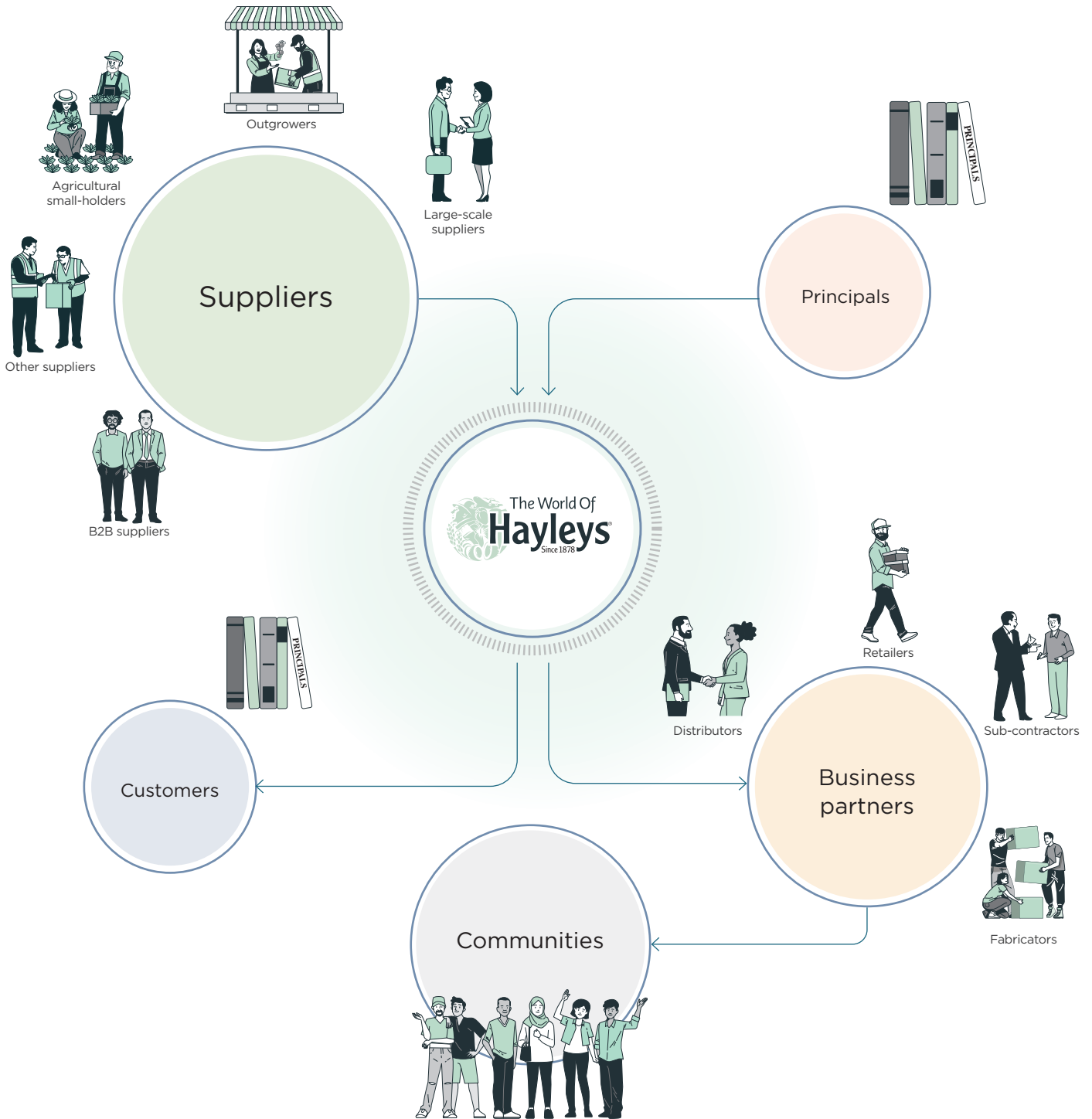


# SOCIAL & RELATIONSHIP CAPITAL

As a Group with an unparalleled social footprint across the country, and inclusivity at the center of its Corporate Purpose, Social & Relationship Capital is a vital element of the Hayleys' value creation process. Our ethos has always centered on driving shared value across our relationships and networks, which in addition to building resilient business models and driving socio-economic empowerment has afforded us a strong social license to operate.





## CUSTOMERS

Our commitment is to leverage our unique strengths to cater to the dynamic needs of our customers, creating value through innovation, technology, quality and customer service. We combine our deep customer insights with our domain knowledge which is deepened by ongoing engagement and collaboration with customers. The breadth and depth of the Group's operations has enabled it to build a global network of diverse customers.

### Understanding customer needs

The channels we use to engage with our diverse customers are detailed on page 88 of this Report. These platforms and channels are used to identify and respond to the concerns and suggestions of our customers, thereby ensuring their needs are identified and responded to.

### CUSTOMER PROFILE

**1.24 mn**

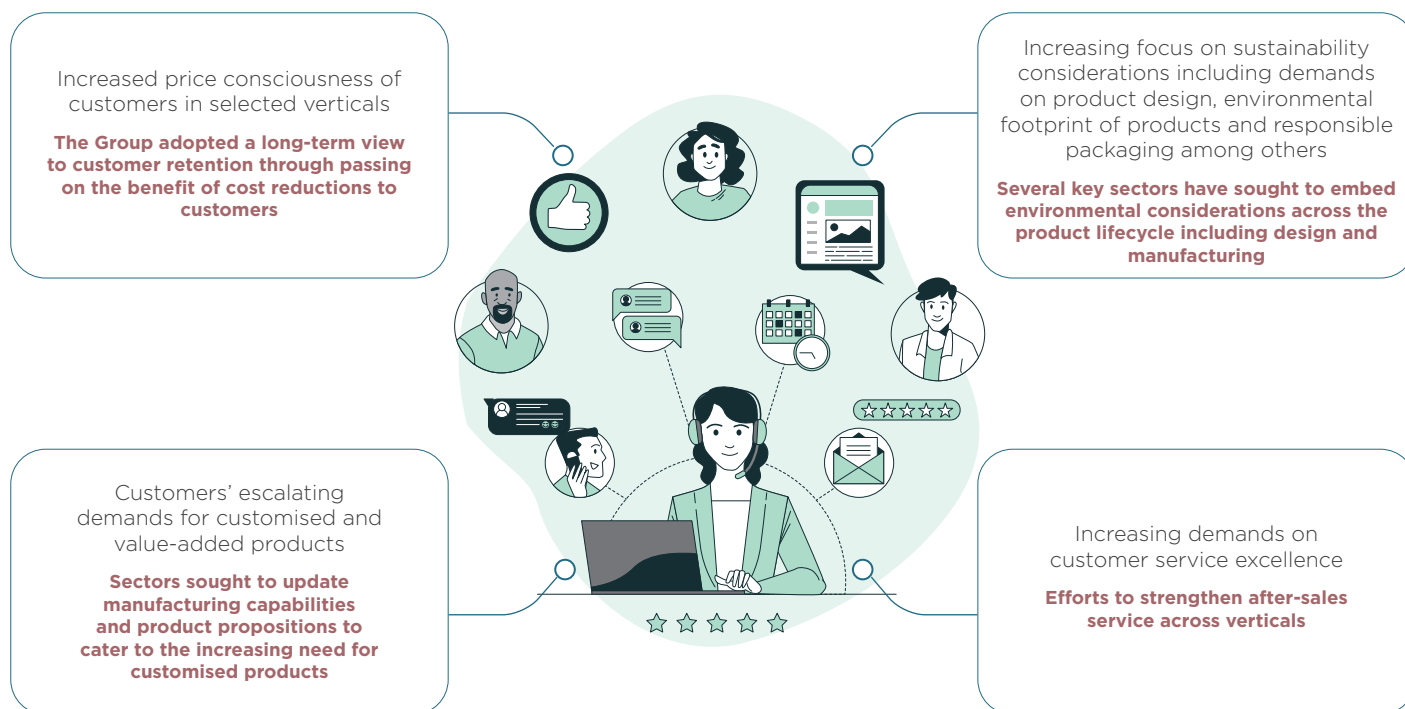
Customers served

**B2B and Retail**

customers across 5 continents



## KEY CONCERNS RAISED BY CUSTOMERS AND OUR RESPONSE



**7,000** Customer surveys conducted



**99%** Customer complaints resolved

## SOCIAL & RELATIONSHIP CAPITAL

### Product Stewardship

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

 <p><b>Procurement/ Buying stage</b></p>	<p>Stringent procurement practices and strong relationships with suppliers limit the risk of potential issues at the purchasing stage</p>
 <p><b>Manufacturing stage</b></p>	<p>Compliance to an array of certifications and clearly defined policies, procedures and guidelines for manufacturing operations</p>
<p><b>Marketing stage</b></p>	<p>A Responsible Marketing Guidelines ensures the integrity and accuracy of all marketing communications. The Hayleys Group Corporate Communications Department reviews all key press releases and publications</p>
<p><b>Product use</b></p>	<p>Compliance with a range of certifications which provide assurance to external stakeholders regarding the quality and safety of our products. These include the following certifications obtained by various sectors</p> <ul style="list-style-type: none"> <li>• ISO 9001: 2015 Quality Management Systems</li> <li>• ISO 22000: 2018 Food Safety Management Systems</li> <li>• British Retail Consortium Certification Safety and Quality certification for consumer products</li> </ul>

### Building sustainability into products

Aligned with our ESG aspirations, we are integrating sustainability into our research and product development processes thereby striving to minimise negative environmental implications during product usage as well as end-of-life disposal. Refer to page 274 for further information on the Group’s sustainable innovation efforts.



### SUPPLIERS & BUSINESS PARTNERS

The Group’s deep-rooted relationships with diverse and extensive supply chains across the country is a defining aspect of its value creation process, strengthening its socio-economic footprint. Suppliers are diverse in geographical profile and scale of operations, ranging from individuals and small-scale suppliers to large B2B players.

### Supplier value creation during 2023/24

The Group’s supplier value proposition centers on continued value injection through procurement, development and capacity building and creating market linkages to global value chains. During the year, total payments to suppliers declined by 17% to Rs. 325.36 bn.

**Over 70,000**  
Supplier profile

**54%**  
Local suppliers



**Building inclusive value chains**

Inclusivity has always been a defining characteristic of the Hayleys ethos and the Group has always prioritised business models that support grassroot communities, thereby injecting economic value and driving empowerment. Through its diverse businesses, the Group connects rural communities to global supply chains, facilitating market linkages, building capacity and providing access to finance and resources. During the year, the Group supported nearly 20,000 smallholder agricultural suppliers and business partners.

Sector	Suppliers/Value chain partner	Number
<b>Eco Solutions</b>	Fibre suppliers	419
<b>Hand Protection</b>	Latex suppliers (local)	6,000
	Latex suppliers (Thailand)	1,059
<b>Purification</b>	Charcoal and coconut shell suppliers	285
<b>Agriculture</b>	Outgrowers-fruits and vegetables	11,962
	Smallholder-farmers	225
<b>Construction Materials</b>	Fabricators	30
<b>Consumer &amp; Retail</b>	Indirect employment in branches	2800
<b>Projects &amp; Engineering</b>	Sub-contractors	978

**WOMEN-LED SUPPLY CHAINS**

In diversifying its supply chain and driving socio-economic empowerment among vulnerable women, the Eco Solutions Sector established a Palmyrah processing plant in Jaffna providing employment to 12 impoverished women.

**Supplier development**

In building resilient supply chains and supporting the long-term sustainability of our valued partners, several key sectors in the Group conduct ongoing supplier development programmes. These initiatives entail providing access to input materials, raising awareness on good social and environmental practices and ongoing capacity development. Key supplier development initiatives that are conducted on an ongoing basis are listed below:

**DPL Firstlight- Hand Protection Sector**

Strategic supplier development programme which ensures a fair price for rubber latex by guaranteeing rubber smallholders a price which is indexed to RSS1 (the highest grade of consumed rubber) for their field latex. DPL also contributes US 0.5 dollars for every pair of gloves sold, which is utilised to fund a wide range of education, health and infrastructure projects to improve the overall quality of life of smallholders and their families.

**+6000** Farmers in total

**Rs.3.0 bn** Payments to Firstlight farmers

**131,00 kg** of fertilizer distributed

**600** Farmers participated in training programmes

**Rs.3.79 mn** Investments in community engagement



**Haritha Angara- Purification Sector**

A holistic supplier development initiative, through which charcoal makers are encouraged to engage in environmentally friendly charcoaling with Haycarb PLC providing technical support and guidance on ecologically friendly charcoaling processes and buy back agreements.

**+6,000** Farmers island-wide

**23** Green charcoaling pits added bringing the total to **431**

**12** Suppliers assisted to mechanise production facilities during the year, with **over**

**350** supported so far

## SOCIAL & RELATIONSHIP CAPITAL

### Skill development along value chains

Several Sectors in the Group are catalysts for skill development in their respective industries and value chains, sharing best practices, raising awareness on latest technology and supporting the future-readiness and resilience of these value chains. Key ongoing interventions include the following:

#### Singer Fashion Academy

The Singer Academy supports livelihood development through empowering youth who wish to pursue a career in sewing, by providing opportunities for skill development through 6 fashion academies. The School aims to provide future fashion entrepreneurs an understanding of the scope and opportunities available in the field of fashion design at an affordable cost

**Total students trained: over 5,400**

#### Fabricator Training By Alumex

Alumex has contributed towards the development of a skilled and competent construction industry through building capacity in aluminium extrusions, providing practical insights into the application and usage of Aluminium profiles, components, new products and new technologies through multi-faceted training programmes. The training is targeted towards a wide range of fabricators and technicians including students of VTA affiliated Technical Colleges, CECB, Buildings Department, Provincial Councils, ICTAD, Contractors, Sri Lanka Army, Navy, Air Force and other Technical Colleges (Government/ Non-Government) island wide.

**20,000 fabricators trained to date**



#### Agriculture Training Schools

The Hayleys Agriculture Training school conducts training programs for a range of stakeholders including teachers, industry practitioners and commercial operators. While supporting our financial objectives this initiative also aims to enhance the agricultural skill base in Sri Lanka, given the shortage of skilled labour in the industry.

### Membership in Industry Associations

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

### COMMUNITY ENGAGEMENT

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

**Measuring our impact:** Sectors monitor the impact of its community engagement activities on an ongoing basis, defining project-specific criteria to monitor progress and assess success. From a Group perspective, total beneficiaries, CSR investments and volunteer hours are monitored on a consistent basis.

### INDUSTRY PARTNERSHIPS

As a dominant player and active stakeholder in several of its business sectors, the Group contributes proactively to industry forums and associations, engaging with stakeholders and the government to provide input in creating an enabling industry and regulatory environment. The Group holds memberships in the following industry associations

**HIGHLIGHTS OF THE GROUP'S COMMUNITY RELATIONSHIPS POLICY**

- Sectors should actively engage in strategic community development initiatives, broadly focusing on the key areas of education, health and well-being, livelihood development, religion and culture
- Encourage and reward employee volunteerism, thereby recognising employee involvement.
- The progress of all projects should be monitored periodically, through impact assessments, audits, feedback from beneficiaries and independent third parties (where necessary) to ensure that program objectives are met.

**KEY CSR INTERVENTIONS IN 2023/24**

The Group's community engagement activities during the year were designed to address critical community needs while leveraging the Group's strengths in specific areas and aligning with the aspirations of the Hayleys Lifecode. Key CSR initiatives conducted during the year are summarised below:

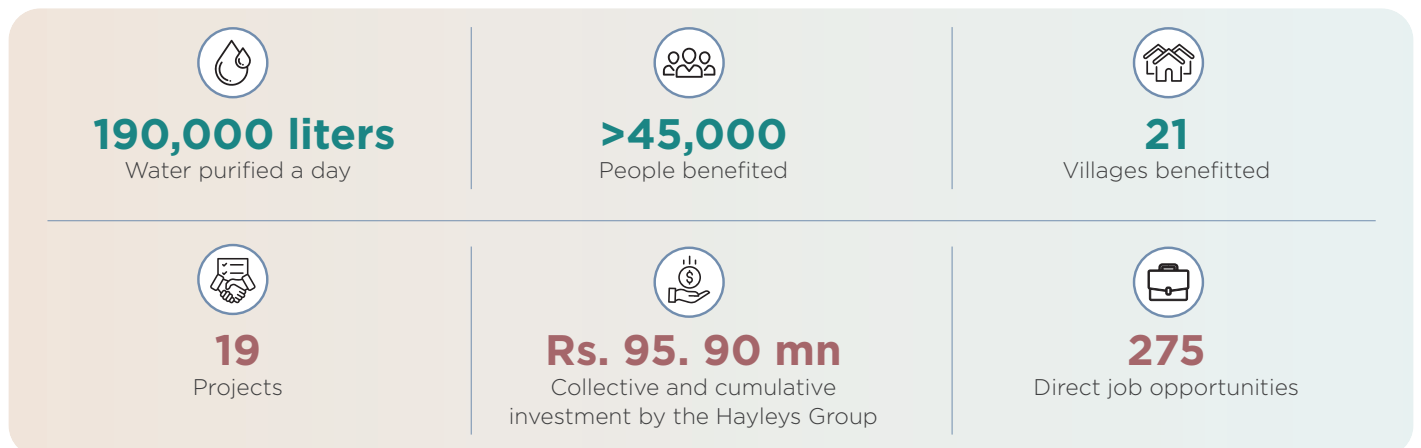
**Sisu Divi Pahana**

Initiated by the Purification Sector as part of its 50th anniversary commemoration, 'Sisu Divi Pahana' provides nutritious mid-day meals to students across 13 schools in Madampe, Wewalduwa, Kaluthara, Mahiyanganaya, Padaviya and Batticaloa. The programme was launched amidst the surge in food inflation last year and has contributed towards preventing acute malnutrition in students and increasing retention levels in schools. During the year, the Hand Protection Sector also joined the initiative, thereby widening impact and coverage.



**Puritas Sath Diyawara**

Puritas Sath Diyawara leverages the Group's expertise in water purification to provide purified water to families in areas affected by Chronic Kidney Disease (CKD). Conceptualised and launched by Puritas (Pvt.) Ltd., the initiative has expanded in partnership with other sectors within the Group. A Puritas Sath Diyawara project consists of commissioning a Reverse Osmosis (RO) water treatment plant and distribution system (through docking stations) to enable residents to obtain high quality potable water.



## SOCIAL & RELATIONSHIP CAPITAL

### Sathdiyawara Going Beyond

Launched as an extension of Puritas Sath Diyawara, 'Going Beyond' strives to address the broader socio-economic needs of the people living in CKD affected villages. In recent years, this initiative has focused on supporting the educational needs of these impoverished communities through providing infrastructure & facilities and book donations among others.



### Home for Every Plantation Worker

A long-term, multi-dimensional community engagement initiative carried out by the Plantation Sector, 'A Home for Every Plantation Worker' is a unique and holistic program targeted at uplifting the living standards of employees and estate community amounting to nearly 150,000 individuals. The relevance of this programme was greater during the year, given the numerous socio-economic challenges that prevailed.

The progress made in each of the focus areas are summarised below:

<p><b>Living environment</b></p>	<p><b>30,317 Beneficiaries</b></p> <p>Construction of new houses, upgrading existing water supply schemes and installation of new water delivery systems and improving access roads</p>
<p><b>Health &amp; nutrition</b></p>	<p><b>273,730 Beneficiaries</b></p> <p>Comprehensive immunisation programmes, medical facilities, awareness programmes on health and nutrition, early childhood development programmes and antenatal and postnatal care</p>
<p><b>Community capacity building</b></p>	<p><b>50,949 Beneficiaries</b></p> <p>Provision of housing loans, savings schemes, micro-financing facilities as well as training on household financial management and home gardening among others</p>
<p><b>Youth empowerment</b></p>	<p><b>56,335 Beneficiaries</b></p> <p>Home gardening, language and computer classes, awareness on significant social issues and career awareness programmes</p>

### Give the gift of sight campaign

The Hayleys Group partnered with HelpAge in the "Give the Gift of Sight" campaign, committing to restoring vision by sponsoring 260 cataract surgeries for individuals from underprivileged communities, thereby addressing preventable blindness. The initiative combined the efforts of more than 10 Sectors of the Group including Agriculture, Hand Protection and Purification.

### Soorya Sathkara by Hayleys Fentons

In a unique socially and environmentally impactful initiative, Hayleys Fentons launched Soorya Sathkara in commemoration of surpassing the 200MWp rooftop solar PV installation in Sri Lanka. Through this initiative, Hayleys Fentons seeks to install solar PV in 200 children's homes, elderly homes and special needs care centers across the island.