

The Green **BLUEPRINT**



Hayleys Fentons Limited
ESG Roadmap 2025



The Green BLUEPRINT

In nature, balance is sustained by guardians both great and small. Along Sri Lanka's coasts, mangroves anchor the land against tides and storms, creating protection where land and sea meet. In forests and farmlands, bees carry life from flower to flower, ensuring that ecosystems thrive in quiet collaboration. Together, they remind us that strength lies not in isolation, but in interconnection, each element reinforcing the other to sustain life.

At Hayleys Fentons, these guardians inspire the way we think about sustainability. Our mangrove restoration reflects the essence of Earth Stewardship protecting what protects us, regenerating ecosystems, and anchoring resilience for the future. Our beehive conservation echoes the spirit of People-Centric Partnerships where collaboration, like pollination, multiplies value, sustains communities, and ensures shared prosperity.

Yet sustainability for us goes further. Like the precision of a bee's pollination, our commitment to Quality and Credibility ensures that every engineering solution is delivered with care, reliability, and integrity. And like the intricate root systems of a mangrove forest, our Good Governance provides the structure that holds everything together transparent, ethical, and resilient against external pressures.

This is the heart of The Green Blueprint: to draw lessons from the natural world and embed them into our engineering journey. By integrating environmental stewardship, social responsibility, quality, and governance into our business, we are shaping infrastructure that does more than serve today- it safeguards tomorrow. Just as mangroves and bees sustain ecosystems, Hayleys Fentons seeks to build systems where growth, resilience, and sustainability are inseparable.



Contents

ABOUT THIS DOCUMENT

- 3 SCOPE AND BOUNDARY
- 3 ANNUAL SCOPE ASSESSMENT
- 3 STANDARDS AND FRAMEWORK
- 4 SUSTAINABLE PUBLISHING PRACTICES

COMPANY OVERVIEW

- 6 KEY BUSINESS VERTICALS
- 6 BUILT ON SUSTAINABILITY
- 8 CHAIRMAN'S MESSAGE
- 9 MANAGING DIRECTOR'S MESSAGE
- 10 DIRECTOR / CHIEF FINANCIAL OFFICER'S MESSAGE

APPROACH TO ESG INTEGRATION

- 12 THE HAYLEYS LIFECODE
- 14 THE GREEN BLUEPRINT-OUR FOCUS AREAS
- 15 MATERIALITY AND SCORING

STEWARDSHIP OF THE GREEN BLUEPRINT

- 18 ROLES AND RESPONSIBILITIES
- 20 POLICY ARCHITECTURE

EARTH STEWARDSHIP

- 22 STRATEGIES, TARGETS AND KPIS

PEOPLE-CENTRIC PARTNERSHIPS

- 26 STRATEGIES, TARGETS AND KPIS

QUALITY AND CREDIBILITY

- 30 STRATEGIES, TARGETS AND KPIS

GOOD GOVERNANCE

- 34 ETHICS AND CULTURE
- 35 STRUCTURE AND OVERSIGHT
- 37 TRANSPARENCY AND ACCURATE REPORTING
- 37 STAKEHOLDER ENGAGEMENT
- 39 ENTERPRISE RISK MANAGEMENT
- 42 ANNEXURE - SUPPLIER SUSTAINABILITY PROFILE



**CHAIRMAN'S
MESSAGE**



**MANAGING
DIRECTOR'S MESSAGE**



**DIRECTOR / CHIEF
FINANCIAL OFFICER'S
MESSAGE**

About this Document

This document underscores Hayleys Fentons' commitment to integrating ESG considerations within our strategy, planning, decision-making, and operational workflows. Serving as our ESG roadmap, it offers a holistic overview of pivotal ESG topics, long-term sustainability aspirations, actionable strategies for achievement, and robust ESG across the Hayleys Fentons Limited.

Our targets are aligned with the ESG Roadmap of our parent entity, the Hayleys Lifecode and are harmonised with the United Nations' Sustainable Development Goals, supported by well-defined metrics for tracking progress. This document is the property of Hayleys Fentons Limited and may not be reproduced in whole or in part without the express written permission of the Managing Director of Hayleys Fentons Limited. The ESG Roadmap is reviewed and updated biennially to ensure its continued relevance and alignment with evolving priorities and global standards.

SCOPE AND BOUNDARY

In order to effectively manage Hayleys Fentons' ESG risks and leverage potential opportunities, the implementation of this Roadmap is mandated across all locations, which includes the Head Office, Warehouse, Showrooms and Sites.

The ESG reporting boundary is consistent with Hayleys Fentons Limited's financial reporting boundary and includes owned and leased locations. This includes both domestic and overseas operations of its nine subsidiaries, Energynet (Pvt) LTD, Haywind One Limited, Fentons Smart Facilities (Pvt) LTD, Nex-Gen Engineering (Pte) LTD, Nex-Gen Engineering Studio Limited, Hayleys Electronics LTD, Hayleys Electronics Manufacturing (Pvt) LTD, Hayleys Mobility (Pvt) LTD, Hayleys Electronics Manufacturing (Pvt) LTD, and Global Consumer Brands (Pvt) LTD. This alignment ensures consistency between financial and ESG reporting boundaries, strengthening transparency and minimising the risk of gaps in coverage.

Expanding to New Territories and Business Scopes

All newly established companies, locations and operations are mandated to achieve full compliance with ESG reporting requirements within the financial year of their establishment, with all relevant performance indicators reported through the internal Information Reporting Management System.

ANNUAL SCOPE ASSESSMENT

Compliance and ESG Division will conduct an annual assessment of the ESG scope and boundary to confirm ongoing adherence to our Roadmap.

STANDARDS AND FRAMEWORK

The ESG Roadmap is designed to meet the standards and criteria set out in the following mandatory and voluntary frameworks and codes

- SLFRS S1 and S2 Sustainability Disclosure Standards
- Integrated Reporting Framework issued by the International Integrated Reporting Council (now Value Reporting Foundation)
- GRI Standards issued by the Global Reporting Initiative
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka 2023
- Guidelines Issued by the Sustainability Accounting Standards Board (SASB)
- UN Sustainable Development Goals
- UN Global Compact (UNGC) 10 Principles

About this Document

SUSTAINABLE PUBLISHING PRACTICES

In line with our ESG commitments, this Roadmap has been produced using paper sourced from well-managed FSC®-certified forests, recycled materials, and other controlled sources, supporting circular economy principles and reducing environmental impact.

To further minimize our paper footprint, we have introduced a digital access option via QR code, providing full access to the ESG Roadmap. This initiative not only reduces printing-related emissions and resource use but also reflects our commitment to embedding sustainable practices into every aspect of how we operate and communicate.

PAPER SOURCING CERTIFICATIONS



Rooted in Sri Lanka's rural heritage, traditional honey collection reflects the deep connection between communities and nature. With local production of about 43 metric tonnes and an additional 127 metric tonnes imported to meet demand, Stingless Bee (*Trigona iridipennis*) honey is highly prized for its medicinal benefits, reflecting how tradition can evolve into sustainable market opportunities that protect biodiversity while empowering people.

Hayleys Fentons has grown by nurturing deep connections with communities and natural resources. We carry forward this ethos of balance—transforming tradition into opportunity while safeguarding what is vital for the future. This grounding in local communities reflects how we continue to evolve as a trusted partner, with people and sustainability at the heart of our operations.



Company Overview

Founded in 1919, Hayleys Fentons Limited is one of Sri Lanka's first engineering companies. As the No.1 Solar EPC and MEP contractor in the country, the company has over 100 years of engineering excellence. Its key specialisations include Solar, Wind and Utility projects, Mobility Solutions, ICT systems, Electrical and Lighting, Fire Safety, Air Conditioning and Ventilation, Plumbing and Gas, Security and Communication,

Audio-Visual integration, UPS and Battery Backup, Facilities Management, Architectural Drawings and 3D Visualisation, Industrial Accessories Trading and Hydro Solutions. Renowned for innovation and exceptional client service, the company's main aim is to provide sustainable and innovative engineering services for a better life.

KEY BUSINESS VERTICALS



Market leadership status in the Solar EPC and MEP segment



Installation of over 400 MW rooftop solar power systems



Compliance to a range of domestic and international Environmental, Quality, Health and Safety Certifications



Purpose

Sustainable and Innovative Engineering services for a better life



Vision

To be the undisputed No. 1 in all our business verticals in Sri Lanka and be a leading player in the region



Mission

To be a winning team that adds value to life through technology enabled solutions whilst meeting the expectations of all stakeholders including customers/clients, shareholders, employees, environment and society

Chairman's Message



“ This Roadmap will serve as a strategic blueprint for embedding sustainability deeply into our operational fabric, strategy, culture, and value creation mechanisms. ESG is no longer a peripheral concern. It is now a key determinant of long-term competitiveness, resilience, and relevance ”

It is my pleasure to pen this message on the launch of the first edition of the Hayleys Fentons ESG Roadmap, marking a pivotal milestone signaling the organisation's strategic and focused journey towards environmental stewardship, social responsibility and good governance. Rooted in the Hayleys Group's holistic ESG Roadmap, the Hayleys Lifecode, Hayleys Fentons' roadmap will serve as a strategic blueprint for embedding sustainability into the operational fabric, strategy, culture and value creation of the organisation. In the rapidly evolving global sustainability landscape, ESG is no longer a peripheral concern; I truly believe that it is now a key determinant of long-term competitiveness, resilience and relevance.

As a leader in the country's renewable energy space, Hayleys Fentons Limited plays a key role in driving the country's transition towards a low-carbon economy through the installation of over 400 MWp of rooftop solar power systems since 2011. The Company also offers a wide range of engineering services including electrical and mechanical systems, ICT and ELV solutions, facilities management and security systems designed to build smarter, greener and more resilient infrastructure. This roadmap consolidates these efforts and sets clear, measurable targets aligned with national climate ambitions including Sri Lanka's aspirations to reach net zero by 2050.

This roadmap outlines a structured framework to reduce the organisation's emissions, increase resource efficiency, foster inclusive growth and uphold the highest standards of integrity and ethics. Each action is aligned with our corporate purpose and the broader Hayleys ethos to engineer progress that inspires a thriving planet and an inclusive world. This transformation is not without its challenges and will demand introspection, agility and the courage to rethink legacy systems. However, in each challenge we face, lies an opportunity to innovate, improve and lead.

As we unveil this Roadmap, I congratulate the team for their commitment and call upon every member of the Hayleys Fentons family including employees, clients, suppliers and community partners to be active participants in this transformative journey. Let us lead by example, setting a benchmark for our industry and beyond.

Thank you.

A handwritten signature in black ink, appearing to read 'M. Pandithage'.

Mohan Pandithage
Chairman and Chief Executive

Managing Director's Message



“ Our ESG Roadmap is not just about setting aspirations; it is about embedding sustainability into the way we operate and measure success. It translates commitments into actionable programmes, with clear milestones tracked and reported transparently. ”

It is with great pride that I present Hayleys Fentons Limited's inaugural ESG Roadmap, a milestone in our evolution as one of Sri Lanka's most trusted engineering service providers. This Roadmap is centred on our corporate purpose of 'Delivering sustainable and innovative engineering services for a better life'.

This guiding principle has shaped how we interact with our stakeholders and conduct our business. This ESG Roadmap is our commitment to embed Earth Stewardship, People-Centric Partnerships, Quality and Credibility and Good Governance into the architecture of our operations just as precisely and intentionally as we engineer our solutions.

Our ESG Roadmap is not just about setting aspirations; it is about embedding sustainability into the way we operate and measure success. It translates commitments into actionable programmes, with clear milestones that will be tracked and reported transparently. From strengthening our governance structures and risk management systems, to embedding ESG criteria into project design, procurement, and stakeholder engagement, this Roadmap ensures that sustainability considerations are integrated into every layer of our decision-making. In doing so, we move beyond intention, driving tangible outcomes that create long-term value for our business, our people, and the communities we serve.

Aligned to our parent entity's ESG Roadmap, the Hayleys Lifecode, the Roadmap sets clear targets for 2030, grounded in both our technical capabilities and our accountability to people and planet. More importantly, it reflects a cultural shift, one where sustainability is no longer a siloed initiative, but a shared responsibility across every individual across our organisation. Key targets we commit to through this Roadmap includes a 70% reduction in GHG emissions of scope 2 by 2030, foster an inclusive environment that supports individuals with disabilities by implementing administrative controls and providing necessary physical infrastructure by 2030, and Exceed customer expectations through identifying and responding to customer needs. With the intensification of environmental and social risks in our operating landscape, we have also strengthened the identification and monitoring of sustainability-related risks and opportunities.

We recognise that this is only the beginning. Truly embedding sustainability into a business, like any complex system requires foresight, agility, and relentless execution. We are ready for this challenge, as we firmly believe that genuinely embedding ESG across our strategy, operations and decision-making is now a vital factor in ensuring our long-term resilience and success.

To our teams, clients, partners, and the extended Hayleys family: thank you for being part of this journey. Together, let us lead Sri Lanka into a new era of engineering one that is resilient, inclusive and truly sustainable.

Thank you.

Hasith Prematillake
Managing Director

Director / Chief Financial Officer's Message



“ ESG is a core business imperative one that drives efficiency, mitigates risk, fosters innovation, and delivers measurable impact. This Roadmap embeds sustainability into our strategy, capital planning, and performance metrics to create long-term value. ”

As Chair of the ESG Steering Committee of Hayleys Fentons, I am proud to present our inaugural ESG Roadmap, The Green Blueprint—a major milestone in embedding sustainability at the core of our decision-making, risk management, and long-term value creation.

In today's rapidly evolving business landscape, environmental, social, and governance priorities are no longer optional; they are essential to resilience, stakeholder trust, and sustainable growth. As a finance professional, I believe ESG is a core business imperative—one that drives efficiency, mitigates risk, fosters innovation, and delivers measurable impact.

Although there is no fixed timeline for a company to launch its ESG strategy, I believe this is the most appropriate time for us, as we embark on two exciting new segments within our Group—renewable energy and power, and new energy vehicles. This roadmap represents the culmination of our efforts to integrate sustainability across our strategy, capital planning, compliance systems, and performance metrics. It establishes clear governance structures, assigns ESG accountability across divisions, defines transparent reporting pathways, and sets ambitious goals aligned with our 2030 aspirations.

As the largest and most respected Solar EPC company in Sri Lanka, and the longest-standing and most trusted engineering services provider, we stand at the crossroads of energy, infrastructure, and innovation. Our work influences not only the built environment but also the economic and ecological systems around it. With such influence comes responsibility—and this roadmap ensures that every project we deliver, every resource we manage, and every decision we make reflects our broader purpose:

Sustainable and innovative engineering services for a better life.

In the past, we have lived by our ESG priorities. With this launch, however, we will truly embed ESG into our business strategy. It has now become a way of life—an integral part of who we are as a Group, not merely a choice.

The ESG Steering Committee has been established to provide oversight and ensure this roadmap is not just implemented but truly lived. Through data-driven tracking, cross-functional collaboration, and continuous improvement, we will align internal policies with global standards, manage sustainability risks and opportunities, and ensure transparent disclosures that integrate ESG goals seamlessly with business performance. This marks the beginning of a long-term journey—one that requires clarity, collaboration, and courage. With the commitment of our leadership, teams, and partners, I am confident that we will not only meet the expectations of today's stakeholders but also shape the engineering sector of tomorrow.

Thank you.

Best Regards

Pamudith Gunawardana
Director / Chief Financial Officer

APPROACH TO ESG INTEGRATION

Bee populations serve as natural indicators of ecosystem health and signal the richness of plant life, the quality of air and water, and the stability of food chains. A thriving bee population also suggests healthy pollination cycles that sustain agriculture, biodiversity, and even climate resilience, while a decline often warns of deeper ecological stress caused by deforestation, pesticide use, or changing weather patterns. In this way, bees are more than pollinators—they are vital sentinels of sustainability, offering early insight into the well-being of both nature and human livelihoods.

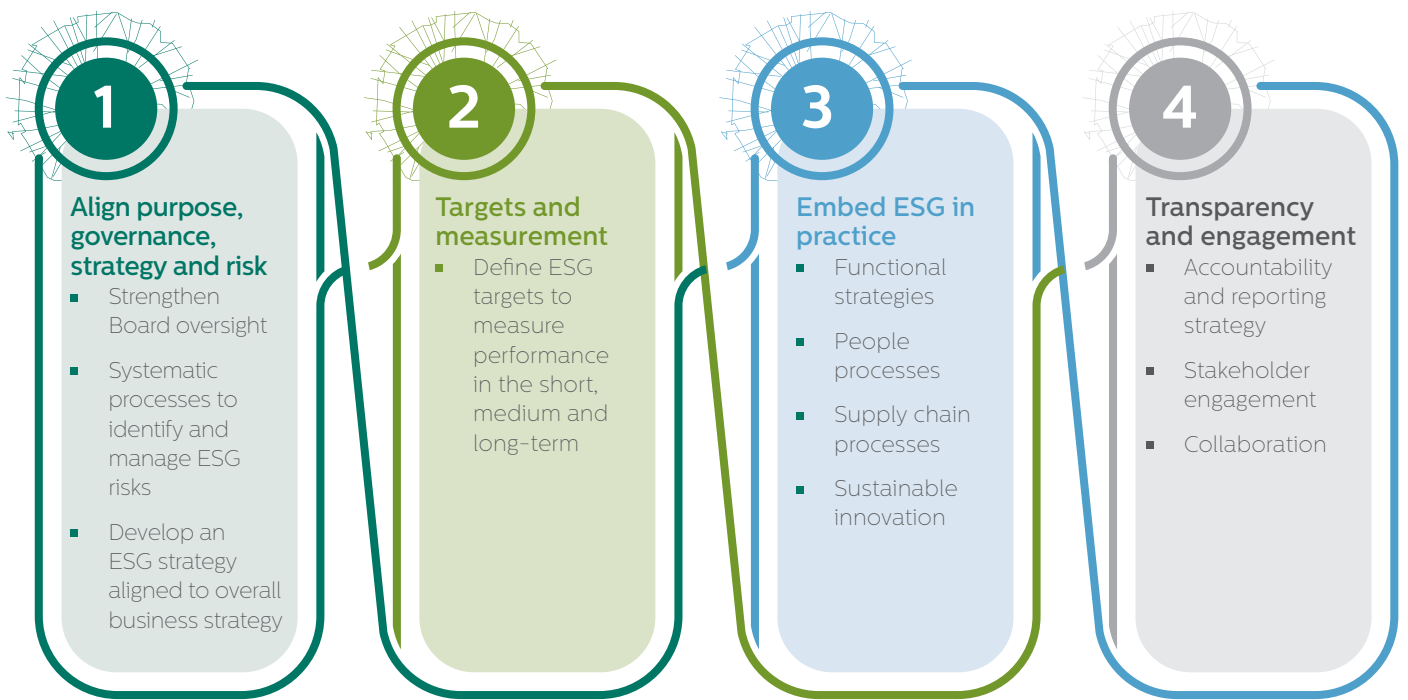
At Hayleys Fentons, our approach to ESG mirrors the way natural ecosystems thrive—where every element is interconnected, resilient, and purposeful. We see our business as a living system where people, communities, and natural resources are integral to long-term success. By embedding environmental stewardship, social responsibility and good governance into every layer of our operations, we ensure that sustainability is the foundation of how we create value and remain a trusted partner in Sri Lanka's renewables and engineering sector.



Approach to ESG Integration

The approach to ESG integration is aligned with that of the parent entity and encompasses integration to governance, risk management, strategy and reporting mechanisms as graphically illustrated below. In line with Group-wide

governance and reporting requirements, the Hayleys Fentons has also established governance committees and defined specific reporting lines, ensuring relevant information is tracked, monitored and reported on an ongoing basis.

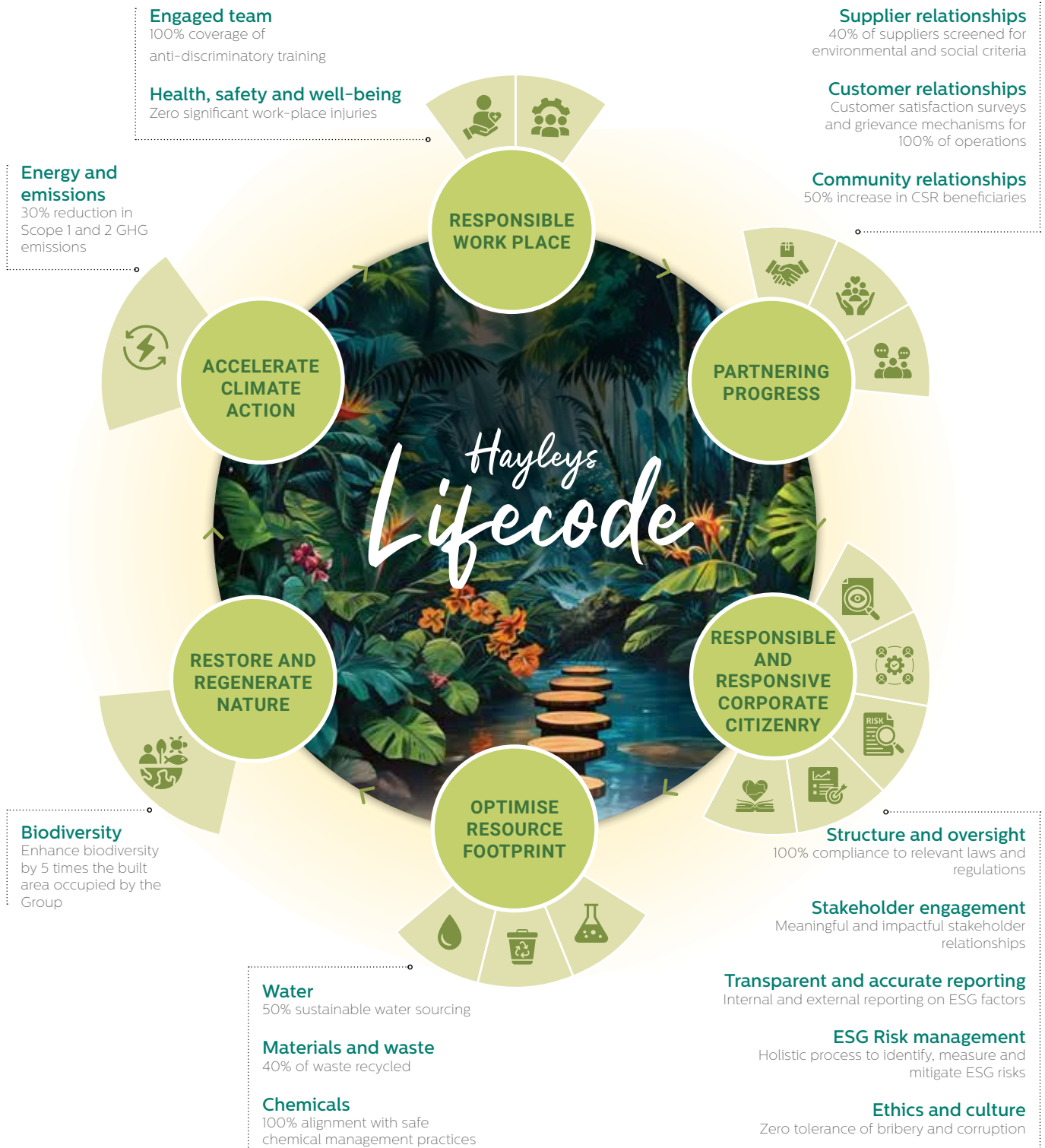


THE HAYLEYS LIFECODE

Introduced in January 2022 with the 2nd edition launched in March 2025, the Hayleys Lifecode outlines the Hayleys Group’s environmental, social and governance ambitions and its sustainability strategy up to 2030. While the Lifecode and its associated environmental, social, and governance policies serve as the baseline standard for all group entities, individual sectors are encouraged to create their own tailored ESG roadmaps,

incorporating industry-specific variables, distinct opportunities, and risks, along with their unique business models. Sector-specific objectives should align with the overarching Group objectives as outlined in the Hayleys Lifecode. Robust governance framework and reporting channels have been established to ensure timely communication of sector-level developments to Hayleys PLC for ongoing monitoring.

Areas of focus under Hayleys Lifecode



Approach to ESG Integration

THE GREEN BLUEPRINT-OUR FOCUS AREAS

The Green Blueprint is centred on four pillars, which represent key areas of focus in the Group’s corporate strategy operating

landscape and value creation model. The areas of focus are also broadly aligned with the 6 long-term commitments of the Hayleys Group as set out in the Hayleys Lifecode.



- Earth Stewardship**
- Energy and Emissions
 - Waste
 - Biodiversity



- Good Governance**
- Ethics and Culture
 - Transparent and Accurate Reporting
 - Stakeholder Engagement
 - Enterprise Risk Management



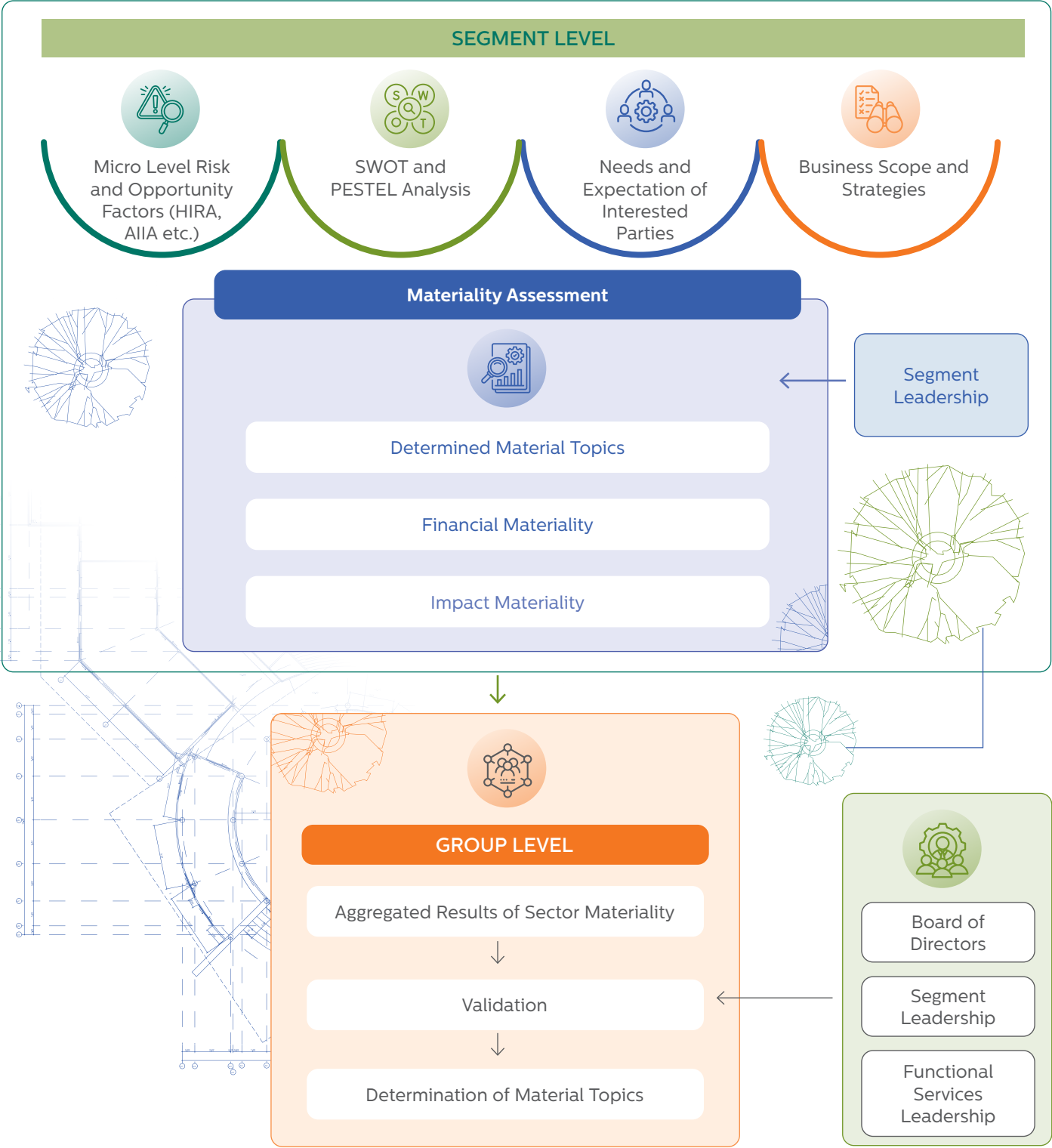
- Quality and Credibility**
- Quality and Product Responsibilities
 - Certifications



- People-centric Partnerships**
- Engaged Team
 - Health, Safety and Well-being
 - Business Partnerships
 - Community Relationships

MATERIALITY AND SCORING

Hayleys Fentons Limited adopts a systematic materiality analysis, aligned with the methodology of the parent entity.

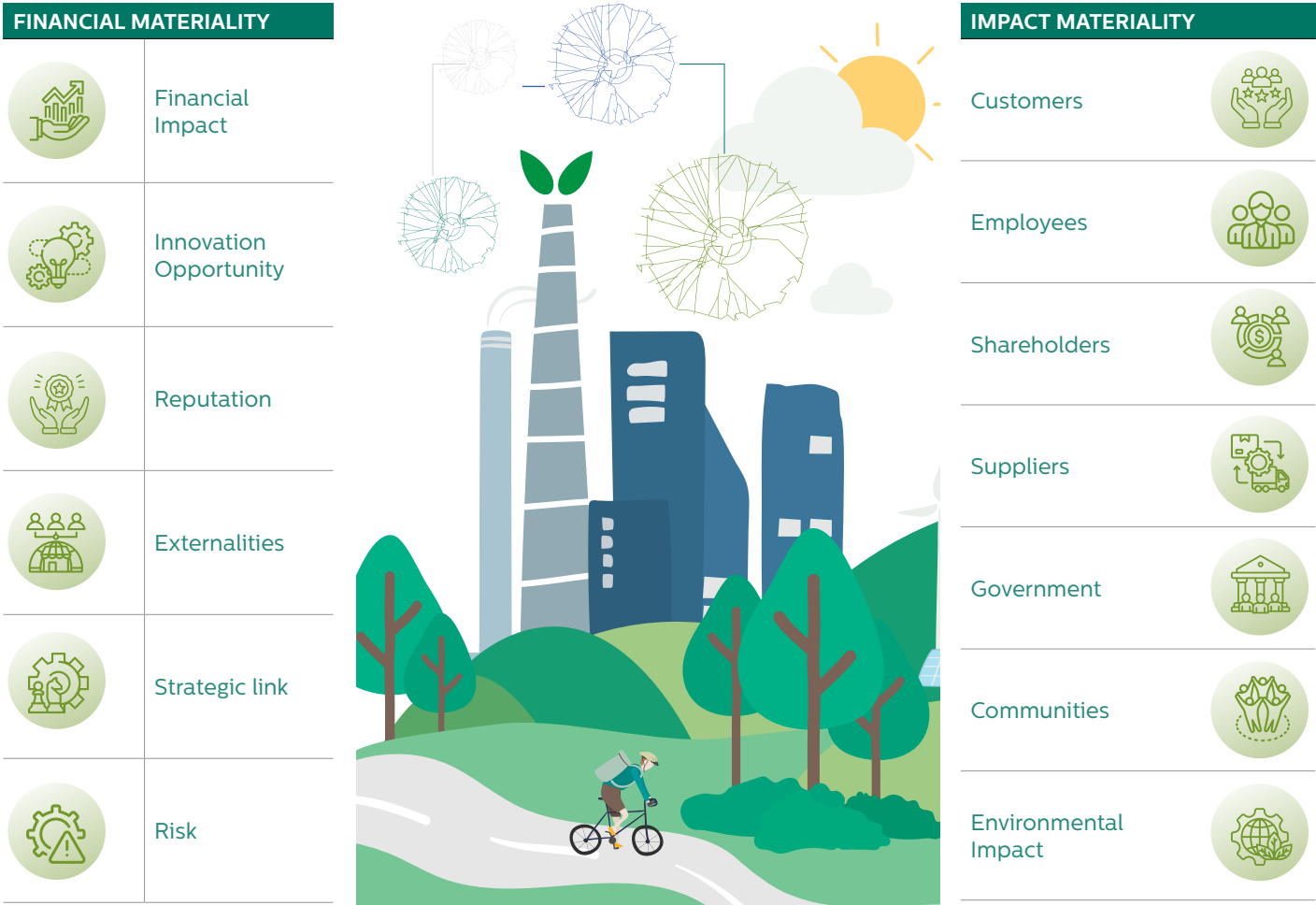


Approach to ESG Integration

We adopt a double materiality lens in determining material topics, recognising that sustainability topics impact both the company’s financial performance (outside-in perspective) and its influence on the environment, society, and stakeholders (inside-out perspective). This structured process ensures that material topics are identified, assessed, and integrated into the company’s strategic decision-making, risk management, and ESG commitments.

At the Group Level, material topics from all business segments are aggregated to form a comprehensive view of Hayleys

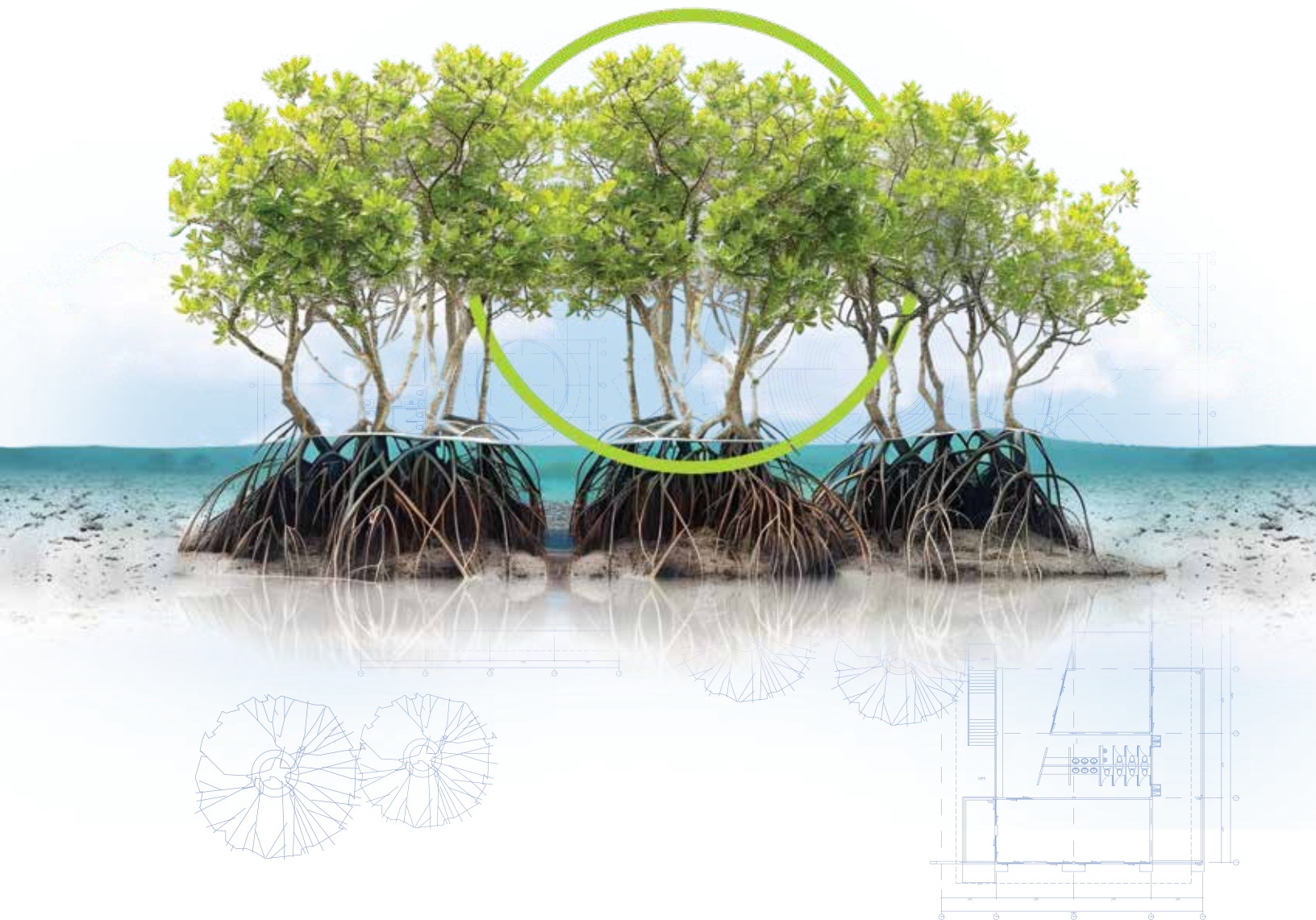
Fentons’ sustainability landscape. This assessment undergoes validation by the Board of Directors (BOD), segment leadership, and functional service leadership, ensuring alignment with corporate objectives, regulatory compliance, and global best practices. The final determination of material topics integrates both financial materiality (how sustainability issues affect the company’s financial performance) and impact materiality (how the company’s activities influence people, the environment, and society at large).



STEWARDSHIP OF "THE GREEN BLUEPRINT"

In 2015, Sri Lanka became the first nation in the world to grant full legal protection to all its mangrove forests—safeguarding over 21,000 hectares of critical coastal ecosystems. This landmark decision set a global benchmark in environmental stewardship, recognising mangroves as natural guardians against climate change, coastal erosion, and biodiversity loss. By protecting these vital habitats, Sri Lanka not only preserved a source of livelihood for local communities but also positioned itself as a pioneer in integrating conservation into national policy—a blueprint for how nations can balance development with ecological responsibility.

This milestone embodies the principles of "The Green Blueprint," underscoring Hayleys Fentons' role in aligning with pioneering national conservation efforts. Much like natural ecosystems where balance and interdependence ensure resilience, we nurture deep connections with communities and resources to create shared value. Guided by these principles, we transform opportunities into lasting impact—ensuring that sustainability remains at the heart of our operations and our contribution to Sri Lanka's future.



Stewardship of The Green Blueprint

The implementation of The Green Blueprint is supported by robust governance and reporting structures, a comprehensive suite of policies and clearly defined roles and responsibilities, as set out in further detail in the chapter below.

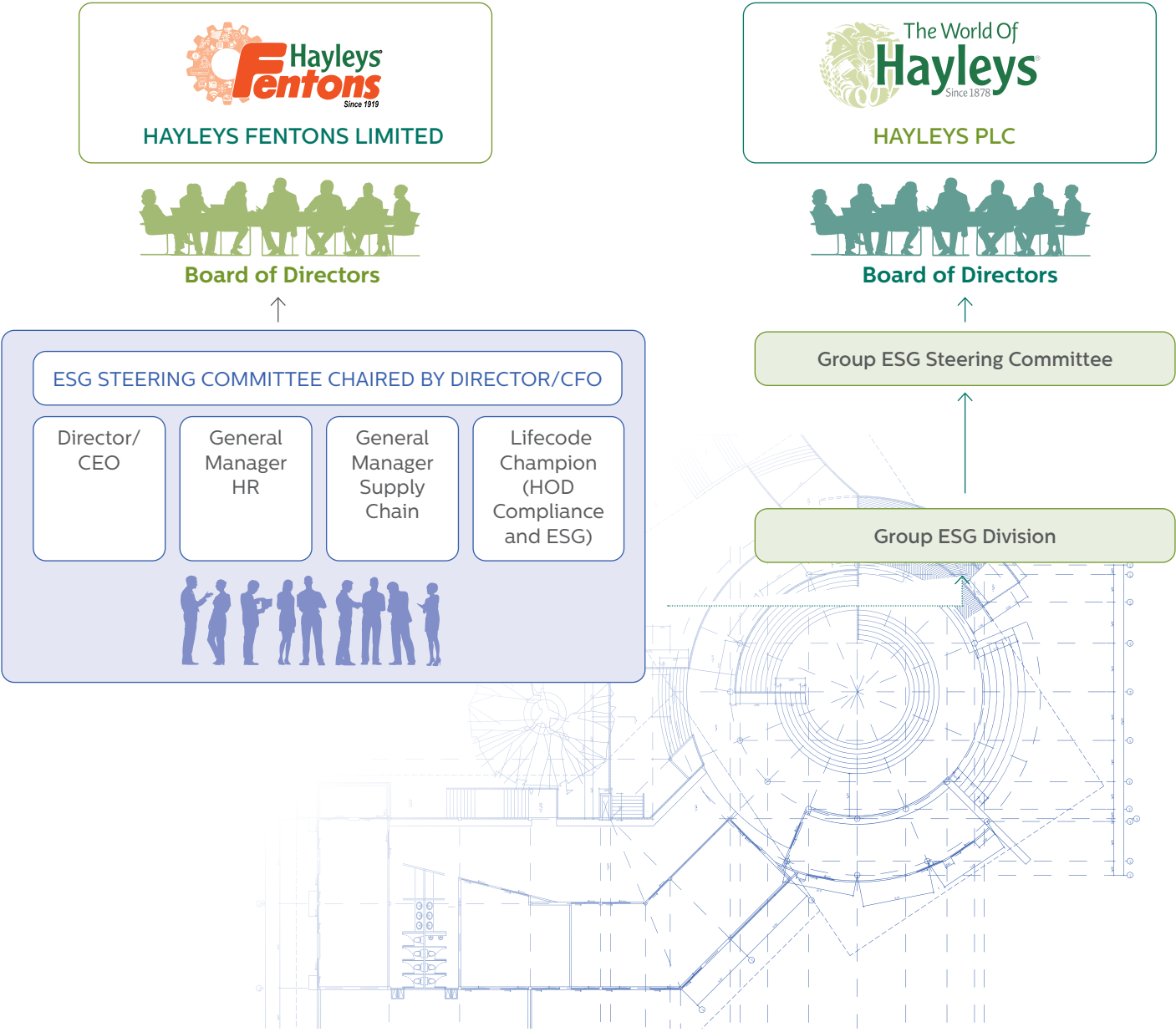
ROLES AND RESPONSIBILITIES

Board of Directors

The Board of Directors of Hayleys Fentons, appointed by the shareholders, is the highest decision-making authority and carries overall responsibility for defining the company's strategic direction, shaping organisational culture, and ensuring the adoption of a robust governance framework. The Board

oversees the establishment of effective risk management and internal control systems, including those related to ESG governance.

The Board includes a Director responsible for ESG oversight, ensuring that the company's environmental and social impacts are effectively assessed and managed, and that related policies are implemented. The Board also plays a critical role in ensuring that Hayleys Fentons' ESG aspirations are fully integrated into the company's strategy, operational decision-making, and value creation processes across all business functions.



Hayleys Group ESG Steering Committee

The Hayleys Group ESG Steering Committee is responsible for overseeing the group's ESG framework, strategy, policies, risks, opportunities, initiatives, and external commitments. The Committee comprises three Executive Directors of Hayleys PLC and three members of the Group Management Committee (GMC), including the Group Chief Financial Officer (GCFO) and the Head of Group Human Resource and Legal. The Committee is kept abreast of emerging ESG risks and opportunities, quarterly non-financial information and progress against targets at least on a quarterly basis by the Group ESG Division.

Hayleys Fentons ESG Steering Committee

The ESG Steering Committee at Hayleys Fentons plays a crucial role in implementing the company's ESG framework, strategy, policies, risks, opportunities, initiatives, and external commitments. Comprising two Executive Directors from Hayleys Fentons (Director/Chief Executive Officer and Director/Chief Financial Officer), two FGMC members (General Manager HR, General Manager Supply Chain) and Lifecode Champion, the Committee stays in the loop on emerging ESG risks and opportunities.

ESG Steering Committee Mandate

Purpose

The ESG Steering Committee was established to provide strategic oversight and guidance on Environmental, Social, and Governance matters within the organisation. The committee aims to integrate sustainable practices, identify and manage ESG-related risks, and leverage opportunities to enhance long-term value creation.

Roles and Responsibilities

1. Risk Identification and Management:

- Regularly identify and assess ESG-related risks that may impact the organisation's financial performance, reputation, and stakeholder relationships.
- Evaluate the potential environmental and community impacts arising from the organisation's operations and activities.
- Develop strategies and policies to mitigate identified risks and capitalise on opportunities for improvement in ESG performance.
- Engage with relevant stakeholders to gather insights and perspectives on potential risks and impacts.

2. Policy Development and Enhancement:

- Develop, review, and enhance ESG policies to align with global standards, regulations, and emerging best practices.
- Ensure that policies effectively address identified ESG risks and opportunities.

3. Performance Monitoring and Reporting:

- Establish key performance indicators (KPIs) to monitor and report on the organisation's ESG performance.
- Integrate ESG KPIs into performance management and remuneration frameworks, with oversight from the Remuneration Committee in consultation with the ESG Steering Committee.
- Regularly review and assess progress toward ESG goals and targets.
- Ensure integrity of systems in place to collect ESG data.

4. Stakeholder Engagement and Communication:

- Foster meaningful engagement with internal and external stakeholders on ESG matters.
- Establish robust grievance mechanisms and regularly review feedback.
- Communicate the organisation's ESG initiatives, performance, and impacts transparently to stakeholders.

5. Compliance Oversight:

- Monitor compliance with ESG-related regulations, industry standards, and guidelines.
- Implement mechanisms to address any identified non-compliance issues promptly.

6. Resource Allocation and Investment Strategy:

- Provide recommendations on resource allocation to support ESG initiatives and projects.
- Consider ESG factors in the organisation's investment strategy and decision-making processes.

7. Integration of ESG into Business Strategy:

- Ensure that ESG considerations are integrated into the overall business strategy of the organisation.
- Collaborate with other business units to align ESG goals with broader organisational objectives.

8. Training and Awareness:

- Identify and address skills gaps related to ESG within the organisation.
- Promote awareness and understanding of ESG principles among employees.

9. Innovation and Continuous Improvement:

- Encourage and support innovative solutions that contribute to the organisation's ESG objectives.
- Foster a culture of continuous improvement in ESG practices.

Meeting Frequency

The committee will convene quarterly, with additional ad-hoc meetings scheduled as needed to address emerging issues or significant developments.

Stewardship of The Green Blueprint

Hayleys Fentons Compliance and ESG Division

The Compliance and ESG Division at Hayleys Fentons is responsible for driving the group's ESG agenda, encompassing specific duties such as:

- a) Gathering relevant data on environmental, social, and governance metrics and analysing it to assess performance.
- b) Contribute to the development and publication of ESG reports including material metrics, and consolidating information requests.
- c) Drive strategic ESG initiatives towards achieving the ESG aspirations set out in this Roadmap.
- d) Engaging with stakeholders to integrate ESG considerations into daily operations and decision-making processes.
- e) Ensure compliance with ISO standards, laws, and internal policies and guidelines.
- f) Identify and report sustainability and climate-related risks within the company's operations.
- g) Collaborate with the finance department to discuss and assess the financial implications of sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) in accordance with IFRS S1 and S2.
- h) Ensuring that the organisation adheres to relevant ESG regulations and standards.
- i) Educating employees about the importance of ESG principles and providing training to enhance their awareness and understanding.
- j) Identifying opportunities for innovation and improvement in ESG practices to drive continual progress.
- k) Provide quarterly updates on non-financial performance metrics, tracking progress against set ESG targets for the ESG Steering Committee and the Group ESG Division.

Compliance and ESG Committee

The Compliance and ESG Committee plays a pivotal role in implementing strategies to identify, assess, and manage sustainability and climate-related risks and opportunities. The committee is committed to achieving key performance indicators (KPIs) that align with Hayleys Fentons' sustainability targets. Through its efforts, the committee ensures compliance with sustainability goals and regulatory requirements while reinforcing the company's reputation as a leader in responsible business practices.

Key Responsibilities

1. Implementation of Action Plans:

- Execute the action plan developed by ESG Steering Committee within their respective divisions.

2. Compliance Monitoring:

- Oversee adherence to environmental regulations and industry standards.

3. Continuous Improvement:

- Foster a culture of continuous improvement in compliance and ESG practices within the company.

4. Policy Development:

- Assist in the development and refinement of compliance and ESG-related policies and procedures.
- Ensure these policies are communicated and adhered to across the company.

5. Collaboration with External Partners:

- Work with external partners, including suppliers and contractors, to promote compliance and ESG standards throughout the supply chain.
- Participate in industry forums and initiatives to stay informed of emerging ESG trends and best practices.

POLICY ARCHITECTURE

Environment	Social	Governance
■ Quality, Health, Safety, Environment and Energy Policy		
■ Environment Management Policy ■ Energy and Emissions Management Policy ■ Water Management Policy ■ Material And Waste Management Policy ■ Biodiversity Conservation Policy	■ Grievance Handling Policy ■ Recruitment Policy ■ Learning and Development Policy ■ Talent Management and Succession Planning Policy ■ Performance Management Policy ■ Anti-Sexual Harassment Policy ■ Whistleblower Policy ■ Human Rights Policy ■ Occupational Health and Safety Policy ■ Procurement Policy ■ Community Relationships	■ Board Charter ■ Board Committee Charters ■ Stakeholder Engagement ■ Information Disclosure Policies ■ IT Policy ■ Intellectual Capital Policy ■ Information Security Policy
■ Facility Management Policy		

EARTH STEWARDSHIP

Mangroves fortify coastlines against storms, waves, and erosion. Their intricate root systems absorb the force of surging tides, shielding vulnerable communities while preserving fertile shorelines. By protecting both people and nature, mangroves stand as one of the planet's most effective natural defences in the fight against climate change.

At Hayleys Fentons, we champion nature-based climate resilience, reinforcing our role in protecting biodiversity and reducing environmental risks. These principles guide every aspect of our operations—making sustainability not just a commitment, but the foundation of how we create value, protect natural resources and build lasting trust with communities.



Earth Stewardship

Waste

2030 target:

- Zero waste to landfill.
- Reduce environmental impact by managing 10 tonnes of community waste through circular economy practices.



Energy and Emissions

2030 target:

- Derive 70% of electricity from renewable energy sources.
- Minimum 10% electricity intensity reduction in Head Office premises.
- Comprehensive reporting of GHG emissions across all 3 scopes.
- 70% reduction in GHG emissions of scope 2.



Biodiversity

2030 target:

- Expand the biodiversity enhancement programme to cover an area 5 times the built environment footprint of our company (Head office and Warehouse).



Strategies, Targets and KPIs

The Hayleys Fentons' three material environmental focus areas of energy and emissions, waste and biodiversity represent Hayleys Fentons most significant environmental impacts and

areas in which it could potentially create the most significant positive impacts. The Roadmap defines environmental targets for 2030, annual KPIs as well as action plans and strategies to achieve the said aspirations.

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE (2022/23)	ANNUAL KPI
Environment Management Policy					
Energy	Reliance on sustainable and renewable energy sources.	Derive 70% of electricity from renewable energy sources.	2026 Installation of Solar PV system to offset 70% of total electricity consumption of Head Office. 2027 Installation of a Solar PV system to offset 70% of the total electricity consumption across all facilities under the company's custodianship.	1.32 % of renewable energy derived for Head Office electricity requirement.	Annually consume 70 % of electricity that generated from the solar PV system of Head Office. Annually consume 70 % of electricity that generated from the solar PV systems across all facilities under the company's custodianship.
	Reduction in energy intensity through improving building operational efficiencies.	Minimum 10% electricity intensity reduction in Head Office premises. <i>(Electricity intensity is measured as electricity consumed per unit floor area (kWh/m² /year))</i>	2025 Improve efficiency of lighting system. 2027 Installation of High efficient HVAC system for Head Office premises.	113.53 (kWh/m ² . year)	Annually 1.42% year reduction in electricity intensity.
	Capture and Reduce carbon footprint.	Comprehensive reporting of GHG emissions across all 3 scopes. 70% reduction in GHG emissions of scope 2 by 2030.	2024>2030 Commence data collection, calculation and internal and external verification of Carbon foot print annually. 2026 Installation of solar PV system for Head Office premises. 2027 Installation of a Solar PV system to offset 70% of the total electricity consumption across all facilities under the company's custodianship.	No GHG emissions reported prior to FY 2023/24.	Annually 70% of GHG savings from the total electricity consumption of the Head Office. Annually 70 % of GHG saving from the total electricity consumption of the company's custodianship in annual basis.

Earth Stewardship

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE (2022/23)	ANNUAL KPI
	Prevent environmental impact and value addition across waste generation.	Zero waste to landfill.	2026 Develop and Implement integrated waste management system.	Diverted from landfill 32.32 MT out of total amount of 35.63 MT.	Maintain Zero waste to landfill.
		Reduce environmental impact by managing 10 tonnes of community waste through circular economy practices by 2030.	2025>2030 Organised Waves Without Waste (WWW) annual beach cleanup programme. 2025>2030 Establish waste collection points and facilitate the proper channeling of waste for reuse or recycling.	0 tonnes	Reduce community waste managed annually by 1.6 tonnes each year.
Biodiversity	Biodiversity conservation and preservation.	Expand the biodiversity enhancement programme to cover an area 5 times the built environment footprint of our company (Head office and Warehouse).	2024>2030 Initiate a tree-planting project that cover the 0.357 hectares annually.	0.4 Hectare land utilised for biodiversity conservation project.	Implement biodiversity enhance programme to cover 0.357 hectares annually.

PEOPLE-CENTRIC PARTNERSHIPS

Some Bees (*Xylocopa Tranquebarica* [Indian Carpenter Bee]) are known to extend their foraging into low-light conditions—at dawn, dusk, and even under moonlight. This ability ensures continuous pollination, enriching plant diversity, supporting flowering species that bloom outside daylight hours, and strengthening ecosystem resilience.

At Hayleys Fentons, we are dedicated to building partnerships where people and biodiversity thrive side by side, supporting communities that rely on healthy ecosystems. By creating pathways where human progress and natural systems grow together, we ensure sustainability delivers lasting value for both people and the planet.



People-Centric Partnerships



STRATEGIES, TARGETS AND KPIS

Embarking on a transformative journey towards a sustainable and socially responsible future, our 2030 ESG strategy is a comprehensive roadmap that places the social pillar at the forefront of our organisational ethos. This pillar focuses on key areas such as building an engaged and empowered workforce, ensuring employee health, safety, and well-being, cultivating strong relationships with business partners, and making a

positive impact on the communities we serve. By implementing targeted initiatives and setting ambitious goals, we aim to foster an inclusive, safe, and productive work environment, strengthen our supply chain with responsible practices, and actively contribute to community development and empowerment. Through these efforts, we are committed to driving long-term social value.

Engaged Team

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Employment policies	Provide opportunities for continuous learning.	Deliver average of 40 training hours per employee.	Develop a comprehensive training plan covering all levels of employees.	4.2 Average training hours per employee last year.	Increase per employee training hours by 60% every year.
	Create a performance driven and conducive work culture.	Ensure 100% of employees receive performance appraisals, including both executives and non-executives.	Continue existing employee performance appraisal procedure.	100%	Conduct performance appraisal for all employees annually.
	Leadership and Supervisory development plan.	10,000 man hours of leadership and supervisory development programme.	Conduct comprehensive leadership development training to align senior leadership roles.(AGM and above).	920 hours	Implement 1428 man hours of leadership development programme by annual.
	Building an inclusive and equitable organisational culture.	All employees to undergo training and awareness on Human Rights, including Anti-discrimination.	Continue training and refreshers on Human Rights including Anti-discrimination for all employees.	100%	Conduct training and awareness on Human Rights including Anti-discrimination for 100% employees.
		Improve physical infrastructure and administrative mechanisms to create an inclusive environment for persons with disabilities.	Conduct a gap analysis comparing the current physical infrastructure with the required standards. Improve the physical infrastructure based on the findings from the gap analysis. Develop a Standard Operating Procedure (SOP) and provide training for relevant service providers and employees to support individuals with disabilities in accessing the premises.	Not implemented in 2022/23.	Increase the percentage of accessible building modifications by 20% annually.
		Implement administrative controls to prevent discrimination, ensuring inclusion across all employees and the supply chain by 2030.	Develop guideline for the HR process. Include anti-discrimination requirements in agreements with supply chain partners.	Not implemented in 2022/23.	Increase representation of diverse groups by 5% annually across all employee levels.

People-Centric Partnerships

Health, Safety, and Well-being

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Health and Safety Policy	Ensure the health, safety, and well-being of all employees.	Zero high-consequence work-related injuries/ Occupational diseases.	Take required action to control hazards within the low risk level.	0 high-consequence work related injuries/ Occupational diseases.	Maintain zero high-consequence work-related injuries/ Occupational diseases annually.

External Business Partners

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Procurement Policy	Propagate good social and environmental practices across our supply chain.	Achieve 100% screening of total supplier profile.	Develop, Implement and Monitor supplier evaluation procedure.	87%	Supplier base screened to be increased by 1.8% annually to achieve a target of 100% by 2030.

Community Relationships

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Community Relationships	Uplifting livelihoods and empowering communities.	Increase 10,000 CSR beneficiaries by 2030.	Organise CSR programmes to cover 1600 beneficiaries annually.	100 beneficiaries	Conduct CSR programmes to cover 1600 beneficiaries annually.

QUALITY AND CREDIBILITY

Bees pollinate nearly 75% of the world's leading food crops, directly supporting the production of fruits, vegetables, nuts, and seeds that sustain billions of people. Their consistent and precise role in this process makes them essential to global food security.

At Hayleys Fentons, we uphold the same principles of precision, reliability, and accountability in every solution we deliver. With over a century of engineering excellence, our reputation has been built on trust and the confidence of our customers. By placing customer satisfaction at the heart of our operations, we ensure that every project meets the highest standards of quality, safety, and sustainability.



Quality and Credibility



STRATEGIES, TARGETS AND KPIS

Enhanced customer satisfaction reflects our dedication to ESG principles is further underscored by the pursuit of internationally recognised certifications and best practices. This introduction

encapsulates our unwavering commitment to building a future where sustainability, and ethical business practices converge for the betterment of our team, stakeholders, and the communities we serve.

QUALITY AND PRODUCT RESPONSIBILITIES

POLICY	ESG STRATEGY	2030 TARGET	ACTION PLANS	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Quality Management Policy	Exceed customer expectations through identifying and responding to customer needs.	Achieve customer satisfaction level of 90%.	Continual improvement of internal quality management system.	80% customer satisfaction rate.	Achieve 1.25% customer satisfaction rate increase annually.
	Effectively address all non conformities raised by the customers, consultants, third party certification bodies and internal compliance audit team.	Address all the complaints and non-compliance with effective corrective action.	Centralised all the complaints and non conformities handling process and monitor effectiveness of corrective actions.	Currently customer and consultants complaint and non conformities address in site level and others address by the compliance division separately.	Implement the centralised complaints and non conformities handling process.
	Introduce energy-efficient products to customers.	Introduce seven energy-efficient products by 2030.	Conduct comprehensive survey and select high energy-efficient products.	Zero	Introduce one energy-efficient products in annual basis.
	Strategically expand our solar PV installation and maintenance capacity to contribute Sri Lanka's renewable energy generation target.	Contribution of 1500 MW to Sri Lanka's renewable energy capacity.	Expand installation and maintenance operation to cater 1500 MW solar PV systems by 2030.	125 MW	Expand 215 MW installation of Solar PV.

CERTIFICATIONS

ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
Internationally recognised certification for internal management and verification system	Maintain ISO 50001:2018 energy management certification.	Maintain internal energy management system as per the requirements mentioned in the ISO 50001:2018 Standard.	Internal Energy Management System was certified to ISO 50001:2018.	Zero Major non conformities in ISO 50001:2018 external audits annually.
	Obtain and maintain ISO 14064-1:2018 GHG Verification Opinion .	Maintain internal GHG emission management system as per the requirements mentioned in the ISO 14064-1:2018.	Currently Hayleys Fentons does not have third party certification for Greenhouse gas calculation.	Obtain ISO 14064-1:2018 standard by March annually. Zero Major non conformities in ISO 14064-1:2018 external audits annually.

Quality and Credibility

ESG STRATEGY	2030 TARGET	ACTION PLAN	BASELINE PERFORMANCE (2022/23)	ANNUAL KPI
	Maintain ISO 14001:2015 Environmental Management System.	Maintain internal Environment management system as per the requirements mentioned in the ISO 14001:2015 Standard.	Internal Environment Management System was certified to ISO 14001:2015.	Zero Major non-conformities in external audits.
	Maintain ISO 45001:2018 Occupational Health and Safety Management.	Maintain internal OHS management system as per the requirements mentioned in the ISO 45001:2018 Standard.	Internal OHS Management System was certified to ISO 45001:2018.	Maintain zero major non-conformities in external audits annually.
	Maintain ISO 9001:2015 Quality Management System.	Maintain internal Quality Management System as per the requirements mentioned in the ISO 9001:2015 Standard.	Internal Quality Management System was certified to ISO 9001:2015.	Maintain zero major non-conformities in external audits annually.
	Maintain ISO 41001:2018 Facility Management System.	Maintain internal Facility Management System as per the requirements mentioned in the ISO 41001:2018 Standard.	Internal Facility Management System was certified to ISO 41001:2018.	Maintain zero major non-conformities in external audits annually.
	Obtain and Maintain ISO 26001:2010 Guidance on Social Responsibility.	Obtain Social Responsibility as per the requirements mentioned in the ISO 26001:2010 Standard before 2027. Maintain Social responsibility according to the standard requirements mention in the ISO 26001:2010.	No certification at baseline.	Maintain zero major non-conformities in external audits annually. Maintain zero major non-conformities in external audits annually.
	Obtain and Maintain ISO/IEC 27001:2022 Information Security Management System.	Obtain ISO/IEC 27001:2022 Information Security Management System Standard before 2027. Maintain internal Information Security Management System as per the requirements mentioned in the ISO/IEC 27001:2022.	No certification at baseline; ISO/IEC 27001:2022 certification obtained in 2025 for NOC operations.	Maintain zero major non-conformities in external audits annually. Maintain zero major non-conformities in external audits annually.

GOOD GOVERNANCE

Mangroves are among the world's most powerful carbon sinks, storing up to five times more carbon per hectare than tropical rainforests. Their dense root systems trap and hold 'blue carbon' in soil and sediment for centuries, locking away greenhouse gases that accelerate climate change.

At Hayleys Fentons, we have long demonstrated the importance of strong governance frameworks that balance environmental responsibility with social equity. Our model emphasises transparency, ethical practices, and long-term sustainability. By embedding ESG principles into every level of decision-making, we strengthen our role as a responsible corporate citizen—building stakeholder trust while driving meaningful impact for both people and the planet.



Good Governance

GOOD GOVERNANCE

Robust governance structures form the foundation of our business, driving effective and ethical leadership, judicious empowerment and the creation of lasting shared value. As an organisation operating with a diverse universe of stakeholders, we synchronise their sometimes conflicting needs,

acknowledging the integral connection between our success and theirs. Our commitment to transparency cultivates trust, while accountability ensures that decisions align with shareholder expectations. Hayleys Fentons corporate governance framework, practices and approach is also aligned with that of its parent entity Hayleys PLC, from which it inherits formalised structures, comprehensive policy frameworks, board procedures and a culture of accountability.

ETHICS AND CULTURE

As part of the Hayleys Group, Hayleys Fentons is guided by the Hayleys Way which is the ethical guidance for all employees including its key management personnel. As summarised below, key aspects of the Hayleys Way includes Business Integrity, Regulatory Compliance and Conflict of Interest among others and clearly sets out the expectations of all Group employees in dealing with both internal and external stakeholders.



Bribery and Anti-Corruption

Hayleys Fentons upholds the highest standards of integrity and strictly adheres to the Hayleys Group Bribery and Anti-Corruption Policy. We maintain a zero-tolerance stance towards all forms of bribery and corruption across our operations, projects, and business partnerships.

Employees and representatives of the company are prohibited from offering, soliciting, or accepting any bribes or facilitation payments, including political contributions, donations to political parties, or support to election candidates. The policy is applicable to the Board of Directors and all employees.

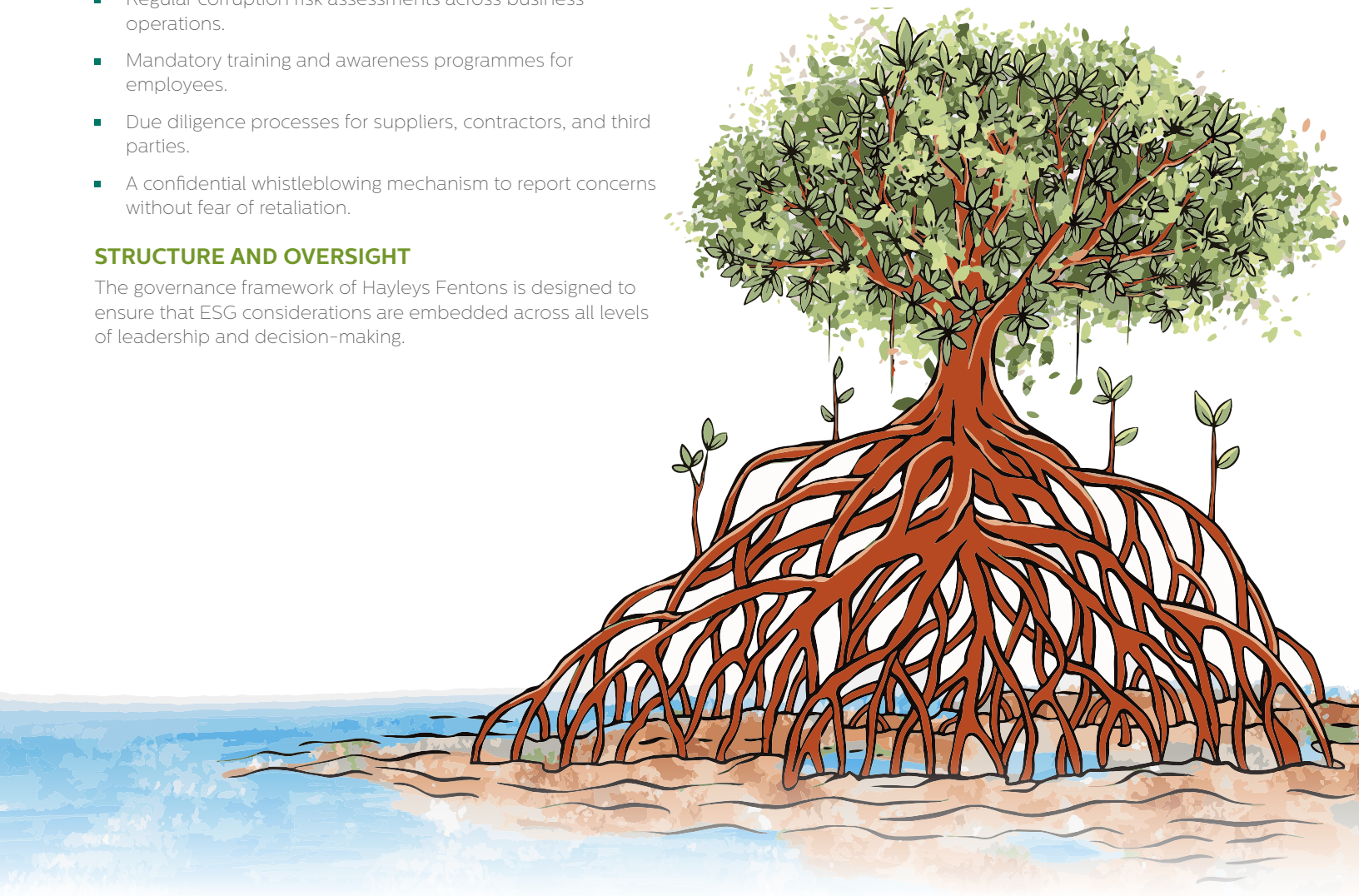
To safeguard ethical conduct, Hayleys Fentons has implemented a structured anti-corruption framework which includes:

- Regular corruption risk assessments across business operations.
- Mandatory training and awareness programmes for employees.
- Due diligence processes for suppliers, contractors, and third parties.
- A confidential whistleblowing mechanism to report concerns without fear of retaliation.

STRUCTURE AND OVERSIGHT

The governance framework of Hayleys Fentons is designed to ensure that ESG considerations are embedded across all levels of leadership and decision-making.

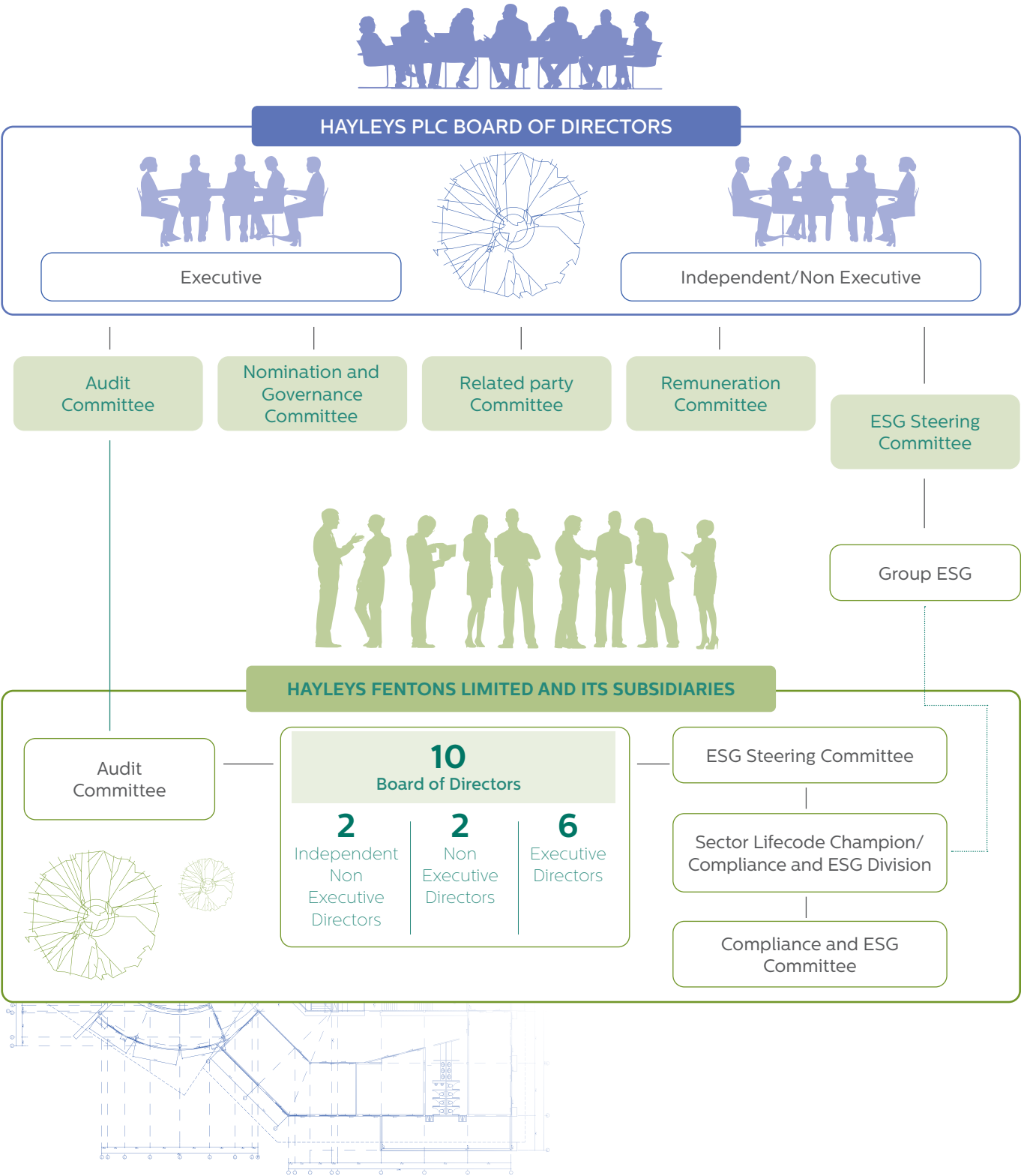
At the apex, the Board of Directors holds ultimate responsibility for strategy, risk management, and sustainability oversight, supported by a mix of Executive, Independent, and Non-Executive Directors. Specialised committees including the Audit Committee, Nomination and Governance Committee, Related Party Committee, Remuneration Committee, and the ESG Steering Committee provide focused oversight on critical governance and sustainability matters.



Good Governance

STRUCTURE AND OVERSIGHT

Board Structure and Composition



TRANSPARENCY AND ACCURATE REPORTING

The Board of Hayleys Fentons is committed to facilitating transparency and accurate reporting to its investors and other market participants.

Financial and operating results

The Quarterly financial statements and the Annual Report are routine channels for communicating our financial performance. Any significant developments occurring between these reporting periods are promptly disclosed to ensure fair access to information for investors and market participants. Moreover, we release press statements regarding our quarterly financial performance and noteworthy developments in the interim period to ensure the prompt and widespread distribution of information.

Sustainability and ESG Reporting

In recent years, Hayleys Fentons has actively worked towards improving its sustainability reporting, aligning with global best practices in corporate reporting and the standards set by Hayleys PLC. The Hayleys Fentons corporate reporting is aligned with the following frameworks;

- <IR> Framework of the International Integrated Reporting Council.
- IFRS Accounting Standards (financial) and IFRS Sustainability Disclosure Standards – IFRS S1 and S2 (sustainability).
- Compliance with Global Reporting Standards (GRI) for sustainability reporting.
- Relevant Standards set out by the Sustainability Accounting Standards Board.
- Utilisation of a systematic materiality assessment procedure in accordance with the standards set by the Hayleys Group.

Quantitative disclosures relating to ESG performance are collated and reported via the Hayleys Group’s Sustainability Information System and Hayleys Fentons Internal Information

Reporting Management System. Performance is reported to the Board of Directors and Group ESG on a quarterly basis, enabling regular monitoring.

Related-party transactions

Related party transactions are disclosed in accordance with the guidelines outlined in the CSE Listing Rules. Hayleys Fentons is responsible for establishing effective processes to adhere to these requirements, ensuring that all Board members and key management personnel are well-informed about their roles, responsibilities, obligations, and duties in this context.

Other Information

The Annual Report of Hayleys Fentons is expected to furnish details on the following aspects:

- Company objectives
- Value created for stakeholders
- ESG and Compliance Information
- Issues regarding employees and other stakeholders
- Foreseeable risk factors

Information provided in the Annual Report must be accurate, reliable, comparable and consistent. The Annual Report must also provide a balanced view of the performance and standing of the company, explaining both positive and negative aspects in a responsible manner.

STAKEHOLDER ENGAGEMENT

Proactive, ongoing and meaningful engagement with stakeholders is critical in identifying and responding to emerging ESG risks and opportunities. Hayleys Fentons adopts a systematic and structured approach to identifying stakeholder needs which includes formal and informal platforms and feedback loops. This section sets out the Hayleys Fentons approach to stakeholder engagement.

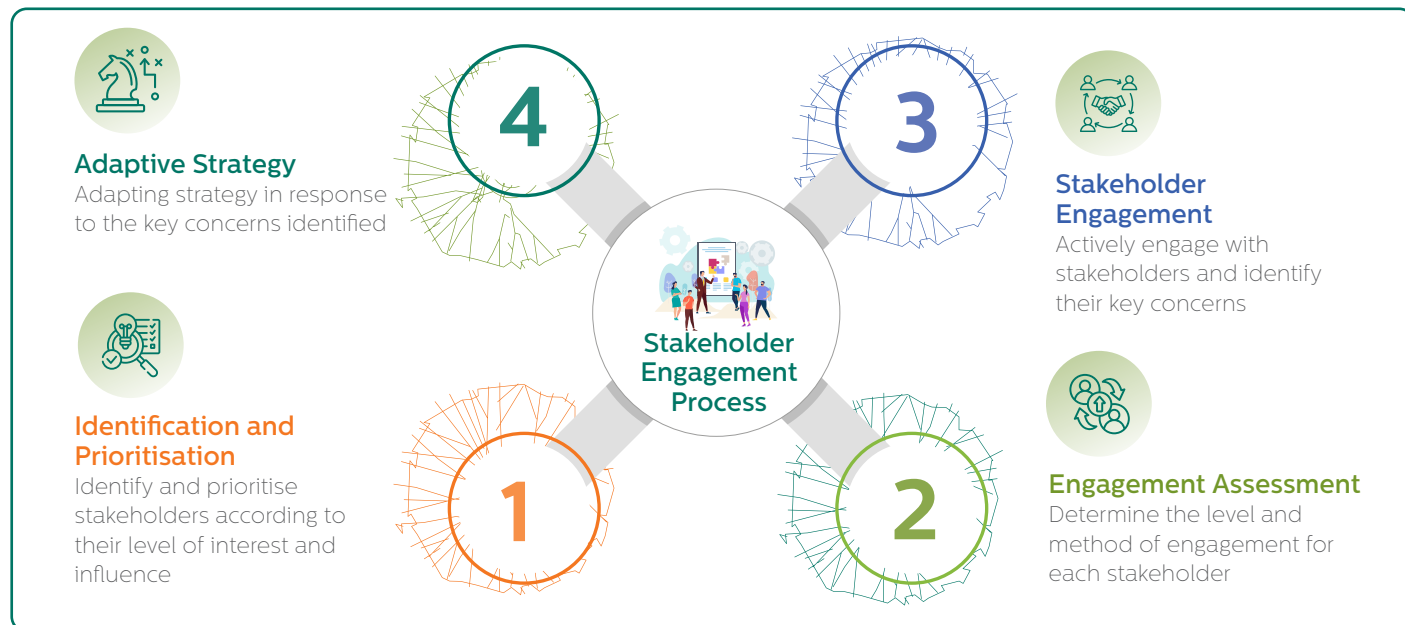
Stakeholder Value

The value propositions for the Hayleys Fentons key stakeholders are set out below:

Stakeholder	Value proposition
Shareholders	Deliver sustainable returns commensurate with the risk undertaken and long-term growth.
Employees	Create an inclusive and dynamic work environment which values employee well-being and satisfaction.
Customers	Consistently deliver high-quality, innovative solutions with excellent customer service.
Business Partners	Create opportunities for long-term business growth and sustainable value creation.
Community	Address the social and environmental impacts of our operations through responsible business practices and drive meaningful change in communities.

Good Governance

Approach to Stakeholder Engagement



Stakeholder Group

- Customers (direct and indirect customers)
- Employees (current and future employees)
- Business associates (suppliers, business partners, principals and consultants)
- External certification and verification bodies
- Parent company and its subsidiaries
- Financial institutions
- Government and regulatory bodies (public authorities, regulators)
- Community (residents in operating areas, community organisations, resident associations, public)

Identification and Prioritisation

At Hayleys Fentons, stakeholders are systematically identified and prioritised based on their degree of influence on the company and the level of interest they hold in its operations. This process ensures that employees, customers, suppliers, regulators, shareholders, and communities are all mapped according to their relevance and impact. By recognising who the most material stakeholders are, the company is able to focus its engagement efforts on areas that matter most for mutual value creation.

Engagement Assessment

The level and method of engagement with stakeholders are determined based on their influence and expectations. Engagement is carried out through a structured approach that combines consultation, communication, and monitoring mechanisms to ensure relevance and effectiveness.

- **Consult/Collaborate** – Direct engagement through surveys, meetings, workshops, forums, and joint projects to identify concerns and co-create solutions.
- **Message** – Transparent communication via corporate reporting, press releases, websites, social media, and newsletters.
- **Monitor** – Tracking sentiment and external developments through social media, research studies, and media reports, enabling proactive responses.

This structured assessment ensures that each stakeholder group is engaged in a way that reflects its level of priority, while providing meaningful feedback to strengthen Hayleys Fentons' ESG journey.

Stakeholder Engagement

Stakeholder engagement is central to how Hayleys Fentons builds trust and delivers on its ESG commitments. Engagement activities include employee forums, customer satisfaction surveys, supplier assessments, workshops, and community outreach programmes. These interactions are supported by ongoing communication channels, ensuring stakeholders remain informed and connected. Through this process, Hayleys Fentons actively listens to stakeholder feedback, which is systematically analysed and integrated into ESG materiality assessments.

Adaptive Strategy

The final step of the engagement process is translating insights into action. Stakeholder concerns and expectations are reviewed by governance committees and management teams, ensuring sustainability initiatives, operational improvements, and governance practices align with stakeholder priorities. This adaptive approach allows the company to respond to evolving regulations, market conditions, and social expectations while building long-term resilience. By embedding stakeholder feedback into its governance framework, Hayleys Fentons demonstrates agility, transparency, and accountability ensuring its ESG roadmap remains forward-looking and aligned with the long-term vision of Hayleys PLC.

ENTERPRISE RISK MANAGEMENT

In line with the Hayleys Group's approach to risk management, Hayleys Fentons has embedded environmental, social and governance risk management into the Group's enterprise risk management frameworks. Enterprise risk assessments are conducted quarterly and reported to the ESG Steering Committee and Audit Committee, as well as the Group ESG Steering Committee through the Hayleys Group ESG Division. The Board holds ultimate responsibility for the Hayleys Fentons risk management, supported by the Audit Committee.

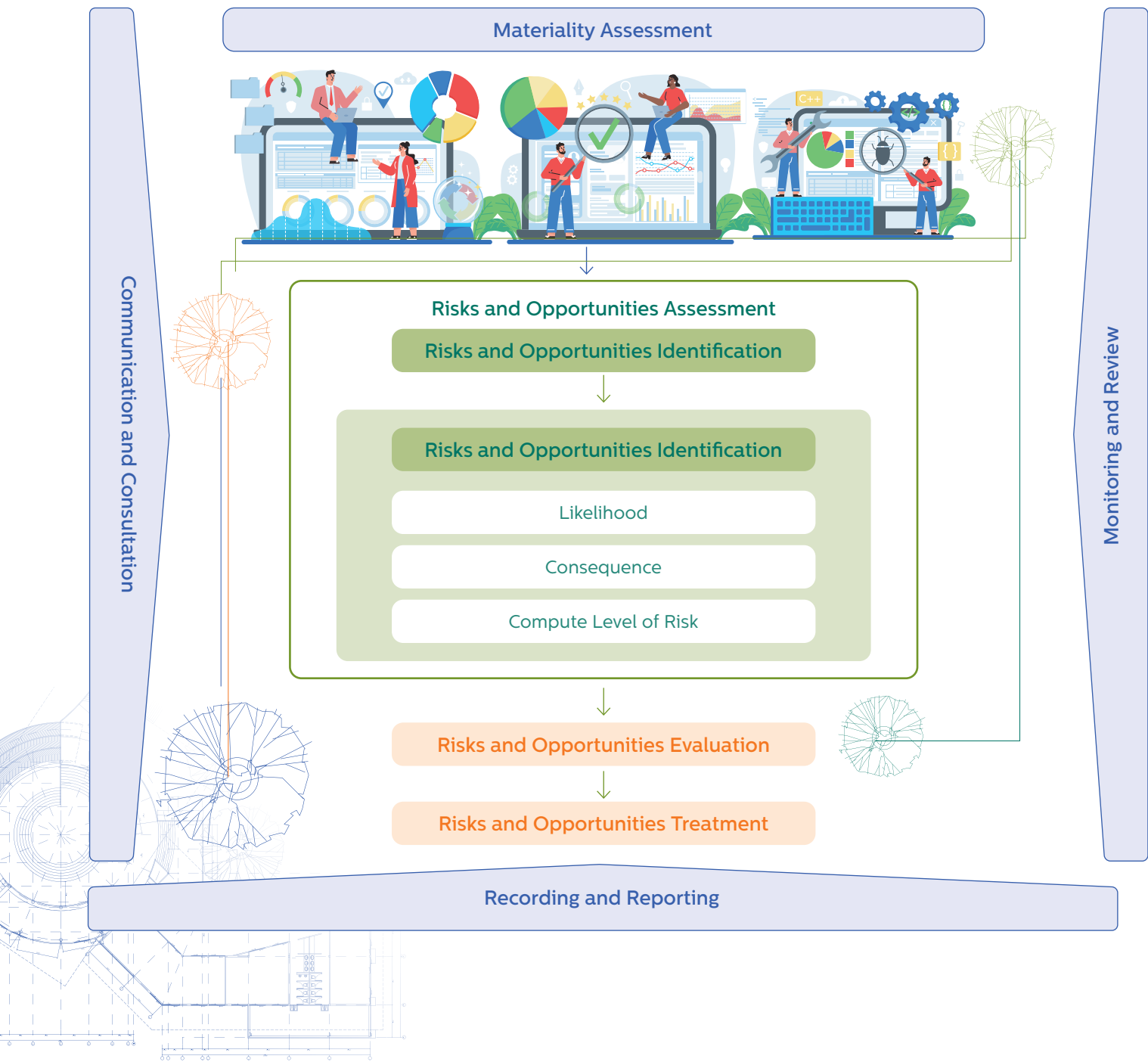


Good Governance

Approach to risk and opportunity management

Hayleys Fentons formal risk management processes are coordinated by the Finance and Compliance and ESG divisions, with all segments heads being responsible for identifying risks relevant to their own areas. We recognise that managing both financial and ESG-related risks is essential to achieving

long-term sustainability and success. Our approach to risk management is proactive and systematic, ensuring that we effectively identify, evaluate, treat, and monitor risks and opportunities in a manner that aligns with our organisational goals and the expectations of our stakeholders.



We begin by conducting a thorough Materiality Assessment, which allows us to prioritise the most significant risks and opportunities based on their potential impact on our business, stakeholders, and ESG objectives. This ensures that our efforts are focused on areas that are of greatest concern and relevance.

Following this, we engage in a detailed Risk and Opportunity Assessment, where risks are identified across various domains operational, compliance, environmental, social, and governance and are analysed for their likelihood and potential consequences. By evaluating these factors, we can determine the level of risk associated with each and prioritise them for appropriate action.

Once risks and opportunities are identified and analysed, we conduct a comprehensive Risk and Opportunity Evaluation, which helps us assess the potential impact of these risks on our ESG and business goals. This evaluation process ensures that we are aligned with the company's overall risk tolerance and strategic objectives. For each identified risk and opportunity, we develop clear Treatment Strategies, outlining specific plans to mitigate or manage risks and to leverage opportunities in alignment with our sustainability and growth objectives. Our treatment strategies are designed to address both short-term and long-term risks and opportunities, enabling us to remain resilient and adaptable in a rapidly changing business environment.

Our risk evaluation process is based on the newly enhanced Risk Treatment Criteria, which categorises risks according to their score:

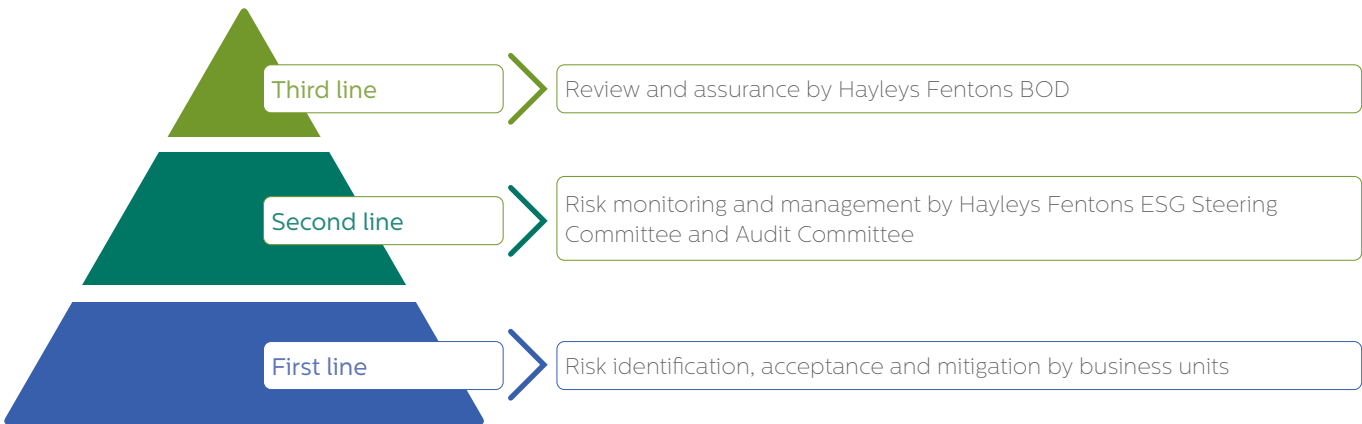
Risk Level	Risk Score	Description
Very Low	1 – 2	Negligible risk; no immediate action required. Monitor periodically to ensure the risk remains minimal.
Low	3 – 5	Acceptable risk; monitor regularly and manage as part of routine operations.
Medium	6 – 10	The risk requires monitoring and management within operational control, along with the development of an appropriate strategy to mitigate the risk.
High	11 – 15	The risk demands immediate corrective action, the formulation of a risk management strategy, and periodic review by top management.
Very High	16 – 20	The risk must be escalated immediately for decision-making by the Board of Directors, along with the development and implementation of a comprehensive risk management strategy.

Importantly, only risks with a rating above 11 are escalated for comprehensive Treatment Plans. These plans are designed to mitigate the impact of identified risks, with clear action steps, resource allocation, and monitoring mechanisms. This focused approach ensures that our management efforts are directed efficiently towards risks with the most substantial potential impact, enabling us to enhance resilience and sustainability.

Finally, our Reporting, Monitoring, and Review process ensures ongoing oversight of our risk management efforts. Regular

monitoring and periodic assessments are conducted to track the effectiveness of our risk mitigation strategies. We report our findings to key governance bodies, including the Fentons ESG Steering Committee, Audit Committee, and Group ESG division, and ensure that the Board is kept informed to support decision-making.

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



Annexure – Supplier Sustainability Profile



Descrizione / Description:

Carta colorata parzialmente riciclata caratterizzata dalla presenza di “schegge” ben visibili in superficie in tutte le varianti tranne Gardenia che è priva di inclusioni. La presenza di cotone all’interno dell’impasto la rende particolarmente morbida al tatto.

Partially recycled coloured paper characterised by the presence of clearly visible “speckles” on the surface in all variants except Gardenia which is free of inclusions. The presence of cotton makes the paper particularly soft to the touch.

Scheda Tecnica / Technical Data Sheet:

Caratteristiche della carta Paper Properties	Unità Unit	Obiettivo Target	Obiettivo Target	Obiettivo Target	Obiettivo Target	Metodo (1) Method
Grammatura Basis weight	g/m ²	100	130	240	350	MCM-003 ISO 536
Spessore Caliper	µm	140	175	325	470	MCM-004 ISO 534
Lunghezza rottura DL Breaking length MD	km	5,5	5,3	4,2	3,5	MCM-017 ISO-1924
Lunghezza rottura DT Breaking length CD	km	3,0	2,9	2,3	1,9	
Rigidità (Taber 15°) DM Stiffness (Taber 15°) MD	mN	9,6	13	118	310	MCM-023 ISO-2493
Rigidità (Taber 15°) DT Stiffness (Taber 15°) CD	mN	4,8	6,0	60	150	
Liscio Bendsen lato tela Smoothness Bendsen wire side	ml/min	***	***	***	***	MCM-016 ISO-2494
Liscio Bendsen lato ballerino Smoothness Bendsen felt side	ml/min	***	***	***	***	
Grado di bianco ISO (Filtro Tappi 457) Tinta Avorio Brightness ISO (Tappi filter 457) Avorio Shade	%	***	***	***	***	MCM-078 ISO 2470

Questo prodotto è realizzato con materiali provenienti da foreste correttamente gestite - certificate FSC®, materiali riciclati e altre fonti controllate.

This product is made of material from well-managed FSC® - certified forests, recycled materials, and other controlled sources.

(1) MCM - Metodo di analisi interno / internal method

I valori sopra riportati sono quelli tipici di produzione / The values given above are typical of the production process

Documento informativo a distribuzione non controllata / Informative document of which distribution is not controlled

LIMITI DI TOLLERANZA / TOLERANCE LIMITS	100g - 120g	121g - 200g	201g - 400g	> 400g
Grammatura - Basis weight	± 6%	± 6,5%	± 7%	± 8%
Spessore - Caliper	± 6,5%	± 7,0%	± 7,5%	± 8%
Lunghezza di rottura DL - Breaking length MD			± 30%	
Lunghezza di rottura DT - Breaking length CD			± 30%	
Rigidità (Taber 15°) DM - Stiffness (Taber 15°) MD			± 30%	
Rigidità (Taber 15°) DT - Stiffness (Taber 15°) CD			± 30%	
Liscio Bendsen lato tela - Smoothness Bendsen wire side			± 30%	
Liscio Bendsen lato ballerino - Smoothness Bendsen felt side			± 30%	
Grado di bianco ISO (Filtro Tappi 457) - Brightness ISO (Tappi filter 457)			- 2	

Marchi Ecologici / Ecological Safety and Health:



L'Azienda si riserva di modificare le caratteristiche tecniche/tecnologiche del prodotto in funzione delle esigenze del mercato.
The Company reserves the right to modify the technical/technological characteristics of the product according to market needs.

SCHEDA DI PRODOTTO
TECHNICAL DATA SHEET
AGGIORNAMENTO / UPDATE 10/24
REVISIONE / REVIEW N° 01

Applicazioni / Applications:

Carte e cartoncini adatti per Cataloghi, Calendari, Copertine, Biglietti Augurali e Partecipazioni, Carte da Lettera, Menu, Cartellini, Edizioni, Risguardi, Packaging di Lusso, Bilanci e Monografie e altre applicazioni che si prestano all'utilizzo di questa carta.

Paper and cardboard suitable for Catalogue, Calendar, Cover, Greeting Card and Invitation, Letterhead, Menus, Tag, Edition, Luxury Packaging, Balance and Monographs and more.

Suggerimenti per la stampa / Printing Suggestions:

myFlora è utilizzabile con i principali sistemi di stampa e tecniche di nobilitazione: offset con inchiostri tradizionali, offset con inchiostri UV, tipografia, stampa a caldo, rilievo a secco, termografia e serigrafia. In caso di stampa offset con inchiostri tradizionali si raccomanda l'utilizzo di inchiostri ossidativi.

A livello protettivo, si può verniciare in acrilico da spalmatore. Aiuta a limitare la contro stampa e a diminuire l'utilizzo dell'antiscartino, evitando il classico ingiallimento delle vernici grasse da calamaio.

Essendo strettamente dipendenti dalle cariche di inchiostro e dal rispetto delle variabili di processo i tempi di asciugatura possono variare. myFlora si presta alle principali lavorazioni di confezione: taglio, fustellatura, cordonatura, piega incollatura, taglio laser e accoppiatura. In caso di accoppiatura è consigliabile eseguire delle prove prima di effettuare il lavoro. Per garantire la resa ottimale in caso di lavorazioni speciali e nobilitazioni elaborate è possibile richiedere una campionatura di myFlora da destinare a test di stampa.

myFlora is suitable for most popular printing and finishing techniques: offset with traditional inks; offset with UV inks; letterpress; blind embossing; foil blocking; thermography and silk screen printing.

In the case of traditional offset printing it is advisable to use oxidising inks.

An acrylic in-line varnish can be applied. This helps to limit setting-off and reduces anti-set-off use, whilst avoiding the typical yellowing of traditional ink varnishes. Drying times may vary, depending on ink charges and compliance with process variables. Good results are obtained with most important converting processes: cutting, creasing, die cutting, folding, gluing and lamination. For lamination it is advisable to perform tests before carrying out the process. To guarantee optimal yield when utilising special processing and elaborate finishing, it is possible to request myFlora samples for printing tests.

UNI EN ISO 9001:2015 - CQ 539 Sistema di gestione per la qualità - Quality Management System
UNI EN ISO 14001:2015 - CQ 7847 Sistema di gestione ambientale - Environmental Management System
UNI EN ISO 45001:2018 - CQ 26471 Sistema di gestione per la salute e sicurezza sul lavoro - Occupational Health and Safety Management System
ISO 50001:2018 Sistema di gestione dell'energia - Energy Management System
BRCS: Standard Globale per l'imballaggio e i materiali da imballaggio - Global Standard Packaging Materials - Issue 6 (c/o Cordenons plant)

L'Azienda si riserva di modificare le caratteristiche tecniche/tecnologiche del prodotto in funzione delle esigenze del mercato.
The Company reserves the right to modify the technical/technological characteristics of the product according to market needs.

Annexure – Supplier Sustainability Profile



Formato/Size in cm		45x64	72x102					11x22
Fogli per pacco Sheets per pack	Gruppo colore Colour group	250	250	250	125	125	50	Buste per scatola Envelopes per box
Fogli per pallet Sheets per pallet		17000	8500	6500	5500	3500	2500	
Pacchi per pallet Packs per pallet		68	34	26	44	28	50	
g/m²		100	100	130	160	240	350	130
Anice	B		1C063013	1C063014		1C063016	1C063017	1C063149
Avorio	B		1C063008	1C063009		1C063011	1C063012	1C063148
Crusca	C		1C086053	1C086055		1C086058	1C086060	
Gardenia*	A	1C063132	1C063038	1C063039	1C063040	1C063041	1C063042	1C063152
Giglio	B		1C063002	1C063003		1C063005	1C063007	1C063133
Noce	B		1C063094	1C063095		1C063097	1C063098	1C066069
Tabacco	B		1C063103	1C063104		1C063106	1C063107	1C063151

*Colore Gardenia privo di inclusioni

*Gardenia color no inclusions



11x22 cm
chiusura autoadesiva
self-adhesive-strip



Produzioni speciali a richiesta / Special making upon request



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