LPG
- Greening the supply chain through vertical kiln charcoaling and expansion of Haritha Angara initiative
- -31% reduction in Scope 1 and 2 GHG emission intensity

Community Engagement

Rs. 53 mn investment in CSR initiatives including the following,

- Sisu Divi Pahana: Daily lunch to 1000 school children across 13 schools in Madampe, Wewalduwa, Kaluthara,Mahiyanganaya, Padaviya and Batticaloa
- Renovation and upgrade of a ward at Negombo Base Hospital including improved washroom facilities, patient mobility and essential ward infrastructure benefitting nearly 10,000 patients annually

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**1,237,234**	1,473,979	-16	1,132,964
	Energy intensity (GJ/Revenue USD mn)	**5,655**	10,241	-45	8,390
	Carbon footprint (tCO_2e)- Scope 1 & 2	**29,369**	28,097	5	24,388
	Emission intensity (tCO_2e/Revenue USD mn)	**134**	195	-31	181
	Water withdrawn (m^3)	**807,939**	689,921	17	744,951
	Water intensity (m^3/Revenue USD mn)	**3,693**	4,794	-23	5,517

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 7% Scope 1 & 2 annual reduction

2025/26: 5% increase

Renewable energy

Target: 65% in 2030%

2025/26: 77%

Waste intensity

Target: 8% annual reduction

2025/26: 35%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**2,084**	2,026	3	1,933
	Revenue per employee (Rs. mn)	**32**	21	52	22
	Remuneration per employee (Rs.mn)	**3**	2	8	3
	Investment in CSR (Rs.mn)	**53**	50	4	41
	No. of CSR beneficiaries	**>135,300**	>71,900	88	>105,000

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target : 40 training hours per annum per employee in 2030

2025/26: 31.14

Employees: Health & safety

Target: 20% reduction in lost time injury

Actual: 1.4

Supply chain practices

Target: 90% raw material to be green charcoal

2025/26: 61%

Textiles

The Sector is the largest textile manufacturer in Sri Lanka, catering to leading global fashion brands through a diverse portfolio of natural and synthetic-fibre based fabrics. The Sector's competitive edge is underpinned by its world-class innovation, product development and manufacturing capabilities and award-winning sustainability practices.

SUSTAINABILITY CONTEXT

The graphic below presents the Group's sustainability context, outlining the key sustainability topics that have the potential to impact the business, as well as those areas where the Group exerts a significant impact across its value chain. These are mapped across upstream activities, the Group's own operations and downstream engagements, providing a comprehensive view of the most material sustainability considerations relevant to the organisation.

Manufacturing

- High energy consumption
- Intensive water usage
- Chemical management
- Waste and effluent management

Upstream

- Raw material extraction and processing
- Traceability and ethical sourcing
- Environmental impacts in the supply chain
- Labour conditions in the supply chain

Downstream

- Product sustainability
- Customer requirements on sustainability
- Environmental footprint of logistics and transportation
- Packaging waste

CROSS-CUTTING TOPICS

Resource efficiency | Labour practices | Human rights & Community engagement | Biodiversity

Financially material sustainability issues

- Energy consumption
- Effluent management
- Ethical sourcing

Impact material sustainability issues

- Sustainable innovation
- Biodiversity
- Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Group's ESG aspirations are set out in its ESG Roadmap, The GreenCatalyst, a transformative blueprint that is designed to inspire regenerative growth, drive sectoral innovation and set new benchmarks for ESG performance in the textile industry and beyond. Key interventions during the year and the connectivity to the UN SDGs are summarised below.

Biodiversity preservation

- Coastal preservation activities in line with the 'Breath' initiative
- Mangrove restoration project in Galle
- 9-acre thriving biodiversity park Diyathuru Uyana

Sustainable innovation

- Yarn sourced from recycled PET bottles
- Organic dyes created from furniture waste

Climate action

- 8,235 KW solar generation capacity
- Interventions to increase reliance on renewable energy sources including biomass and wood chip
- Fuel switching and energy efficiency initiatives

Community Engagement

Rs. 10 mn investment in CSR initiatives including the following

- Book donations across selected schools
- Support to local religious and community organisations
- Educational factory tours for SLITA students

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**1,125,955**	1,472,273	-24	1,476,777
	Energy intensity (GJ/Revenue USD mn)	**9,094**	10,082	-10	9,508
	Carbon footprint (tCO_2e)- Scope 1 & 2	**31,628**	36,326	-13	37,775
	Emission intensity (tCO_2e/Revenue USD mn)	**255**	249	3	243
	Water withdrawn (m^3)	**3,363,702**	3,398,195	-1	3,345,198
	Water intensity (m^3/Revenue USD mn)	**27,167**	23,270	17	21,537

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 6% Scope 1 & 2 annual reduction

2025/26: 13% reduction

Renewable energy

Target: 90% in 2030%

2025/26: 72%

Sustainable water sourcing

Target: 30% in 2030 reliance on sustainable water sourcing

2025/26: 29%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**3,435**	3,397	1	3,285
	Revenue per employee (Rs. mn)	**11**	13	-14	15
	Remuneration per employee (Rs.mn)	**1.4**	1.2	12	1.3
	Investment in CSR (Rs.mn)	**10**	12	-19	13
	No. of CSR beneficiaries	**6,380**	6,850	-7	6,800

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target : 40 training hours per annum per employee in 2030

2025/26: 13.9

Employees: Health & safety

Target: Safest workplace with Zero workplace injuries /occupational diseases in 2030

Actual: 45% reduction

Community relationships

Target: Increase CSR beneficiaries by 50% by 2030

Actual: No. of beneficiaries 6,380

Construction Materials

The Sector is represented by Alumex PLC, Sri Lanka's largest manufacturer and market leader of aluminium extrusions, offering a range of best-in-class industrial, residential and architectural profiles. It is also Sri Lanka's largest exporter of aluminium extrusions, with a global reputation for product design, quality and innovation.

SUSTAINABILITY CONTEXT

The graphic below presents the Construction Material Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation, as well as areas where the Sector creates significant environmental and social impacts across its value chain. These are mapped across upstream activities, including the procurement of aluminium billets and other production inputs, the Sector's manufacturing operations and downstream customer applications, providing a comprehensive view of the most material sustainability considerations relevant to the business.

Manufacturing

- Energy efficiency and renewable energy adoption
- Greenhouse gas emissions
- Chemical management
- Occupational health and safety

Upstream

- Responsible sourcing
- Reliance on recycled aluminium
- Supplier environmental and human rights practices
- Energy and emissions associated with raw material production

Downstream

- Product durability and lifecycle performance
- Innovation and product development
- Product recyclability and end-of-life recovery

CROSS-CUTTING TOPICS

- Resource efficiency
- Labour practices, health and safety
- Human rights & Community engagement
- Ethics and transparency

Financially material sustainability issues		
GHG emissions	Energy consumption	Waste generation

Impact material sustainability issues		
Human rights due diligence	Biodiversity	Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Alumex PLC's sustainability strategy is guided by the 'Elevate' ESG Roadmap, a structured framework that embeds sustainability into the Company's long-term strategy and operating model. Centred on responsible stewardship, the roadmap is built around four interconnected pillars: Products, People, Partnerships and Planet.

Biodiversity Preservation

- The Sector planted 200 non-commercial trees along the Mirigama Highway
- In partnership with the Zero Plastic Movement, Alumex conducted a coastal cleanup at Wellawatta Beach
- A biodiversity assessment was carried out at the Company's Sapugaskanda premises to identify existing flora and fauna, including invasive species

Fabricator skill development

The Sector acts as a catalyst for skill development in the country's aluminium industry, with 530 fabricators trained during the year

Community Engagement

- The Company introduced a community grievance mechanism during the year, allowing local communities to submit feedback, concerns, and make suggestions relating to the Company's operations
- Partnered with local schools to provide scholarships and learning materials to underprivileged students
- Organised health camps, offering free medical services to local communities, enhancing local community access to health care and health education

ESG SCORECARD

ENVIRONMENTAL METRICS		2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**126,045**	111,674	13	81,117
	Energy intensity (GJ/Revenue USD mn)	**2,387**	2,535	-6	2,584
	Carbon footprint (tCO_2e)- Scope 1 & 2	**10,893**	9,782	11	7,945
	Emission intensity (tCO_2e/Revenue USD mn)	**206**	222	-7	253
	Water withdrawn (m^3)	**123,727**	124,966	-1	116,693
	Water intensity (m^3/Revenue USD mn)	**2,343**	2,837	-17	3,717

PERFORMANCE AGAINST TARGETS

Emission reduction	Renewable energy	Circularity
Target: 16.46% annual reduction in emission intensity	Target: 10% reliance on renewable energy	Target: 44% reliance on recycled aluminium
2025/26: 7%	2025/26: 1.8%	2025/26: 47.34% reliance

SOCIAL METRICS		2026	2025	%	2024
ESG commitment areas	No. of employees	**971**	1001	-3	774
	Revenue per employee (Rs. mn)	**17**	13	27	13
	Remuneration per employee (Rs.mn)	**0.4**	1	-73	2
	Investment in CSR (Rs.mn)	**5**	4	25	3
	No. of CSR beneficiaries	**9,175**	20,339	-55	68

PERFORMANCE AGAINST TARGETS

Employees: Training and Development	Employees: Health & safety	Customer satisfaction
Target : 10 Hours of training per annum	**Target:** Zero significant injuries in the workplace	Target: 85%
2025/26: 13.45	**Actual:** 16 major injuries	2025/26: 81%

Plantations

The Group's Plantations Sector is represented by the country's three leading regional plantation companies (RPCs), Kelani Valley Plantations PLC (KVPL), Talawakelle Tea Estates PLC (TTE) and Horana Plantations PLC (HPL) which are widely recognised as the most sustainable, certified, innovative and profitable RPCs in Sri Lanka.

SUSTAINABILITY CONTEXT

The graphic below presents the Plantation Sector's sustainability context, highlighting key sustainability topics that have the potential to influence its plantation operations, as well as areas where the Group exerts a significant impact across its value chain. These are mapped across upstream inputs, including agricultural inputs and supplier networks, the Group's own estate and processing operations, and downstream activities such as distribution and end-market engagement, providing a comprehensive view of the most material sustainability considerations relevant to the organisation.

Manufacturing

- Soil, water and biodiversity management
- Livelihood and community impacts
- Use of agrochemicals and fertilizers
- Waste management
- Climate adaptation

Upstream

- Environmental and social impacts of the supply chain
- Smallholder and out-grower engagement
- Sourcing of fuel, energy and water inputs

Downstream

- Customer requirements on sustainability
- Packaging, storage and transportation
- Product quality and traceability
- End-user impacts

CROSS-CUTTING TOPICS

- Resource efficiency
- Labour practices
- Human rights & Community engagement
- Ethics, governance and compliance

Financially material sustainability issues

- Climate adaptation
- Quality and traceability
- Labour impacts

Impact material sustainability issues

- Decarbonisation
- Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Plantation Sector's ESG aspirations are set out in its ESG Roadmap, Regenerate, which represents the blueprint for sustainable business expansion across all 3 RPCs. Key areas of focus include ecosystems and biodiversity, value creation to internal and external stakeholders as well as responsible governance and leadership. Key interventions during the year and the connectivity to the UN SDGs are summarised below.

Decarbonisation and Climate Action

- TTE and KVPL have obtained verification of emissions targets by Science- based- targets-initiative (SBTI)
- 85% reliance on renewable energy
- 2 processing centres and 10 bungalows installed with solar
- Shade tree planting project to generate carbon credits by Horana Plantations PLC

Sri Lanka's first Payment for Ecosystem Services initiative

TTE and HPL partnered with relevant external parties to sign Sri Lanka's first Payment for Ecosystem Services agreement during the year, marking a significant milestone in advancing the country's biodiversity financing initiatives.

Zero-emission Material Collection and Processing Facility

TTE partnered with Coca Cola and Janashakthan Institute to establish the Somerset ECO Material Collection & Processing Centre, marking the first public–private partnership in waste management within the plantation sector

Uplifting Plantation Communities

Home for Every Plantation Worker

- Benefitting over 500,000 individuals through the four pillars of Living environment, Health and nutrition, Community capacity building and Youth empowerment

48,058 Living environment

305,462 Health & Nutrition

42,272 Community capacity building

53,314 Youth Empowerment

ESG SCORECARD

ENVIRONMENTAL METRICS	2026	2025	%	2024
Energy consumption (GJ)	**484,858**	547,811	-11	590,180
Energy intensity (GJ/Revenue USD mn)	**7,410**	8,499	-13	10,306
Carbon footprint (tCO_2e)- Scope 1 & 2	**23,790**	23,119	3	23,180
Emission intensity (tCO_2e/Revenue USD mn)	**364**	359	1	405
Water withdrawn (m^3)	**131,927**	99,145	33	220,806
Water intensity (m^3/Revenue USD mn)	**2,016**	1,538	31	3,856

ESG commitment areas

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 42% Scope 1 & 2 annual reduction by 2030

2025/26: 3% increase

Renewable energy

Target: 95%

2025/26: 85

Sustainable water sourcing

Target: 50% in 2030 reliance on sustainable water sourcing

2025/26: 50%

SOCIAL METRICS	2026	2025	%	2024
No. of employees	**15,528**	15,775	-2	15,360
Revenue per employee (Rs. mn)	**1.29**	1.22	6	1.18
Remuneration per employee (Rs.mn)	**0.73**	0.65	12	0.61
Investment in CSR (Rs.mn)	**325**	347	-6	314
No. of CSR beneficiaries	**486,338**	520,078	-6	573,942

ESG commitment areas

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target : 40 training hours per annum per employee in 2030

2025/26: 13.9

Female empowerment

Target: 50% female representation in leadership levels

Actual: 8%

Health & Safety

Target: Zero significant workplace injuries

Actual: 22% increase

Agriculture

Represented by Hayleys Agriculture Holdings Limited, the Sector is at the forefront of the country's agriculture industry, commanding leading market positions across its diverse business verticals. The Sector drives unparalleled economic value across its extensive ecosystem while playing a critical role in modernising Sri Lanka's agriculture industry and driving awareness and capacity building through its network of extension services.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation. These are mapped across upstream activities, including responsible sourcing of agricultural inputs, supplier engagement, product stewardship and logistics, and downstream activities such as farmer support, safe and effective product use, customer satisfaction, food security, environmental management and responsible market engagement, providing a comprehensive view of the most material sustainability considerations relevant to Hayleys Agriculture.

Manufacturing

- Storage and handling of agricultural inputs
- Water and waste management
- Compliance with relevant regulatory requirements

Upstream

- Supplier and principal relationships
- Packaging and input material sourcing
- Technology and product innovation support

Downstream

- Product stewardship and customer engagement
- Farmer training
- Servicing and technical support
- Safe and responsible product application

CROSS-CUTTING TOPICS

Biodiversity | Human Rights and Community Engagement | Employee value proposition | Resource optimisation

Financially material sustainability issues

- Farmer training
- Water management
- Carbon footprint

Impact material sustainability issues

- Climate-smart agriculture
- Skill development
- Community support

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Hayleys Agriculture's BLOOM ESG Roadmap 2030 sets out the Sector's structured approach to embedding ESG into its strategy, operations and decision-making. Launched in 2025, the roadmap reflects the Sector's commitment to responsible and sustainable growth, aligned with the Hayleys Group's Lifecode and broader 2030 ESG aspirations. BLOOM is built around four pillars of Planet, People, Partner and Governance covering key areas such as energy and emissions, water, waste and chemical management, employee engagement, health and safety, ethical supplier relationships, community engagement and ESG governance.

Climate-smart agriculture solutions

The Sector supports climate-smart agriculture through solutions that help farmers improve productivity while managing environmental impacts. This includes the promotion of drip and micro-irrigation systems to improve water efficiency, organic and bio-fertiliser solutions to support soil health and reduce dependency on conventional inputs, and farmer training programmes aimed at encouraging sustainable cultivation practices at field level.

Strengthening farmer engagement through digitalisation

The Sector strengthened its digitalisation agenda through the implementation of the OMNIX Digital System, enhancing farmer engagement, operational efficiency and traceability across the agricultural value chain. Supporting over 1,209 farmers across a wide network of collection centres and projects, the platform enables more data-driven decision-making, improves visibility over field-level activities and supports more responsible, transparent and efficient agricultural practices.

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**31,903**	82,550	-61	30,968
	Energy intensity (GJ/Revenue USD mn)	**220**	655	-66	281
	Carbon footprint (tCO_2e): Scope 1 & 2	**4,143**	7,302	-43	2,669
	Emission intensity (tCO_2e/Revenue USD mn)	**29**	58	-51	24
	Water withdrawn (m^3)	**237,346**	197,043	20	184,626
	Water intensity (m^3/Revenue USD mn)	**1,636**	1,563	5	1,676

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**1,163**	1,223	-5	1,247
	Revenue per employee (Rs. mn)	**38.1**	30.7	24	27.9
	Remuneration per employee (Rs.mn)	**2**	2	-4	2
	Investment in CSR (Rs.mn)	**-**	5	-100	1
	No. of CSR beneficiaries	**-**	159	-100	1,319

Consumer & Retail

Singer is Sri Lanka's leading retailer of consumer durable products, enriching and elevating lifestyles across the country, through providing access to world-class products via a network of over 400 outlets.

SUSTAINABILITY CONTEXT

The graphic below presents the Consumer and Retail Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation, as well as areas where the Sector creates significant environmental and social impacts across its value chain. These are mapped across upstream activities, including supplier sourcing and procurement, the Sector's retail, distribution and service operations and downstream customer use and product end-of-life, providing a comprehensive view of the most material sustainability considerations relevant to the business.

Manufacturing

- Energy consumption and emissions
- Talent attraction, development and retention
- Business ethics and compliance

Upstream

- Responsible sourcing and supplier management
- Product quality and safety
- Ethical procurement practices
- Transportation and inbound logistics

Downstream

- Product quality, safety and affordability
- Product repairs and life extension
- Product energy efficiency
- Electronic waste (e-waste) collection and recycling

CROSS-CUTTING TOPICS

Resource efficiency | Labour practices | Human rights & Community engagement | Skill development

Financially material sustainability issues

- Energy consumption
- Product sourcing and packaging
- Data security

Impact material sustainability issues

- Biodiversity
- Skill development
- Community support

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Singer Group launched its sustainability vision, "Singer Paramaarthayen Perata" (Progress through Purpose) in November 2025, aligning its ESG journey with its business model, Core Values and Hayleys Lifecode 2.0. The Group established ESG goals to be achieved by 2030, using 2024/25 as the baseline year, comprising eight environmental and ten social targets. These commitments are embedded across the Group's operations, service offerings and products to drive measurable and purpose-led progress.

Skill development

The Singer Fashion Academy continued to empower individuals through skill development, with 747 graduates completing diploma and certificate programmes during the year while providing free workshops and scholarships.

Biodiversity preservation

The Legends Forest, established in Beligodapitiya, Rambukkana, transformed an abandoned school site into a thriving forest and environmental learning space. Launched on 5 May 2025 with the planting of 1,223 indigenous trees, the initiative was implemented in collaboration with the Sri Lanka Forest Department, the New Zealand High Commission, Kegalu Girls' College, Planet Protectors and the New Zealand Rugby Team, with Singer Sri Lanka as the main sponsor.

Community Engagement

- Essential equipment donations to school and children's homes
- Disaster relief for affected staff and communities
- Well-cleaning campaign to restore clean water access for communities in need

ESG SCORECARD

ESG commitment areas

ENVIRONMENTAL METRICS	2026	2025	%	2024
Energy consumption (GJ)	**72,111**	60,309	20	58,507
Energy intensity (GJ/Revenue USD mn)	**140**	165	-15	227
Carbon footprint (tCO_2e)- Scope 1 & 2	**13,703**	8,042	70	6,644
Emission intensity (tCO_2e/Revenue USD mn)	**27**	22	21	26
Water withdrawn (m^3)	**128,016**	121,618	5	103,500
Water intensity (m^3/Revenue USD mn)	**249**	334	-25	402

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 20% Scope 1 & 2 annual reduction of carbon emission by 2030

2025/26: 70% increase

Renewable energy

Target: 30% Reduction in energy intensity

2025/26: -15%

Circularity

Target: Increase the collection of e- waste refrigerators, televisions, and washing machines to 10% of the total units sold

2025/26: 1% reliance

ESG commitment areas

SOCIAL METRICS	2026	2025	%	2024
No. of employees	**3,920**	3,444	14	3,316
Revenue per employee (Rs. mn)	**40**	31	27	25
Remuneration per employee (Rs.mn)	**2**	1.7	12	1
Investment in CSR (Rs.mn)	**8**	3.9	108	3.4
No. of CSR beneficiaries	**4,896**	4,205	16	2,157

PERFORMANCE AGAINST TARGETS

Health and safety

Target: Zero significant work-place injuries

Actual: 10 major injuries

Training and development

Target: 40 average hours of training p/person p/annum

2025/26: 18.47

Community impact

Target: 50% increase in CSR beneficiaries

2025/26: 16%

Leisure

The Group's Leisure Sector is a leading player in the country's hospitality industry, with a network of hotels, resorts, wellness retreats and collection of managed boutique properties in Sri Lanka and Maldives. The Sector owns and operates the 229-room five-star city hotel, The Kingsbury as well as Amaya Beach, Amaya Hills and Amaya Lake with a collective four-star room capacity of 356 in addition to 5 managed properties in Sri Lanka through the Amaya Resorts chains

SUSTAINABILITY CONTEXT

The graphic below presents the Leisure Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation, as well as areas where the Sector creates significant environmental and social impacts across its value chain. These are mapped across upstream activities, including supplier sourcing, food and beverage procurement and resource inputs, the Sector's hotel, resort and service operations and downstream guest experiences, community engagement and waste management, providing a comprehensive view of the most material sustainability considerations relevant to the business.

Manufacturing

- Energy consumption and emissions
- Talent attraction, development and retention
- Water consumption
- Waste generation

Upstream

- Sustainable sourcing
- Supplier and environmental assessment
- Food safety and traceability
- Packaging and single-use plastics

Downstream

- Customer satisfaction
- Customer health & safety
- Customer privacy and data protection
- Destination level impacts

CROSS-CUTTING TOPICS

Human capital management | Resource efficiency | Human rights & Community engagement | Biodiversity impacts

Financially material sustainability issues

- Energy consumption
- Water consumption
- Employee value creation

Impact material sustainability issues

- Biodiversity
- Skill development
- Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Leisure Sector's ESG Roadmap 2030, "The Hive Effect," serves as a blueprint guiding its' sustainability journey through to 2030. The roadmap combines the Sector's commitments across regenerative hospitality, responsible tourism, climate action, biodiversity conservation, community empowerment and resource stewardship. These priorities are embedded across its hotel operations, guest experiences, employee initiatives, supplier relationships and community partnerships, enabling the Sector to drive measurable progress while creating long-term value for the destinations and communities in which it operates.

Biodiversity and Environmental Preservation

- Conducted coastal, lake, trail and community clean-up programmes.
- Supported tree planting and ecosystem restoration initiatives.
- Promoted environmental awareness and responsible tourism.

Skill and Education Development

- Structured education support through scholarship classes covering English, Mathematics and exam preparation for school students.
- Supported youth employability through career guidance programmes, hotel school engagement and internship awareness sessions with SLITHM students

Community Engagement

- Continued targeted community support through Children's Day celebrations, meals, gift donations, stationery distribution and support for orphanages and schools.
- Strengthened employee-led community involvement through volunteer-driven initiatives, school engagement programmes and partnerships with local institutions.

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**100,720**	98,038	3	117,973
	Energy intensity (GJ/Revenue USD mn)	**2,966**	3,023	-2	4,141
	Carbon footprint (tCO_2e)- Scope 1 & 2	**10,927**	10,297	6	12,408
	Emission intensity (tCO_2e/Revenue USD mn)	**322**	318	1	459
	Water withdrawn (m^3)	**328,739**	343,816	-4	174,747
	Water intensity (m^3/Revenue USD mn)	**9,680**	10,603	-9	6,133

PERFORMANCE AGAINST TARGETS

Emission Reduction	Energy Consumption	Water Consumption
Target: 6% Scope 1 & 2 annual reduction	Target: 5% reduction in energy intensity	Target: 5% reduction in water intensity
2025/26: 6% Increase	2025/26: 2%	2025/26: 9%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**1,560**	1,566	-	1,660
	Revenue per employee (Rs. mn)	**6.6**	6.2	8	5.4
	Remuneration per employee (Rs.mn)	**1**	1	6	1
	Investment in CSR (Rs.mn)	**5**	1	278	1
	No. of CSR beneficiaries	**13,564**	6,115	122	5,990

PERFORMANCE AGAINST TARGETS

Employee Development	Supplier Screening	Community Engagement
Target : 6 average hours of training/p.a	**Target:** Suppliers covering 20% of total spend screened for environmental and social criteria	**Target:** At least 1 long-term strategic CSR project in each Resort
2025/26: 35.29 hours per employee	**Actual:** 30%	**Actual:** 13,564 CSR beneficiaries

Industry Inputs, Power & Energy

The Sector is represented by Hayleys Aventura, which supplies a range of world-class industrial raw materials and engineering solutions to the industrial sector, and offers advanced health care technology and solutions to the country's healthcare sector. Through the Power & Energy cluster, Aventura contributes to the country's low- carbon transition through an installed capacity of 50MW of hydro, solar and wind power.

SUSTAINABILITY CONTEXT

The graphic below presents the Industrial Inputs, Power & Energy Sector's sustainability context. These are mapped across upstream activities, including the sourcing and procurement of industrial raw materials, equipment and technology solutions, the Sector's engineering, industrial solutions and renewable energy operations and downstream customer applications, product use and service delivery, providing a comprehensive view of the most material sustainability considerations relevant to the business.

Manufacturing

- Asset management in renewable energy generation
- Waste management including packaging
- Energy efficiency
- Training and development
- Employee Health and Safety

Upstream

- Sourcing of industrial raw materials
- Selection of principals and technology partners
- Supplier screening and audits
- Environmental and social assessment of renewable energy projects

Downstream

- Energy efficiency of products
- Product stewardship
- End-of-life management

CROSS-CUTTING TOPICS

Project execution and delivery | Employee value proposition | Resource optimisation | Community engagement and Human Rights

Financially material sustainability issues

- Sustainable Products
- Accelerating Climate Action
- Elevating Healthcare

Impact material sustainability issues

- Health awareness
- Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

The Sector's ESG strategy is guided by ASCENT 2030, the Group's ESG roadmap anchored on six purpose-led action pillars: Advance, Steward, Create, Engage, Nurture and Trust. These pillars bring together the Sector's commitments to environmental stewardship, sustainable innovation, employee empowerment, stakeholder value creation and responsible governance, while supporting the integration of ESG considerations across its industrial inputs, engineering solutions and renewable energy operations. The framework is aligned with the Hayleys Group's ESG aspirations set out through the Hayleys Lifecode, which connects ESG targets with value creation systems in line with the UN Sustainable Development Goals, and reflects Hayleys Aventura's corporate purpose of engineering scientific solutions with sustainable innovation.

Healthcare donations

The Sector supported the repainting of the Pediatric Ward at Ragama Hospital through a paint donation covering walls and ceilings across approximately 25,000 square feet. The initiative aimed to create a more conducive environment for the 50–60 children accommodated in the ward, while gift packs were also distributed to bring encouragement and comfort to young patients during their stay.

Breast cancer awareness

The Sector conducted a breast cancer screening programme in recognition of Breast Cancer Awareness Month. The session, led by a panel of medical professionals, provided screening access to 110 female employees and spouses of non-executive employees across Hayleys Aventura, Hayleys Lifesciences and Hayleys Consumer.

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**2,297**	1,998	15	6,487
	Energy intensity (GJ/Revenue USD mn)	**67**	54	25	211
	Carbon footprint (tCO_2e)- Scope 1 & 2	**872**	739	18	636
	Emission intensity (tCO_2e/Revenue USD mn)	**25**	20	28	21
	Water withdrawn (m^3)	**6,237**	1,676	272	3,250
	Water intensity (m^3/Revenue USD mn)	**181**	45	303	106

PERFORMANCE AGAINST TARGETS

Emission Reduction

Target: 4% Scope 1 & 2 annual reduction

2025/26: 7%

Renewable Energy (Including emission offset)

Target: 90% sustainable and renewable energy applications

2025/26: 9% group's Scope 1 and 2 emissions

Sustainable Solutions

Target: 30% contribution from green products

2025/26: 59.55%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**433**	374	16	311
	Revenue per employee (Rs. mn)	**24**	30	-18	31
	Remuneration per employee (Rs.mn)	**2.1**	2.4	-10	2

PERFORMANCE AGAINST TARGETS

Training and Development

Target : 25 training hours per annum

2025/26: 0.91

Health and Safety

Target: Zero significant workplace injuries

Actual: No Injuries

Community Value Creation

Target: Increase CSR beneficiaries 50% by 2030

Actual: 895 CSR beneficiaries

Transportation and Logistics

Hayleys Advantis Group is a regional leader in the transportation and logistics industry, offering end-to-end solutions covering land, air and sea. Its expertise spans freight management, integrated logistics, marine and energy, projects and engineering, and travel & aviation, catering to a broad range of industries.

SUSTAINABILITY CONTEXT

The graphic below presents the Transportation and Logistics Sector's sustainability context, highlighting key sustainability topics that have the potential to influence its diverse operations, as well as areas where the Sector exerts a significant impact across its value chain. These are mapped across upstream activities, including global shipping and supplier networks, the Sector's own operations, and downstream logistics and customer engagements, providing a comprehensive view of the most material sustainability considerations relevant to the organisation.

Manufacturing

- Energy consumption and emissions from sea and vehicle fleets
- Ecological impacts
- Waste and effluent management

Upstream

- Supplier environmental and social practices
- Fuel efficiency and energy use in supply chain
- Ethical sourcing and procurement

Downstream

- Emissions from logistics activities
- Service reliability and efficiency
- Customer engagement on sustainability
- Waste management in delivery and packaging

CROSS-CUTTING TOPICS

- Resource efficiency
- Labour practices, health and safety
- Human rights & Community engagement
- Ethics and transparency
- Biodiversity

Financially material sustainability issues

- GHG emissions
- Employee health and safety
- Ethics and transparency

Impact material sustainability issues

- Biodiversity
- Waste
- Community engagement

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Guided by its ESG Roadmap, Helios, the Sector's sustainability aspirations are aligned with the parent's ESG framework, while incorporating clearly defined, industry-specific goals, metrics, and initiatives across environmental, social, and governance dimensions. Key interventions during the year and the connectivity to the UN SDGs are summarised below.

Terrestrial ecosystem restoration

- The Sector commenced a terrestrial ecosystem restoration initiative centering on planting native and endemic species across 15.26 hectares in Govinna

Advantis Blue Carbon

- Mangrove restoration and replenishment of coastal ecosystems in Anawilundawa with the aim of increasing the national blue carbon sinking capacity.
- Ongoing restoration of 8.9 hectares in Pubudugama

Community Engagement

- Rs. 14 mn investment in CSR initiatives aimed at supporting educational needs, increasing access to healthcare, blood donation camps and other community relief initiatives.

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**372,138**	343,424	8	483,598
	Energy intensity (GJ/Revenue USD mn)	**967**	957	1	1,676
	Carbon footprint (tCO_2e)- Scope 1 & 2	**30,985**	30,095	3	36,725
	Emission intensity (tCO_2e/Revenue USD mn)	**80**	84	-4	127
	Water withdrawn (m^3)	**88,276**	77,694	14	48,966
	Water intensity (m^3/Revenue USD mn)	**229**	216	6	170

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 6% Scope 1 & 2 annual reduction

2025/26: Actual increase 3%

Renewable energy

Target: 3% annual increase

2025/26: 7% reduction

Waste intensity

Target: 4% annual reduction in single-use plastics

2025/26: 7% reduction

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**3,000**	2,893	4	2,899
	Revenue per employee (Rs. mn)	**39**	37	6	32
	Remuneration per employee (Rs.mn)	**4.3**	3.9	10	4.0
	Investment in CSR (Rs.mn)	**14**	16	-9	5
	No. of CSR beneficiaries	**6,688**	3,653	83	4,970

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target: 9 hours per employee

2025/26: 8.82

Employees: Health & safety

Target: 100% awareness of well-being wheel for staff

2025/26: 100%

Diversity and inclusion

Target: 100% coverage of DEI training

2025/26: 100%

Energy, Mobility & Projects

Hayleys Fentons is Sri Lanka's leading solar Engineering, Procurement, and Construction (EPC) company and integrated engineering services provider, offering a range of MEP, ICT, Security and communication, and Facility Management (among other) services. The Sector also offers a range of passenger and mobility solutions through Hayleys Mobility.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation. These are mapped across upstream activities, including the sourcing and procurement of solar equipment and engineering materials, and downstream customer use, energy performance, system reliability, mobility solutions and end-of-life management, providing a comprehensive view of the most material sustainability considerations relevant to the business.

Manufacturing

- Occupational health and safety
- Facility management operations across customer locations
- Waste management in operations

Upstream

- Sourcing equipment
- Supplier selection
- Responsible sourcing
- Inbound logistics and transportation

Downstream

- Energy efficiency and operational continuity
- Product stewardship
- End-of-life management of solar panels

CROSS-CUTTING TOPICS

- Employee value proposition
- Biodiversity impacts
- Community engagement and Human rights

Financially material sustainability issues

- Climate action
- Project impact assessment
- Health & Safety

Impact material sustainability issues

- Biodiversity
- Educational support
- Healthcare

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Hayleys Fentons' ESG approach is guided by The Green Blueprint – ESG Roadmap to 2030. Aligned with the Hayleys Lifecode and the United Nations Sustainable Development Goals, the roadmap is anchored on the four pillars of Earth Stewardship, People-Centric Partnerships, Quality and Credibility and Good Governance. Through this framework, the Sector focuses on advancing renewable energy, strengthening responsible operations, developing its people, supporting communities and embedding ethics, transparency and accountability across the business.

Book Donation

Exercise books were donated to 100 school children from low-income families, supporting their education and helping ease the financial burden on parents. The initiative also contributed towards more equitable access to learning resources, enabling underprivileged students to continue their education with greater support.

Blood Donation Camp

The Sector conducted a voluntary blood donation campaign to encourage employees to donate blood, support the national healthcare system, and strengthen teamwork while demonstrating the Company's commitment to social responsibility.

Roots of Resilience

Mangrove awareness sessions were conducted across three schools in the Panadura area, engaging 270 students and strengthening their understanding of the ecological value of mangroves, including their role in biodiversity conservation, coastal protection and climate resilience.

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**5,262**	4,479	17	8,299
	Energy intensity (GJ/Revenue USD mn)	**57**	50	13	133
	Carbon footprint (tCO_2e)- Scope 1 & 2	**4,447**	4,190	6	762
	Emission intensity (tCO_2e/Revenue USD mn)	**48**	47	2	12
	Water withdrawn (m^3)	**13,940**	11,671	19	8,643
	Water intensity (m^3/Revenue USD mn)	**150**	130	15	138

PERFORMANCE AGAINST TARGETS

Electricity Intensity Reduction

Target: 16.67%

2025/26: 33% Increase

Biodiversity

Target: Biodiversity enhancement programme to cover an area **5 times** the built environment

Actual: **1.3 ha** planted

Waste Reduction

Target: Achieve **Zero** waste to landfill injuries

Actual: **2%**

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**2,083**	1,880	11	1,492
	Revenue per employee (Rs. mn)	**14**	14	-4	13
	Remuneration per employee (Rs.mn)	**1**	0.7	51	0.9
	Investment in CSR (Rs.mn)	**9**	3	227	1

PERFORMANCE AGAINST TARGETS

Employees: Training and development

Target: 14 Training Hours Per Employee

2025/26: 9.31

Employees: Health & safety

Target: 100% employees receive performance appraisals

2025/26: 100%

Diversity and inclusion

Target: 100% of new suppliers that were screened using social criteria.

2025/26: 100%

Tea Exports

As one of Sri Lanka's largest tea exporters, Mabroc Teas (Pvt) Ltd takes Ceylon Tea to the world through extensive distribution networks and long-standing customer relationships. Meanwhile, Martin Bauer Hayleys (Pvt), a joint venture between Hayleys and global leader in botanicals, German-based Martin Bauer Group (MBG) Ltd is engaged in the manufacturing and export of value-added tea extracts and tea aroma products.

SUSTAINABILITY CONTEXT

The graphic below presents the Sector's sustainability context, highlighting the key sustainability topics that have the potential to influence its operations and long-term value creation. These are mapped across upstream activities, including sustainable tea cultivation, sourcing from smallholder farmers and estates, agricultural inputs and logistics, and downstream activities such as product quality and food safety, responsible marketing, customer satisfaction, supply chain traceability and packaging, providing a comprehensive view of the most material sustainability considerations relevant to the tea export business.

Manufacturing

- Occupational health and safety
- Energy and water management
- Innovation and value-added products
- Waste management

Upstream

- Sustainable tea cultivation
- Implications of climate change on tea production
- Responsible sourcing
- Water stewardship

Downstream

- Product quality and food safety
- Sustainable packaging
- Market access and evolving sustainability requirements
- Supply chain traceability

CROSS-CUTTING TOPICS

Biodiversity | Human Rights and Community Engagement | Employee value proposition | Resource optimisation

Financially material sustainability issues

- Food safety & Quality
- Decarbonisation
- People development

Impact material sustainability issues

- Biodiversity
- Skill development
- Community support

Refer to Group Integrated Report for information on financially material sustainability issues

APPROACH AND INITIATIVES

Mabroc's ESG agenda was formalised through TeaForward 2030 built on the pillars of Environmental Stewardship, Social Responsibility and Strong Governance. The Framework sets out a blueprint for integrating sustainability into its core operations and decision-making. The priority areas cover energy and emissions, waste, biodiversity and water stewardship, workplace responsibility, health and safety, stakeholder relationships and community engagement. These topics provide a clear basis for aligning strategy, operations and reporting with stakeholder expectations.

Traceability

Mabroc Teas launched TeaTrace a digital traceability platform to provide end-to-end visibility from tea estate to retail shelf. The platform allows buyers, consumers and auditors to access batch-specific information through a QR code, including estate details, production stages, certifications and country-of-origin information for additional ingredients.

Biodiversity

Mabroc Teas partnered with the University of Kelaniya to launch a Forest Patch Development Project at the university premises, aimed at establishing a sustainable forest ecosystem while enhancing urban diversity

ESG SCORECARD

	ENVIRONMENTAL METRICS	2026	2025	%	2024
ESG commitment areas	Energy consumption (GJ)	**2,355**	1,931	22	2,218
	Energy intensity (GJ/Revenue USD mn)	**68**	44	54	39
	Carbon footprint (tCO_2e): Scope 1 & 2	**293**	245	20	294
	Emission intensity (tCO_2e/Revenue USD mn)	**8.47**	5.54	53	7.63
	Water withdrawn (m^3)	**4,150**	4,111	1	4,419
	Water intensity (m^3/Revenue USD mn)	**120**	93	29	115
	Carbon footprint (tCO_2e)- Martin Bauer: Scope 1 & 2	**1,790**	1,343	33	3,907

PERFORMANCE AGAINST TARGETS

Emission reduction

Target: 6% Scope 1 & 2 annual reduction

2025/26: 20% increase

Renewable energy

Target: 3% annual increase in renewable and sustainable energy applications

2025/26: 0.04%

	SOCIAL METRICS	2026	2025	%	2024
ESG commitment areas	No. of employees	**172**	181	-5	162
	Revenue per employee (Rs. mn)	**61**	73	-16	39
	Remuneration per employee (Rs.mn)	**3.4**	3	13	2
	Investment in CSR (Rs.mn)	**4.4**	2	109	2
	No. of CSR beneficiaries	**1,628**	336	385	402

PERFORMANCE AGAINST TARGETS

Training and development

Target: 40 hours of average training per employee by 2030

2025/26: 11.73

Diversity training

Target: Each employee is to receive an average of **40 training hours** per annum by 2030

GRI Index

Statement of use	Hayleys PLC has reported in reference to the GRI Standards for the period from 1st April 2025 to 31st March 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	1	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	1				
	2-3 Reporting period, frequency and contact point	1				
	2-4 Restatements of information	1				
	2-5 External assurance	2				
	2-6 Activities, value chain and other business relationships	57-82				
	2-7 Employees	33, 34,35				
	2-8 Workers who are not employees	34				
	2-9 Governance structure and composition	9				
	2-10 Nomination and selection of the highest governance body	10				
	2-11 Chair of the highest governance body	10				
	2-12 Role of the highest governance body in overseeing the management of impacts	10				
	2-13 Delegation of responsibility for managing impacts	10				
	2-14 Role of the highest governance body in sustainability reporting	10				
	2-15 Conflicts of interest	10				
	2-16 Communication of critical concerns	10				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	2-17 Collective knowledge of the highest governance body	11				
	2-18 Evaluation of the performance of the highest governance body	11				
	2-19 Remuneration policies	11				
	2-20 Process to determine remuneration	11				
	2-21 Annual total compensation ratio	11				
	2-22 Statement on sustainable development strategy	11				
	2-23 Policy commitments	12				
	2-24 Embedding policy commitments	12				
	2-25 Processes to remediate negative impacts	12				
	2-26 Mechanisms for seeking advice and raising concerns	12				
	2-27 Compliance with laws and regulations	33-42				
	2-28 Membership associations	43				
	2-29 Approach to stakeholder engagement	47				
	2-30 Collective bargaining agreements	36				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	15-16				
Economic performance						
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	46				
GRI 201: Economic Performance 2016	203-1 Infrastructure investments and services supported	46				
	203-2 Significant indirect economic impacts	45				

GRI Index

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	40				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	30				
	301-2 Recycled input materials used	301-2 (a)		Not Relevant	Only relevant for the Group's construction material sector which has been disclosed seperately	
	301-3 Reclaimed products and their packaging materials	301-3 (a,b)		Not Relevant	Group does not use any reclaimed products and their packaging materials	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	22				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20,22,23				
	302-2 Energy consumption outside of the organization	22				
	302-3 Energy intensity	24				
	302-4 Reduction of energy consumption	22				
	302-5 Reductions in energy requirements of products and services	22				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	26,28				
	303-2 Management of water discharge-related impacts	28				
	303-3 Water withdrawal	27,28				
	303-4 Water discharge	28				
	303-5 Water consumption	28	303-5 a,b,c,d	Information not available	The Group does not have the measures in place to capture water consumption	
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	31				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	32				
	304-2 Significant impacts of activities, products and services on biodiversity	32				
	304-3 Habitats protected or restored	32				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	32				

GRI Index

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	20				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21				
	305-2 Energy indirect (Scope 2) GHG emissions	21				
	305-3 Other indirect (Scope 3) GHG emissions	21				
	305-4 GHG emissions intensity	21				
	305-5 Reduction of GHG emissions	21				
	305-6 Emissions of ozone-depleting substances (ODS)	21	305-6 a,b,c,d	Information not available	The Group currently does not monitor these emissions	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	21				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	25				
	306-2 Management of significant waste-related impacts	29,30				
	306-3 Waste generated	31				
	306-4 Waste diverted from disposal	31				
	306-5 Waste directed to disposal	31				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	35				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	35				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	34				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	35				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	35				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	37				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	37				
	403-2 Hazard identification, risk assessment, and incident investigation	37				
	403-3 Occupational health services	37				
	403-4 Worker participation, consultation, and communication on occupational health and safety	37				
	403-5 Worker training on occupational health and safety	38				

GRI Index

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	403-6 Promotion of worker health	38				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38				
	403-8 Workers covered by an occupational health and safety management system	38				
	403-9 Work-related injuries	38,39				
	403-10 Work-related ill health	39	403-10 (a,b)	Information not available	The Group currently does not track this information seperately	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	36				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	36				
	404-2 Programs for upgrading employee skills and transition assistance programs	36				
	404-3 Percentage of employees receiving regular performance and career development reviews	36				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	45				
	413-2 Operations with significant actual and potential negative impacts on local communities	45				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-	416-1 (a)	Information not available	The Group does not have information systems in place to capture the required information	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	42				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	42				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	42				
	417-2 Incidents of non-compliance concerning product and service information and labeling	42				
	417-3 Incidents of non-compliance concerning marketing communications	42				