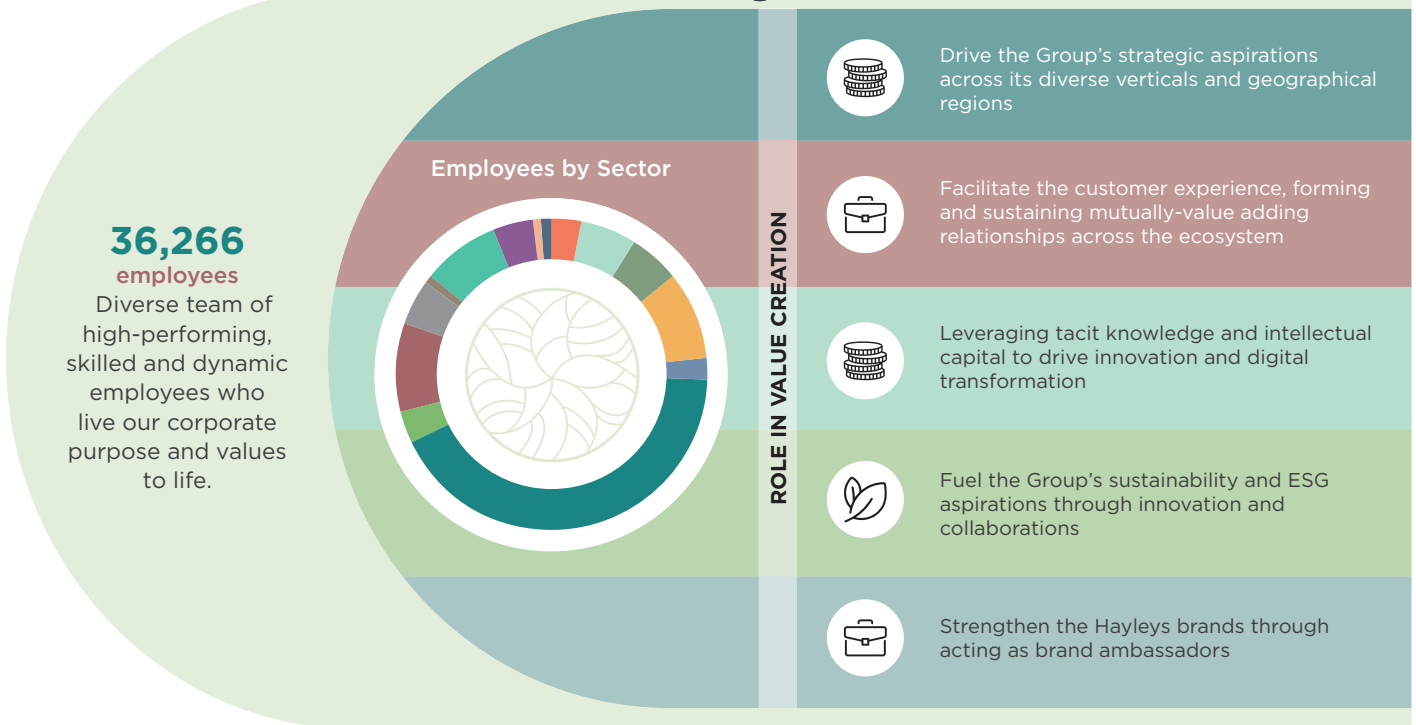


HUMAN CAPITAL

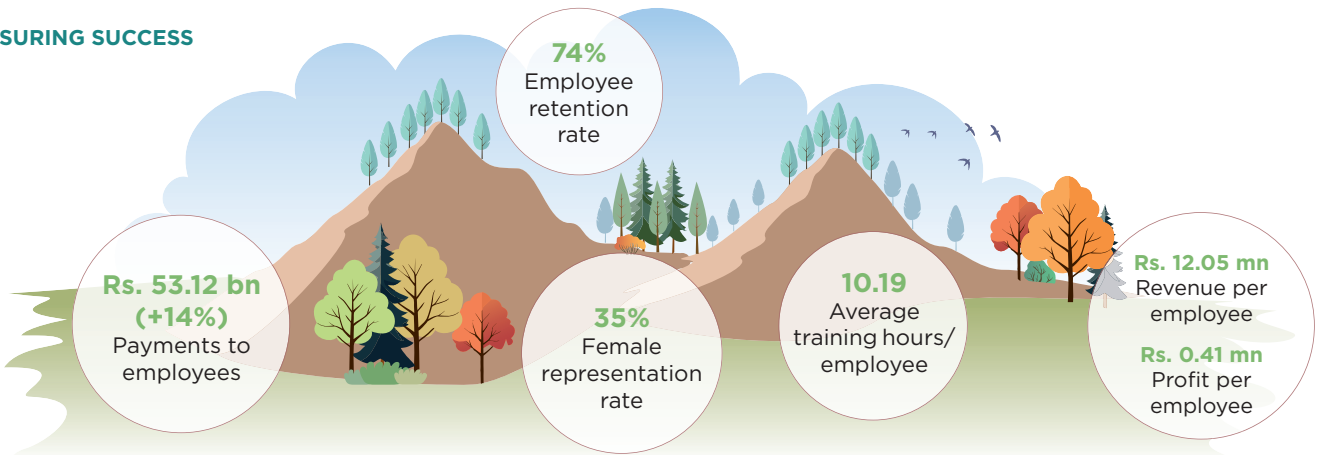
We understand that it is the people behind our businesses that create value, and drive innovation, differentiating us from the competition and ensuring that we remain resilient and sustainable in the long-term. In turn, we strive to create a work environment which values the unique differences of our people while enabling them to reach their full potential.

CONTRIBUTION TO VALUE CREATION



- Eco Solutions ● Hand Protection ● Purification ● Textiles ● Construction Materials ● Plantations ● Agriculture ● Consumer & Retail
- Leisure ● Industry Inputs, Power & Energy ● Transportation & Logistics ● Projects & Engineering ● Tea Exports ● Others

MEASURING SUCCESS



MANAGING TALENT

Hayleys is one of Sri Lanka's most sought-after private sector employers, and the Group's people-focused aspirations center on creating a conducive, supportive and inclusive environment where all employees feel heard, safe, connected and valued. Many Sectors within the Group operate their own Human Resource departments that are supported by specialist services offered by the Group's centralised HR function. The Group HR function plays a critical role driving the overall people strategy and ensuring adherence to group HR policies. The Group's HR policies and procedures comply with relevant legal and regulatory frameworks as well as several voluntary global benchmarks and standards, including the UN Global Compact Principles 1 to 6 and ILO Declaration.

HR policy framework

HR policy framework	
The Hayleys Way	Performance Management Policy
Disciplinary Policy	Anti-Sexual Harassment Policy
Grievance Handling Policy	Whistleblower Policy
Recruitment Policy	Human Rights Policy
Learning & Development Policy	Health and Safety Policy
Talent Management and Succession Planning Policy	Industrial Relations Policy
Personal Data Protection Policy	Bribery and Anti-Corruption Policy

Hayleys Lifecode Goals 2030

HEALTH AND SAFETY

Safest workplace with zero workplace injuries/occupational diseases

LEADERSHIP & SUPERVISORY DEVELOPMENT

10,000 man hours of leadership and supervisory development

ENGAGED TEAM

5% attrition rate across the Group
2% new hire attrition rate cross entire Group

PERFORMANCE-DRIVEN CULTURE

100% employees to receive performance appraisals



TEAM PROFILE

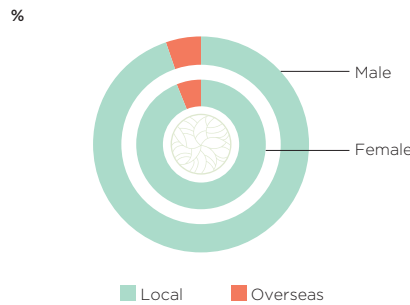
The Hayleys team is represented by our 36,266-strong workforce, who operate in 18 countries across the world. The increase in the Group's team compared to the previous year is largely driven by the addition of 3,455 employees from Horana Plantations PLC, which was acquired during the year. The country's sharp economic downturn in 2022 fuelled the exodus of skilled professionals from the country, resulting in organisations facing acute challenges in attracting and retaining the right talent. Resultantly, the Group's retention rate declined to 75%, compared to 80% the previous year.

	2024	2023	2022
Total employees	36,266	31,483	32,840
Permanent	29,058	26,085	26,569
Contract	6,378	4,759	5,552
Casual	830	645	719
Female employees (%)	35	34	35
New recruits	9,635	4,891	5,739

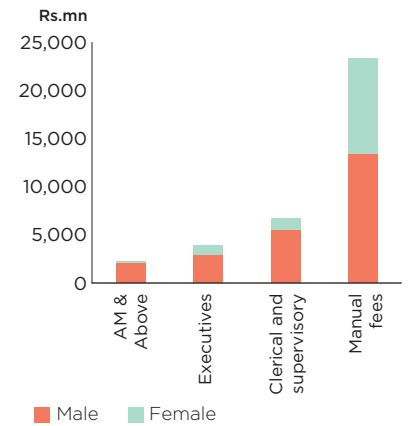
HUMAN CAPITAL



EMPLOYEES BY GENDER AND REGION



EMPLOYEES BY GENDER AND CATEGORY



Profile of new recruits

By Gender	No/Rate	By Age	No/Rate	By Region	No/Rate
Male	6,522 (68%)	Less than 30 years	5,392 (56%)	Sri Lanka	9,270 (96%)
Female	3,133 (32%)	30-49 years	3,214 (33%)	Overseas	365 (4%)
		>50 years	1,029 (11%)		
Total	9,635		9,635		9,635

Profile of exit employees

By Gender	No/Rate	By Age	No/Rate	By Region	No/Rate
Male	5,651 (65%)	Less than 30 years	3,351 (38%)	Sri Lanka	8,435 (96%)
Female	3,102 (35%)	30-49 years	3,249 (37%)	Overseas	318 (4%)
		>50 years	2,153 (25%)		
Total	8,753		8,753		8,753

Sector Composition

Sector	Total employees	New recruits by Sector	Exit employees by Sector
Eco Solutions	1,119	~100	~100
Hand Protection	2,171	~150	~150
Purification	1,933	~100	~100
Textiles	3,285	~200	~200
Construction Materials	774	~50	~50
Plantations	15,360	~1,000	~1,000
Agriculture	1,247	~100	~100
Consumer & Retail	3,316	~150	~150
Leisure	1,660	~100	~100
Industry Inputs, Power & Energy	311	~50	~50
Transportation & Logistics	2,899	~100	~100
Projects & Engineering	1,492	~150	~150
Tea Exports	312	~50	~50
Others	387	~50	~50

EMERGING TRENDS IN HUMAN CAPITAL MANAGEMENT

Global trends that are shaping workplaces and employee aspirations are compelling organisations to navigate new levels of uncertainty, underscoring the need to maintain agile and adaptable people strategies. These dynamics include the following:



PEOPLE STRATEGY IN 2023/24

The Group's people strategy for the year was developed taking into consideration the changing aspirations of employees and the emerging dynamics shaping the world of work. Centering on an equitable approach, the strategy for the year was founded on creating long-term value for employees through equipping them with stronger skills enabling greater employability, opportunities for advancement and increased sense of belonging. Key pillars of the people strategy are illustrated below:


Developing capabilities	Employee well-being	Inclusive culture	Digital transformation
Building the Group's next generation of leaders through the Management and Leadership Development Programmes	Fostering physical, mental and emotional well-being of employees and helping them to thrive	Enhancing the dialogue around diversity and inclusion and find collaborative means in addressing prevalent issues	Improve efficiency of HR processes through digitalisation and automation
Human capital allocations and developments in 2023/24			
Tailor-made programmes carried out across Sectors of the Group 134 Total employees trained under Management Leadership Development Programmes 45,057 Leadership development training hours	Year-round calendar of well-being activities and interventions carried out focusing on health awareness, nutrition and women's well-being among others 480 Total participants	Formulation of Group-wide DEI training programme which will be rolled out across the Group through a train the trainer model ensuring continuity and sustenance. Launch of family-friendly leave, mental wellness and childcare benefits.	Ease of user access through HR administration kiosks Improved efficiencies through the automated HR Help Desk Investments in digitalisation and automation including the HRIS Increased accuracy and eliminating human error through digitalization and automation of processes

HUMAN CAPITAL

Developing capabilities

Employee capabilities are developed through a blended approach of a multitude of structured programmes, workshops, coaching, digital learning and on-the-job training. With leadership traits significantly influencing organisational culture and determining employee mindsets, the Group prioritised the development of leadership capabilities. This was actioned through customised Management and Leadership Development Programmes as well as the Hayleys Management Trainee programme, 'FYOUTURE CEO'.

Our Management and Leadership Development Programmes are holistic, multi-faceted development interventions which are customised and offered to sectors covering all tiers of leadership. The programmes aim to build the Group's next generation of leaders, equipping them with the capabilities to lead in different operating environments and build succession pipelines. They included project-based assessments, in which participants were required to propose actionable projects which accrued financial benefit to their respective sectors.



COACHING SESSIONS

- Built in coaching sessions for maximum optimisation of development
- Direct coaching (consultant to participants)
- Indirect coaching (Participants to internal teams)

MANAGING PEOPLE AND EMOTIONAL INTELLIGENCE

- Management of practical applications in difficult conversations, Emotional
- Intelligence when handling teams and changing landscapes

LEADERSHIP FINANCE

Understanding the financial impact of all decisions, singularly and collectively

ENTREPRENEURIAL THINKING

Owning the business, developing markets and solutions from an entrepreneurial perspective.


LEADERSHIP AND PRODUCTIVITY

Accountability, results orientation, time management and productivity on a personal and departmental level

The Hayleys Group’s Management Trainee Programme, branded as ‘FYOUTURE CEO’, is amongst the country’s most sought-after programmes of its kind, drawing significant interest from aspiring young professionals from diverse backgrounds. During the year, the Group received over 4200 applications, which were initially screened through an automated platform. Thereafter, shortlisted applicants were assessed through a series of comprehensive, multi-pronged tests comprising cognitive tests, assessment centres and psychometric tools.

OTHER TRAINING INTERVENTIONS

Total training hours	2024	2023	2022
Total training hours	369,589	265,877	248,649
Investment in training (Rs.mn)	183	186	69
Average training hours (by category)			
Managerial	13.51	15.31	35.0
Executive and Junior Executive	12.51	16.18	10.2
Others	9.66	6.87	5.1
Average training hours (by gender)			
Male	9.82	8.99	7.6
Female	10.88	7.40	7.1
Average training hours/employee	10.19	8.45	7.6

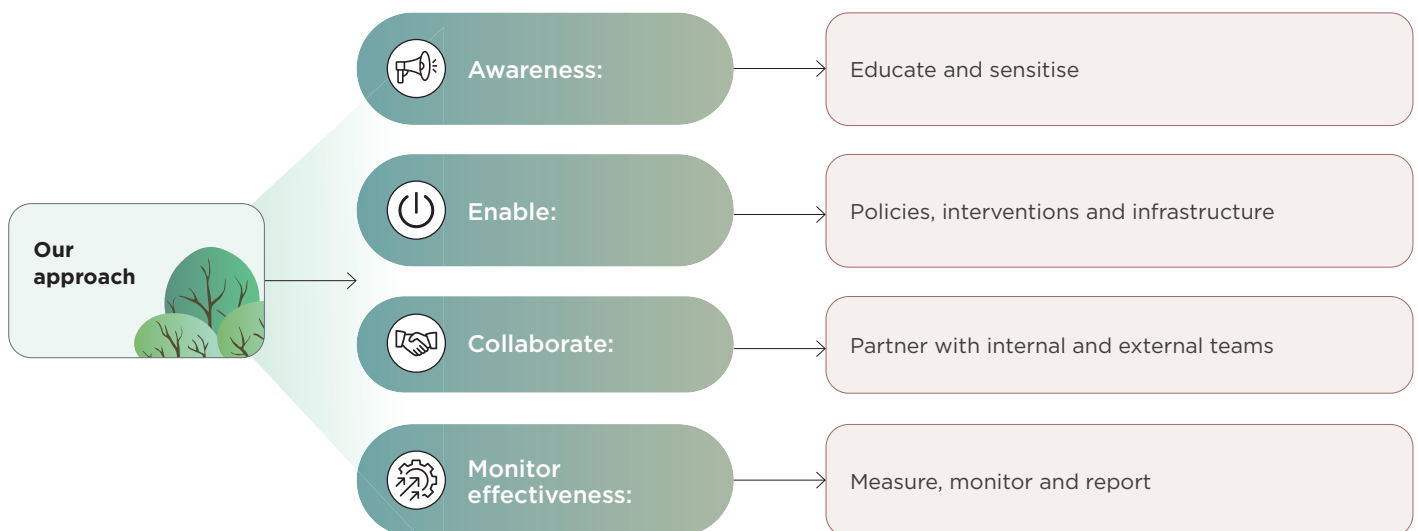


Hayleys Management Trainee Programme

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

Diversity, Equity and Inclusion

Strategic focus was placed on enhancing the dialogue around diversity, equity and inclusion, enabling the Group to identify pressure points and find collaborative means to address these challenges. During the year, we also engaged with the UNGC’s questionnaire on Women’s Empowerment Principles to identify gaps through a quantification of our gender equality commitment



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GENDER INCLUSIVITY AND EMPOWERING WOMEN

We are committed to improving gender diversity across all levels of the organisation and building diverse leadership teams. Our commitment to gender inclusivity is embedded through our HR policies and processes from recruitment and training opportunities to remuneration and promotions.

Enabling policy environment	Opportunities for women	Career and skill development										
<p>ENABLING POLICY ENVIRONMENT RECRUITMENT POLICY "Equal opportunity employer providing a workplace free from gender and racial discrimination"</p> <p>ANTI SEXUAL HARASSMENT POLICY Commitment to creating a healthy, inclusive work environment that enables employees to work without fear of sexual harassment</p> <p>REMUNERATION POLICY 1:1 Remuneration ratio between men and women</p> <p>Our policy ensures that employees doing similar jobs at the same level are paid equitably, irrespective of gender</p> <p>GRIEVANCE HANDLING POLICY The policy provides a structured framework for complainants and complaint recipients on lodging and resolving a grievance</p>	<p>Female recruits</p> <table border="1"> <tr> <td>2022</td> <td>1,503</td> </tr> <tr> <td>2023</td> <td>1,404</td> </tr> <tr> <td>2024</td> <td>3,113</td> </tr> </table> <p>Female representation across categories</p> <ul style="list-style-type: none"> 9% Board of Directors 13% AM and above 27% Executives 19% Clerical and supervisory 43% Manual 	2022	1,503	2023	1,404	2024	3,113	<p>Female training hours</p> <table border="1"> <tr> <td>2023</td> <td>75,759</td> </tr> <tr> <td>2024</td> <td>105,652</td> </tr> </table> <p>Return to work after maternity leave</p> <p>273 Total number of employees that took parental leave</p> <p>203 Employees who returned to work after maternity leave</p> <p>74% Return to work ratio</p> <p>14 Employees who resigned within 12 months</p>	2023	75,759	2024	105,652
2022	1,503											
2023	1,404											
2024	3,113											
2023	75,759											
2024	105,652											
Interventions												
<p>PLANTATION SECTOR Womb-to-tomb proposition for plantation workers, with females receiving comprehensive nutritional, healthcare and childcare support</p>	<p>LAUNCH OF MOMENTUM Promoting positive parenting and parental health</p> <p>Paternity leave</p> <p>Benefit towards childcare support</p>	<p>INTERNATIONAL WOMEN'S DAY Panel discussion featuring several female leaders in the Group</p> <p>Celebration of Women in Science in selected sectors</p>										

Well-being

We understand the importance of rethinking workplace well-being through a lens of emotional and mental health, in addition to the conventional focus on physical health. Positive outcomes such as motivation and engagement are correlated with feeling supported and included at workplaces which promote work-life balance and freedom from overwhelming workloads. In addition to regular medical camps, free Zumba and yoga sessions, gym and pool memberships several awareness sessions were held across the Group primarily covering the following areas:

- Substance abuse and addiction prevention
- Relaxation techniques for daily life
- Dietary awareness for a healthy life
- Breast cancer awareness
- HIV awareness
- Women's wellbeing for a sustainable tomorrow

EMPLOYEE ENGAGEMENT

Formal and informal communication platforms, an open-door policy and regular employee satisfaction surveys ensure that employees feel heard and understood. Meanwhile, a year-round activity calendar which includes sports events, cultural events and family engagements aids in improving morale, building camaraderie and team spirit and nurturing a more conducive work environment. Key engagement activities during the year are listed below:

<p>Internal communications Quarterly CONNECT magazine and employee broadcast conducted through Office 365 platform</p>	<p>Cultural, sports and other events The Group conducted a year-round activity calendar which included the following events; Art Competition for employees and children Hayleys Cricket 6's Tournament Hayleys swimming meet and other sporting events Family Fun Day Children's party Quiz competitions Karaoke competitions Multi-religious and other cultural ceremonies</p>
<p>Satisfaction surveys Most Sectors conduct internal and/or third-party facilitated employee satisfaction surveys</p>	
<p>Social media engagement A variety of activities such as competitions and knowledge sharing to enhance engagement of internal teams through social media platforms.</p>	
<p>Mercantile sporting events</p>	

PERFORMANCE MANAGEMENT

The Group's performance management framework is designed to encourage superior performance through regular, fair and constructive performance-related feedback that drive personal growth, competency development and business contribution. The performance management process from goal setting to mid and year-end reviews for all employees in executive and above categories are conducted through the HRIS. Appraisals for all non-executive employees are conducted offline. Approximately 99% of our permanent employees undergo annual performance appraisals.

PERFORMANCE MANAGEMENT PROCESS

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

SAFEGUARDING OUR EMPLOYEES

We work consistently towards creating an environment which is safe for our employees, contractors and customers. The Group's Health and Safety policy sets the foundation for this commitment and is strengthened across all Sectors through compliance to safety certifications, incident reporting and stringent procedures. During the year, Sectors improved the scope of reporting for health and safety indicators, which has led to a considerable increase in the cases reported and occupational injuries.

HUMAN CAPITAL

	2024	2023	2022
Reported first-aid cases	390	147	236
Occupational injuries- resulting in lost days	164	66	73
Lost man days due to accidents/injuries	902	1,076	1,834

H&S MANAGEMENT SYSTEM

- H&S champions in multiple Sectors
- Compliance with all relevant regulations under the Factories Ordinance, BOI requirements and Labour Laws of Sri Lanka.
- Several sectors including Hand Protection, Construction Textile, Transportation & Logistics and Projects & Engineering also comply with the ISO 45000: 2018 OHS Management system certification

H&S SERVICES

- 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 and employees are provided access to a doctor



H&S MANAGEMENT SYSTEM

- Each Sector (particularly in the Manufacturing Sectors) operates dedicated OHS management departments, which are powered by qualified safety professionals.
- Hazard identification is also enabled by risk assessments relating to ISO 45000: 2018. Meanwhile digital OHS management systems are available in the Hand Protection Sector, which allows real-time, online reporting of accident/incidents.

CULTURE

- Ongoing safety trainings to all employees based on the specific OHS risks faced by the Sectors
- Selected Sectors such as Transportation & Logistics have also embedded OHS related KPIs into employee performance evaluations to ensure the nurturing of a safety conscious culture.

HUMAN RIGHTS

In addition to the adherence of relevant regulations, Hayleys has also committed to the UNGC's Principles on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

- The **Group's Human Rights Policy and Code of Conduct**- the Hayleys Way recognises the right of all employees to have a respectful workplace free of any form of harassment

- **Working hours and wages**- Hayleys complies with relevant minimum wage legislations and our competitive compensation reflects adjustments to living expenses and benchmarks against peer companies. We also comply with all applicable laws relating to overtime payments, hours and breaks.
- **Freedom of association and collective bargaining**- We recognise employees' right to association and collective bargaining and approximately

Sector	% of employees covered
Plantations	7%
Purification	35%
Hand Protection	38%
Agriculture	13%
Eco Solutions	20%
Consumer & Retail	32%
Textiles	28%

14% of the Group's employees are covered by Collective Agreements. We have not identified any operations in which the right to freedom of association and collective bargaining may be at risk. Minimum notice periods vary depending on the sector and circumstances, but relevant collective agreements ensure that a reasonable notice period is given for operational changes. During the year, Group and Sector HR teams maintained cordial relationships with all trade unions and there were no disruptions to operations due to industrial action.

- **Child labour** - Hayleys opposes child labour, does not employ any person under the age of 18, and works with business partners to ensure that zero instances of child labour are recorded in the supply chain as defined by national laws
- **Addressing workplace concerns**- Employees and third parties are encouraged to raise questions or concerns relating to misconduct, human rights, labour practices and other issues

Rs. 53.12 bn
(+14%)

Payments to employees

Rs. 1.5 mn

Remuneration/employee Revenue

Rewards and Compensation

The Group's reward schemes include an array of market-competitive benefits that enable us to attract, motivate and retain employees. The Remuneration policy ensures a consistent approach across Group companies, while factoring in industry-specific dynamics and regulations.

Our benefits include components that are applicable across the Group as well as non-core benefits which are applicable to selected Sectors or employee groups. Group-wide benefits include medical and life insurance, fuel allowances, subscriptions and study assistance (for selected categories), Group discounts for Hayleys products, funeral funds and retirement benefits. In addition, Sector-specific benefits given include enhanced gratuity payments, long-service awards and staff transportation facilities.

Components of our remuneration

- Guaranteed pay
- Benefits (detailed alongside)
- Performance-based incentives

WAY FORWARD

- Enhancing process efficiencies through adoption of digital transformative strategies
- Development of leadership tiers and capabilities
- Continuous focus on employee well-being and welfare
- Driving holistic, organisation-wide, diversity, equity & inclusion initiatives

Adequacy of Human Capital for future plans

Attracting and retaining the right talent will continue to be a challenge in the short-to-medium term given the current shortage of skills in the country. The Group will seek to further strengthen its employer brand as a preferred employer while developing a multi-skilled talent pool to address this challenge.

