

A Journey of Progress



A Journey of Progress

As we reflect on a journey of growth, resilience, and unwavering commitment to protection, we remain focused on our core mission: to protect people, businesses, and the environment—creating lasting value for all who depend on our products.

For decades, we have navigated challenges through teamwork, adaptability, and strategic coordination, and today, our diverse and comprehensive product line continues to set the standard for exceptional safety across industries, households across the regions.

As we look to the future, DPL remains committed to exploring new horizons, driven by the same relentless determination that has defined our journey—an unyielding pursuit of protection and innovation.

DPL's journey reflects the strength and resilience of migratory birds, where success depends on collaboration, adaptability, and strategic coordination. Like these birds navigating vast distances, we have faced challenges with a long-term vision, steadily progressing toward growth and stability. By working together, embracing change, and staying focused on our goals, we remain committed to protection and innovation for future generations.



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About the Report

OUR ELEVENTH INTEGRATED REPORT PROVIDES A BALANCED ASSESSMENT OF PERFORMANCE AGAINST STRATEGIC PRIORITIES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2025. IT COMPREHENSIVELY COVERS OUR OPERATING CONTEXT, GOVERNANCE FRAMEWORK, APPROACH TO STAKEHOLDER VALUE CREATION, AND OUR AGILITY IN NAVIGATING DYNAMIC MARKET CONDITIONS.

SCOPE AND BOUNDARY GRI 2-2, 5

The Report covers the operations of Dipped Products PLC and its subsidiaries for the period from April 1, 2024 to March 31, 2025. The Group adopts an annual reporting cycle and there have been no major restatements of financial or non-financial information unless otherwise stated.



The consolidated financial and non-financial information included in this Report relates to the activities at the Group level. The scope of our non-financial statements extends beyond financials to cover the Group's risks and opportunities within its operating environment, as well as its impact on key stakeholders. With a head office in Sri Lanka, the Group's operations are distributed across 07 countries. The DPL Group structure is detailed on page 09. The narrative report focuses mainly on the Hand Protection Sector as this is the principle business of DPL, the parent company.

Additionally, Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC are publicly listed companies that publish Annual Integrated Reports for FY 2024/25, covering detailed financial and non-financial disclosures of the plantation sector.

Kelani Valley Plantations PLC

SCAN ME

QR Code for Annual Report

Talawakelle Tea Estates PLC

SCAN ME

QR Code for Annual Report

Horana Plantations

SCAN ME

QR Code for Annual Report

CHANGES TO REPORTING GRI 2-4

During the year, a new subsidiary was acquired , and other changes impacting the Group's size, shareholding, structure, and supply chain were assessed.

No major restatements were made to the previous Annual Report's financial or non-financial information.

REPORTING IMPROVEMENTS

- Alignment with SLFRS Sustainability Disclosure Standards S1 and S2
- Adoption of the following SASB standards:
 - Household & Personal Products
 - Agricultural Products
 - Chemicals
 - Apparels, Accessories & Footwear
 - Medical Equipment & Supplies

JOINT ASSURANCE

Employing a combined assurance model, the Group ensures the integrity of its reporting framework. External assurance for

- the financial statements,
- sustainability information (GRI) &
- the Integrated Report

is provided by Ernst & Young. Internally, assurance is overseen by the Board, the Audit Committee, internal audit, and our senior management. Furthermore, the accuracy and reliability of sustainability data are specifically verified through mandatory quarterly reporting to the Hayleys Cube – Sustainability Portal, managed by the Group ESG Division.



REPORT EVOLUTION

Enhanced comprehensive & quantitative information coverage of the capital reports and Improved connectivity throughout the Report	Reporting the Progress Made on DPL Pulse: ESG Roadmap 2030 Targets with detailed update on actions taken in the year	Advanced Disclosure on our Contribution to the United Nations Sustainable Development Goals	Alignment of Corporate Governance Reporting as per new requirements
Increased Adoption of applicable SASB standards: - Agricultural Products - Household & Personal Products - Chemicals - Apparels, Accessories & Footwear - Medical Equipment & Supplies	Increased disclosures on climate, energy, emissions, biodiversity, labour, community and supply chain impact on environment & society	Progress towards adoption and quantitative disclosure of SLFRS Sustainability Disclosure Standards S1 and S2 (The analysis was done by utilising internal capacity and resources with no additional costs borne for external resources.)	Improved visual and graphical presentation of disclosures and increased digital accessibility to the Report

MATERIALITY

Throughout this Report, we have embraced the concept of materiality, focusing our attention on topics that are deemed to exert the most significant influence on the Group's value creation process. We increased engaging with stakeholders and reported in detail the impact we have on all Stakeholders throughout the Report. For an in-depth understanding of our double materiality assessment and determination process, please refer to page 58 of this Report.

We have strengthened our reporting on environmental and climate change impacts through the adoption of key reporting standards. Our Report now discloses key sustainability and climate-related risks and opportunities, identified by applying applicable GRIs, SLFRS S1 and S2 Sustainability & Climate Disclosure Standards, relevant SASB standards, and TCFD guidelines. We also detail the strategies implemented to mitigate these risks while capitalising on the opportunities they present.

DIGITAL TOOLS AND ACCESSIBILITY TO THE REPORT

Flip Version

PDF Version

Inclusion of QR links

This report is available in printed form and online at <https://www.dplgroup.com/investor-relations/w>



About the Report

REPORTING FRAMEWORKS

The reporting landscape has shifted significantly from FY 23/24 to 24/25 with the introduction of several new standards mandating updated disclosure requirements. To ensure full compliance, we undertook a careful evaluation of these standards and conducted a gap analysis to identify necessary adjustments. We also facilitated awareness sessions for senior and middle management to deepen their understanding and align processes with the new requirements. As a result, our financial and non-financial reporting complies with all mandatory regulations and aligns with international best practice through the early adoption of SLFRS Sustainability Reporting Standards S1 and S2 (commencing with a climate-first approach via S2 in FY 23/24). The specific regulatory and voluntary frameworks, requirements, standards, and codes guiding the preparation of this Integrated Annual Report are provided below.

Financial Reporting	ESG and Sustainability Reporting	Corporate governance
- Sri Lanka Financial Reporting Standards - Sri Lanka Accounting Standards - The Companies Act No. 7 of 2007 - Listing requirements of the Colombo Stock Exchange	- New GRI Standards (2021) - Sustainability Accounting Standards Board (SASB) Standards - UN Sustainable Development Goals (SDG) 10 principles of the UN Global Compact - Gender Parity Reporting Framework of CA Sri Lanka - Recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) disclosures - Non-financial reporting guidelines of The Institute of Chartered Accountants, Sri Lanka - SLFRS S1 General Disclosures and Sustainability-Related Risks & Opportunities Qualitative Disclosure - SLFRS S2 Climate-Related Risks and Opportunities - qualitative and quantitative disclosure	- Code of Best Practice on Corporate Governance issued by CA Sri Lanka - CSE Listing Section 9 on Corporate Governance - Listing requirements of the Colombo Stock Exchange Section 7

CONNECTIVITY OF INFORMATION

The connectivity of information has been improved by the use of the following icons throughout the report.

THE CAPITALS

- Financial Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social & Relationship Capital
- Manufactured Capital

STAKEHOLDERS

- Customers
- Employees
- Suppliers
- Business Partners
- Government & Regulators
- Communities
- Investors

STRATEGY

- Profitable Growth
- Inspired & Dedicated Team
- Innovation & Digitalisation
- Customer Focus
- Climate Action
- Value Chain & Community Development

THE CLUSTERS

- Hand Protection
- Plantations
-
-



THE JOURNEY OF INTEGRATED REPORTING



FY 2024/25 marks the 11th year of integrated reporting for DPL. By applying the principles of integrated thinking to our decision making and strategy formulation, we have enhanced resource allocation, enabling the Group to balance the diverse interests of our stakeholders. Furthermore, we have significance, and credibility of our information to stakeholders throughout this decade.

Our continuous adoption of local and global best practices in reporting has consistently earned us numerous awards and industry recognition.

2019

Bronze Award for Manufacturing Companies turnover over Rs. 5 Bn. category at the 55th CA Sri Lanka Annual Report award.

2023

Bronze Award for Manufacturing companies turnover over Rs.10 Bn category at the 58th TAGS CA Sri Lanka Annual Reports awards.

2017

Gold Award for Manufacturing Companies turnover over Rs. 5 Bn. category at the 53rd CA Sri Lanka Annual Report award.

2021

GOLD Award for Manufacturing Companies - turnover above Rs. 5 Bn at the 56th CA Sri Lanka Annual Report award.

2024

Bronze Award for Manufacturing companies turnover over Rs.15 Bn category at the 59th TAGS CA Sri Lanka Annual Reports awards.

2018

Gold Award for Manufacturing Companies turnover over Rs. 5 Bn. category at the 54th CA Sri Lanka Annual Report award.

2022

GOLD Award for Manufacturing Companies - turnover above Rs. 10 Bn. at the 57th TAGS CA Sri Lanka Annual Report award.

FEEDBACK & INQUIRIES

GRI 2-3

We welcome your comments, suggestions and queries on this Report; please direct your feedback to:

Chief Financial Officer
Dipped Products PLC
400, Deans Road, Colombo 10,
Sri Lanka
E-mail: postmast@dplgroup.com



SCAN ME

ACKNOWLEDGEMENT

As the Board, we acknowledge our responsibility to ensure the integrity of this Report. We hereby confirm that the 2024/25 Report addresses all relevant material matters and fairly represents the Group's integrated performance. We also confirm that the Report has been prepared in line with the guidance provided in the Integrated Reporting Framework of the International Integrated Reporting Council.

Signed on behalf of the Board

Mohan Pandithage

Chairman

Pushpika Janadheera

Managing Director

About Us

GRI 2-6

We are a world leader in protective handwear, producing world-class products by leveraging top-quality resources and innovative strength. Our operations are supported by over **2,570** employees in Hand Protection and over **15,775** in Plantations, enabling us to serve diverse clientele across 70 countries and reinforce our global standing.

We lead the global protective hand-wear industry as one of its most renowned manufacturers.

OUR VISION

To be the preferred and most sought after provider of hand protection wear in the world.

OUR MISSION

DPL strives to be the preferred global hand protection provider.

We are committed to the continual improvement of our business processes and systems. We shall comply with environmental and social obligations, meet the aspirations of our employees, suppliers and shareholders and build relationships of trust.

DPL Purpose Statement



Our People

We strive to create a workplace culture that values and supports our employees, recognising that they are our most important asset.

Our Customers

We are committed to providing our customers with high-quality, reliable gloves that meet their needs and exceed their expectations.

Our suppliers

We work closely with our suppliers to ensure that we source the best materials and maintain a sustainable and ethical supply chain.

Our Community

We are dedicated to being a good corporate citizen and making a positive impact in the communities where we live and work.

Our Shareholders

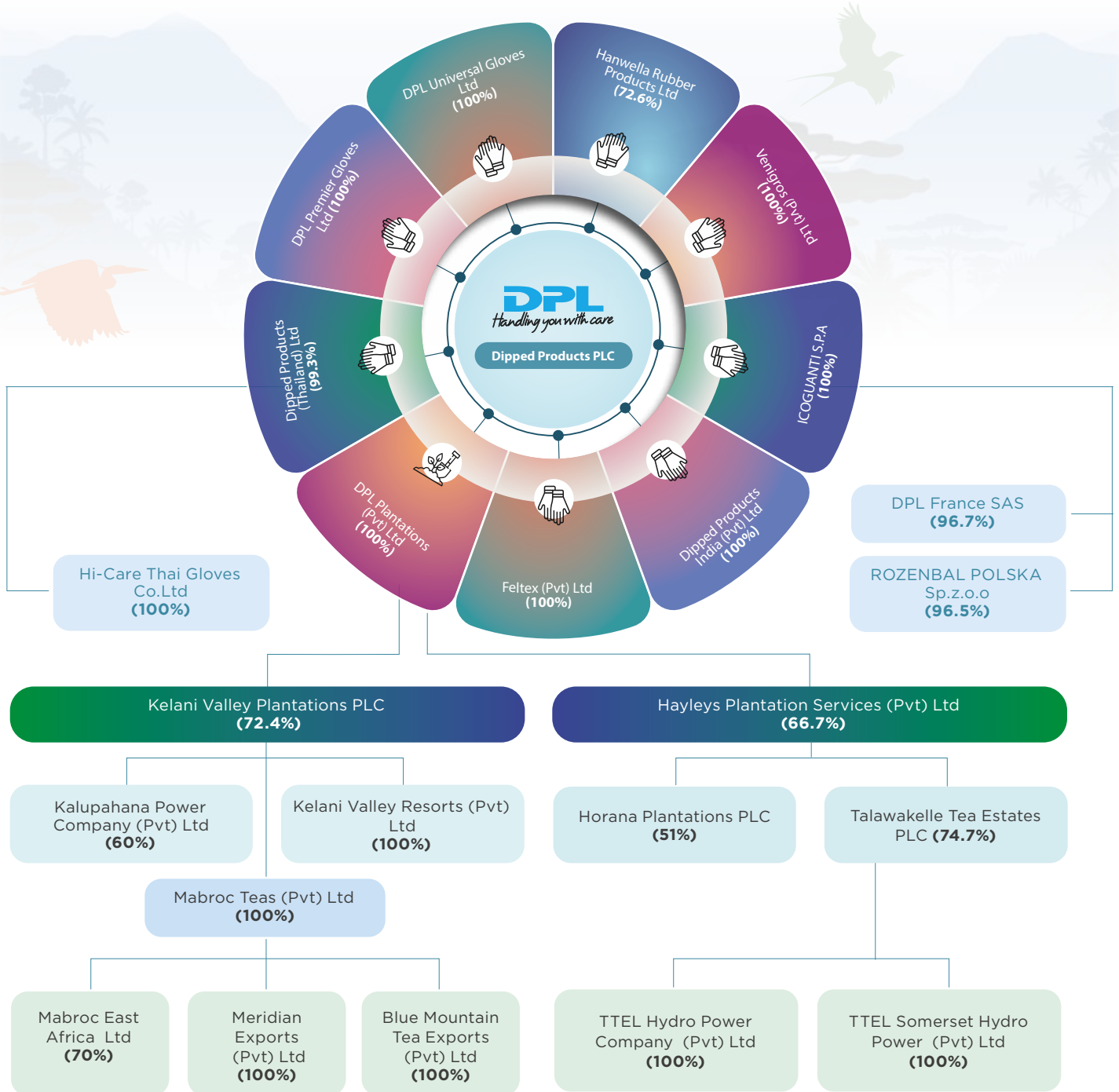
We prioritise financial performance and accountability to deliver consistent returns to our shareholders, while considering long term sustainability and ethical practices in our decision making.

Our Planet

We prioritise sustainability and strive to reduce our environment impact through eco-friendly manufacturing processes, energy-efficient technologies and sustainable practices.

GROUP STRUCTURE

DPL is part of Hayleys PLC, one of Sri Lanka's most respected, diversified and socio-economically impactful business conglomerates. The Hand Protection and Plantation Sectors are run relatively independently. Three Regional Plantation Companies, listed separately on the Colombo Stock Exchange.



Our Products

UNSUPPORTED GLOVE RANGE



Household



Electrician



Industrial



Chemical Resistant

SUPPORTED GLOVE RANGE



General Purpose



Sleeves



Industrial



Mechanic



DISPOSABLE GLOVE RANGE



Medical
Examination



Industrial



Medical
Examination



Industrial

SPORTS GLOVE RANGE



Cycling



Golf



Equestrian



Weight lifting



About Us

WHO WE ARE GRI 2-1,6

Founded in Sri Lanka in 1976, Dipped Products PLC (DPL) has evolved into one of the world’s foremost manufacturers of protective handwear, leveraging our deep roots and access to premium natural rubber – a cornerstone of our renowned quality. This strategic advantage, combined with a steadfast commitment to innovation and sustainability, underpins our global reputation.

We command approximately 5% of the global demand for natural and synthetic latex-based household and industrial gloves. Our expansive portfolio features over 750 world-class products – encompassing supported, unsupported, and disposable gloves tailored for diverse household, industrial, and medical applications – sold across more than 70 countries.

Our global operations are seamlessly integrated, with five manufacturing facilities in Sri Lanka, two in Thailand and dedicated marketing arms in Italy, France, Poland, India and Middle east. Headquartered in Colombo, this extensive network is powered by a dedicated workforce exceeding 18,345 across our manufacturing and plantation sectors. We are a proud member of Hayleys PLC, one of Sri Lanka’s largest, most respected, and diversified conglomerates.



HAND PROTECTION



**Supported
Gloves**

301
Varieties



**Unsupported
Gloves**

347
Varieties



**Disposable
Gloves**

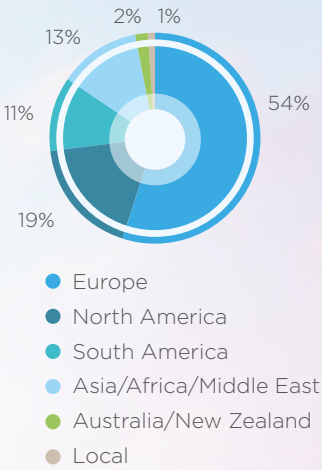
98
Varieties



**Sports
Gloves**

11
Varieties

KEY MARKETS - HAND PROTECTION SECTOR BY VALUE



PLANTATION SECTOR

Renowned for producing some of Sri Lanka’s highest-quality tea and rubber across 26,166 hectares (55 estates, 4 districts), our plantation sector is led by three Regional Plantation Companies (RPCs): Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC. Their reputation as leaders stems from being among the country’s most sustainable, innovative, and profitable operations. They drive the industry forward by embracing nature-positive agriculture, implementing equitable remuneration models, and pursuing technology-driven transformation.



Kelani Valley Plantations PLC produces tea, rubber and other crops in 25 estates

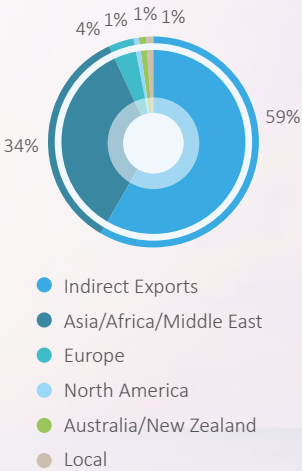


Talawakelle Tea Estates PLC produces tea and rubber in 16 estates



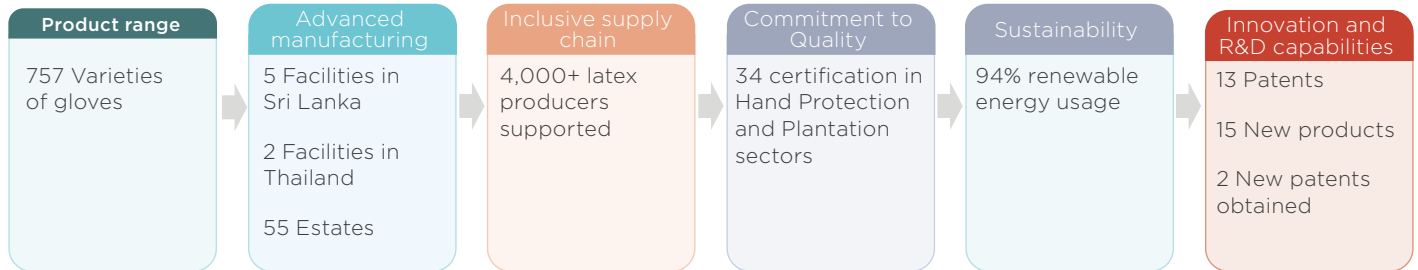
Horana Plantations PLC produces, tea, rubber and other crops in 14 estates

KEY MARKETS - PLANTATION SECTOR BY VALUE



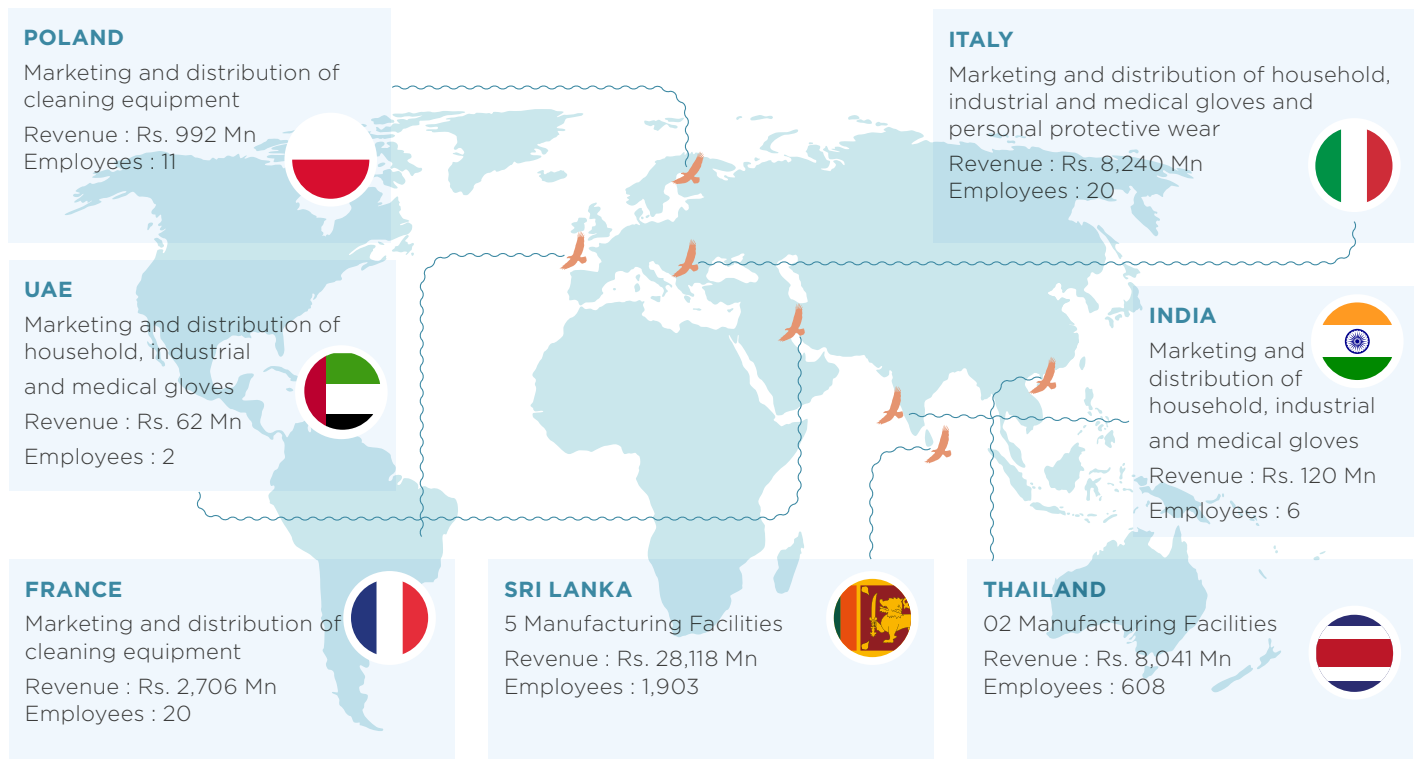


OUR COMPETITIVE EDGE



OUR PRESENCE AND SCALE OF OPERATIONS

We are a global leader in protective handwear, with customers spanning over 70 countries. Our diverse operations also include tea and rubber plantations, distributing these commodities to key global markets via a network of over 200 brokers.



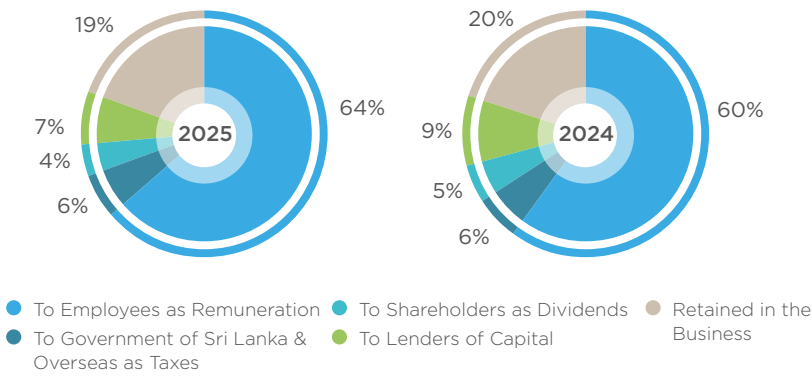
OUR SOCIO-ECONOMIC IMPACT GRI 201-1

We play an important role in our nation's economy, through our contribution to export earnings, tax payments, employment generation, community upliftment and environmental conservation.

VALUE ADDED STATEMENT

	2025 Rs. Mn	2024 Rs. Mn
To Employees as Remuneration	16,935	15,345
To Government of Sri Lanka & Overseas as Taxes	1,606	1,430
To Shareholders as Dividends	1,137	1,347
To Lenders of Capital	1,950	2,251
Retained in the Business	5,056	5,227
	26,684	25,600

ECONOMIC VALUE ADDED AND GENERATED



**Employment opportunities created**

We provide employment for a large number of direct and indirect employees across Sri Lanka, and overseas, boosting economic growth and development in those nations.

1,903
Sri Lanka

667
Overseas

80%
Employee Retention Rate

Rs. 11 Mn
Investment in employee training and development

**Community upliftment**

Benefiting over 21,000+ individuals, we focused on Enhancing Living Environments, Promoting Health & Nutrition, Building Community Capacity, and Empowering the Community.

>21,000
Beneficiaries

Rs. 17 Mn
Investment in CSR

**Developing suppliers**

Engaging continuously with approximately 4,000+ smallholder farmers and our diverse supplier base, we foster strong, mutually beneficial relationships that support local communities.

Rs. 3.5 Bn
Payment to Latex suppliers

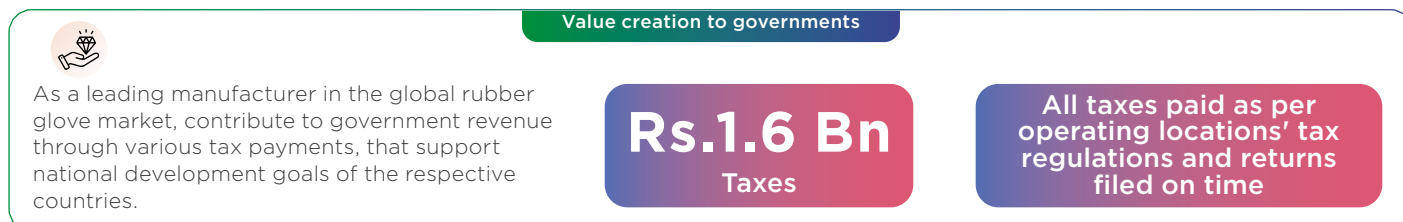
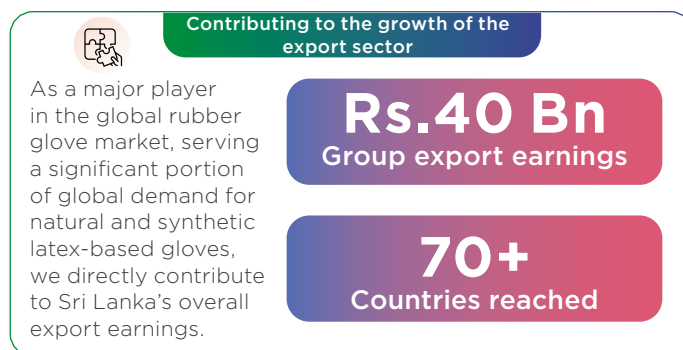
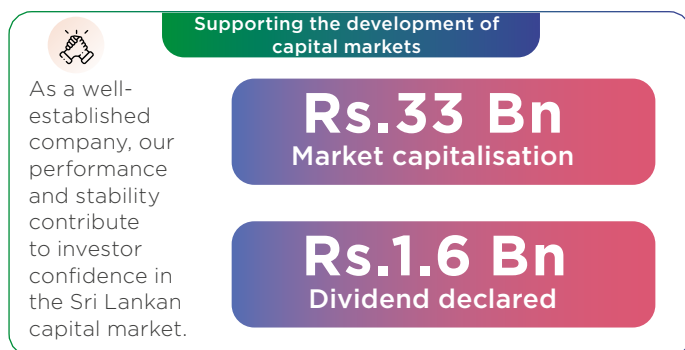
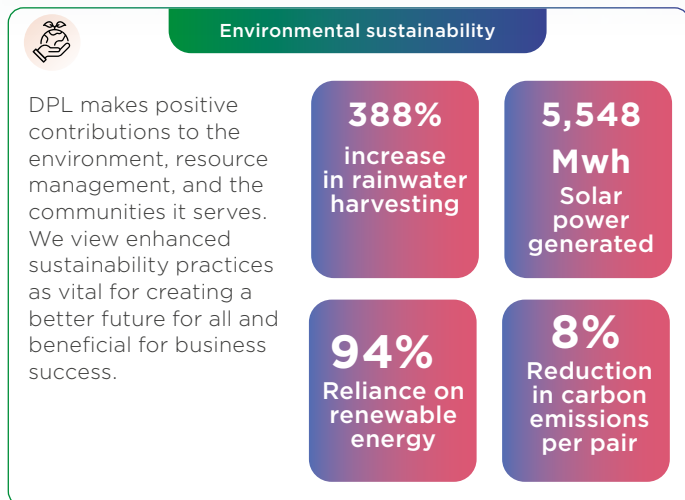
100%
New suppliers screened and 57% existing suppliers evaluated for ESG compliance

**Delivering value to customers**

The foundation of our market leadership lies in the solid customer base and lasting relationships we have nurtured with our global customer base.

77
New customers

94%
Customer Retention Rate



Highlights of the Year

Rs. 79 Bn

Revenue



Catering

70+

Countries



Rs. 75 Bn

Total Assets

Rs. 6.8 Bn

PBT

Rs. 5.0 Bn

PAT



Rs. 6.47

Earning Per Share

Rs. 1.90

Dividend per share

Rs. 32.9 Bn

Market Capitalisation

Rs. 1.4 Bn

Taxes Paid

Rs. 53.09

Net Asset Per share

Rs. 4.4 Bn

Capital Investments

CAPITAL MARKETS

Share Price

Rs. 63.00

High



Rs. 28.90

Low



Rs. 55.00

Closing



11,594

Shareholders



HAND PROTECTION SECTOR



15

New Products Launched



21,000+

CSR Beneficiaries

80%

Employee
Retention Rate

94%

Customer
Retention Rate



94%

Reliance on
Renewable Energy



6%

Reduction in Scope
2 emissions YoY

PLANTATION SECTOR



5

New Products Developed



4%

National Rubber Production



5%

National Tea Production

Rs. 36 Mn

Investment in R&D

Rs. 347 Mn

Investment in CSR



76%

Reliance on
Renewable Energy



520,000+

CSR Beneficiaries

DPL's Contribution towards Advancing the UN Sustainable Development Goals (SDGs)

We believe that we have an obligation to incorporate sustainability into our value-creation procedures in a way that tackles significant global sustainability issues and advances a fair and just future for all. We actively contributed towards accelerating progress on achieving all 17 of the United Nations' Sustainable Development Goals. Below is a summary of our 2024/2025 contribution.

UN SDG Goal No	UN SDG Goals' Targets	DPL Actions & Impact on Key Stakeholders	Capital reference for details
	1.2 1.4 1.5	DPL's flagship CSR programme, the Firstlight Initiative, empowers rural farmers by creating sustainable livelihoods and increasing their income through targeted support and engagement.	Social & Relationship Capital
	2.1 2.2	"Sisu Divi Pahana" Mid-Day Meals Programme supports our belief that no child should choose between hunger and education by providing daily nourishment to 2000+ students from vulnerable communities, fostering a healthier, brighter future.	Social & Relationship Capital
	3.4 3.8 3.9	DPL continues to invest in improving workplace conditions, providing mental health support through the DPL Careline, and offering comprehensive health insurance for employees and their families, while extending its commitment to external stakeholders through CSR initiatives focused on drug prevention, health camps, and medical care to promote overall community wellbeing.	Human Capital
	4.1 to 4.5 4.7	DPL fosters inclusive learning and career development through 36 average annual training hours per employee, diverse upskilling initiatives, ESG training, and educational sponsorships, while externally empowering rural youth with over 327 school supply kits, 36 scholarships, and enhancing farmer capabilities through the Firstlight education programme benefiting 550+ farmers.	Human Capital / Social & Relationship Capital
	5.1 5.2 5.4 5.5	DPL champions diversity, equity, and inclusion through a robust DEI and Anti-Sexual Harassment Policy, the "Choose to Challenge" gender equality initiative, and by empowering 1,273 female smallholder farmers through its Firstlight sourcing programme, fostering a safe, inclusive, and equitable workplace and supply chain.	Human Capital / Social & Relationship Capital
	6.2 6.3 6.4 6.5	DPL enhances water stewardship through safe drinking water access, upgraded sanitation, effluent treatment, and employee ESG training on water conservation, while supporting communities with water infrastructure donations and awareness sessions that foster responsible water use from factory floors to rural farms.	Natural Capital
	7.1 7.2 7.3	DPL advances its path to energy independence and low-carbon manufacturing through 4.8 MWp rooftop solar generation, 94% reliance on renewable energy, rigorous Scope 1, 2, and 3 GHG assessments, and a LEED Platinum-certified glove plant that exemplifies sustainable industrial design.	Natural Capital
	8.2 to 8.8	DPL drives inclusive and sustainable growth through automation, AI-driven quality control, support for smallholders and SMEs, recyclable packaging, inclusive hiring of women and rural youth, and a zero-tolerance stance on child labour, forced labour, and modern slavery across its supply chain.	Natural Capital



UN SDG Goal No	UN SDG Goals' Targets	DPL Actions & Impact on Key Stakeholders	Capital reference for details
	9.1 to 9.5	DPL strengthens sustainable innovation and supply chain resilience through upgraded resource-efficient systems, renewable energy adoption, biodegradable glove development, advanced automation, patent filings, and inclusive supplier development programs that empower smallholders—especially women—while upholding high environmental and labour standards.	Natural Capital / Social & Relationship Capital
	10.1 10.2 10.3 10.4	DPL advances equitable economic empowerment by creating decent jobs above minimum wage, supporting local suppliers and smallholder farmers, fostering inclusive hiring through its DEI policy, upholding zero tolerance for discrimination across its operations and supply chain, and enhancing employee welfare with benefits like paternity leave and newborn gift packs.	Human Capital / Social & Relationship Capital
	11.1 11.2 11.4 to 11.7	DPL strengthens community resilience and employee wellbeing by improving housing and transport access, supporting local cultural and religious initiatives, enhancing factory infrastructure for disaster preparedness, controlling pollution near residential areas, and engaging in tree-planting and environmental restoration around its operations.	Human Capital / Social & Relationship Capital
	12.2 12.4 to 12.8	DPL advances environmental stewardship by optimizing resource use, minimizing waste, safely managing hazardous materials, promoting sustainable rubber tapping, strengthening sustainability reporting, enforcing sustainable procurement, and fostering stakeholder awareness through ongoing communication and education initiatives.	Natural Capital
	13.1 13.2 13.3	DPL integrates DPL Pulse climate targets, SLFRS S1 & S2-aligned climate risk assessments, and farmer education on sustainable practices into its strategy—embedding climate resilience, science-based goals, and adaptation planning into core business and value chain decisions.	Natural Capital (SLFRS S1 & S2 Disclosure)
	14.1 14.2	DPL safeguards ocean and coastal ecosystems through upgraded effluent treatment, low-impact logistics, beach cleanups, mangrove reforestation, and marine conservation efforts—empowering both employees and local communities to protect vital water-based habitats.	Natural Capital / Social & Relationship Capital
	15.5 15.9	DPL champions biodiversity through its EcoPulse Nature Reserve, ecosystem restoration in Lindula, compliance with the EU Deforestation Regulation, and integration of biodiversity targets and ISO 14001-certified environmental systems into its sustainability strategy, ensuring nature and industry coexist responsibly.	Natural Capital / Social & Relationship Capital
	16.2 16.5 to 16.7 16.10	DPL enforces zero tolerance for corruption through its Business Code of Conduct, ethics policies, whistleblower channels, and supplier due diligence, while ensuring accountability via strong governance, employee training, ESG transparency, and regular audits.	Intellectual Capital
	17.10 17.11 17.16 17.17 17.18	DPL advances ethical global trade and national development by aligning with international standards, expanding exports, partnering with global buyers and institutions, engaging in sustainability networks like UNGC, promoting fair trade through third-party audits, and collaborating with stakeholders on initiatives rooted in transparency, livelihoods, and environmental stewardship.	Social & Relationship Capital

Our Journey of Progress



Our Journey of Perseverance

70,000 - 80,000 km
annual migration between
the Arctic and Antarctic

The Arctic Tern perseveres extreme conditions and vast distances in pursuit of survival. In the same way, DPL remains steadfast in navigating challenges, relentlessly adapting, and pushing forward to secure enduring success.



Our Journey of Adaptability

The Pelican scoops up fish and water efficiently with a large beak measuring approximately up to **18 inch.**

The Pelican's ability to adapt and thrive with its distinctive beak mirrors DPL's approach—leveraging the right tools and strategies to overcome challenges and seize opportunities, ensuring sustainable growth and success.

Our Journey of Adaptability

10,000 birds, and sometimes more, can be found in a flock during migration

The Common Swift embodies DPL's dedication to collaborative efforts—adapting to changing environments with resilience, working together to navigate challenges, and consistently driving growth and sustainability, regardless of the season.



Our Journey of Precision

The Red Knot covers vast distances swiftly and efficiently, reaching speeds of approximately up to

80 km/h

The Red Knot's ability to cover vast distances with remarkable speed reflects DPL's commitment to agility—swiftly navigating challenges and adapting to dynamic conditions.

Our Journey of Resilience

Migrates across vast distances with a wingspan of up to

1.7 m

The Greater Flamingo's ability to soar effortlessly over long distances mirrors DPL's commitment to resilience—navigating challenges and stretching our limits to achieve sustainable growth and long-term success.



Our Journey of Endurance

3,000 km is the bird's approximate migration from the Arctic to warmer southern habitats during harsh winter months

The Snow Goose's determination to journey across vast distances in search of sustenance reflects DPL's commitment to perseverance—pushing forward through challenges and adapting to shifting environments in pursuit of lasting success.

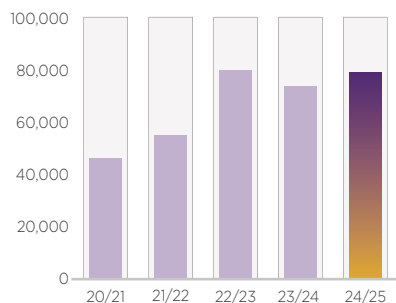


Performance Highlights

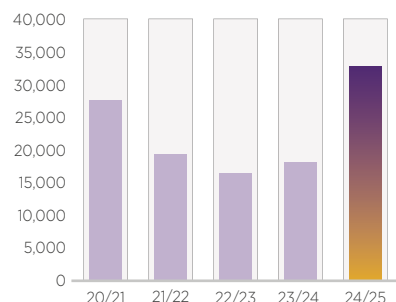


Finance Capital

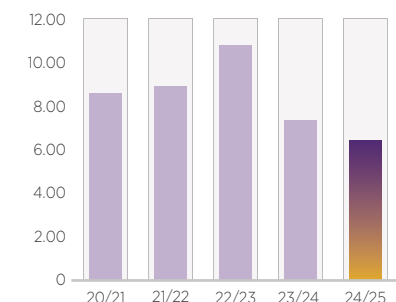
REVENUE (RS. MN)



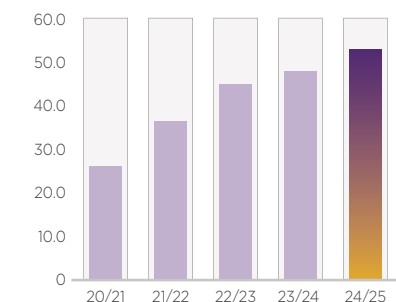
MARKET CAPITALIZATION (RS.MN)



EARNING PER SHARE (RS.)



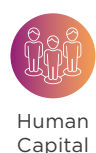
NET ASSET PER SHARE (RS.)



Metric		2024/25	2023/24	% Y-o-Y
STRATEGIC PRIORITY- FINANCIAL PERFORMANCES				
Earnings Highlights				
Revenue	Rs. million	79,289	73,942	7
Gross Profit	Rs. million	16,564	17,059	(3)
Gross Profit Margin	%	21	23	(2)
Operating Profit	Rs. million	7,172	7,729	(7)
Operating Profit Margin	%	9	10	(1)
Profit Before Tax	Rs. million	6,836	7,567	(10)
Profit Before Tax Margin	%	9	10	(1)
Profit After Tax	Rs. million	5,032	5,779	(13)
Return on Equity	%	13	16	(3)
Return on Capital Employed	%	14	17	(3)
Interest Cover Ratio	Times	9	10	(11)
Working Capital Ratios				
Inventory Days	Days	75	78	(3)
Debtor Days	Days	59	60	(1)
Creditor Days	Days	70	64	6
Cash Conversion Cycle	Days	64	74	(10)
Liquidity Ratios				
Current Ratio	Times	1.7	2.2	(24)
Quick Asset Ratio	Times	1.1	1.4	(22)
Financial Stability				
Total Assets	Rs. million	74,616	63,913	17
Return on Assets	%	7	9	(2)
Total Liabilities	Rs. million	34,984	27,833	26
Shareholders' Funds	Rs. million	31,778	28,877	10
Non Controlling Interest	Rs. million	7,853	7,203	9
Total Debt	Rs. million	12,014	9,592	25
Equity/Assets	No. of times	0.53	0.56	(6)
Debt/Equity	No. of times	0.30	0.27	14
Net Debt (Cash)/Equity	No. of times	0.08	0.02	>100
Debt/Total Assets	%	16	15	1
Shareholder Information				
No of Shares in Issue	Number	598,615,120	598,615,120	-
Earnings per Share	Rs.	6.47	7.47	(13)
Dividends per Share	Rs.	1.90	2.25	(16)
Net Asset Value per Share	Rs.	53.09	48.24	10
Closing Price	Rs.	55.00	30.40	81
Market Capitalisation	Rs. million	32,924	18,198	81
P/E Ratio	No. of times	8.50	4.07	>100
Dividend Payout	%	29	30	(1)
Dividend Cover	No. of times	3.41	3.32	3
Dividend Yield	%	3	7	(4)



Metric		2024/25	2023/24	% Y-o-Y
Manufacturing Performance				
Property, Plant and Equipment	Rs. million	30,107	23,971	26
Capital Expenditure	Rs. million	4,407	4,325	2
Manufacturing Facilities- Locations	HP	7	6	1
Manufacturing Facilities- Locations	Plantations	55	55	-
Asset Turnover Ratio	Times	1.14	1.15	(1)



An Inspired Team				
Total Employees	Number	2,570	2,224	16
Payments to Employees	Rs. million	16,935	15,345	10
Employee Retention Rate	%	80	84	(4)
No. of Promotions	Number	51	27	89
Female Representation	%	33	32	1
Investment In Training	Rs. million	11	7.4	49
Total Training Hours	Hours	85,865	71,543	20
Average Training Hours/Employee	Hours	36	33	9
Profit per Employee	Rs. million	2.65	1.8	47
Revenue per Employee	Rs. million	28.77	19.35	49
Value Added per Employee	Rs. million	10.38	11.51	(10)



Products and Innovation				
New Products Launched	Number	15	22	(32)
Investment in R&D	Rs. million	495	385	29
Customer Satisfaction	%	85	87	(3)
Customer Retention	%	94	97	(4)
Strength of R&D Team	Number	20	19	5
New Customer	Number	77	54	43



Sustainable Operations				
Payments to Suppliers	Rs. million	23,612	24,042	(2)
Beneficiaries	Number	21,000	10,691	96
Investment in CSR	Rs.million	17	19	(10)
Instances of Socio-economic Regulatory Non-compliance	Number	Nil	Nil	-
Small Scale Suppliers	%	93	93	-



Environmental Performance				
Energy Consumption	GJ Mn	2.29	2.08	10
% of Renewable Energy	%	94	93	1
Water Consumption	M3 Mn	2	2	5
Carbon Footprint	MtCO2e	26,238	25,735	2
Emission Intensity	KGCO2e/per pair	0.09	0.10	(10)
Energy Intensity	MJ/per pair	8.01	8.00	0.1
Water Intensity	Liters/per pair	7.58	7.89	(4)
Sustainable Water Sourcing	Liters Mn	191	172	11
Instances of Environmental Non - Compliance	Number	Nil	Nil	-

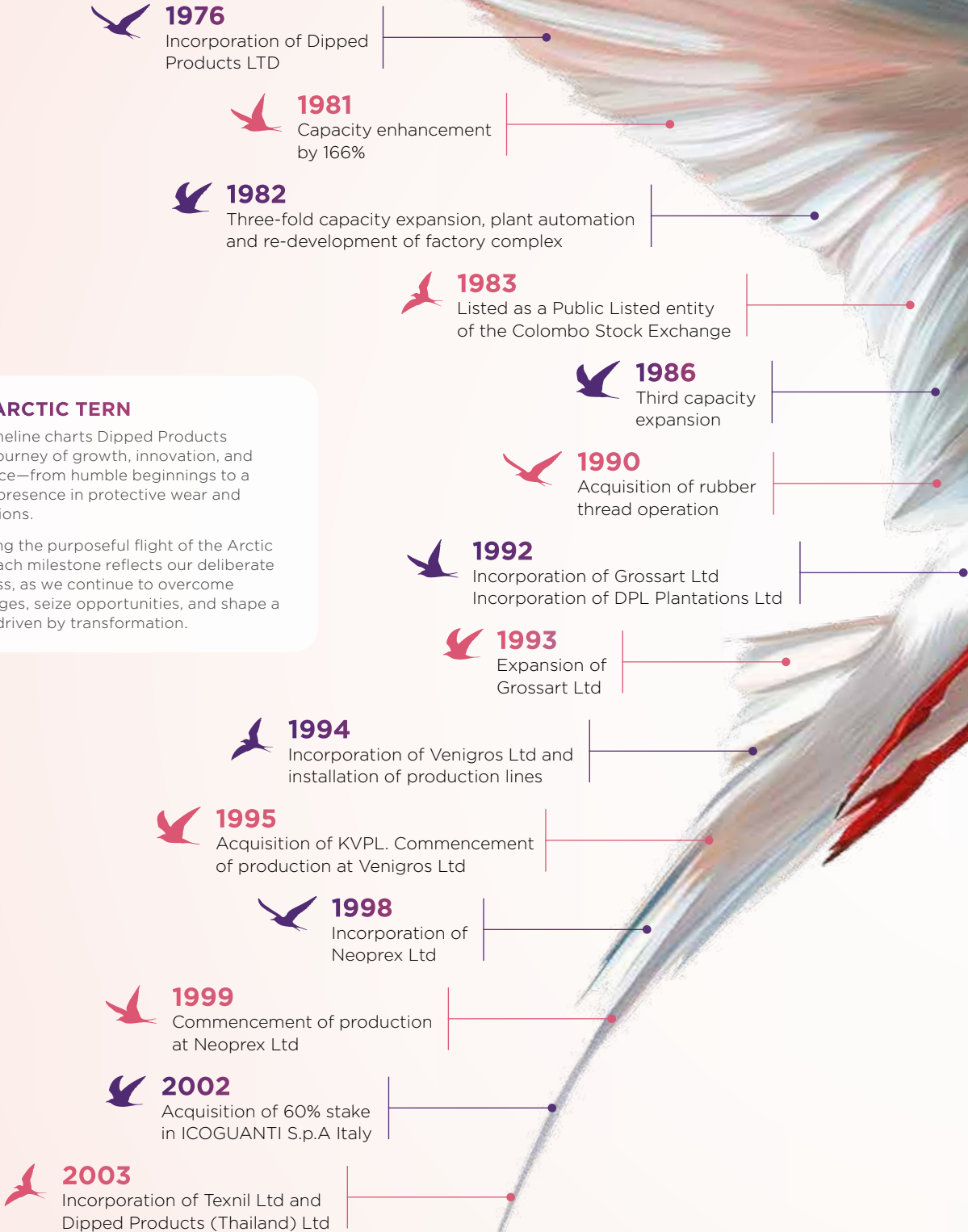
Unless mentioned otherwise, the non-financial information relates to the Hand Protection operations, which is the focus of this Annual Report. Information on the Plantation Sector is available in respective annual reports of Kelani Valley Plantations PLC (KVPL), Talawakelle Tea Estates PLC (TTE) and Horana Plantations PLC (HPL).

Key Milestones

THE ARCTIC TERN

This timeline charts Dipped Products PLC's journey of growth, innovation, and resilience—from humble beginnings to a global presence in protective wear and plantations.

Mirroring the purposeful flight of the Arctic Tern, each milestone reflects our deliberate progress, as we continue to overcome challenges, seize opportunities, and shape a future driven by transformation.





2024

Launched "DPL Pulse" ESG Road Map for 2030.
Incorporated Dipped Products India Private Limited.



2023

Incorporation of DPL France SAS
Acquisition of Rozenbal Brand
Acquisition of ROZENBAL POLSKA Sp.z.o.o
Commencement of operations
at Central Warehouse Facility
Commencement of production
at DPL Sports Glove Facility



2021

Installation of Electrician glove plant in Dipped Products PLC, Unsupported glove plant in Hanwella Rubber Products Ltd, Supported glove plant and knitting machines in DPL Universal Gloves Ltd.



2020

Installation of Unsupported Glove plant
in DPL Premier Gloves Limited
Commenced implementation of SAP ERP
system to Dipped Products (Thailand) Ltd



2018

Amalgamation of Grossart (Pvt) Ltd and
Neoprex (Pvt) Ltd with Dipped Products PLC
Installation of SAP ERP System to local
companies of the Hand Protection Sector



2016

Acquired 100% ownership
of ICOGUANTI S.p.A Italy



2015

Commencement of DPL
Universal Gloves Ltd



2014

Commencement of DPL
Premier Gloves Ltd



2011

Acquired 66.7% ownership of Hayleys Plantation
Services (Pvt) Ltd, the holding company of TTE



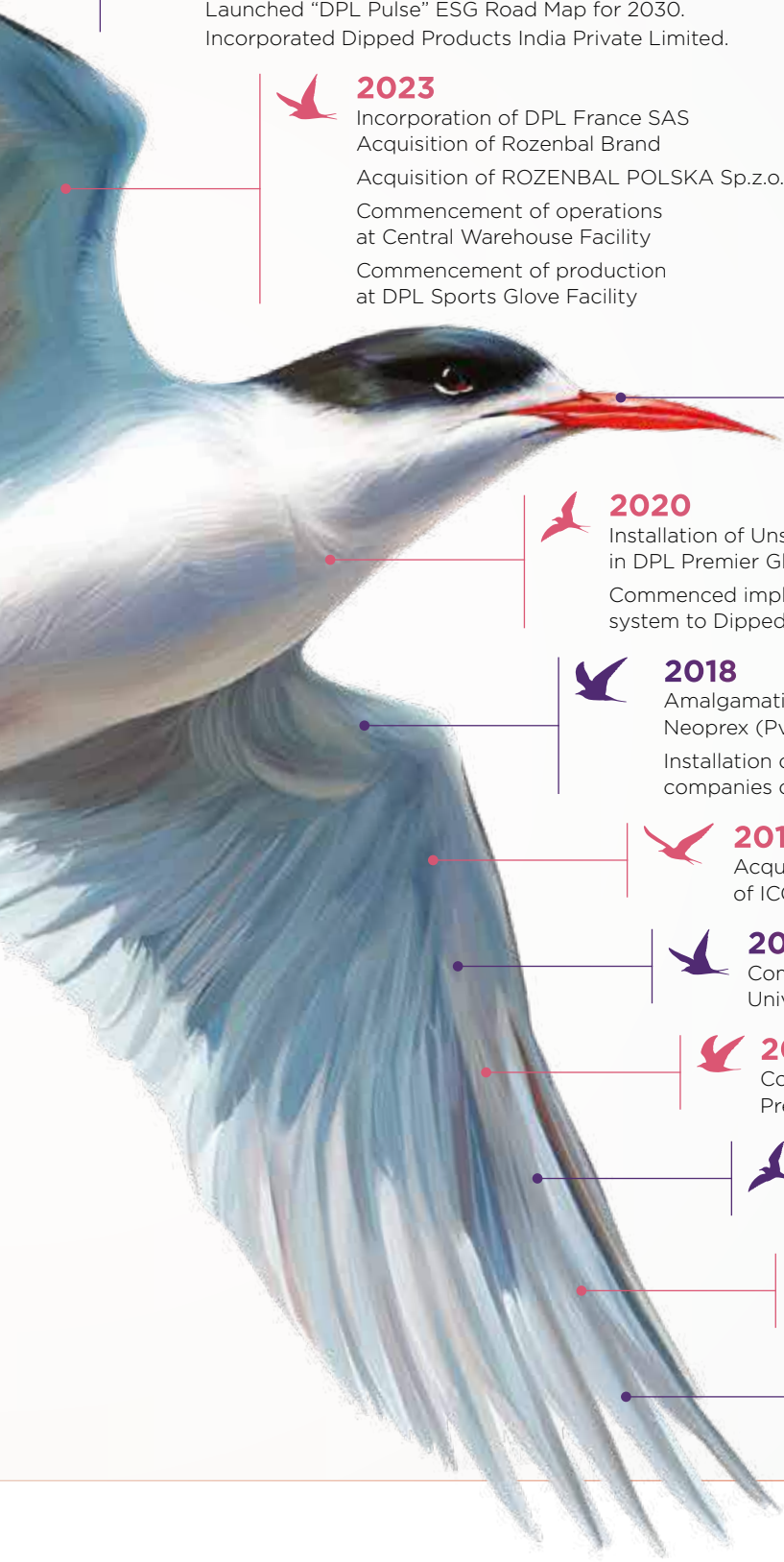
2006

Acquisition of Hanwella
Rubber Products LTD



2005

Commencement of Dipped
Products (Thailand) Ltd



Awards and Accolades

We continue to be recognized for excellence in all aspects of our operations and were the proud recipients of a multitude of awards and accolades during the year



1 PRESIDENTIAL EXPORT AWARD
Overall Award – Innovative Export

Recognized for outstanding innovation in export product development at the national level.

2 PRESIDENTIAL EXPORT AWARD
Sectorial Award – Best Exporter Latex Rubber Product Category

Honoured for excellence in exporting latex rubber products at a sectoral level.

3 NATIONAL SUPPLY CHAIN EXCELLENCE AWARDS
Best Supply Chain Practicing Organization – Special Commendation Award (Large Scale)

Recognized for exceptional supply chain practices in the large-scale category.

4 CA SRI LANKA ANNUAL REPORT AWARD 2024
Bronze Award – Manufacturing Sector

Recognized for excellence in annual reporting in the manufacturing sector (Group turnover above LKR 20 BN)

5 SRI LANKA NATIONAL QUALITY AWARD 2022
Winner – Manufacturing Large Scale

Recognized for excellence in quality and performance in the manufacturing sector – 2022

6 PRESIDENTIAL ENVIRONMENT AWARD
Silver Award – Rubber Based Products Industry

Recognized for outstanding environmental practices in the Rubber-based Products Industry” by Hanwell Rubber Products Ltd

Leadership Review



Steering the Course

Much like the migratory bird that leads the formation and guides the flock to safety, DPL's leadership has been the driving force behind our journey. As we reflect on the decisions, strategies, and actions that have strengthened our resilience, fuelled global expansion, and upheld our clear vision for the future, we recognise the steadfast guidance that has shaped our success.

The Arctic Tern, renowned for its remarkable 71,000-kilometer annual migration, embodies resilience and endurance. This unwavering determination mirrors our leadership team's ability to steer the course through shifting conditions, always ensuring that DPL's vision remains steady and true.

Joint Statement of the Chairman and the Managing Director

GRI 2-22



As DPL approaches its 50th year, we take pride in our evolution into a globally respected, ethically grounded, and innovation-led organisation, underpinned by resilience and a commitment to sustainable value creation.





Dear Valued Stakeholders,

In a year defined by dynamic global shifts and challenging market conditions, DPL once again proved its mettle, demonstrating resilience, sharp strategic focus, and an unyielding commitment to growth. Mastering headwinds from geopolitical instability, exchange rate volatility, and fluctuating raw material costs, we achieved significant milestones that reinforce our leadership in the hand protection industry. As we approach our 50th anniversary next year, this performance powerfully underscores the enduring strength forged over decades of knowledge, innovation, and dedication.

Within this Integrated Annual Report and financial statements for the year ended March 31, 2025, we detail these achievements. The report provides a comprehensive overview of our strategic initiatives and steadfast efforts to navigate a complex operating context while championing responsible and sustainable growth.

OPERATING LANDSCAPE

The global operating landscape remained complex and volatile during the year under review. While demand dynamics remained largely favourable supported by an uptick in industrial demand, the continued decline in Sri Lanka's natural latex production, together with the shortfall in global supply during the year led to a sharp escalation in raw material prices. Meanwhile, the Sri Lankan Rupee appreciated by around 6% (monthly average exchange rate) during the period in review, adversely affecting global competitiveness and eroding margins.

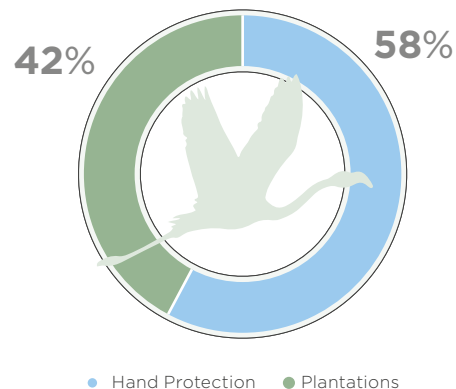
A YEAR OF STRATEGIC ACHIEVEMENT AND RESILIENCE

Despite the challenging operating environment, the financial year 2024/25 was one of commendable progress. We maintained momentum, driven by robust demand for our specialised industrial products, particularly as geopolitical changes influenced sourcing patterns. While the industry experienced fluctuations, our strategic focus on high-value, speciality products enabled us to achieve strong capacity utilisation throughout the year.

Group turnover increased by 7% year-on-year (YoY) to reach Rs. 79,289 million in FY 2024/25 despite the negative pressure from appreciation of the Sri Lankan Rupee; the Hand Protection Sector recorded a Revenue growth of 8%, supported by robust volume growth in household gloves and disposable gloves which grew by 7% and 30% respectively along with a favourable shift in our product mix. Meanwhile, the Plantation Sector delivered a Revenue growth of 7% supported by both improved volumes and better pricing. However, this top-line performance was partially countered by significant pressure on gross margins, as the cost of sales rose by 10%, largely driven by an approximate 21% YoY increase in latex prices. Moreover, operating expenses recorded an increase, with distribution costs growing by 3% to Rs. 2,013 million due to increased sales promotions activities. Administration costs increased by 6% to Rs. 8,683 million, influenced by employee-related expenses. The Group's Earnings Before Interest and Tax (EBIT) thereby declined by 7% to Rs. 7,172 million during the year, with the Hand Protection and Plantations Sector recording a decrease of 5% and 14% respectively.

On a more positive note, Finance costs declined substantially by 34% with the reduction in exchange loss compared to previous year. Conversely, Finance income contracted by 51% to Rs. 629 million due to the YoY decrease in the exchange gains and interest income. Other income recorded a notable increase of 59% to Rs. 1,303 million, significantly boosted by a gain on bargain purchase of Rs. 370 million from the acquisition of Hi-Care Thai Gloves Co Ltd in Thailand. The cumulative effect of these revenue, cost, and income dynamics resulted in a 10% decline in Group Profit Before Tax (PBT) to Rs. 6,836 million for the year under review. The PBT reduction of Hand Protection and Plantation segments were 4% and 19%, respectively. Notwithstanding these profitability challenges, the Group remained committed to generating shareholder value by upholding dividend payments.

REVENUE



REVENUE

Rs. 79 Bn



PROFIT BEFORE TAX

Rs. 6.8 Bn

Joint Statement of the Chairman and the Managing Director



Our growth is guided by clear strategic priorities global expansion, product innovation, and operational excellence anchored in a deep commitment to sustainability and resilience.





AN AGILE STRATEGY

Our growth strategy remains focused on aggressively expanding our global reach while enhancing manufacturing capabilities. A cornerstone of this strategy was the major acquisition of the Hi-Care Thai Gloves Co Ltd in Thailand. This acquisition will enable a near 60% increase in our disposable glove capacity, a move that significantly strengthens our presence in this segment and establishes a two-factory footprint in the country. We also expanded capacity of our existing facility in Hanwella with the opening of a state-of-the-art natural rubber chain plant. Investments were also made in targeted expansions in upstream and downstream facilities, boosting packing and chlorination capabilities to cater the enhanced production capacities. Notably, we have sought to embed principles of environmental sustainability into our capacity expansions with the new Sports Glove Complex earning the prestigious LEED Platinum Certification, the first for a glove manufacturing facility in South Asia.

Complementing this, we solidified our presence in key growth regions, reaping the full benefits of our established sales offices in the Middle East and India, and sought increased penetration in new markets by strengthening sales capabilities in Australia and South America. Expanding our presence beyond traditional markets remains a key short-to-medium term priority as we seek to further diversify our geographical reach.

Concurrently, operational optimisation remained a priority; while performance of our French operations were below expectations, we undertook a major restructuring focused on cost reduction and efficiency improvements, yielding encouraging results. Our Poland business demonstrated a significant positive turnaround and our Italian operations performed well above budget. Through these efforts, we secured a customer satisfaction score of 85%, reflecting the effectiveness of our commitment to meeting the evolving needs of our customers during the year under review.

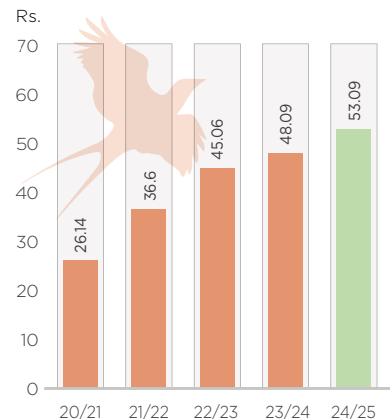
INNOVATION AS A DISTINCT ADVANTAGE

What truly differentiates DPL is our identity as a preferred hand protection solutions provider. Innovation has long-been embedded in our DNA, shaping our product development aspirations. We continued to leverage our best-in-class R&D capabilities to remain agile and forward-looking, engineering optimal solutions to meet evolving customer requirements. The introduction of our Sports Glove range in 2023 is gaining significant traction, attracting customers with its unique blend of novelty and technology backed by our deep industrial expertise. We also made considerable progress in enhancing our product proposition in niche segments such as sports and electrical gloves.

Our commitment to product innovation was also externally validated this year when we received the Best Exporter Award for Innovation at the 26th Presidential Export Awards offered by Export Development Board of Sri Lanka. This reflects our ongoing efforts, which included introducing two advanced chemical-resistant gloves, securing two new patents, and developing bespoke product ranges for key clients.

We also strengthened our journey of digital transformation during the year, actively pursuing opportunities to leverage technology in driving efficiencies, enhancing the customer experience, optimising our resource footprint and providing deeper data insights. Accordingly, we enhanced automation through robotics, installed new high-efficiency heaters, and successfully re-engineered certain processes to double production capacity using the same energy and water inputs. Resource efficiency recorded major strides, exemplified by reducing water usage significantly and enhancing the reuse of processed water through expanded Effluent Treatment Plant capabilities.

NET ASSET PER SHARE



NEW CUSTOMERS

77 Nos.



CUSTOMER RETENTION RATE

94 %

Joint Statement of the Chairman and the Managing Director



We are shaping the future of Hand Protection through innovation, digital integration, and environmentally conscious operations anchored in trust and transparency.



TOTAL ASSETS

Rs. 75 Bn

NAVIGATING MARKET DYNAMICS AND CHALLENGES

The global trade landscape continues to evolve. The uncertainty surrounding potential new tariffs, particularly in the USA, remains a key focus area. With approximately 25% of our Sri Lankan exports and 10% of our Thai exports destined for the US market (making it our largest single country destination), we are engaging with policymakers and regulators to advocate for favourable tariff structures. An unfavourable outcome, placing Sri Lanka at a disadvantage compared to competitor nations such as Malaysia, Thailand, and Vietnam, poses a significant risk that we are working diligently to mitigate.

STRATEGIC INTEGRATION OF ESG

We have long-since understood that sustainability is not just the right thing to do, but is critical for long-term resilience and commercial success. As such we continue to make inroads in strategically integrating ESG considerations across our culture, processes and decision-making. Guided by our holistic ESG Roadmap to 2030, DPL Pulse, we made significant progress in achieving our environmental and social aspirations achieving nearly 94% renewable energy usage across our operations and obtaining third-party verification for our disclosed full-scope GHG emissions. We expanded our waste management programme through new partnerships and continued to uplift livelihoods via our flagship CSR programme, DPL First light positively impacting over 4,000 farmer families. Our environmental stewardship extended to launching biodiversity conservation projects, namely the Eco Pulse Nature Reserve and the Bambarakelle Estate Ecosystem Restoration Project. As regulations and customer requirements pertaining to sustainability continue to escalate, we are improving our processes and reporting mechanisms to achieve full compliance by the relevant timelines. We are parallelly strengthening our external corporate reporting, obtaining external assurance on our non-financial reporting and also further improving disclosures under SLFRS S1 & S2 Sustainability Disclosure Standards, which we voluntarily adopted last year. We are progressing towards full alignment of the Standards by 2025, systematically integrating sustainability-related risk and opportunity assessment into our decision-making processes

INVESTING IN OUR PEOPLE

In the Hand Protection Sector, our global team of 2,570 highly skilled and capable professionals remains central to our resilience, agility, and continued success. We continuously review remuneration to address cost-of-living challenges and ensure competitive benefits. Promoting the highest standards of Occupational

Health and Safety remains paramount, highlighted by our annual "Health & Safety Week." We have also broadened the conventional focus on physical aspects of health and safety, to include mental and emotional wellbeing and marked a major milestone during the year with the launch of DPL Careline, which provides a dedicated, confidential counselling support for employees. Moreover, we focus on upskilling and career development, complemented by initiatives to enhance employee engagement.

UPHOLDING ETHICAL CONDUCT & SOUND GOVERNANCE

Strong Governance and Ethical Conduct forms the bedrock of our responsible operations. As a part of the Hayleys Group, we benefit from the robust governance structures, frameworks, policies and procedures of the Group and committed to nurturing a culture of integrity and transparency across all aspects of our operations.

The Hayleys Way and the DPL Business Code of Conduct serve as our ethical blueprint for all employees. The Group-wide Bribery and Anti-Corruption Policy also mandates an explicit zero tolerance approach to bribery and corruption. The Board is dedicated to ensuring these principles are upheld, overseeing robust governance frameworks and effective risk management to mitigate potential risks and protect stakeholder interests.

Accordingly, we maintained full compliance with key corporate governance standards, including the Colombo Stock Exchange Listing Rules and its latest revisions. Accordingly, measures were taken to formulate and publish relevant mandatory policies, ensure board compliance requirements and reconstitution of Board committees. The Group also achieved compliance to the requirements of the 2023 CA Sri Lanka Code of Best Practice on Corporate Governance.



BOARD CHANGES

We extend our heartfelt appreciation to Mr. S. Rajapakse and Mr. F. Mohideen for their dedicated service to the DPL Board and wish them every success in their future endeavours following their resignations during the year. We are pleased to welcome Mrs. A.I. Wanigasekera and Mr. T.A.B. Speldewinde to the Board as Independent Non-Executive Directors, and Dr. R.M.U.N. Rathnayake, who joined as an Executive Director. Their wealth of experience and strategic insight will undoubtedly enhance the Board's effectiveness, and we are confident that their contributions will play a pivotal role in steering DPL toward continued growth and success.

A FUTURE OF SHARED SUCCESS

Looking ahead, the global landscape, particularly concerning trade policies including potential US tariffs, will continue to reshape our industry's competitive dynamics. We will continue to invest strategically, and explore new geographic footprints should market conditions necessitate, while building on the strengths of our core manufacturing bases in Sri Lanka and Thailand.

We enter our 50th year as an innovative, environmentally and socially conscious, capable, and ethical global company. With a proven track record, a strong financial foundation, strong commitment to quality and service, and a futuristic mindset driving continuous investment, we are confident in our ability to navigate the future and create sustainable value for all our stakeholders.

ACKNOWLEDGEMENTS

At DPL, we are driven by a purpose beyond manufacturing gloves; we strive to be your trusted partner, dedicated to delivering high-quality, specialised hand protection solutions underpinned by exceptional service and firm commitment to sustainability.

Our success during the year would not have been possible without the steadfast guidance and strategic oversight of our Deputy Chairman and Board of Directors. To them, we extend our profound gratitude.

To our exceptional leadership team and every dedicated member of the DPL family: your unwavering commitment, ingenuity, and passion are the true engines of our continued success and resilience.

We extend our sincere gratitude to our valued customers, suppliers, business partners, and stakeholders. Your continued trust and collaboration have been instrumental in helping us navigate challenges and emerge more resilient and united.

Mohan Pandithage

Chairman

Pushpika Janadheera

Managing Director

Board of Directors



Mohan Pandithage
Executive Chairman



Rajitha Kariyawan
Executive Deputy Chairman



Pushpika Janadheera
Managing Director



Sarath Ganegoda
Non-Executive Director



Ramesh Nanayakkara
Executive Director - Overseas
Operations



Gamini Gunaratne
Non-Executive Director



Indika Prasad
Executive Director - Sales &
Marketing



Chandika Ratnasiri
Executive Director -
Engineering



Ms. Brindhiini Perera
Non-Executive Director



Nanda Fernando
Independent Non-Executive
Director



Professor Arjuna De Silva
Independent Non-Executive
Director



Yohan Perera
Senior Independent Director



Ms. Anomi Wanigasekera
Independent Non-Executive
Director



Timothy Speldewinde
Independent Non-Executive
Director



Dr. Upul Rathnayake
Executive Director - Technical
& R&D

Board of Directors

1

Mohan Pandithage

Executive Chairman

Appointed to the Board in 2007

Mr. Pandithage currently serves as the Chairman and Chief Executive of Hayleys PLC.

As an accomplished industry veteran and respected leader in the field of transportation and logistics, he was honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. Additionally, he was presented with a Lifetime Achievement Award by the Seatrade-Sri Lanka Ports, Trade and Logistics (SLPTL). He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport (CILT). He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association, in acknowledgement of his invaluable services to Sri Lanka's logistics industry.

Mr. Pandithage serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka. He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

As an Executive Chairman of multiple companies within the Hayleys Group, Mr. Pandithage possesses extensive leadership experience across a broad spectrum of industries. In addition to being the Executive Chairman of Dipped Products PLC, he holds the position of Executive Chairman and Chief Executive of Hayleys PLC and Executive Chairman of Haycarb PLC, Hayleys Fibre PLC, Hayleys Fabric PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Hayleys Leisure PLC.

2

Rajitha Kariyawasan

Executive Deputy Chairman

Appointed to the Board in 2016.

Mr. Kariyawasan counts extensive leadership experience in the manufacturing sector, which includes over 15 years in the Hayleys Group.

Mr. Kariyawasan was appointed as the Deputy Chairman of Dipped Products PLC in October 2020. A Member of the Hayleys Group Management Committee and a Director of Hayleys PLC since 2010. He has overall responsibility for the Purification Products sector as the Managing Director of Haycarb PLC and as the Deputy Chairman of the Eco Solutions Sector. Serves on the Board of Sri Lanka Institute of Nanotechnology (SLINTEC) as the nominee Director of Hayleys PLC. He has also served as the Chairman of the Manufacturing Association of the Export Processing Zone, Biyagama.

He holds a BSc. Eng. (Electronics and Telecommunications) from the University of Moratuwa, Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants, UK. In addition, he is also a Six Sigma (Continuous Improvement Methodology) Black Belt, certified by the Motorola University, Malaysia.

3

Pushpika Janadheera

Managing Director

Appointed to the Board in 2017

Mr. Janadeera joined Dipped Products PLC in August 2017 as the Director Operations. Appointed as Deputy Managing Director in August 2020. Appointed as the Managing Director of DPL and a Member of the Hayleys Group Management Committee in January 2023.

He is a Council Member of the Institute of Chartered Accountants of Sri Lanka. Fellow Member of the CA Sri Lanka

(Institute of Chartered Accountants of Sri Lanka), Associate Member of the Chartered Institute of Management Accountants (CIMA-UK), Associate Member of Global Management Accountants (CGMA) of UK and the National Institute of Accountants of Australia. He holds B Sc Accountancy (special) degree and an MBA from the University of Sri Jayewardenepura. Former Director of Associated Motorways (Pvt) Ltd and Director/ General Manager of Richard Pieris Tyre Co, Ltd. Currently he serves as the Chairman of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP). He served as a Council Member of the Plastics and Rubber Institute of Sri Lanka. Member of the Sri Lanka Institute of Directors. Former Member of the Advisory Committee of Rubber and Rubber Based Products & Plastics Sector of the Export Development Board and Member of the Polymer Advisory Committee of the Ministry of Industries.

4

Sarath Ganegoda

Non-Executive Director

Appointed to the Board in 2009.

Mr. Ganegoda is a Fellow Member of CA Sri Lanka and Member of Institute of Certified Management Accountants of Australia. Holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

Worked for Hayleys Group between 1987 and 2002, ultimately as an Executive Director. Subsequently, held several senior management positions in large private sector entities in Sri Lanka and overseas.

Has responsibility for the Strategic Business Development Unit, Group Information Technology of Hayleys PLC, Deputy Chairman of Alumex PLC. He serves on the Boards of Hayleys PLC, Unisyst Engineering PLC, Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Horana Plantations PLC.

5

Ramesh Nanayakkara**Executive Director – Overseas Operations**

Appointed to the Board in 2014.

Mr. Nanayakkara joined Dipped Products PLC in 1991. Appointed to the Board in July 2014. He holds a Degree in BSc Physical Science from University of Sri Jayewardenepura. Fellow Member of Chartered Institute of Management Accountants - UK.

6

Gamini Gunaratne**Non-Executive Director**

Appointed to the Board in 2015.

Mr. Gunaratne has held diverse leadership positions in both private and state sector organisations

He presently serves as a Non-Executive Director of Hayleys PLC, Horana Plantations PLC, Vallibel Power Erathna PLC, Swisstek Ceylon PLC, and Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT). He is also the Chairman of Lanka Hotels and Residencies (Pvt) Ltd (Sheraton Colombo). Previously served as Vice Chairman of National Water Supply and Drainage Board.

7

Indika Prasad**Executive Director - Sales & Marketing**

Appointed to the Board in 2018.

Mr. Prasad joined Dipped Products PLC in 2001. He holds a Degree in BSc Physical Science (Industrial Management – Special) with First Class Honours from University of Kelaniya and an MBA from University of Colombo.

Recipient of the Award by the National Institute for Micro, Small and Medium Enterprises; Middle management

Development Programme for SME's of Africa/South Asia – Administrative Staff College of India. Served as a committee member of the Sri Lanka – USA Business Council.

8

Chandika Ratnasiri**Executive Director - Engineering**

Appointed to the Board in 2022

Mr. Ratnasiri joined Dipped Products PLC in 2007. He currently oversees the Group Engineering Projects and leads the maintenance of manufacturing operations across the company's facilities in Sri Lanka and Thailand. He holds a Bachelor of Science (BSc) and a Master of Science (MSc) with First Class Honors in Engineering from the Moscow State University, USSR. He is a Member of the Institution of Engineering and Technology (MIET), UK.

He is a seasoned professional with 28 years of experience in engineering, project and operations management, and held pivotal roles in leading multinational corporations across Sri Lanka, Europe, and ASEAN regions. His career is distinguished by a proven ability to drive cross-functional collaboration, optimize complex processes, and deliver extra large-scale industrial projects that align with strategic business objectives.

9

Ms. Brindhiini Perera**Non-Executive Director**

Appointed to the Board in 2022.

Ms. Perera holds a Master's degree in Mechanical Engineering from Imperial College London, with a strong academic foundation in Manufacturing Technology and Management, Entrepreneurship, Corporate Finance, Statistical Analysis, and Applied Mathematics. She began her professional development at an early age, undertaking internships at Vallibel One PLC from the age of 13. Since then, she has gained experience

at both Vallibel One and Hayleys PLC, contributing to strategic planning, operations, and engineering-driven initiatives.

She serves as a Non-Executive Director in Haycarb PLC, Hayleys Fabric PLC, The Kingsbury PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Vallibel One PLC, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation. She also serves on the Board of Eurocarb Products Ltd (UK) and Haylex Ltd (UK).

10

Nanda Fernando**Independent Non-Executive Director**

Appointed to the Board in 2024.

Mr. Fernando is a Banker with over four decades of experience in banking. He is a Senior Fellow of the Institute of Bankers Sri Lanka and possesses a Master of Business Administration from Sikkim Manipal University, India.

He currently serves as a Business Consultant and possesses a proven track record in strategic leadership, business growth, financial management and analysis, business development, risk management, compliance, operational excellence, stakeholder engagement and relationship management.

He also serves as the Managing Director of Professional Business Consultants and a Non -Executive Director in Haycarb PLC, Hayleys Fabric PLC, Hatton National Bank PLC and Assetline Finance Ltd.

Prior to his current role, he served as the Managing Director of Sampath Bank PLC where he held several roles for 36 years from the year of its inception. Earlier in his career, he served Hatton National Bank PLC.

Board of Directors

11

Professor Arjuna De Silva **Independent Non-Executive Director**

Appointed to the Board in 2024.

Vidya Jyothi Senior Professor Arjuna De Silva is a Professor of Medicine, Faculty of Medicine University of Kelaniya. He holds the Bachelor of Medicine and Bachelor of Surgery degrees as well as a postgraduate Doctorate of Medicine from the University of Colombo. He also holds as a MSc from the University of Oxford.

Professor De Silva is a Board Certified Specialist in General Medicine. He was awarded FRCP from the Royal College of Physicians London. He is a Board Certified trainer in Gastroenterology and is a Fellow of the Royal College of Physicians London as well as a fellow of the American Gastroenterological Association and National Academy of Sciences of Sri Lanka.

He has won many research awards including the Presidential Research Award in the years 2001, 2006, 2008, 2010 2012 and 2013.

He has served as the Director General of Sports Medicine, Team physician for the London Olympics and Member of the Medical panel for the National Cricket Team. He also served as the Chairman of South Asian Regional Anti-doping Agency and Chairman of George Steuart Finance Limited, Director of Sri Lankan Airlines Limited and Member of the National Science and Technology Commission.

Professor de Silva's other appointments include Head of the Sri Lanka Cricket Medical Advisory Committee, Member of the National Sports Council, Chairman of Sri Lanka Anti-Doping Agency (SLADA), Member of the Board of Management of the Post Graduate Institute of Medicine Colombo and Associate Editor of the World Journal of Gastroenterology.

12

Yohan Perera **Senior Independent Director**

Appointed to the Board in 2024.

Mr. Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a Fellow Member of the Chartered Institute of Management Accountants, UK. He served as the Managing Partner of KPMG Sri Lanka, while also serving on the KPMG Middle East & South Asia Board during his tenure as Managing Partner of the Firm. Prior to being appointed as Managing Partner, he functioned as the Head of HR, Risk Management Partner and Chief Operating Officer.

Mr. Perera counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests. He served as the President of the Institute of Chartered Accountants of Sri Lanka during the years 2006 and 2007. He also served as a Board Member of the Confederation of Asian and Pacific Accountants (CAPA), one of four regional organisations recognised by the International Federation of Accountants (IFAC).

He currently serves on the Boards of Hayleys PLC, Haycarb PLC, Commercial Bank of Ceylon PLC, Laxapana PLC, Muller & Phipps Ceylon PLC, Overseas Reality PLC and E B Creasy & Company PLC. Has served as a Member of the Securities and Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and Member of the Governing Council of the Post Graduate Institute of Management of the University of Sri Jayewardenepura.

13

Ms. Anomi Wanigasekera **Independent Non-Executive Director**

Appointed to the Board in 2024.

Ms. Wanigasekera is the Senior Partner of Julius & Creasy, a prominent law firm, in Sri Lanka. She counts over 40 years of experience in commercial law specializing in intellectual property and heads the Intellectual Property Division, overseeing drafting of contracts and advising on regulatory and compliance matters. She contributed significantly to the field of intellectual property and commercial law through her publications.

She is a Member of the Bar Association of Sri Lanka and Colombo Law Society. She holds an LLM from the University of Wales and post graduate diplomas in Intellectual Property Law, International Trade Law, Banking, and Insurance Law from the Institute of Advanced Legal Studies (IALS).

She currently serves as Independent Non-Executive Director of Haycarb PLC and Horana Plantations PLC, Chairperson of the International Trademark Association (INTA) South Asia Anti-Counterfeiting subcommittee for the term 2024/25, Vice President of Asian Patents Attorneys Association (APAA) Sri Lanka Group, Council member of APAA, and India and South Asia Global Advisory Council.

14

Timothy Speldewinde
Independent Non-Executive Director

Appointed to the Board in 2025

Mr. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. He possesses wide experience in managing local as well as international facilities and has been an integral member of the MAS Group for over 26 years. He served as the CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

He currently serves as Independent Non Executive Director of Hayleys PLC, Haycarb PLC and Hayleys Fabric PLC. Independent Non Executive Director and the Audit Committee Chairman of The Kingsbury PLC, Horana Plantations PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC and WealthTrust Securities Limited. He is also Director of Contemporary Ceylon (Pvt) Ltd.

15

Dr. Upul Rathnayake
Executive Director - Technical & R&D

Appointed to the Board in 2025

Dr Ratnayake joined Dipped Products PLC in 2016 as the Group Manager - Research & Development and appointed as General Manager/Head - Technical & Research and Development in 2017.

Dr Ratnayake holds PhD in Polymer Technology and Material Engineering from Loughborough University, UK, Post Graduate Diploma in Chemical Analysis from the University of Colombo, and BSc in Applied Sciences from the University of Sri Jayewardenepura. He was one of the founding members of Sri Lanka's nanotechnology initiatives and served as a Senior Scientist when Sri Lanka Institute of Nanotechnology

(SLINTEC) was started. He has over 25 years of experience in Research and Development in the field of rubber/latex processing and technology.

Currently, he holds the position of Vice President of Plastics and Rubber Institute of Sri Lanka (PRISL) and is a Fellow Member of PRISL. He was awarded Presidents Award for Scientific Publications in 2009 and National Technology Award in 2016 from National Science Foundation (NSF), Sri Lanka. He is also a Visiting Lecturer and an External Examiner of the University of Moratuwa and the University of Sri Jayewardenepura.

The Corporate Management



Prabath Mendis
Country Manager -
Thailand Operations



Ms. Vasana Wanigasekara
General Manager - Sales



Thusitha Perera
General Manager -
Human Resources



Nilaksha Pushpakumara
General Manager -
Operations



Sampath Kumara
General Manager -
Procurement & Logistics



Asanka Fonseka
General Manager - Sales &
Marketing (DUGL/SPG)



Thomas Taddei
Country Manager -
DPL France



Piotr Maciejewski
Country Manager -
Rozenbal Polska



Amila Priyadarshana
Chief Financial Officer



Andrea Certusi
Country Manager -
ICOGUANTI



Gaurav Sharma
Country Manager -
DPL India



Hand Protection

Mohan Pandithage

Executive Chairman

Rajitha Kariyawasan

Executive Deputy Chairman

Pushpika Janadheera

Managing Director

Ramesh Nanayakkara

Executive Director (Overseas Operations)

Indika Prasad

Executive Director (Sales & Marketing)

Chandika Ratnasiri

Executive Director (Engineering & Projects)

Dr. Upul Ratnayake

Executive Director (Technical & R&D)

GENERAL MANAGERS/COUNTRY MANAGERS

Prabath Mendis

Country Manager - (DPTL)

Ms. Vasana Wanigasekara

Sales

Thusitha Perera

Human Resources & Legal

Nilaksha Pushpakumara

Operations

Sampath Kumara

Procurement & Logistics

Asanka Fonseka

Sales & Marketing (DUGL/SPG)

Thomas Taddei

Country Manager - (DPL France)

Piotr Maciejewski

Country Manager - (Rozenbal Polska)

Amila Priyadarshana

Finance

Andrea Certusi

Country Manager - (ICOGUANTI)

Gaurav Sharma

Country Manager - (DPL India)

DEPUTY GENERAL MANAGERS

Tilak Warakawalage

Operations (DL)

Pradeep Silva

Engineering

Gamini Karunarathne

Process

Randika Prasad

Operations (DPTL)

GROUP MANAGERS/FACTORY MANAGERS

Chamara Wimalawardena

Factory Manager (HL)

Nishantha Jayasinghe

Factory Manager (DPGL)

Hewage Kamal

Factory Manager (SPG)

Naleen Aththudawe

Factory Manager (DUGL)

Mohamed Farharth

Group Quality

Mohan Manuel

Group Production Planning

Roshan Jayasinghe

Group Procurement

Mohan Perera

Group TSP

Dinesh Wickramasuriya

Group Logistics

Nishan Buddhika

Group Finance

Dinesh Thandakkara

Group Sales

Kapila Harischandra

Group Engineering & Environment

Tiron Peiris

Group Process Excellence

Lakmal Wickramarachchi

Group Packing Materials

Danushka Rathnayake

Group Projects

Kalana Devapriya

Group Quality Systems

Nithipong Navaparitthikul

Group QA/QC/WT (DPTL)

Nipol Samolee

Group HR/SMR/Packing/ME (DPTL)

Ms. Selvaraj Princy

Group R&D and Process Control (DPTL)

MANAGERS

Niroshana Baddage

Centrifuging & Latex Supplying (HL)

Thilina Samarathunga

Knitting & Plying (DUGL)

Ms. Sagarika Mayadunne

Quality Control (HL)

Pradeep Kumar

Human Resources (Zone)

Palitha Lankeshwara

Environment

Ms. Devaki Rodrigo

Laboratory (DL)

Ms. Vinodani Dabare

Regional Business Development

The Corporate Management

Nilush Kumara

Compounding (HL)

Suranga Hettiarachchi

Production (DPGL)

Madhawa Wettasinghe

Engineering (DL)

Ms. Hasini Dangalle

Research & Development (DL)

Ashoka Chandranath

Glove Designing (SPG)

Damian Thomas

Regional Business Development

Ms. Asika Attanayake

Finance

Susantha Perera

Engineering (DL)

Chandika Bandara

Engineering (DPGL)

Premalal Punchihewa

Production (DL)

Jayanath Rupasinghe

Energy

Indika Wickramaratne

Information Technology

Ms. Saranika Kumararatne

Regional Business Development

Ms. Amanda Denuwara

Regional Business Development

Chamidu Buddhika

Research & Development (DUGL)

Ms. Lakmini De Silva

Sales & Marketing (DUGL)

Janaka Jayasundera

Sourcing

Dhammika Kulathilaka

Compounding (DL)

Malinda Navarathne

Process Control (DL)

Ms. Sanuji Wijesekara

Regional Business Development

Buddhika Ariyaratne

Process Control (DUGL)

Ms. Chamathya Fernando

ESG

Kanishka Sethunga

Business Development

Dr. Asanka Jayasinghe

Research & Development (DL)

Danuja Kumara

Centrifuging & Latex Supplying (HL)

Dushantha Perera

ERP

Thiwanka Kannangara

Procurement

Rasanga Abeywardana

Process (DPGL)

Chathuranga Vijayananda

Finance

Gihan Udagama

Finance

Indika Krishantha

Central Warehouse (DPGL)

Ms. Shevanthie Perera

Marketing

Mahendra Ariyapala

Health & Safety

Lakshitha Chathuranga

Production (DUGL)

Damitha Senadheera

Learning & Development

Amila Bandara

Engineering (HL)

Jinesh Munasinghe

Business Development (Disposable Gloves)

Ms. Sanjeewani Abeysinghe

Human Resources & Administration (Non-Zone)

Chandana Ranaweera

Finance

Thakshila Weeraratna

International Sales

Suditha Shamika

Engineering (DL)

Ms. Siriwan Jindarat

Business Development (DPTL)

Ms. Sasithorn Chuaybumrung

Procurement (DPTL)

Suresh Karunathilake

Finance (DPTL)

Sanjaya Kumara

Engineering (DPTL)

Ms. Siragan Woraphubet

Administration/QMR (DPTL)

Ms. Orawan Chaiharn

Environment Safety and Health (DPTL)

**Enrico Giuliano**

Commercial (ICOGUANTI)

Ugo Torriani

Commercial Professional (ICOGUANTI)

Salvatore Barraco

Finance (ICOGUANTI)

Luca Parodi

Procurement & IT (ICOGUANTI)

Ms. Giuseppina Ageno

Product and Quality (ICOGUANTI)

Guillaume Sautreau

Procurement (DPL France)

Ms. Kelly Bui

Finance (DPL France)

Laurent Soubigou

IT (DPL France)

Ms. Anna Rey

Quality (DPL France)

Lukasz Grzechnik

Commercial (Rozenbal Polska)

Ms. Joanna Kamieniecka

Finance (Rozenbal Polska)

Piotr Lewandowski

Logistics (Rozenbal Polska)

Daniel John

Sales and Operations (Hi-Care)

Benley Costa

International Sales (Hi-Care)

Nobel Sebastian

Finance (Hi-Care)

Pramual Thongrakjan

Production (Hi-Care)

Kapila Jeewantha

Regional Business Development
(DPL Middle East)

Bappa Khan

Regional Business Development
(DPL India)

The Corporate Management



Plantations

Mohan Pandithage

Chairman

Dr. Roshan Rajadurai

Managing Director - KVPL/TTE/HPL

KELANI VALLEY PLANTATIONS PLC

Anura Weerakoon

Director/CEO

OPERATIONAL DIRECTORS

Viren Ruberu

Low Country

Ranil Fernando

Rubber Marketing & Administration

Vidura Weerabahu

Finance

Dilum Pathirana

Up Country

GENERAL MANAGERS

Dr. Anuruddha Gamage

Human Resources & Corporate Sustainability

Madhawa Wickramaratne

Marketing

REGIONAL GENERAL MANAGERS

Senaka Fernando

Dewalakande

Indra Gallearachchi

Invery

Anura Senanayake

Crop Diversification & Export Agriculture

SENIOR DEPUTY GENERAL MANAGERS

Eranda Welikala

Ederapola

Buddika Attanayake

Annfield

DEPUTY GENERAL MANAGERS

Udeni Wanigathunge

Edinburgh

Senaka Dayananda

Engineering

ASSISTANT GENERAL MANAGERS

Susantha Wijesinghe

Information Technology

Kenneth Alles

Corporate Affairs

Chandana Wanniarachchi

Process Technology

Rajith Gnanasekeram

Glassaugh

Yasith Hettiarachchi

Fordyce

Eroshan Peiris

Pedro

TALAWAKELLE TEA ESTATES PLC

Senaka Alawattegama

Director/CEO

OPERATIONAL DIRECTORS

Nishantha Abeysinghe

Plantations

Thusitha Rodrigo

Strategic Performance Management

Ms. Vindya Perera

Finance

GENERAL MANAGERS

Eashan Perera

Marketing

REGIONAL GENERAL MANAGERS - ESTATES

Gimhan Jayathilake

Kiruwanaganga

Kosala Wijesekera

Somerset

SNR. DEPUTY GENERAL MANAGER - ESTATES

Eranga Egodawela

Bearwell

HORANA PLANTATIONS PLC

Johann Rodrigo

Director/CEO

Buddhi Gunasekara

Director - Plantations

GENERAL MANAGERS

Ajith Nissanka

Finance

Pushpika Samarakoon

Corporate Affairs

REGIONAL GENERAL MANAGERS

Wasantha Gunawardene

Up Country

Strategic Report



Expanding Horizons

Over the years, DPL has extended its reach far beyond Sri Lanka, establishing a strong presence across Africa, Europe, Asia, and the Americas. Today, we are a global force, serving industries from healthcare to industrial manufacturing, and providing essential protection to millions of workers and consumers in diverse environments.

The Common Swift, known for its extraordinary migratory journey of up to 20,000 kilometers across continents each year, symbolises our global journey. Just as these birds take strategic routes to ensure their survival, DPL has strategically expanded its operations, embracing new markets to deliver protection wherever it is needed most.

Value Creation Model

THE GROUP'S VALUE CREATION MODEL DETAILS OUR STRATEGIC DEPLOYMENT OF CAPITAL OVER THE YEAR, AIMED AT CREATING SUSTAINABLE VALUE FOR ALL KEY STAKEHOLDERS.

INPUTS



Financial Capital

- Equity
Rs. 39.6 Bn
- Debt
Rs. 12.0 Bn



Human Capital

- 18,345** Employees
- Rs. 33.0 Mn** Training and development



Manufactured Capital

- 7** Manufacturing locations
- 55** Estates
- Rs. 4,407 Mn** investment in property, plant and equipment
- Rs. 188 Mn** IT expenditure



Intellectual Capital

- 20** R&D experts
- 41** Management and system certifications



Social & Relationship Capital

- 4,000 +** Farmer Relationships
- 4,500+** other value chain partners
- 700+** customers



Natural Capital

- 26,166** Hectares Land extent
- Raw materials consumption
27,100 MT
- Energy consumption
2.29 GJ Mn
- Water consumption
2.2 m³ Mn

VALUE CREATION PROCESS

Our Vision

To be the preferred and most sought after provider of hand protection wear in the world



Our Business is Driven by Two Verticals

Hand Protection



Plantations



Corporate Governance

Risk Management



OUTPUTS



Financial Capital

- Rs. 79.2 Bn Group Revenue
- Rs. 6.8 Bn Group PBT



Human Capital

- 711 New employees
- 36 Hours of training per employee
- Rs. 16.9 Bn Payments to employees



Manufactured Capital

- Rooftop solar across 5 operational sites
- Platinum LEED certification for the Sports Glove factory
- Cost saving from Lean Projects - Rs. 310 Mn



Intellectual Capital

- 2 new Patents obtained
- 15 New products developed in 2024/25



Social & Relationship Capital

- Rs. 364 Mn Investment in community development
- Rs. 28,700 Mn Payment to suppliers
- Rs. 4.5 Mn Invested in supplier development
- 77 new customers



Natural Capital

- 26,238 MtCO₂e Emissions generated
- 5,766 Mt Waste generated
- 2,150 MJ Renewable energy generated

OUTCOMES

- Assets increased by 17% YoY
- Revenue increased by 7% YoY

- High calibre team
- Rs. 29 Mn Revenue per Employee
- Rs. 10 Mn value added per employee
- Employee retention ratio 80%

- The first green building-rated factory in Sri Lanka
- State-of-the-art manufacturing facilities
- Improved productivity
- Enhanced efficiency
- High-quality products
- Sustainable production



- Advanced technology
- Cost optimisation

- 70% Local procurement
- 21,000+ CSR beneficiaries
- Loyal customer base
- Sustainable supply chain
- Empowered communities



- 11% Increase in renewable energy generation
- 94% Renewable energy usage

STRATEGIC PILLAR/SDG



Profitable Growth



Inspired & Dedicated Team



Innovation & Digitalisation



Customer Focus



Value Chain & Community Development



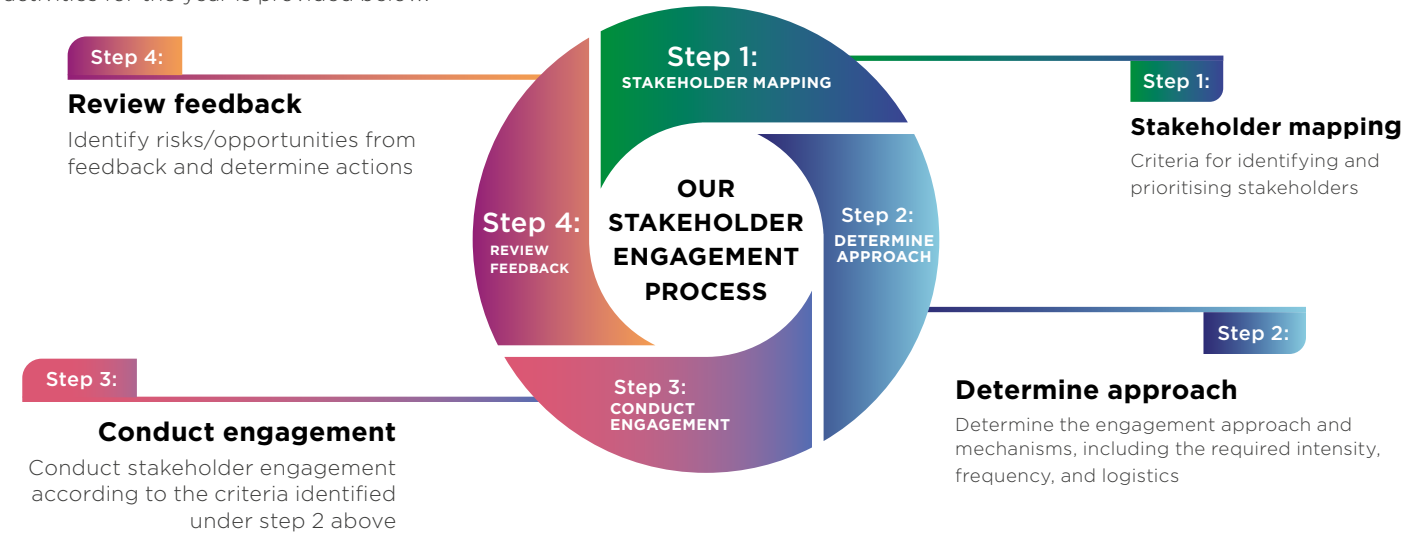
Climate Action



Responding to Our Stakeholders

GRI 2-29

We value strong relationships with diverse stakeholders, essential partners in our value creation process. Through ongoing dialogue, we understand their evolving expectations and address them proactively. Stakeholder prioritisation considers both their influence on our business and their potential impact on our operations. An overview of the Group's stakeholder engagement activities for the year is provided below.



Investors & Shareholders			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- Annual General Meeting (annually) - Annual Report (annually) - Interim financial statements (quarterly) - Announcements to the Colombo Stock Exchange (ongoing) - Corporate website (ongoing) - Press releases (when required) - One-to-one engagement (when required)	- Strength of corporate governance and risk management practices - Resilience and effectiveness of the strategy - Effective allocation of capital - Opportunities for growth - Delivering ESG commitments - Share price performance - Implications of macroeconomic stress on performance - Clear, accurate and timely communication	- Strong corporate governance - Proactive risk management practices - Prudent financial management - Focus on preserving balance sheet strength and liquidity - Effective implementation of our strategy, which led to strong earnings growth - Capacity expansion to cater to emerging demand - Exploring opportunities in new markets - Implementation of DPL Pulse ESG roadmap	  13% Return on Equity

Customers			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- Customer Satisfaction Surveys (annual) - Customer Relationship Management (ongoing) - Corporate website (ongoing) - Buyer visits to estates and factories (upon request) - Participation in trade fairs (ongoing) - Customer grievance mechanism (ongoing) - Press releases (when required) - One-to-one engagement (when required)	- Superior product quality - Uninterrupted availability of products - Price competitiveness - Assurance of processes, systems, and products - Ease of transactions - Responsible and sustainable business practices - Social and environmental consciousness	- Ongoing investments in innovation and value addition - Invested in enhancing distribution efficiencies - Embedding sustainable practices into processes and decision-making - Ongoing compliance to quality, safety, and environmental certifications - Sustained focus on product and process sustainability	  85% Customer Satisfaction Rate



Employees			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- Engagement through trade unions (ongoing) - Performance appraisals (annual) - Staff meetings (ongoing) - Work-life balance initiatives (ongoing) - Grievance mechanism (ongoing)	- Adequacy of remuneration given - Safe and conducive work environment - Attractive reward schemes including medical benefits - Physical and mental well-being - Opportunities for skill development and career progression	- Significant investments in training and development - Invested in improving employee facilities - Provided financial and non-financial support - Continued emphasis on health, safety, and well-being - Closer engagement with trade unions	 80% Employee Retention Rate

Suppliers & Business Partners			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- Supplier forums (annual) - Relationship managers (ongoing) - Firstlight Programme (ongoing) - Corporate website (ongoing) - Press releases (when required) - One-to-one engagement (when required)	- Ethical business conduct - Fair and transparent pricing mechanisms - Payment on time - Consistent demand for produce - Ease of transaction - Financial support in addressing import restrictions - Competency development and capacity building	- Timely payment of all dues to ensure continuity of supplier operations - Increased visibility of future demand - Supplier development programmes - Focus on ensuring commercial sustainability of suppliers through financial and other forms of support	 70% of our natural latex is procured from 4,200+ local farmers through the Firstlight programme

Communities			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- CSR and community development initiatives (ongoing) - Grievance mechanisms (ongoing) - Press releases (when required)	- Community employment generation - Community development and corporate philanthropy - Minimising adverse environmental impacts	- Recruiting from local communities - Focus on reducing environmental implications of operations - Ongoing investment in community engagement initiatives	 21,000+ CSR Beneficiaries

Government & Regulators			
Engagement channel and Frequency	Key concerns raised	Our response	Level of engagement (H/M/L)
- Engagement at industry forums and corporate engagement platforms (ongoing) - Written communications (ongoing) - Regulatory reporting (ongoing) - Announcements to the Colombo Stock Exchange (ongoing) - One-to-one engagement (when required)	- Generation of export income and conversion of proceeds - Tax payments - Support the achievement of national economic objectives - Compliance with relevant regulations - Contribute positively to society and environment	- Compliance with all government regulations and guidelines - Maintaining close and transparent relationships with all relevant regulators - Timely payment of taxes - Generation of export income to support Sri Lanka's balance of payments - Employment generation and community development	 100% Compliance with government regulations and guidelines

Strategic Priorities and Resource Allocation

Our strategy is framed by four strategic priorities that underpin our resource allocation decisions across the capitals whilst balancing our business objectives and sustainability objectives to achieve triple bottom-line growth.

	 Profitable Growth	 Customer Focus	 Innovation and Digitalisation
	Progress in FY 2024/25		
 Hand Protection	- Shifted our product mix towards high value, specialised solutions that command better margins. - Implemented in-house printing capabilities for labels to realise significant cost savings. - Implemented centralised warehousing strategies to optimise inventory management and distribution logistics. - Prudent logistics management, underpinned by established long-term contractual agreements with key global shipping lines, enabled the mitigation of the increase in freight costs. - By producing chemical dispersions in-house from imported concentrated powder instead of importing pre-mixed, water-heavy versions, we have substantially cut freight costs and gained better inventory control. - Implemented lean management principles and waste reduction across our manufacturing facilities.	- Established branch office in UAE, positioning it as key regional centre. - Implemented predictive analytics to improve forecasting accuracy and optimise inventory management. - Addressed unique customer needs by offering tailored glove solutions. - Invested in an electrician glove testing facility in India to meet local demand and enhance market validity. - Expanded the market reach in India and Middle East through DPL Sales Offices established. - Expanded glove market share in Europe through ICOGUANTI, DPL France & Rozenbal Polska. - Deployed representatives in Western/Eastern Europe, Africa, Australia and Asia to increase the market share. - Participated in exhibitions at relevant International Trade Fairs to find new customers and to promote a new product range. - Focused on special products for disposable gloves - Continued to meet production and packaging standards, including the use of recycled materials in our transition to sustainable packaging solutions. - Improved engagement with customers to better understand their evolving needs and expectations. - Ensured compliance with a variety of certifications related to quality, environmental protection, occupational health and safety, and food safety. - Concentrated on creating high-value, customised products specifically for niche market segments.	- Launched three new chemical gloves offering optimal hand safety - Substantial investments in plant technology, including the implementation of robotic systems and plant upgrades. - Deployed a fully digitised Electrician Glove Testing Tracking and Monitoring System. - Commenced the migration of key on-premises servers to SharePoint Online. - Launched Microsoft Dynamics CRM. - Deployed advanced AI-driven monitoring tools to improve security management capabilities. - Launched a new platform for unsupported chemical gloves, aiming for market leadership in this segment. - Strengthened the technology platforms developed for unsupported gloves to differentiate our product from the competition - Introduced the new EVPro glove, specifically designed for electrical insulation within the EV industry. - Established an R&I (Research & Innovation) Centre dedicated to supported gloves, further strengthening our R&D and technical capabilities in this area. - Introduced high end value added chemical and cut resistance supported gloves - Transitioned from on-premise SAP S/4HANA to the RISE with SAP cloud platform.



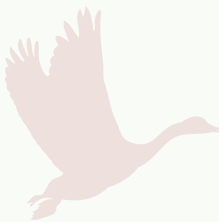
 Inspired and Dedicated Team	 Climate Action	 Value Chain and Community Development
Progress in FY 2024/25		
- Ensured Human Resources policies and procedures remain relevant to evolving global trends and are revised promptly. - Introduced advanced recruitment and selection practices to attract skilled and talented individuals. - Strengthened Learning and Development with innovative, sustainable solutions for continuous learning and capacity-building. - Fostered a performance-driven culture through a transparent reward and recognition system via the Performance Management System. - Enhanced succession planning to adapt to a changing environment and support career growth across all job levels. - Implemented the organisation's Diversity, Equity & Inclusion (DEI) Policy and drove initiatives to increase diversity at all levels. - Developed the employer brand to be a preferred choice for current and potential employees by enhancing the employee value proposition. - Ensured the CSR Policy and Framework are relevant and up to date with global trends. - Developed a versatile workforce adaptable to fluctuating order demands and work schedules.	- Initiated the Monthly ESG Forum, chaired by the Managing Director. - Reviewed existing policies and procedures, formulating new ones where necessary, while supporting departments to implement them (e.g., DE&I, CSR, Sustainable Procurement, Anti-Bribery policies) through training and awareness. - Ensured all standard reporting requirements were met and kept current with new requirements and trends. - Increased the range of sustainable product offerings to include options such as biodegradable materials, FSC®-certified paper packaging/products, and fair-trade certified rubber gloves. - Integrated ESG communication objectives into the overall Group Communication/Marketing Strategy, targeting at least two communications per week. - Engaged with customers and suppliers to understand their ESG requirements and share progress on overall ESG commitments. - Initiated the due diligence processes for EUDR compliance. - Introduced sustainable aspects such as low carbon footprint, material circulation, renewable material, biodegradability/ composability into our products. - Continued compliance with production and packaging regulations. - Integrated recycling components in the transition towards sustainable packaging solutions.	- Increased local supplier base in Sri Lanka, Thailand and other key areas to ensure uninterrupted supply chain. - Invested in technology and infrastructure to support our Sri Lankan farmer partners. - Developed farmer bases in new regions such as Ampara and Haputale. - Commenced the setting up of a local testing lab in Moneragala. - Leveraged established shipping contracts for favourable rates and space, helping to limit cost pass-through to customers. - Set a Community Development Fund by contributing an additional Rs. 5 per dry kg of FSC-certified latex. - Implemented cost-saving optimising and cost-saving measures. - Maintained ongoing engagement with our local and international suppliers. - Rolled out the digital latex collection application - Conducted supplier development programmes.



Strategic Priorities and Resource Allocation

	 Profitable Growth	 Customer Focus	 Innovation and Digitalisation	
	Progress in FY 2024/25			
 Plantations	- Sustained investments in automation and the mechanisation of processes. - Continuous allocation of resources towards field development and improvement. - A deliberate prioritisation of product quality and overall productivity. - A persistent focus on expanding the variety of crops cultivated.	- Designated chemical-free fields for cultivating premium tea. - Implemented Rainforest Alliance (RA™) certified field management practices. - Adhered to established guidelines and standards for product quality and responsibility. - Focused on product innovation and strengthening the customer value proposition at Mabroc Teas. - Maintained a dedicated team focused on upholding the quality and food safety management system.	- Integration of new technologies to reduce labour costs and improve productivity. - Launched a structured programme across 55 estates to encourage research-driven solutions to critical challenges.	
				
	Resource Allocation			
	Rs. 4.4 Bn CAPEX Investment	55 Estates in Sri Lanka	Rs. 2 Bn Selling and distribution expenditure	36 Sales and marketing experts in local office
	1 Acquisition of a Glove Manufacturing Facility	315 OEM/Private label partnerships	Rs. 188 Mn Investment in IT and digitization	Rs. 495 Mn Investment in R&D
			20 R&D experts	100% IT Security with Strict Access controls
	Measuring Progress			
	USD 264 Mn Revenue Reported	77 New customers	2 New markets reached	Rs. 310 Mn Annual savings from lean
	14% Return on Capital Employed	85% Customer Satisfaction Score	94% Customer Retention Ratio	15 New products (Hand Protection)
	Rs. 6.47 Earnings Per Share			2 New patents (Hand Protection)
	Rs. 1.90 Dividend Per Share			16 New products in the pipeline (Hand Protection)
	Rs. 53.09 Net Asset Per Share			Rs. 1,567 Mn Revenue from New Products



Inspired and Dedicated Team		Climate Action		Value Chain and Community Development	
Progress in FY 2024/25					
• Providing comprehensive life-long healthcare for employees. • Two plantations maintained their “Great Place to Work” (GPTW) certifications throughout the year. • Conducted regular risk assessments across all operational facilities. • Ongoing female supervisor programme. • Providing career development opportunities. • Offering youth empowerment programmes with higher education support. • Provided First Responder training in collaboration with Humedica.		• Continued operation of mini-hydro plants. • Increased solar power generation. • The new factory in Kirwanaganga obtained the Green Building Certification. • Operate effluent treatment plants across all three estates. • Rigorous screening and due diligence to verify their social and environmental credentials. • Increased focus on crop diversification. • Commitment to biodiversity conservation and ecosystem restoration. • Integrated Environment Conservation Model for managing material usage, energy, water consumption, emissions, and waste. • Adopting environmentally friendly agricultural practices.		• Ongoing investments in supporting well-being of our estate communities through the “Home for Every Plantation Worker” programme. 	
Resource Allocation					
Rs. 16.9 Bn Payments to employees		Rs. 33 Mn Investment in Training		Rs. 22 Mn Investment in environment initiatives	
711 New Recruitments		36 Hrs Average Training per employee		Scope 3 GHG emissions assessment and disclosure	
				388% Increase in rain water harvesting	
				Rs. 364 Mn Investment in community development	
				Rs. 28.7 Bn Payment to suppliers	
				Rs. 4.5 Mn Investment in supplier development	
				18 Active logistic & distribution partners	
Measuring Progress					
80% Employee retention ratio (Hand Protection)		Rs. 28.8 Mn Revenue per employee		5,548 Mwh Solar power generated across the group	
Rs. 10.38 Mn Value added per employee				1.7 m³ Mn Waste water treated	
				59% Renewable material usage	
				94% Reliance on renewable energy	
82% Employee retention ratio (Plantation)				06 New strategic partners onboard	
				70% Local natural latex procurement	
				100% New Suppliers screened	
				57% existing suppliers evaluated for ESG compliance	
				540,000+ CSR beneficiaries in Plantations	

Strategic Priorities and Resource Allocation

 Profitable Growth	 Customer Focus	 Innovation and Digitalisation	
Future Focus Areas			
Short-term • Efficiency and cost management for streamlining operations to enhance profitability • Investment in new manufacturing facilities for expanding production capacity, including a new sports glove manufacturing facility • Market expansion – Strengthening distribution networks in key markets such as Italy, France and Poland • Sustainability Initiatives Long-term • Developing innovative glove solutions to meet evolving customer needs • Embedding environmental, social, and governance (ESG) considerations into business strategy • Expanding presence in over 70 countries and maintaining a competitive edge • Leveraging digitization and automation to improve efficiency and product quality	Short-term • Promote DPL brands through a specialised product range • Improve Industrial Sales in Europe • Expand market share in Mexico and Brazil Long-term • Use an outsourced platform to cater to price-sensitive markets • Improve Electrician Glove Sales in Europe • Expand market share in South American countries	Short-term • Targeted a 10% increase in production capacity for NR latex products and a reduction in Cost of Production (COP) through process improvements. • Rationalised the portfolio of NBR latex grades used for NBR glove manufacturing across the group. Long-term • Position DPL as “The Leader” in the unsupported industrial chemical gloves. • Strengthen the skills and knowledge of R & D staff through Postgraduate qualifications and training.	



Inspired and Dedicated Team



Climate Action



Value Chain and Community Development

Future Focus Areas

Short-term

- Increase 2 hours of learning (YoY) for employees and measure effectiveness
- Establish a comprehensive Talent Pipeline for technical skills
- Develop and implement retention programs focused on employee engagement and satisfaction
- Provide digital learning and technology Integration
- Enhance employee well-being & cultivating a dynamic workplace
- Implement innovative recruitment and hiring practices to minimise unconscious bias and paper utilisation
- Launch employee engagement and retention programmes

Long-term

- Establish a comprehensive talent pipeline and succession planning
- Implementation of continental shift
- Carder rationalisation and automation
- Maintain healthy industrial relations

Short-term

- Carbon Footprint Reduction
- Renewable Energy Expansion
- Implementing waste management strategies to eliminate landfill waste
- Strengthening responsible procurement practices to minimize environmental impact

Long-term

- Aiming to meet nearly all energy needs through renewable sources by 2030
- Aligning operations with UN Sustainable Development Goals (SDGs)
- Expanding eco-friendly production methods, including LEED-certified facilities
- Enhancing recycling and resource efficiency across the supply chain

Short-term

- Improve the latex collection process by eliminating errors and improving the payment cycle
- Increase the local source of natural rubber
- Source alternative suppliers
- Achieve procurement savings from other materials
- Consolidate group freight volumes

Long-term

- Conduct supplier and Risk Management

Managing Our Tradeoffs

Our strategic priorities demand prudent resource allocation, requiring trade-offs between various capitals. This often involves balancing immediate gains with the pursuit of long-term value. The subsequent section will explore these capital trade-offs, outlining their short-term and long-term dimensions within our strategic framework.

	 Financial Capital	 Human Capital	 Intellectual Capital
Profitable Growth 	Strategic capital expenditures (Capex) aimed at enhancing production capacity and distribution capabilities involve a deliberate reinvestment of financial capital in the short term. This prudent approach, while temporarily impacting immediate liquidity, is foundational for unlocking superior revenue generation and achieving sustainable profit growth in the medium to long term.	Strategic expansion of our operations directly translates into the creation of valuable new employment opportunities, while simultaneously fostering an environment conducive to professional development and individual growth for our human capital.	Profitable growth fuels increased investment in Research and Development (R&D), which in turn builds and expands our intellectual capital through innovation, proprietary knowledge, and the development of unique technological capabilities.
Customer focus 	Delivering customer-focused product offerings creates significant value for our clientele, leading to accelerated revenue growth and a corresponding positive impact on our financial capital.	Increased customer focus enriches human capital by creating new and evolving opportunities in sales, marketing, and CRM, while also fostering essential customer-centric skills and mindsets across our organisation.	By prioritising a customer-focused approach, we capture deep customer insights. These insights become a cornerstone of our intellectual capital, product innovation, service enhancements, and the development of more effective customer engagement models.
Innovation & Digitalisation 	Strategic investments in Research and Development (R&D) and comprehensive digitisation initiatives necessitate a significant financial outlay in the short term. However, this forward-looking allocation of capital is engineered to yield transformative returns in the long term through pioneering product innovations and substantial process efficiencies, ultimately driving superior financial performance.	Innovation and digitalisation augment human capital by improving employee productivity, while simultaneously requiring and developing new skill sets, fostering adaptability, and enabling our employees to contribute to higher-value activities.	Through robust R&D capabilities, we convert innovative ideas and research findings into tangible intellectual capital, such as new technologies, protected inventions, and specialised expertise that underpin our competitive edge.
Inspired and dedicated team 	While dedicating financial resources to invest in and support our employees represents a short-term outlay, we view this as crucial for cultivating talent and securing a long-term competitive advantage. Such investments consistently translate into substantial organisational benefits, manifested through improved efficiency, increased productivity, and a highly motivated, high-performing team.	An inspired team, nurtured through investments that enrich the employee value proposition, impacts our human capital by creating a virtuous cycle: they attract and retain top talent, drive higher levels of engagement and discretionary effort, promote knowledge sharing, and build a resilient, innovative culture that amplifies collective knowledge.	The engagement and motivation of our team are foundational to our intellectual capital. These attributes directly translate into higher levels of skill development, knowledge retention, and a proactive culture of problem-solving and innovation, all of which form the core of our proprietary knowledge and capabilities. Additionally, this also shapes a positive brand reputation.
Climate action 	Transitioning to sustainable energy sources such as biomass and solar power involves a significant upfront cost in financial resources. Nevertheless, these investments are projected to deliver sustained and material cost savings in the long run, validating the initial capital expenditure.	Embracing climate action translates beyond just an improved working environment; it helps nurture a stronger sense of purpose among our employees, bolsters our Employee Value Proposition (EVP), and positions us as a responsible employer, thereby attracting and retaining top talent aligned with these values.	Pioneering R&D into sustainable products, including compostable gloves, is a key climate action that generates core intellectual capital through the creation of novel technologies, proprietary processes, and unique material expertise, while also driving environmental sustainability.
Value chain and community development 	Strategic investments in developing our value chain are designed to foster significant supply chain efficiencies, thereby creating a positive and sustainable impact on our financial capital in the medium to long term.	Our strategic involvement in shaping and communicating CSR efforts across the value chain goes beyond just improving employee engagement and satisfaction. It reinforces our Employee Value Proposition (EVP) by demonstrating tangible commitment to ethical practices, thereby making the our organisation more attractive to talent and fostering deeper loyalty among our employees.	Strategic partnerships across our value chain, designed to create broader community impact, simultaneously build valuable intellectual capital. This includes gaining deep local insights, fostering strong relational capital with community stakeholders, and co-creating solutions that address community needs, which can spark innovation and enhance our social license to operate.



 Natural Capital	 Social and Relationship Capital	 Manufactured Capital
By strategically reinvesting profits into state-of-the-art, eco-efficient technologies, we not only reduce our environmental impact (preserving natural capital) but can also achieve operational savings that further fuel profit growth. This creates a virtuous cycle where financial success enables enhanced stewardship of natural capital.	Achieving sustainable, profitable growth allows us to provide consistent and fair returns (dividends, salaries, payments), which solidifies our Stakeholder and Relationship Capital. This reliability fosters an environment of trust and predictability, encouraging deeper engagement and long-term commitment from all key stakeholders.	Sustained profitable growth empowers us to continuously invest in enhancing production capacity and optimising distribution systems. These investments are key to modernising and expanding our manufactured capital, leading to greater operational efficiency and market reach.
Understanding that our customers increasingly value transparency and environmental stewardship, our commitment to product certifications and industry standards directly supports the preservation of natural capital. This adherence to best practices provides customers with credible assurance of our responsible resource management, aligning our operations with their values and strengthening their preference for our brand.	By prioritising customer focus and fostering closer engagement, we cultivate robust Stakeholder and Relationship Capital. This manifests as strong customer loyalty, increased advocacy, and a deeper understanding of their evolving needs, all vital for long-term success.	Responding directly to evolving customer needs, our strategic enhancements to sales, digital infrastructure, and capacity improvements continuously build and refine our manufactured capital, ensuring it is aligned with delivering optimal customer value.
Leveraging innovation and digitalisation enables us to proactively enhance our stewardship of natural capital. This includes developing solutions that optimise resource consumption, reduce emissions, and support the regeneration of ecosystems where possible.	Leveraging innovation, such as digitalisation for operational efficiencies, is key to strengthening the customer relationship component. Improved customer satisfaction resulting from these efficiencies builds a foundation of trust and encourages long-term loyalty.	The strategic improvement of our digital infrastructure, a direct result of ongoing innovation, significantly enhances our manufactured capital, enabling greater operational efficiency, scalability, and new service delivery models.
An engaged and environmentally aware team is instrumental in safeguarding natural capital. Their productive efforts are channelled towards reducing wastage and promoting responsible resource consumption, demonstrating a collective stewardship of the environment.	Our team enhances Social and Relationship Capital on multiple fronts: their engagement in CSR activities strengthens community trust and our societal license to operate, while their delivery of enhanced customer service builds lasting customer loyalty, advocacy, and deepens rapport.	Enhanced investments in employee facilities directly upgrade our manufactured capital, providing our team with an improved and more supportive physical infrastructure conducive to productivity and well-being.
Through dedicated climate action, including significant emissions reductions and the promotion of responsible resource consumption, we work to mitigate our environmental impact, thereby safeguarding the integrity and resilience of our natural capital.	Proactive and progressive climate action significantly bolsters our brand reputation as a responsible and forward-thinking organisation, which resonates positively with customers, investors, suppliers, and the wider community.	Climate action drives us to integrate energy-efficient designs and technologies into our physical infrastructure, thereby elevating the quality, sustainability, and resource efficiency of our manufactured capital.
Proactive engagement with suppliers and communities is fundamental to creating a sustainable value chain. This collaboration directly contributes to the preservation and enhancement of natural capital by promoting responsible sourcing, minimising waste and emissions, and supporting local environmental stewardship initiatives.	Building stronger relationships with the community enhances our local standing, cultivates goodwill, and creates a more supportive and collaborative operating environment.	Stronger partnerships with the value chain and community enable the company to streamline its supply chain infrastructure, including vehicle fleets and warehousing, for enhanced efficiency and sustainability.

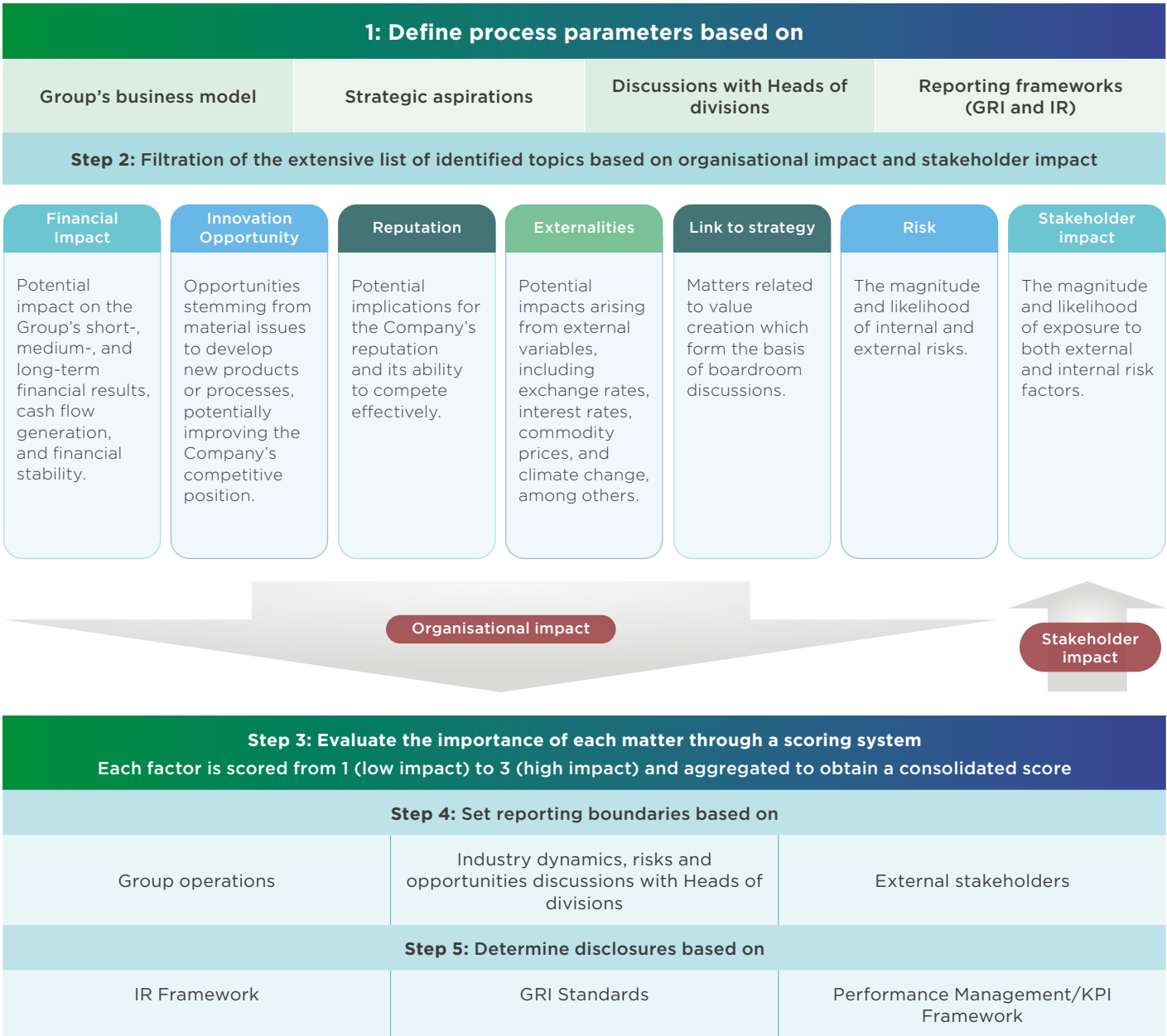
Determining Material Matters

GRI 3-1

The Group’s material topics encompass the organisation’s most notable impacts on the economy, environment, and society, encompassing impacts on human rights.

MATERIALITY ASSESSMENT PROCESS

The Group conducts an annual materiality assessment, aligning with the methodology adopted by the Hayleys Group. This comprehensive analysis entails a meticulously defined seven-step filtration process. Materiality assessments are carried out individually for both the Hand Protection and Plantation Sectors. Subsequently, the results are amalgamated through a scoring mechanism, facilitating the identification of topics relevant to the entire DPL Group.



Organisational impact

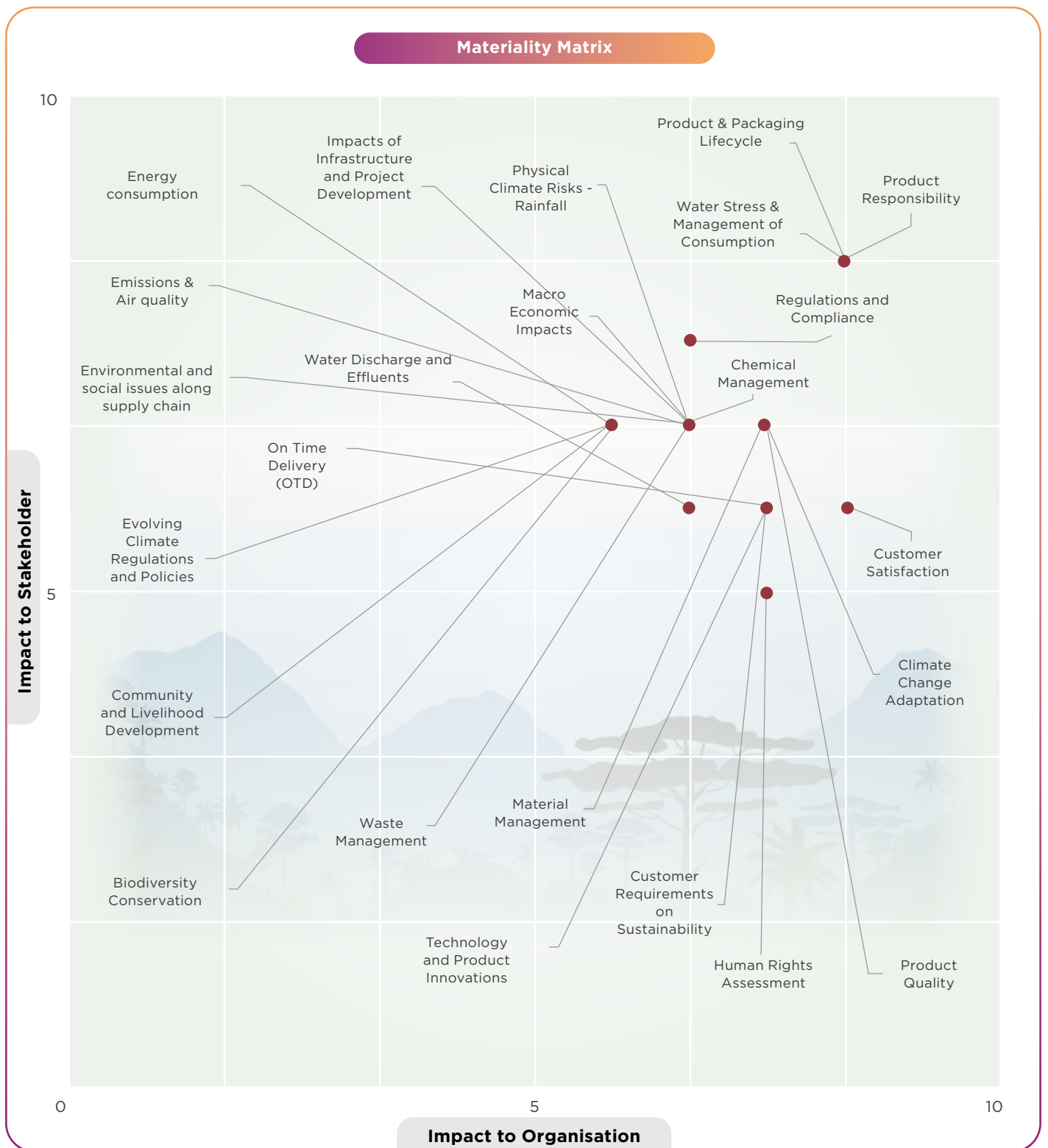
Stakeholder impact

Step 3: Evaluate the importance of each matter through a scoring system

Each factor is scored from 1 (low impact) to 3 (high impact) and aggregated to obtain a consolidated score

Step 4: Set reporting boundaries based on

Step 5: Determine disclosures based on



Determining Material Matters

GRI 3-2

No.	Material Topic	Category	Materiality Compared to the Previous Year	Relevant Reporting Standards	SDG	Impacted Strategic Pillar		Capital Reviews
M1	Product Responsibility	Economic	High	GRI 417, 419 / SASB FB-AG-250a.1, 250a.2, CG-AA-430a.1	12, 9		Customer Focus	IC, S&R
M2	Product & Packaging Lifecycle	Economic	New Topic	GRI 301, 305 / SASB FB-AG-320a.1, RT-CH-410a.1	12, 13, 9		Customer Focus	IC, S&R
M3	Water Stress & Management of Consumption	Environmental	New Topic	GRI 303 / SASB FB-AG-140a.1, FB-AG-140a.2, FB-AG-140a.3 / SLFRS S1& S2	6, 12, 13		Climate Action	NC
M4	Product Quality	Economic	New Topic	GRI 416, 419 / SASB RT-CH-250a.1, 250a.2, 250a.3, 410a.1, 410b.1, 410b.2, CG-AA-250a.2, 250a.3	9, 12		Customer Focus	IC, S&R
M5	Material Management	Environmental	High	GRI 301 / SASB CG-AA-430a.2	12, 9, 8		Climate Action	NC
M6	Customer Satisfaction	Social	High	GRI 2-29, 416, 417, 418 / SASB CG-AA-250a.1, 250a.2, 250a.3	12, 8		Customer Focus	IC, S&R
M7	Climate Change Adaptation	Environmental	High	GRI 201, 302, 305 / FB-AG-440a.1, 440a.2 / TCFD / SLFRS S1& S2	13, 11		Climate Action	NC, S&R
M8	Regulations and Compliance	Economic / Social / Environmental	High	GRI 205, 206, 307, 413, 419 / RT-CH-530a.1, RT-CH-540a.1, 540a.2 / SLFRS S1& S2	16, 12, 13		Profitable Focus/ Inspired & Dedicated Team	NC, IC, FC, S&R, HC, MC
M9	Waste Management	Environmental	High	GRI 306 / SASB RT-CH-150a.1, RT-CH-210a.1	12, 6, 13		Climate Action	NC
M10	Environmental and social issues along supply chain	Environmental / Social	New Topic	GRI 204, 308, 407, 408, 409, 411, 412, 414 / SASB FB-AG-250a.2, 250a.3, FB-AG-430a.1, 430a.2, 430a.3, RT-CH-410c.1, CG-AA-430b.1, 430b.2, 430b.3, CG-AA-430a.2, CG-AA-430b.1, 430b.2, 430b.3 / SLFRS S1& S2	8, 12, 16, 10		Climate Action/ Value Chain and Community Development	S&R
M11	Chemical Management	Environmental	New Topic	GRI 303, 306, 403, 416 / SASB RT-CH-410b.1, RT-CH-410b.2, CG-AA-250a.1, CG-AA-250a.2	3, 6, 12		Climate Action	IC, NC
M12	Macro-Economic Impacts	Economic	Low	GRI 201, 203, 207 / SASB CG-AA-430a.1, FB-AG-430a.1	8, 10		Profitable Focus	FC
M13	Physical Climate Risks - Rainfall	Environmental / Economic	New Topic	GRI 201, 308 / TCFD / SLFRS S1& S2	13, 6, 11		Climate Action	S&R, NC

IC - Intellectual Capital, S&R - Social & Relationship Capital, NC - Natural Capital, MC - Manufactured Capital, FC - Financial Capital, HC - Human Capital



No.	Material Topic	Category	Materiality Compared to the Previous Year	Relevant Reporting Standards	SDG	Impacted Strategic Pillar		Capital Reviews
M14	Impacts of Infrastructure and Project Development	Economic/ Social/ Environmental	Low	GRI 203, 413 / SASB RT-CH-540a.1, 540a.2	9, 11, 13		Profitable Focus	FC, S&R, MC
M15	Emissions & Air quality	Environmental	Low	GRI 305 / SASB FB-AG-110a.1, FB-AG-110a.2, FB-AG-110a.3, RT-CH-110a.1, 110a.2, RT-CH-120a.1	3, 11, 13		Climate Action	NC
M16	Energy consumption	Environmental	New Topic	GRI 302 / SASB RT-CH-130a.1, FB-AG-130a.1	7, 12, 13		Climate Action	IC, MC, NC
M17	Evolving Climate Regulations and Policies	Environmental	New Topic	GRI 201, 307 / SASB RT-CH-120a.1, 410a.1, 410a.2, 530a.1 / SLFRS S1& S2	13, 16		Climate Action	S&R
M18	Operational Safety and Emergency Preparedness	Social	New Topic	GRI 403, 413 / SASB RT-CH-320a.1, 320a.2	3, 8, 11		Inspired & Dedicated Team / Climate Action	HC, MC
M19	Customer Requirements on Sustainability	Environmental / Social	New Topic	GRI 301, 305, 308, 414, 416, 417 / SASB CG-AA-430a.1, 430a.2, 430a.3, RT-CH-410a.1, 410a.2, 410a.3 / SLFRS S1& S2	12, 9		Customer Focus	S&R
M20	On Time Delivery (OTD)	Economic	High	GRI 103 / SASB FB-AG-440a.1, RT-CH-110a.1	8, 9		Customer Focus	S&R
M21	Technology and Product Innovations	Economic	High	GRI 301, 302, 305, 416, 417 / SASB RT-CH-250a.3, 410a.1	9, 12, 7		Innovation and Digitalisation	IC, MC
M22	Water Discharge and Effluents	Environmental	New Topic	GRI 303 / SASB FB-AG-140a.1, 140a.2, 140a.3, RT-CH-140a.2, RT-CH-140a.3	6, 14		Climate Action	NC
M23	Human Rights Assessment	Social	New Topic	GRI 407, 408, 409, 410, 412, 414 / SASB FB-AG-430a.1, 430a.2, 430a.3, RT-CH-410c.1, CG-AA-430b.1, 430b.2, 430b.3 / SLFRS S1& S2	5, 8, 10, 16, 17		Inspired & Dedicated Team/ Value Chain and Community Development	HC, S&R
M24	Biodiversity Conservation	Environmental	New Topic	GRI 304 / SASB - FB-AG-440a.1, 440a.2, 160a.1 RT-CH-410c.1	15, 6, 14		Climate Action	NC
M25	Community and Livelihood Development	Social / Economic	New Topic	GRI 203, 423 / SASB FB-AG-430a.1, 430a.2, 430a.3, RT-CH-410c.1	1, 2, 3, 4, 5, 8, 10, 17		Value Chain and Community Development	S&R

IC - Intellectual Capital, **S&R** - Social & Relationship Capital, **NC** - Natural Capital, **MC** - Manufactured Capital,
FC - Financial Capital, **HC** - Human Capital

Determining Material Matters

MANAGEMENT OF MATERIAL TOPICS GRI 3-3

Capitals	Material Topics Captured
Financial Capital	M8 - Regulations and Compliance, M12 - Macro-Economic Impacts, M14 - Impacts of Infrastructure and Project Development
Social & Relationship Capital	M1 -Product Responsibility, M2 - Product & Packaging Lifecycle, M4 - Product Quality,M6 - Customer Satisfaction, M7 - Climate Change Adaptation, M8 - Regulations and Compliance,M10 - Environmental and social issues along supply chain, M13 - Physical Climate Risks - Rainfall, M14 - Impacts of Infrastructure and Project Development, M17 - Evolving Climate Regulations and Policies, M19 - Customer Requirements on Sustainability, M20 - On Time Delivery (OTD), , M23 - Human Rights Assessment, M25 - Community and Livelihood Development
Human Capital	M8 - Regulations and Compliance, M18 - Operational Safety and Emergency Preparedness, M23 - Human Rights Assessment
Manufactured Capital	M8 - Regulations and Compliance, M14 - Impacts of Infrastructure and Project Development, M16 - Energy consumption, M18 - Operational Safety and Emergency Preparedness, M21 - Technology and Product Innovations
Intellectual Capital	M1 - Product Responsibility, M2 - Product & Packaging Lifecycle, M4 - Product Quality , M11- Chemical Management, M8 - Regulations and Compliance, M16 - Energy consumption,M21 - Technology and Product Innovations
Natural Capital	M3 - Water Stress & Management of Consumption, M5 - Material Management, M7 - Climate Change Adaptation, M8 - Regulations and Compliance, M9 - Waste Management, M11 - Chemical Management ,M13 - Physical Climate Risks - Rainfall, M- 15 Emissions & Air quality ,M16 - Energy consumption, M22 - Water Discharge and Effluents, M24 - Biodiversity Conservation.

Strategic Priorities & Resources Allocation	Material Topics Captured
Profitable Growth	M8 - Regulations and Compliance, M12 - Macro-Economic Impacts, M14 - Impacts of Infrastructure and Project Development
Customer Focus	M1 - Product Responsibility, M2 - Product & Packaging Lifecycle, M4 - Product Quality, M6 - Customer Satisfaction, M19 - Customer Requirements on Sustainability, M20 - On Time Delivery (OTD)
Customer Focus	M1 - Product Responsibility, M2 - Product & Packaging Lifecycle, M4 - Product Quality, M6 - Customer Satisfaction, M19 - Customer Requirements on Sustainability, M20 - On Time Delivery (OTD)
Natural Capital	M3 - Water Stress & Management of Consumption, M5 - Material Management, M7 - Climate Change Adaptation, M8 - Regulations and Compliance, M9 - Waste Management, M11 - Chemical Management ,M13 - Physical Climate Risks - Rainfall, M- 15 Emissions & Air quality ,M16 - Energy consumption, M22 - Water Discharge and Effluents, M24 - Biodiversity Conservation.
Innovation & Digitalization	M21 - Technology and Product Innovations
Inspired & Dedicated Team	M18 - Operational Safety and Emergency Preparedness
Climate Action	M3 - Water Stress & Management of Consumption, M5 - Material Management, M7 - Climate Change Adaptation, M9 - Waste Management, M10 - Environmental and social issues along supply chain, M11 - Chemical Management, , M13 - Physical Climate Risks - Rainfall, M15 - Emissions & Air quality, M16 - Energy consumption, M17 - Evolving Climate Regulations and Policies, M18 - Operational Safety and Emergency Preparedness, M22 - Water Discharge and Effluents, M24 - Biodiversity Conservation
Value Chain & Community Development	M10 - Environmental and social issues along supply chain, M23 - Human Rights Assessment, M25 - Community and Livelihood Development

Corporate Governance

A vibrant, painterly illustration of a flock of snow geese in flight. The geese are white with black wingtips and orange beaks, flying in a loose formation over a deep blue ocean with white-capped waves. The sky is a brilliant blue, filled with soft, white, billowing clouds. The overall style is that of a classical oil painting, with visible brushstrokes and a rich, saturated color palette.

A Foundation for Growth

At the heart of DPL's success lies our unwavering commitment to corporate governance.

We take pride in the systems we have established to protect our people, assets, and values. This strong foundation of trust and transparency has enabled us to attract top talent, drive innovation, and build the lasting relationships essential for long-term success.

The Snow Goose, known for its cooperative breeding and migration patterns, thrives on teamwork to ensure the flock reaches its destination safely. Likewise, DPL's governance structure fosters collaboration at all levels, promoting a culture of inclusion and ethical leadership that guides us toward continued growth and success.

Corporate Governance

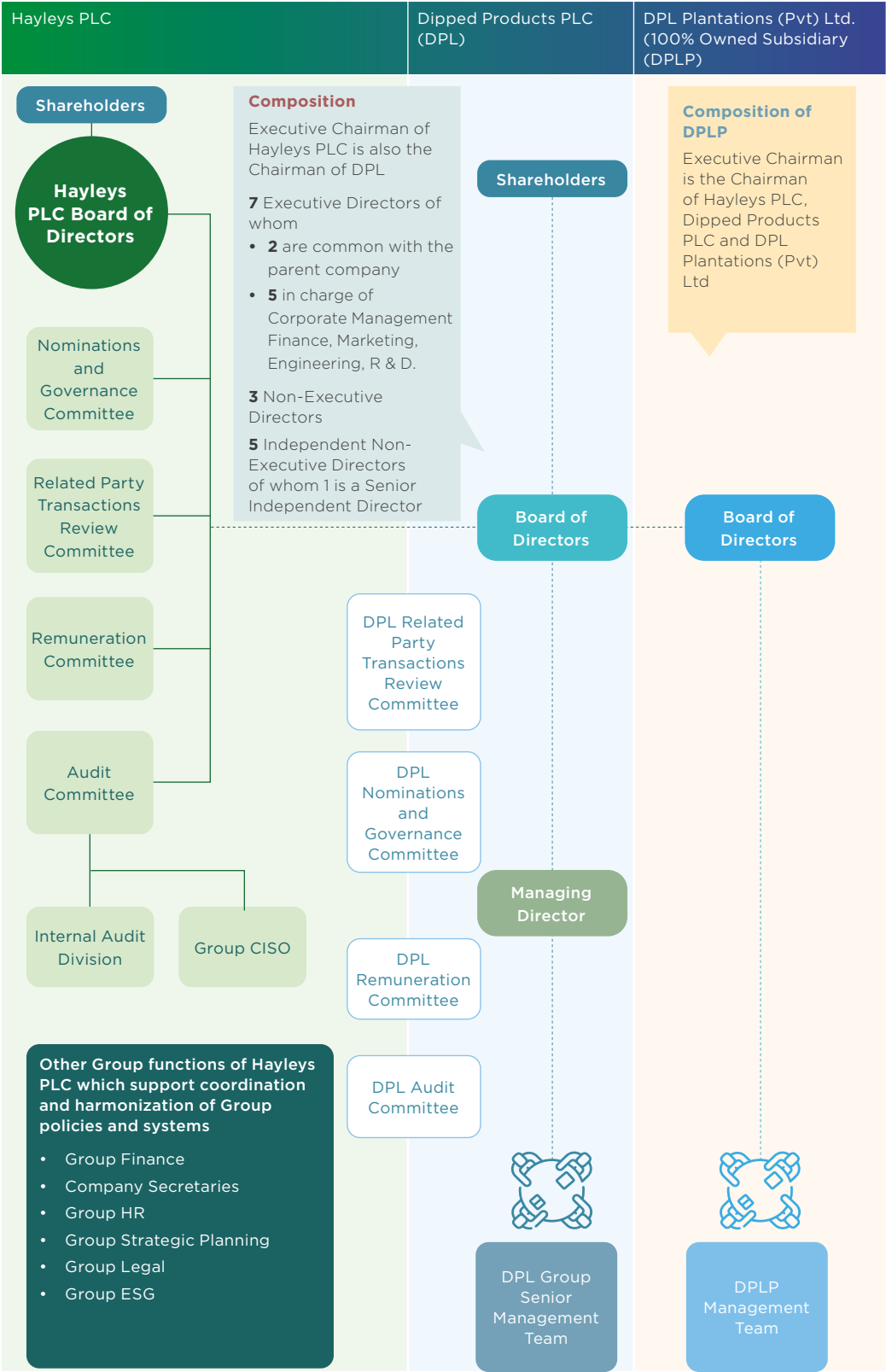
GRI 2-9, 2-23, 24

The Board of Dipped Products PLC relies on a sound corporate governance framework to steer the Group towards realisation of its strategic goals and to manage the operations of all companies within the Group. A comprehensive policy framework articulates the Group’s values while reinforcing regulatory requirements, best practice and corporate ethos. As part of the Hayleys Group, DPL is a beneficiary of the time-tested governance systems that have evolved over more than a century.

As we face dramatic change in world trade and stability of global supply chains, strong governance structures will be vital in steering DPL through with foresight, agility and informed decision making.

Highlights 2024/25

- Appointment of following Directors:
 - » Ms. A. I. Wanigasekera (Independent Non Executive Director) w.e.f. December 4, 2024
 - » Mr. T. A. B. Speldewinde (Independent Non Executive Director) w.e.f. April 1, 2025
 - » Dr. R. M. U. N. Ratnayake (Executive Director) w.e.f. April 1, 2025
- Resignation of the following Directors:
 - » Mr. S. Rajapakse (Independent Non Executive Director) w.e.f. November 30, 2024.
 - » Mr. F. Mohideen (Non Executive Director) w.e.f. November 30, 2024.
- Appointment of Mr.P.Y.S Perera as Senior Independent Director on December 4, 2024
- Reclassification of Mr.K.D.G.Gunaratne as a Non-Executive Director on December 4, 2024
- Reconstitution of the Board sub committees
 - » Nominations and Governance Committee
 - » Remuneration Committee
 - » Related Party Transactions Review Committee





KEY DEVELOPMENTS IN 2024/25 GRI 2-27

DPL focused on implementing the necessary changes to comply with the regulatory requirements and best practices stemming from the changes in 2024/25. Progress made is set out in the table below:

Impact on DPL	Progress to date and changes during the year
Issue of CSE Listing Rule No. 9 on Corporate Governance	
Compliance with CSE Rule No. 9.	- Fully compliant. - Changes effected during the year include: » Publishing policies on the website » Reclassification of Mr.K.D.G.Gunaratne as a Non-Executive Director » Reconstitution of Board Committees - Other provisions were complied with in the previous year or were already in place due to DPL's adherence to high standards of corporate governance.
Issue of revised Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka	
Voluntary adoption	Fully compliant
Issue of European Sustainability Reporting Standards by the European Commission	
Impact will be mainly from customers requiring additional information to comply with standards. We will continue to assess need to comply.	Monitoring the developments of this standard and how its future developments will affect our reporting practices. Even though this is not reflected in this year's report, certain areas are captured through our disclosures on SASB, GRI and IFRS S1 and S2 standards.
Issue of IFRS Sustainability Standards by the Institute of Chartered Accountants of Sri Lanka	
These became mandatory for the top 100 companies by market capitalization for reporting periods commencing after January 1, 2025. DPL is commencing its journey to compliance as processes need to be established and tested appropriately prior to disclosure of detailed qualitative and quantitative non-financial information. The following improvements give our commitment:	- Reporting SASB standards for Agricultural Products, Chemicals, Apparel, Accessories and Footwear and Medical Equipment and Supplies. - The Annual Report continues to evolve as we enhance the level of compliance with IFRS S1 and S2.

A FRAMEWORK FOR GOVERNANCE GRI 2-23

The governance structure conforms to that of the parent company, Hayleys PLC as set out above and complies fully with the regulatory and voluntary requirements set out below.

Mandatory

- The Companies Act No.7 of 2007 and regulations
- Listing Rules of the Colombo Stock Exchange (CSE) including Rule #9 on Corporate Governance
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987, including directives and circulars

- Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
- Global Reporting Standards of the Global Reporting Initiative (GRI)
- SASB Standards for Household and Personal products and Agricultural Products

- Business Code of Conduct
- Policy on Risk Management and Internal Control
- Policy on Shareholder and Investor Communications
- ESG - Environmental Policies
- ESG - Social Policies
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosure
- Policy on Whistleblowing
- Policy on Good Governance and Business Ethics

Voluntary

- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)
- Gender Parity Reporting Framework (2019) of CA Sri Lanka

Internal Authoritative Documents

- Policy on the Matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Rewards and Remuneration

Corporate Governance

A Comprehensive Policy Framework GRI 2-12

DPL has a comprehensive policy framework that provides guidance for managing day to day operations of the Group. As part of the Hayleys Group, the policies are harmonized with the parent company policies with additional policies or customisations to ensure that they are relevant for DPL's operations. These are set out below.

FROM PARENT COMPANY		• Hayleys Values	• Hayleys Way	• Hayleys Lifecode
DPL's Policy Framework				
 Environment Policies	 HR Policies	 Governance Policies		
• Energy and Emissions Management Policy • Water Management Policy • Material and Waste Management Policy • Chemical Management Policy • Biodiversity Conservation Policy • Product Lifecycle Management Policy • Consumer Health & Safety	• Human Rights Policy • Health & Safety Policy • Industrial Relations Policy • Disciplinary Policy • Grievance Handling Policy • Recruitment Policy • Learning & Development Policy • Talent Management and Succession Planning Policy • Performance Management Policy • Anti-Sexual Harassment Policy • Social Accountability Policy • Pregnant Mothers' Policy • Higher Education Assistance Policy • Late Attendance & overtime Policy • Flexible Work Arrangement Policy	• Policy on the Matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance • Policy on Rewards and Remuneration • Business code of Conduct • Policy on Risk Management and Internal Control • Policy on Shareholder and Investor Communications • Policy on Control and Management of Company Assets and Shareholder Investments • Policy on Corporate Disclosure • Policy on Whistleblowing • Policy on Good Governance and Business Ethics • IT & ERP Policy & Procedure		
 Social Policies				
• Customer Management Policy • Sustainable Procurement Policy • Diversity, Equity & Inclusion (DEI) Policy • Community Engagement Policy				
				
Processes and procedures that support 6 System certifications, 12 Product Certifications, 2 Social Compliance Certifications				

Role of the Board GRI 2-12

The Board's primary governance roles and responsibilities are summarised below:

 Strategic Direction	 Approves Policy & Resource Allocation	 Oversight & Monitoring	 Set Corporate Values and promote ethical behaviours
- Approves strategy - Considers trends and business landscape - Monitor stakeholder concerns	- Articulates policy framework - Approves resource allocation	- Monitor Performance against plans - Consider external operating environment - Risk management - Accountability	Ensure effective functioning of internal controls for organisational performance through reporting, disclosure and engagement.



The Chairman, the Deputy Chairman and Mr.Sarath Ganegoda are Members of the Hayleys Board and the Hayleys Group Management Committee. They act as a conduit between the DPL Group and the Hayleys Group, ensuring there is an alignment of values and culture. The multi layered oversight by DPL's own Board and sub committees as well as Hayleys Group Management Committee and Board results in a high level of probity and rigour. The Managing Director who is also a member of the Hayleys Group Management Committee, leads the corporate management team in the design and implementation of the Company's strategic plan. Regular reporting on key matters enables effective oversight by the Hayleys Group.

Strategically aligned Key Performance Indicators (KPI) drive performance and the achievement of objectives of DPL and these have been cascaded to the KMPs and their teams to align personal and organisational goals.

An Effective Board

The Board of Directors continues to provide ethical and effective leadership, carefully balancing stakeholder interests in creating and distributing sustainable value through effective resource allocation.

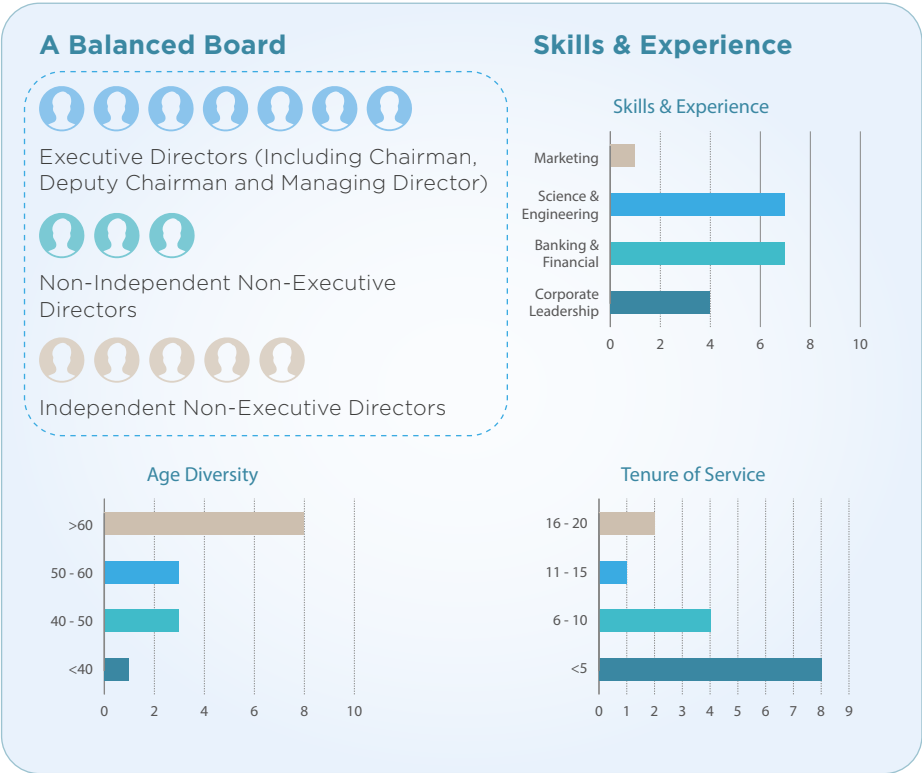
Board Composition GRI 2-17

Composition is key to sound corporate governance as a balance of power, skills, experience and perspectives broaden the collective knowledge of the Board, enhancing the objectivity of discussions and deliberations on matters set before the Board. The following table sets out the diversity and strengths of the DPL Board.

Collectively, the Board brings expertise in financial management, risk oversight, regulatory compliance, sustainability, product innovation, international market development, and business growth.

Specifically, the Board demonstrates strong capabilities in below areas supporting its oversight and providing strategic direction mitigating and adapting to Sustainability and Climate Related Risks and Opportunities;

- Financial reporting and capital management with Directors possessing backgrounds in finance, accounting, investments, and banking.
- Product and process innovation supported by Directors with deep understanding of R&D, Engineering, business applications and product knowledge.
- Business development and international market expansion with Directors skilled in marketing, sales, and strategic growth initiatives.
- Risk management and sustainability covered by Directors with experience in risk governance, supply chain management, and ESG.
- Legal and regulatory compliance supported by Directors with expertise in governance, legal affairs, and policy frameworks.
- This robust composition ensures that the Board is well-equipped to guide the Company through evolving business challenges while capitalizing on opportunities for sustainable growth.



Corporate Governance

The collective background of the Board of Directors provides a balanced mix of skills, experience and tenures to enable the Board to objectively and effectively fulfill its roles and responsibilities. Non-Executive Directors are eminent professionals in their respective fields, who bring varied perspectives to Board deliberations and constructively challenge management. The Board, through the Nominations and Governance Committee reviews the composition on an ongoing basis. All Directors have provided declarations confirming that they satisfy the fit and proper criteria set out in Section 9.7.4 of the CSE Listing Rule No. 9.

6 directors including the Chairman of the Audit Committee, are finance professionals ensuring sufficient financial acumen within the Board.

Board Appointments, Re-elections, Retirement and Resignation GRI 2-10, 13

Board refreshment allows for the introduction of members with new skills, insights and perspectives, while retaining valuable industry knowledge and maintaining continuity. The Board is refreshed periodically through new appointments, retirement, resignation, and Re-election /Re-appointment of Directors. There were 3 new appointments during the year.

 Appointments	 Re-election/Re-appointment	 Retirement/Resignation & Director Tenure
- Directors are appointed by the shareholders at the Annual General Meeting, following a formal and transparent process and based on recommendations made by the Board of Directors. - The Nominations and Governance Committee will make recommendations to the Board in this regard having considered the combined knowledge, experience and diversity of the Board in relation to the Company’s strategic plans and any gaps thereof. - Appointments are communicated to the CSE and shareholders through corporate disclosure and press releases and include a brief resume of the director.	- In compliance with the Companies Article of Association, 1/3 of the total Directors excluding the Managing Director (MD) will retire from office at each Annual General Meeting. - These Directors are eligible to stand for re-election by the shareholders at the Annual General Meeting. - The Nominations and Governance Committee recommends the Directors for re-election, and approval by the Board. - A Director appointed by the Board to fill a casual vacancy arisen since the previous AGM, will offer them self for re-election at the next AGM.	Directors may resign by submitting a letter to the Board. On acceptance of the resignation by the Board, the CSE is informed of the same.

Board Sub-Committees GRI 2-13, 18

The Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees of DPL also connect with the parent company Board Committees to ensure alignment of goals and objectives. The Chairman of the Board does not hold positions as chair of any Board Committee in accordance with the provisions of Section 9.3.3 of the CSE Listing Rule No. 9.

The Publicly listed Plantation companies have their own Board Committees that meet the requirements of the CSE Listing Rule No. 9.



Chairman of the Board does not chair any board committee in accordance with section 9.3.3 of CSE Rule No. 9



Board Committee	Areas of Oversight	Composition	Further Information
Audit Committee	- Financial Reporting - Internal Controls - Internal Audit - External Audit	Comprises wholly of Independent Non-Executive Directors	Report of the Audit Committee on page 324
Nominations and Governance Committee	- Appointment of Key Management Personnel/ Directors - Succession Planning - Effectiveness of the Board and its Committees	Chaired by the Senior Independent Director, and includes 2 Independent Directors and 2 Non-Executive Directors	Report of the Nominations and Governance Committee on page 318
Remuneration Committee	- Remuneration policy for Key Management Personnel - Goals and targets for Key Management Personnel - Performance evaluation	Chaired by the Senior Independent Director, and includes 2 Independent Directors and 2 Non-Executive Directors	Report of the Remuneration Committee on page 320
Related Party Transactions Review Committee	Review of related party transactions	Chaired by the Senior Independent Director, and includes 2 Independent Directors and 2 Non-Executive Directors	Report of the Related Party Transactions Review Committee on page 322

Meetings & Minutes

Board meetings are held on a quarterly basis with the flexibility to arrange any additional meetings to supplement these when required. An annual calendar is prepared by the Company Secretary and dates and times are agreed at the commencement of the financial year. Meeting agendas are set by the Chairman in consultation with the Managing Director and the Company Secretary. Board agendas and papers are made available to the Directors seven days before the meeting allowing members sufficient time to review the papers, seek clarification and make their observations in preparation for the meeting. Care is taken to ensure that the Board spends sufficient time considering matters critical to the Company's success, as well as compliance, risk and administrative matters.

Board Minutes	Resolutions by Circulation	Oversight & Monitoring
- Board minutes are circulated to the Directors in advance prior to the next Board meeting for review and formally approved at the subsequent Board meeting. - Directors' concerns regarding matters which are not resolved unanimously are recorded in the minutes. - Directors have access to the past Board papers and minutes via electronic means	Resolutions concerning business matters may be passed by circulation, within regulations.	- In the effective discharge of duties, Directors are provided accurate, relevant and timely information on which they base their decisions. - Executive Directors and the Key Management Personnel (KMP) attend Board meetings, increasing contact between the Board and management. Management is open and transparent with the Board and brings to attention any matters of concern in a timely manner.

Corporate Governance

Attendance At Meetings

Name of Director	Executive/Non-Executive/ Independent Non-Executive	Board Meeting Attendance
Mr. A. M. Pandithage	Executive	04/04
Mr. H. S. R. Kariyawasan	Executive	03/04
Mr. R. H. P. Janadheera	Executive	04/04
Mr. S. C. Ganegoda	Non-Executive	04/04
Mr. N. A. R. S. Nanayakkara	Executive	04/04
Mr. K. D. G. Gunaratne	Non-Executive	04/04
Mr. K. M. D. I. Prasad	Executive	04/04
Mr. B. K. C. R. Ratnasiri	Executive	04/04
Ms. K. A. D. B. Perera	Non-Executive	04/04
Mr. M. N. R. Fernando	Independent Non-Executive	03/04
Prof. A. P. De Silva	Independent Non-Executive	04/04
Mr. P. Y. S. Perera	Independent Non-Executive	04/04
Mr. S. Rajapakse (Resigned w.e.f. 30.11.2024)	Independent Non-Executive	02/02
Mr. F. Mohideen (Resigned w.e.f. 30.11.2024)	Non-Executive	02/02
Ms. A. I. Wanigasekera (Appointed w.e.f. 04.12.2024)	Independent Non-Executive	02/02
Mr. T. A. B. Speldewinde (Appointed w.e.f. 01.04.2025)	Independent Non-Executive	01/01
Dr. R. M. U. N. Rathnayake (Appointed w.e.f. 01.04.2025)	Executive	01/01

Roles & Responsibilities GRI 2-11

The Chairman of Hayleys PLC (parent company) serves as Chairman of DPL and the roles of the Chairman and Managing Director ('MD') are segregated facilitating a balance of power.

Chairman

Role

Leads the Board, preserving good corporate governance and ensuring that the Board works ethically and effectively.

Responsibilities

- Setting the ethical tone for the Board and Company;
- Setting the Board's annual work plan and the agendas, in consultation with the Company Secretary and the MD
- Building and maintaining stakeholder trust and confidence;
- Ensuring effective participation of all Board Members during Board meetings.
- Facilitating and encouraging discussions amongst all Directors of matters set before the Board and ensuring a balance of power is maintained between Executive and Non Executive Directors.(NED).
- Monitoring the effectiveness of the Board.

Managing Director

Role

Accountable for implementation of DPL strategic plan and driving performance.

Responsibilities

- Appointing and ensuring proper succession planning of the corporate management team, and assessing their performance;
- Developing the Company's strategy for consideration and approval by the Board;
- Developing and recommending to the Board, budgets supporting the Company's long-term strategy.
- Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- Establishing an organisational structure for the Company which is appropriate for the execution of strategy;
- Ensuring a culture that is based on the Company's values;
- Ensuring that the Company operates within the approved risk appetite.



Company Secretary

The office of the Company Secretary is integral to the effective functioning of the Board. Secretarial services to the Board are provided by Hayleys Group Services (Private) Limited. The Company Secretary guides the Board on discharging its duties and responsibilities, promoting best practices in Corporate Governance.

Responsibilities include;

- Ensuring the conduct of Board Sub Committee and General Meetings in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Sub Committee Meetings.
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.
- All Directors have access to the advice and services of this group function as necessary. Appointment and removal of the Company Secretary is a matter for the Board.

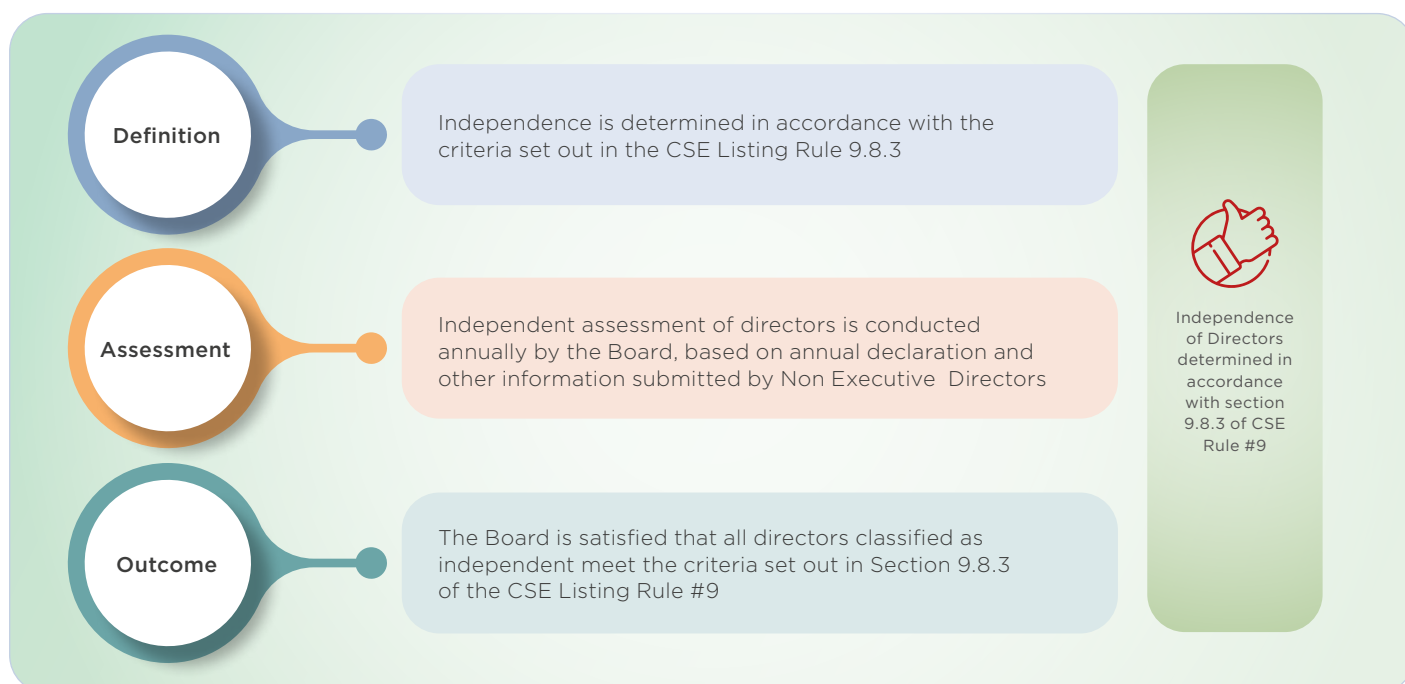
Senior Independent Director

The responsibilities of the Senior Independent Director (SID) are as follows:

- Convene and chair meetings of the Independent Directors at least once a year or as often as deemed necessary without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members.
- Convene and chair a meetings of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
- The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c) given above.
- Make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.

Directors' Independence

Directors are experienced leaders in their respective fields and exercise independent judgement, promoting constructive board deliberations and objective evaluation of matters set before them.



Corporate Governance

Directors Interests and Related Party Transactions

Directors declare their business interests at appointment and annually thereafter. Details are maintained in a Register by the Company Secretary. The Register is available for inspection in terms of the Companies Act. Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed on page 313 in this report.

The Company's Related Party Transactions Review Committee considered all transactions that require approval, in line with the Group's Related Party Transactions Policy and in compliance with regulations, ensuring transactions are fair and in the best interest of DPL. Related party transactions are disclosed in Note 33 to the financial statements on page 393.

The total number of Board seats (excluding directorship in DPL) held by each Director as at March 31, 2025 is given below. The Board is satisfied that all Directors allocate sufficient time to enable them to discharge their duties and responsibilities.

Number and Name of Directorships Held in Sri Lanka

Name of Director	Classification	Listed Companies (*ED/**NED)	Unlisted Companies (ED*/NED**)	Listed Company Names	Unlisted Company Names
Mohan Pandithage	Executive Chairman	11 / 01	120 / 10	Executive Director - Hayleys PLC - Haycarb PLC - Singer (Sri Lanka) PLC - Hayleys Fabric PLC - The Kingsbury PLC - Horana Plantations PLC - Kelani Valley Plantations PLC - Hayleys Leisure PLC - Talawakelle Tea Estates PLC - Hayleys Fibre PLC - Alumex PLC Non-Executive Director - Diesel & Motor Engineering PLC	Executive Director Hayleys Group Companies- 120 Non-Executive Director - Beata Power (Pvt) Ltd - Joule Power (Pvt) Ltd - Ocean Network Express Lanka (Private) Limited - The Beach Resorts Ltd - Delmege Forsyth & Co. Exports (Pvt) Ltd - Delmege Coir (Pvt) Ltd - Delmege Forsyth & Co. (Shipping) Ltd - Delmege Freight Services (Pvt) Ltd - Lewis Shipping (Pvt) Ltd - Lewis Brown Air Services (Pvt) Ltd
Rajitha Kariyawasan	Deputy Chairman	03 / 00	14 / 01	Executive Director - Hayleys PLC - Haycarb PLC - Hayleys Fibre PLC	Executive Director Hayleys Group Companies- 14 Non-Executive Director Sri Lanka Institute of Nanotechnology (Pvt) Ltd
Pushpika Janadheera	Managing Director	00 / 00	06 / 00	-	Executive Director Hayleys Group - 6 Companies
Sarath Ganegoda	Non-Executive Director	02 / 08	00 / 54	Executive Director - Hayleys PLC - Alumex PLC Non-Executive Director - Haycarb PLC - Hayleys Fabric PLC - Singer (Sri Lanka) PLC - Hayleys Leisure PLC - Horana Plantations PLC - Kelani Valley Plantations PLC - Hayleys Fibre PLC - The Kingsbury PLC	Non-Executive Director - Sri Lankan Airlines Ltd - Sri Lankan Catering Limited - Hayleys Group Companies- 52



Name of Director	Classification	Listed Companies (*ED/**NED)	Unlisted Companies (ED*/NED**)	Listed Company Names	Unlisted Company Names
Yohan Perera	Independent Non-Executive Director (Senior Independent Director)	00 / 07	00 / 00	Non-Executive Director • Hayleys PLC • Haycarb PLC • Commercial Bank of Ceylon PLC • Overseas Realty PLC • E B Creasy & Company PLC • Laxapana PLC • Muller & Phipps Ceylon PLC	-
Ramesh Nanayakkara	Executive Director	00 / 00	02 / 00	-	Executive Director Hayleys Group Companies- 02
Chandika Ratnasiri	Executive Director	00 / 00	01 / 00	-	Executive Director Hayleys Group Companies- 01
Indika Kulathunga	Executive Director	00 / 00	02 / 00	-	Executive Director Hayleys Group Companies- 02
Dr. Upul Rathnayake	Executive Director	00 / 00	01 / 00	-	Executive Director Hayleys Group Companies- 01
Gamini Gunaratne	Non-Executive Director	00 / 04	01 / 01	Non-Executive Director • Hayleys PLC • Horana Plantations PLC • Swisstek Ceylon PLC • Vallibel Power Erathna PLC	Executive Director Lanka Hotels and Residencies (Pvt) Ltd Non-Executive Director SLIIT (Guarantee) Limited
Brindhiini Perera	Non-Executive Director	00 / 10	00 / 04	Non-Executive Director • Hayleys Fabric PLC • Haycarb PLC • The Kingsbury PLC • Hayleys Leisure PLC • Singer (Sri Lanka) PLC • Vallibel One PLC • Lanka Tiles PLC • Lanka Walltiles PLC • Royal Ceramics Lanka PLC • The Fortress Resorts PLC	Non-Executive Director • Delmege Limited • Otwo Biscuit (Private) Limited • The Canbury Biscuit Company Limited • Manatee Clothing Company (Pvt) Ltd
Nanda Fernando	Independent Non-Executive Director	00 / 04	01 / 01	Non-Executive Director • Haycarb PLC • Hayleys Fabric PLC • Hatton National Bank PLC • R I L Property PLC	Executive Director • Professional Business Consultants Non-Executive Director • Assetline Finance Ltd
Anomi Wanigasekera	Independent Non-Executive Director	00 / 02	05 / 00	Non-Executive Director • Horana Plantations PLC • Haycarb PLC	Executive Director • Julius & Creasy • Jacey Advisory Services (Private) Ltd • Jacey Trust Services (Private) Ltd • Jacey & Lanka (Private) Ltd • Jacey & Company

Corporate Governance

Name of Director	Classification	Listed Companies (*ED/**NED)	Unlisted Companies (ED*/NED**)	Listed Company Names	Unlisted Company Names
Timothy Speldewinde	Independent Non-Executive Director	00 / 06	01 / 01	Non-Executive Director • Hayleys Fabric PLC • Haycarb PLC • The Kingsbury PLC • Horana Plantations PLC • Ceylon Grain Elevators PLC • Three Acre Farms PLC	Executive Director • Contemporary Ceylon (Pvt) Ltd Non-Executive Director • WealthTrust Securities Limited
Prof. Arjuna De Silva	Independent Non-Executive Director	00 / 00	00 / 00	-	-

*ED – Executive Director

**NED – Non Executive Director

Conflict of Interest GRI 2-15

A Director or KMP is prohibited from using his or her position, or confidential or price sensitive information, for personal benefit or benefit of any third party, whether financially or otherwise. Directors notify the Board promptly of any conflicts of interest they may have in relation to particular items of business or other Directorships. Directors do not participate in and excuse themselves from the Meeting when the Board considers matters in which a conflict may arise. The Company Secretary maintains a register of director's interests and updates this regularly.

Informed Decision making

Sufficient information is key to informed and objective decision-making, facilitating effective risk management and resource allocation. DPL's reporting and information systems ensure the Board receives relevant and objective information, in a timely manner.

Supply of Information

The Board pack is generally circulated seven (7) days in advance of a Board Meeting and provides sufficient qualitative and quantitative information on items included in the agenda of the meeting. This includes reports on the Company's performance against strategic value drivers and reports on key focus areas such as Sales pipelines, capacity utilisation, working capital

management, risk assessment and other key matters regarding DPL's operations. Further, Corporate Management and external experts make regular presentations regarding the business environment, strategy and operations of the Company and ensure that the Board is apprised of developments impacting the Company.

Access to Information

Directors have unrestricted access to Management, organisation information, and resources to facilitate discharge of their duties. Directors are entitled to seek independent professional advice, co-ordinated through the Company Secretary, at the Company's expense. Copies of such advice obtained are circulated to Directors who request for it.



Training & Orientation of Directors

On appointment, Directors are provided with an orientation pack with all relevant external and internal regulation documents and a tour of the factory premises. Directors are briefed of developments and changes to applicable legislation and regulation, relevant sector developments and changes in the risk and general business environment on an ongoing basis. Directors undertake training and professional development as they consider necessary, which requirements are coordinated through the Company Secretary. Many are Members of the Sri Lanka Institute of Directors and attend sessions from time to time. Directors also undertake other Continuous Professional Development (CPD) programmes in their personal capacity to update their knowledge on relevant and emerging topics.

Corporate Management



Appraisal of MD GRI 2-18

The Board assesses the performance of the MD annually using criteria aligned to the short, medium and long-term objectives of DPL which are agreed with the MD at the beginning of the year. Performance is reviewed at the end of the financial year against the backdrop of the operating environment, and remuneration revised based on performance.

Board Effectiveness

The Chairman and Remuneration Committee are responsible for evaluating the performance of the Executive Directors and committees through an annual self-evaluation of its own performance. The results of the evaluation are assimilated and submitted to the Chairman for discussion at a Board meeting.

Corporate Governance

INTEGRATING SUSTAINABILITY AT DPL GRI 2-12, 13, 14, 23

Integration of ESG

DPL launched its ESG Framework DPL Pulse in 2023 which is aligned to the framework of our parent company, the Hayleys Lifecode. It codifies the ESG practices and processes that evolved over the years and was done in consultation with the leadership of entities within the DPL Group and approved by the parent company. Pulse communicates our ESG roadmap to 2030 and sets out the strategies that we will pursue on material topics that are relevant for the DPL Group as set out graphically overleaf. It builds on the existing infrastructure to capture ESG information, the Cube, which is updated monthly enabling review of ESG performance by the Senior Management and DPL Boards, Group Management Committee of the parent and its Board of Directors. Please refer page 154 to 308 for detailed update on the progress made on DPL Pulse targets in the FY 2024/25.



The policy framework relating to DPL Pulse are set out on page 76 to 77. The policy framework is strengthened with 6 System certifications, 12 Product Certifications, 2 Social Compliance Certifications which support DPL's access to markets in advanced economies.

Principles for Governance

Structure & Oversight - Compliance with relevant laws and regulations

Stakeholder Engagement - Meaningful and impactful stakeholder relationships

Transparent & Accurate Reporting - Internal and external reporting on ESG factors

Enterprise Risk Management - Holistic process to identify, measure and mitigate ESG risks

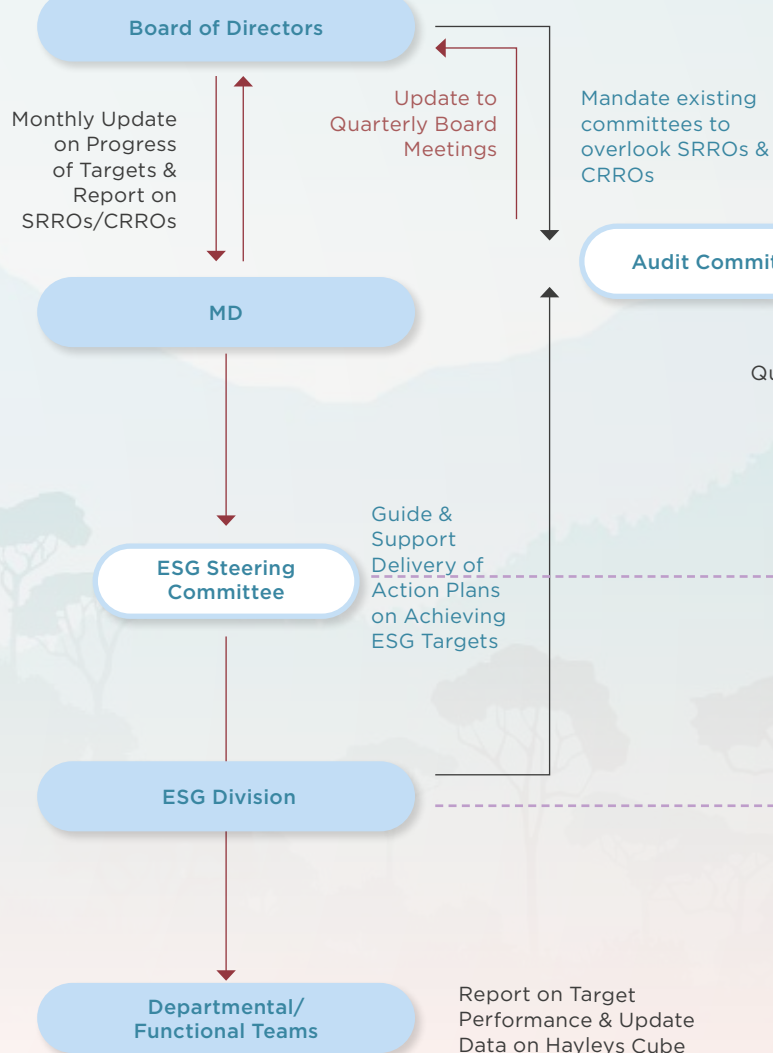
Ethics & Culture - Compliance to the Hayleys way



ESG GOVERNANCE FRAMEWORK GRI 2-14



Dipped Products PLC



Hayleys PLC



Corporate Governance

IMPLEMENTATION OF THE GROUP'S ESG STRATEGIES, POLICIES GOALS AND TARGETS GRI 2-16

The Board is responsible in setting strategic direction to the formulation and implementation of the Group's ESG strategies, policies, goals and targets.

An ESG Steering Committee was established in FY 2023/24 to ensure the roll out of its ESG agenda across Group Companies. The composition of the ESG Steering Committee is as follows:

- Managing Director (Chair of the Committee)
- 4 Executive Directors
- 7 members of the General Management Committee including Chief Financial Officer heading the ESG Division and monitoring the Non-Financial Disclosures of the Company.

The responsibilities of the ESG Steering Committee include the following:

Provide oversight and drive ESG strategy implementation by turning Board-approved ESG goals into practical projects aligning with the DPL Pulse including progress against environmental, social and governance targets in the short, medium and long-term.

- Ensure ESG is built into everyday business operations and work across departments to align efforts.
- Track progress using ESG KPIs and share success stories.

Identify and manage Sustainability & Climate Risks and Opportunities under the guidance of the Audit Committee

- Create action plans to reduce risks and capture new opportunities.
- Explore and recommend mitigation and adaptation plans and keep the Audit Committee and Board informed on key risk areas to build high resilience of the organisation towards risks.

Ensure compliance and reporting of Non-Financial Disclosures aligned with ESG related laws, regulations, standards, and best practices.

- Lead ESG reporting (e.g., annual integrated report, sustainability reports, newsletters) and share progress to the Board quarterly.
- Monitor regulation updates and align with global frameworks like GRI, SASB, TCFD, IFRS S1 & S2.

Engage stakeholders and communicate ESG progress to build strong relationships with shareholders, employees, investors, suppliers, customers, and communities.

- Improve engagement with key stakeholders and communicate ESG goals and performance clearly.

Promote innovation and continuous improvement staying up-to-date on new ESG trends and regulations.

- Suggest new ideas and improvements to the Board.
- Review performance and improve ESG targets bi-annually.

Monitor and Report Performance of ESG progress to the Board by providing quarterly summaries to the Board and review ESG Steering Committee performance annually.

Provide resources to ensure access to the right people, data and tools and if required recommend external experts as and when required.

Provide direction to the ESG Division to build capacities of respective teams to bridge the knowledge and skill gaps in the teams.

The ESG Steering Committee held 4 meetings during the FY 2024/25. The committee is supported by the dedicated ESG Division of the Company.

Focus Areas	Section of the Annual Report	Page No.
• Economic Sustainability	• Financial Capital	142
• Environment	• Natural Capital	280
• Labour Practices	• Human Capital	198
• Impacts on External Stakeholders (Customer / Supplier / Community)	• Social and Relationship Capital	148
• Product Responsibility	• Intellectual Capital	252
• Sustainable & Green Manufacturing Facilities	• Manufactured Capital	234



RESPONSIBLE AND FAIR REMUNERATION

GRI 2-19, 20

The Board strives to ensure that remuneration is fair, responsible and transparent.

Remuneration Policy

Remuneration of KMP and Executive Directors is linked to sustainable value creation objectives in line with DPL's strategy and is based on clear performance targets that have adequate stretch and benchmarked to local market rates. The Remuneration Committee (RC) consisting of 3 Independent Directors and 2 Non Executive Directors is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors. Please refer page 320 for the Report of the Remuneration Committee.

The Board as a whole determines the remuneration of the NEDs who receive a Director's fee, Board and Audit Committee meeting attendance fee. Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related / incentive payments. Services of HR professionals are sought when required, by the Board and RC in discharging their responsibilities.

Level and Make Up of Remuneration

The Remuneration packages of Executive Directors are designed to attract eminent professionals as Directors with the requisite skills and experience. Remuneration of Executive Directors are compliant with the provisions of Schedule G of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023 and comprises fixed and variable components with the variable component linked to performance. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle

them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors. Please refer page 313 for the total Directors' Remuneration.

Board Accountability Compliance

Directors are required to comply with laws, regulations, regulatory guidelines, internal controls and approved policies in accordance with the Board Charter which is part of the Hayleys Way. DPL takes significant measures to ensure compliance with all relevant legal and statutory requirements on an ongoing basis.

Risk Management and Internal control

The Board is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the Company. These systems cover all controls, including financial, operational and compliance and are monitored and regularly reviewed for effectiveness by the Board. The Board increased the rigor of oversight functions in managing risks as the environment continued to be uncertain and challenging. The Hayleys Group Internal Audit Department supports the Audit Committee, reviewing the adequacy and effectiveness of DPL's internal control systems and reporting to the Audit Committee on a regular basis. The Board is satisfied with the integrity of financial information and the soundness of the internal controls and systems of DPL.

Accountability & Audit

Every effort has been made to present a balanced assessment of the Company's financial position, performance and prospects in compliance with the various legal enactments applicable, the Sri Lanka Financial Reporting Standards, the GRI Standards on Sustainability Reporting published by the Global Reporting Initiative and the Integrated Reporting Framework published by the International Integrated Reporting Council. The Company's position and

prospects have been discussed in detail in the following sections of this annual report.

- Joint Statement of the Chairman & the MD pages to 28
- Management Discussion & Analysis on pages 27 to 33
- A Positive Outlook on page 56 to 57
- Managing Risk on page 106 to 131

The Company has also complied with the requirements of the Colombo Stock Exchange and published Interim Reports on the company website within 45 days of first three quarters and within 2 months of the last quarter. Price sensitive information, which may have an impact on the shares of the company, has been disclosed in a comprehensive but concise manner to the Colombo Stock Exchange on a timely basis. Reports required by regulators including the Department of Inland Revenue, Sri Lanka Accounting & Auditing Standards Monitory Board, Registrar of Companies and the Colombo Stock Exchange have been filed in a timely manner in compliance with specified requirements. The following reports set out further information required by the Code:

- The Annual Report of the Board of Directors on the affairs of the Company on pages 312 to 317 (including the declaration that the company is a going concern)
- The Statement of Directors' Responsibility on page 329
- Report of the Auditors on page 333

External Auditor

The External Auditor is appointed in line with the provisions of the Companies Act. The Audit Committee (AC) makes recommendations to the Board for the appointment, re-appointment or removal of the External Auditor in-line with professional & ethical standards and regulatory requirements. The AC monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements.

Corporate Governance

In assignment of non-audit services to External Auditors, the AC ensures that the External Auditor has the necessary skills and experience for the assignment and ascertains that independence and objectivity of the External Auditor in carrying out his duties and responsibilities will not be impaired.

On the recommendation of the Board, the shareholders approved the reappointment of Messrs. Ernst & Young (Chartered Accountants) as the External Auditor for 2024/25 at the last AGM. In compliance with Section 163 (3) of the Companies Act No. 07 of 2007, the External Auditors submit a statement annually confirming their independence in relation to the external audit.

Code of Conduct and Ethics GRI 2-23-26

DPL is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all stakeholders. The company is bound by DPL Business Code of Conduct aligned with the “The Hayleys Way”- The Code of conduct developed by Hayleys PLC (Parent Company) for the Group. It applies to all employees including key management personnel and Directors, and is reinforced at all levels through structured communication. The Code fosters an ethical culture and promotes compliance with relevant laws and legislation, an imperative to retaining the trust of stakeholders. The Board is not aware of any material violations of any of the provisions of the Code by any Director or employee of the DPL.



Good Governance & Business Ethics Policy

DPL is committed to fostering an environment that upholds good governance and ethical business practices, aligning with local, national, and international standards to ensure accountability and transparency. The policy provides clear guidelines on ethical conduct, including the handling of gifts, hospitality, political contributions, and third-party commissions, applicable to all directors and employees.

Through this policy, DPL reinforces its dedication to integrity and responsible corporate behaviour across all levels of the organisation.

The Group complies with ISO 9001:2015, which includes evaluating contracted external parties for adherence to anti-bribery and anti-corruption policies. All employees, including Directors, are trained on the Group's Code of Conduct—covering these provisions within three months of joining, with information accessible via the intranet and related trainings. No incidents of corruption, disciplinary actions, contract terminations, or legal cases were reported during the year. There were no legal actions for anti-competitive behaviour, anti-trust and monopoly parties in 2024/25.

Human Rights Policy

As a signatory of the UN Global Compact, DPL is committed to upholding its ten Human Rights Principles. DPL adopted its Human Rights Policy, which promotes globally recognised standards and aims to prevent any form of rights abuse. The policy ensures fair treatment, a harassment-free workplace, prohibition of child and forced labour, freedom of association, and strong health and safety measures across all operations and partners across the value chain.

Whistle Blowing/Grievance Mechanism GRI 2-25, 26

Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour. DPL's Policy on Whistleblower enables anonymous reporting of matters of concern regarding possible inappropriate financial reporting, internal controls or other issues that may require internal investigation. Information on accessibility, anonymity, processes and the policy relating to the whistle-blowing service is communicated to all employees. The MD is appointed by the Board to handle matters relating whistleblowing and reports to the Board if any critical matter is identified. No incidence were reported in the FY 2024/25.

Innovation Governance

DPL's ability to continually innovate is critical to remaining relevant to the changing needs of customers. The Board and Management are aware of their role in innovation and governance and to this end, encourages the creativity and flexibility that promotes innovative thinking, while managing risk within the agreed appetite.



Information Technology & Cyber Security Governance

The Board understands the advantages of flexibility, adaptability, and creativity that digital platforms offer and makes sure that a strong and well-funded technology strategy is in place that creates excellent client and employee experiences. The Board also cares about protecting the Company's information assets and operational systems and spends a lot on cyber risk management systems. Hayley's Group IT Department is responsible for implementing the Group's digital strategy including adopting IT policies and safeguarding against cyber threats. The Group Head of IT functions as the Chief Information Security Officer. Coverage and scope of related Group policies and guidelines are given below. Cybersecurity is an agenda item of the monthly Group Management Committee meetings with matters escalated to the DPL Board where deemed necessary considering risk, impact and other prudential measures.

DPL Group IT & Cybersecurity Objectives

- Ensuring Information Verification for Accuracy
- Safeguarding Confidentiality, Integrity, and Availability (CIA)
- Preventing Unauthorised Access and RACI Matric (Responsible, Accountable, Consulted, Informed) for Designated Persons.
- Integration into Employee Onboarding and Mandatory Information Security Training for all employees.
- Compliance with all applicable laws, regulatory standards, and industry standards governing data protection and cyber security.
- Business Continuity and Disaster Recovery Plan to ensure operational resilience during disruptions.

Group IT Policy	Group Information Security Policy	Principles
• Group Connectivity • Access requirements/Resource utilisation • Individual Sector Networks/System Management • Backup & Recovery/Software Modification • IT Equipment, Software & Third Party Involvement • IT Assets & Media disposal and procurement	• Protection of information from unauthorised access • Confidentiality, availability and integrity of information • Regulatory requirements • Business continuity plans • Information security training • Reporting breaches of information security • IT policy embedded in to employee induction programme	• Acceptable IT Use • Password Protection Standards • Email Usage • Internet Usage • Monitoring • Enforcement

DPL strengthened its IT security with the following initiatives during the year:

- Emerging cyber security risks, the probability of its occurrence and potential impacts on our business are evaluated on a quarterly basis and action plans are updated accordingly by the DPL IT team
- Progressively adopting a Zero Trust security model, shifting from perimeter-based defense to verifying every user and device access request, significantly minimising potential attack surfaces.

Leveraging advanced AI-driven threat monitoring solutions to enable real-time detection and proactive mitigation of emerging cyber risks, strengthening the organization's overall security posture.

- All IT infrastructure related concerns raised during the financial year have been fully resolved with preventive measures in place to avoid re-occurrence of such issues within the operations
- Zero cases on information security or data protection breaches such as leaks, thefts, or losses of data and privacy violations reported by internal or external stakeholders during the year
- There are NO significant incidents reported of cyber threats or attacks causing major disturbances or failures during the FY

Corporate Governance

RELATIONS WITH SHAREHOLDERS

GRI 2-12

The Board is conscious of their responsibility towards stakeholders and is committed to fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided. Information is communicated accurately and in such a manner as to avoid the creation of a false market.

Communication with Shareholders

Shareholders are engaged through multiple channels of communication, including the Annual General Meeting (AGM), Annual Report, interim financial statements, a dedicated investor relations page on the company's website and notification of key events through announcements in the CSE.

The Annual Report presents a fair and balanced review of DPL's financial position, performance and prospects combining narrative and visual elements to facilitate readability and comprehension. The Annual Report and the interim financials have been reviewed and recommended by the Audit Committee and approved by the Board of Directors, prior to publication.

Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretary. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management.

Company Secretarial services are provided by Hayleys Group Services (Private) Limited which is headed by an Attorney-at-Law who is a qualified Chartered Secretary ably assisted by professionally qualified secretaries who are registered with the Registrar of Companies. Shareholder matters are handled in-house by the Registrar division of Hayleys Group Services (Private) Limited.

Constructive use of Annual General Meeting (AGM)

The Board ensures that proactive engagement with shareholders is encouraged by the Group, including engagement at the Company's AGM. Board Sub-Committee Chairmen, Directors and key members of management, are available at the AGM to interact with and respond to questions raised by the Shareholders. External Auditors also attend to address any queries raised.

Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders minimum 15 working days prior to the AGM allowing for all the shareholders to review the documentation and attend the AGM. DPL proposes a separate resolution for each item of business, giving shareholders the opportunity to vote on each of such issue, separately. Voting procedures at the AGM are circulated to the shareholders in advance.

All Shareholders are encouraged to exercise their voting rights. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution. In the event there are a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE, soon after the conclusion of the AGM.



Appendix I - Compliance with the Continuing Listing Rule 7.6 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Report of the Board of Directors Pages 312 to 317
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Share Information page 408
7.6 (v)	Directors' and CEO/MD's holding in shares	Compliant	Report of the Board of Directors Pages 312 to 317
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on page 106
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 198
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate Pages 397
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors Pages 312 to 317
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information page 408
7.6 (xi)	Ratios and Market Price Information	Compliant	Refer Pages 22
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Please refer pages 397
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report Page 84
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Compliant	Refer Related party transactions on pages 393 to 394

Corporate Governance

Appendix II - Compliance with the Continuing Listing Rule 9 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.

(1st April 2024 to 31st March 2025)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	DPL's Extent of Adoption
9.2.1	Policies	Compliant	The Company has established and continues to maintain the policies on Board Matters, Board Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability, Whistleblowing and Anti Bribery and Corruption.
9.3	Board Committees	Compliant	The Company has its own Audit Committee which met 4 times during the year. Until 16th May 2024, the Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee of the Parent Company Hayleys PLC acted as the Company's Committees. On 16th May 2024 the Company established its own Nominations and Governance Committee, Related Party Transactions Review Committee and Remuneration Committee.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with shareholders	Compliant	The Company has a Shareholder Communication and Relations Policy and it is published on the corporate website https://www.dplgroup.com/investor-relations/. Shareholders can contact the Company Secretary regarding queries relating to their shareholding matters. The policy includes a process whereby Directors are informed of major issues and concerns of shareholders.
9.5.	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors.
9.6.2	Chairperson and CEO	Compliant	The MD of the Company, performs the role of the Chief Executive Officer by being responsible for the day-to-day operations of the Company. The Chairperson and MD of the Company are 2 separate persons.
9.6.3	Senior Independent Director	Compliant	The Company appointed Mr.P.Y.S.Perera as the Senior Independent Director (SID) during the year with the reclassification of Mr. K.D.G.Gunaratne as a Non-Executive Director since the Chairperson is an Executive Director.
9.6.3. (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.



CSE Rule Reference	Corporate Governance Principles	Compliance Status	DPL's Extent of Adoption
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 327.
9.7.1 and 9.7.2	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules
9.7.4	Fitness of Directors and CEO	Complaint	The Directors have provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.7.5	Disclosure in the Annual Report	Compliant	Page 04 of the Annual Report provides the relevant disclosure.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 13 Directors up to March 31, 2025. On April 1, 2025, one independent non-executive director and an executive director were appointed.
9.8.2	Independent Directors	Compliant	Five Directors are Independent
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by the Company, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each Independent Director signed and submitted a declaration regarding his/her independence.
9.9	Alternate Directors	Not Applicable	None of the Directors have appointed Alternate Directors
9.10.1	Disclosure relating to Directors	Compliant	Policy on maximum number of Directorships is disclosed in the Policy on Matters relating to the Board.
9.10.2	Disclosure relating to Directors	Compliant	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 32 to 35 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board and Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Pages 72 to 74 of the Annual Report contains the relevant information
9.11.1-3	Nominations and Governance Committee	Compliant	The Parent Company's Nominations and Governance Committee acted as the Nominations and Governance Committee of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. Refer the Nominations and Governance Committee Report on page 318
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 5 Non Executive Directors, which includes 3 independent Directors The Chairperson is an Independent Director.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 318
9.11.6	Disclosures in Annual Report	Compliant	Refer the Nominations and Governance Committee Report on page 318
9.12. 1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 320 and Principles B1 to B3 on page 91 of this Corporate Governance Report.

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Compliance Status	DPL's Extent of Adoption
9.12.6	Composition of the Remuneration Committee	Compliant	The Parent Company's Remuneration Committee acted as the Remuneration Committee of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. Refer the Remuneration Committee Report on page 320
9.12.7	Functions of Remuneration Committee	Compliant	The Remuneration Committee recommends the remuneration payable to the Executive Directors.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	The aggregate remuneration paid to Directors is given in note 06 to the financial statements on page 366. refer the Remuneration committee Report on page 320
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on pages 324 to 326.
9.13.4	Audit Committee Functions	Compliant	
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	
9.14.2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC of the Parent Company acted as the RPTRC of the Company. The Company established its own Committee on 16th May 2024. The Committee has written Terms of Reference. Refer the RPTRC Report on page 322 The current Committee comprises 5 Directors out of which 3 Directors are Independent.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the RPTRC in page 322.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times on a quarterly basis during the Financial year 2024/25.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 33 of the Notes to the Accounts on pages 393 to 394
9.14.8	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 33 of the Notes to the Accounts on pages 393 to 394
9.14.8.(3)	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transactions Review Committee on page 322
9.14.8.(4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 312 to 317
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 312 to 317



Appendix III: Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023

Section 01

Compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Directors			
A.1 The Board			
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of accounting, management, law, economics, engineering, medical, banking, marketing and business leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. Profiles of Directors are given on respective locations.			
Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met four times during the year under review. Scheduled Board meetings were arranged well in advance to ensure that all Directors could attend these meetings. The attendance at Board meetings held is set out accordingly. Refer Page 70
Board Responsibilities	A.1.2	Complied	The Board is responsible to the shareholders for creating and delivering long-term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team led by the Managing Director with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. It ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations. Refer Page 71
Compliance with laws and access to independent professional advice	A.1.3	Complied	The Board collectively and Directors individually, must act in accordance with the laws applicable to the Company. The Company complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Company Secretaries when requested. Refer Page 74
Company Secretary	A.1.4	Complied	All Directors have access to the advice and services of the Company Secretaries, Hayleys Group Services (Private) Limited, as required. The Company Secretaries keep the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board. Refer Page 71
Independent Judgment	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.
Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors dedicate adequate time and effort to fulfilling their duties as Directors of the Company, before and after meetings, in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Call for a Resolution to be presented to the Board	A.1.7	Complied	Any Director can call for a resolution to be presented to the Board if deemed necessary.
Training for new and existing Directors	A.1.8	Complied	Both new and existing Directors of the Company are provided guidelines on general aspects of corporate governance and industry specific matters. In this regard, the Directors have recognised the need for continuous training, expansion of knowledge and to take part in professional development as and when they consider it necessary and which would assist them to carry out their duties as Directors.
A.2 Chairman and Chief Executive Officer (CEO)			
There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making			
The Managing Director, who performs the role of the Chief Executive Officer in the Company, is responsible for the day-to-day operations of the Company.			
Division of Responsibilities of the Chairman and Managing Director (CEO)	A.2	Complied	The positions and functions of the Chairman and the Managing Director ('MD') have been separated. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The role of the MD is to manage the day-to-day running of the Company and recommend strategies to the Board. The MD leads the Corporate Management team in making and executing operational decisions.
A.3 Chairman's Role			
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions.			
Role of the Chairman	A.3.1	Complied	The Chairman is as an outstanding business leader who provides leadership to the Board, preserves order at Board meetings and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman is also responsible for ensuring effective participation of both Executive and Non-Executive Directors at meetings. All Directors are encouraged to make effective contribution, within their respective capabilities, for the benefit of the Company.
A.4 Financial Acumen			
The Code requires that the Board comprises Members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as some of the Board Members are qualified accountants having professional qualifications and are equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.			
Financial Acumen and Knowledge	A.4	Complied	As at the date of this Report, the Board comprised four (04) Chartered Accountants (CA Sri Lanka) and six (06) Management Accountant. One of them serves as Chairman of the Audit Committee. These Directors add substantial value and independent judgment to the decision-making of the Board on matters concerning finance and investment.



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
A.5 Board Balance			
The Code requires that a balance is maintained between the Executive and Non-Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making.			
The Board consists of Seven (07) Executive Directors and Eight (8) Non-Executive Directors. Each of them brings to the Board wide experience and the ability to exercise independence and judgment when taking informed decisions.			
Presence of Non-Executive Directors	A.5.1	Complied	Eight (8) of the Fifteen (15) Directors are Non-Executive Directors.
Independent Non-Executive Directors	A.5.2	Complied	Five (5) out of Eight (8) Non-Executive Directors are independent as defined by the Code and the Listing Rules of the Colombo Stock Exchange.
Criteria to Evaluate Independence of Non-Executive Directors	A.5.3	Complied	Please refer Section A.5.5 below. The Board considers Non-Executive Director's independence on an annual basis. All Independent Directors are independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their independent judgment.
Annual Declaration of Independence - Non-Executive Directors	A.5.4	Complied	Each Non-Executive Director has submitted a declaration stating the independence or non-independence in a prescribed format. This information is made available to the Board.
Determination of Independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually.
Alternate Directors	A.5.6	Complied	None of the Directors of the Company have appointed Alternate Directors.
Senior Independent Director	A.5.7	Complied	Since the Chairman is not an Independent Director, Mr. P.Y.S. Perera, Independent Non-Executive Director has been appointed as the Senior Independent Director (SID) of the Company. The SID is the Director to whom concerns can be conveyed if a need arises. The SID Report is enclosed in statement by the Senior Independent Director. Refer Page 84
Confidential discussions with Senior Independent Director	A.5.8	Complied	A SID is available for confidential discussions with other Directors who may have concerns which pertain to significant issues that are detrimental to the Company.
Chairman's meeting of Non-Executive Directors	A.5.9	Complied	The Chairman meets with the Non-Executive Directors without the presence of Executive Directors, whenever necessary.
Recording of Concerns in Board Minutes	A.5.10	Complied	Concerns raised by the Directors which cannot be unanimously resolved during the year, if any, are recorded in the Board Minutes with adequate details.
A.6 Supply of Information			
Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.			
Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the Management by way of Board papers. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Circulation of papers for meetings in a timely manner	A.6.2	Complied	The minutes, agenda and papers required for Board meetings are circulated 7 days prior to a Board meeting to facilitate effective conduct and discussion at meetings.
A.7 Appointments to the Board			
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.			
Nomination Committee	A.7.1	Complied	The Company formally appointed its own Nominations and Governance Committee ('NGC') on 16th May 2024. The NGC comprises three Independent Non-Executive Directors and two Non-Executive Director. Mr. P.Y.S.Perea, who is the SID of the Company serves as the Chairman of the NGC. Other Members are K.D.G Gunaratne, S.C.Ganegoda, M.N.R. Fernando and Prof. A.P. De Silva. Please refer the NGC Report. Refer Page 318
Assessment of Board Composition by the Nomination Committee	A.7.2	Complied	Based on the recommendation of the NGC, the Board annually assesses Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment are taken into account when new Board appointments are considered. Please refer NGC Report. Refer Page 318
Disclosure of Required Details to Shareholders on New Appointments to the Board	A.7.4	Complied	When new Directors are appointed, a brief resume of each such Director, including the nature of expertise, names of companies in which the Director holds directorships, memberships in Board Sub-Committees etc., are reported to the Colombo Stock Exchange (CSE) in addition to disclosing this information in the Annual Report. Further, any changes in the details provided by the Directors are disseminated to the CSE without delay. The profiles of the above Directors are given on Board of Directors. Refer Page 36
Report of the NGC in the Annual Report	A.7.5	Complied	Please refer NGC Report. Refer Page 318
Terms of Reference of NGC	A.7.6	Complied	The NGC has comprehensive Terms of Reference, which include the composition and functions of the NGC.
A.8 Re-Election			
The Code requires all Directors to submit themselves for re-election at regular intervals and at least once every three years.			
Appointment of Non-Executive Directors	A.8.1	Complied	The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek reappointment by the shareholders at that meeting. The Articles of Association of the Company call for one-third of the Directors in office (excluding the Managing Director) to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/reappointment. Retiring Directors are generally eligible for re-election. Accordingly, Mr. S. C. Ganegoda, Mr. N. A. R. R. S. Nanayakkara, Mr. B. K. C. R. Ratnasiri and Ms. K. A. D. B. Perera, retire by rotation and being eligible to offer themselves for re-election.
Election of Directors by Shareholders	A.8.2	Complied	The names of the Directors submitted for election or re-election are accompanied by a resume to enable shareholders to make an informed decision on their election at the AGM.



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Prior Communication of Resignation of a Director	A.8.3	Complied	In the event of a Director resigning prior to the completion of the appointed term, a written communication is provided to the Board of his/her reasons for resignation.
A.9 Appraisal of Board Performance			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.			
Annual Performance Evaluation of the Board and its Committees	A.9.1 & 9.2	Complied	The Board undertakes an annual self-evaluation of its own performance and of its Committees. The Board evaluated its performance and effectiveness in the year under review.
Evaluation at Re-Election	A. 9.3	Complied	Board reviews the participation, contribution and engagement of each Director at the time of re-election
Disclosure on Performance Evaluation Criteria	A.9.4	Complied	Evaluation criteria with regard to Executive Directors are financial and non-financial targets set at the beginning of the year through the annual corporate plan. Criteria relating to evaluation of Board Committees are the performance against their duties referred in respective committee reports.
A.10 Disclosure of Information in Respect of Directors			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders			
Details in Respect of Directors	A.10.1	Complied	The following details pertaining to each Director are disclosed as follows: a) Brief profile with expertise and experience. b) Directors' Interest in transactions and shareholding. c) Attendance at the Board Meetings held during the year.
A.11 Appraisal of Chief Executive Officer			
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer			
Targets for Managing Director	A.11.1	Complied	Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director.
Evaluation of the Performance of the Managing Director	A.11.2	Complied	The performance is evaluated by the Board at each Board Meeting and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.
Directors' Remuneration			
B.1 Remuneration Procedure			
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective Remuneration Policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.			
Remuneration Policy	B.1	Complied	The Company has a formal and transparent procedure for fixing remuneration of Executives and Directors. No Director is involved in deciding his/her own remuneration. Refer Page 312

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
B.2 The Level and Make-Up of Remuneration			
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.			
Level and Make-Up of the Remuneration Packages of Executive Directors	B.2.1	Complied	The Board is mindful of the fact that the remuneration of Executive Directors should reflect the market expectations and is sufficient enough to attract, retain and motivate Executive Directors of required competence in order to run the Company.
Establishment of a Remuneration Committee	B.2.1	Complied	The Company formally appointed its own Remuneration Committee on 16th May 2024. The Committee is required to decide on the remuneration of the Executive Directors and sets guidelines for the remuneration of the management staff within the Group. The Chairman and Managing Director are not members of this Committee. Please refer Remuneration Committee report.
Composition of Remuneration Committee	B.2.2	Complied	The Remuneration Committee comprised three Independent Non-Executive Directors and two Non-Executive Directors. The SID serves as the Chairman of this Committee. The Remuneration Committee of the Company comprises of Mr. P.Y.S. Perera, Mr. K. D. G. Gunaratne, Mr. M. N. R. Fernando, Prof. A. P. De Silva and Mr. S. C. Ganegoda.
Consultation of the Chairman and Access to Professional Advice	B.2.3	Complied	The Remuneration Committee has the authority to seek internal and external independent professional advice on remuneration of other Executive Directors and also on matters falling within its purview at the Company's expense. Views of the Chairman of the Company is obtained, in addition to the views of the Managing Director.
Determination of Remuneration of the Executive Directors	B.2.4	Complied	The Remuneration Committee structures the remuneration package to attract, retain and motivate the Directors needed to run the Company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.
Executive Directors' remuneration	B.2.5	Complied	Executive Directors' remuneration has been designed to promote short, medium and long term success of the Company.
Competitiveness in Levels of Remuneration	B.2.6	Complied	The Remuneration Committee ensures that the remuneration of Executives of each level of Management including Executive Directors is competitive and in line with their performance.
Comparisons of Remuneration with Other Companies in the Group	B.2.7	Complied	The Remuneration Committee reviews data concerning Executive pay among the Group Companies.
Performance-related elements of Remuneration for Executive Directors	B.2.8	Complied	Performance-based incentives have been determined by the Remuneration Committee to ensure that the total earnings of the Executive Directors are aligned with the achievement of objectives and budgets of the Group companies.
Executive Share Options	B.2.9	N/A	Presently the Group does not have an Executive Share Option Scheme.



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Designing Schemes of Related Remuneration	B.2.10	Complied	The Remuneration Committee follows the provisions set out in Schedule G of the Code as required.
Early termination of Executive Directors	B.2.11	Complied	Termination of Executive Directors are governed by their contracts of service/employment.
Levels of Remuneration of NonExecutive Directors	B.2.14	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices. Non-Executive Directors are paid a quarterly fee and a Board meeting attendance fee on a quarterly basis.
Report of the Remuneration Committee in the Annual Report	B.2.15	Complied	Please refer Remuneration Committee Report. Refer Page 320
Terms of Reference of Remuneration Committee	B.2.16	Complied	The Remuneration Committee has comprehensive Terms of Reference, which include its composition and functions.
B.3 Disclosure of Remuneration			
The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy			
Disclosure of Remuneration	B.3.1	Complied	Please refer Annual Report of the Board of Directors on the Affairs of the Company for the total Directors' remuneration.
Relations with Shareholders			
C.1 Constructive Use of the Annual General Meeting (AGM) and Conduct of General Meetings			
The Code requires the Board to use the AGM, which is a major event in the Company's calendar, to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.			
Adequate Notice of the AGM to Shareholders	C.1.1	Complied	A copy of the Annual Report including Financial Statements, Notice of the Meeting and the Form of Proxy are sent to shareholders 15 working days prior to the date of the AGM, as required by the statute, in order to provide the opportunity to all the shareholders to attend the AGM.
Separate Resolution for Substantially Separate Issues and Adoption of Annual Report and Accounts	C.1.2	Complied	The Board remains mindful of being accountable to shareholders and the need for transparency at all levels, striving to maintain its value framework in all shareholder dealings and communications. The Company proposes a separate resolution at the AGM on each substantially separate issue. Further, the adoption of the Annual Report of the Board of Directors on the Affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Use of Proxy Votes	C.1.3	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
Availability of all Board Sub Committee Chairmen at the AGM	C.1.4	Complied	The Chairman of the Company ensures the Chairmen of all Board Committees are available to answer questions at the AGM, if so requested by the Chairman.
Circulation of procedure governing voting at AGM	C.1.5	Complied	The procedure for voting at the AGM is circulated to the shareholders with the Notice of AGM.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
C.2 Communication With Shareholders			
The Code requires the Board to implement effective communication with shareholders.			
Channel to Reach all Shareholders	C.2.1	Complied	The main mode of communication between the Company and the Shareholders is the AGM. Shareholders are provided with the information relating to the Company prior to the AGM. Further, financial and other announcements are promptly submitted to the CSE to publish on the CSE website.
Policy Methodology for Communication with Shareholders	C.2.2	Complied	An Open Door Policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretaries, Hayleys Group Services (Private) Limited and engage in dialogue. Contact details are published in all annual and quarterly financial reporting. The Company has a Shareholder Communication and Relations policy and it is published on the corporate website https://www.dplgroup.com/policies/
Implementation of the Policy and Methodology for Communication with Shareholders	C.2.3	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology.
Contact Person for Communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the back inner cover of the Annual Report and Quarterly Financial Statements. Shareholders may contact the Company Secretaries i.e Hayleys Group Services (Private) Limited (R. De Silva) on +94112627654 for queries regarding their shareholding.
Process to make Directors Aware of Major Issues and Concerns of Shareholders	C.2.5	Complied	The Company Secretary maintains a record of all correspondence received from shareholders. All major issues and concerns of the shareholders are referred to the Board of Directors with the views of the Management.
Response to the Shareholders' Matters	C.2.7	Complied	The process for responding to shareholder matters has been formulated by the Board and disclosed. Such process include responding to shareholders during shareholder meetings, publications on the Colombo Stock Exchange or through communication by the Company Secretary to the shareholders.
C.3 Major Transactions			
Directors should disclose to shareholders all proposed corporate transactions which, if entered into, would materially alter/vary the Company's net asset base or the consolidated Group's net asset base.			
Disclosure on Proposed Major Transactions	C.3.1	Complied	During the year, there were no major transactions as defined by Section 185 of the Companies Act which materially affect the net asset base of the Company or the Group's consolidated net asset base.
Shareholders' Approval by Special Resolution	C.3.2 & C.3.3	Complied	During the year, there were no transactions/events which required approval of the shareholders by way of a special resolution. The Company complied with the disclosure requirements of the CSE in this regard.
Accountability and Audit			
D.1 Financial and Business Reporting			
The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.			



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Board's responsibility for Statutory and Regulatory Reporting that is true and fair, balance and understandable	D.1.1 & D.1.2	Complied	The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing quarterly and annual financial statements, the Company complied with the requirements of the Companies Act and prepared and presented them in accordance with Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards. The Company complied with the reporting requirements prescribed by the CSE.
Declaration by Chief Executive Officer and Chief Financial Officer on the Financial Reporting	D.1.3	Complied	Chief Financial Officer has made all required declarations in the 'Responsibility Statement of Chairman, Managing Director and Chief Financial Officer' and the 'Statement of Directors' Responsibility. See the 'Auditors' Report' for the reporting responsibility of Auditors. Refer Page 328
Declaration by Board	D.1.4	Complied	Directors have made all necessary declarations. Refer the Directors' Report in Annual report. Refer Page 312
Statement of Boards and Auditors Responsibility and Statement of Internal Control	D.1.5	Complied	These statements are given in the 'Annual Report of the Board of Directors' and the 'Statement of Directors' Responsibility' and pertains to required declarations. Refer Page 28
Management Discussion and Analysis	D.1.6	Complied	Refer 'Joint Statement of the Chairman the Managing Director'.
Summon an EGM to Notify Serious Loss of Capital	D.1.7	Complied	Reason for such an EGM has not risen as yet but would be complied with if such a situation arises.
Disclosure of Related Party Transactions	D.1.8	Complied	The Directors have instituted an effective and comprehensive system of internal control for identifying, recording and disclosing related party transactions. All related party transactions, as defined in Sri Lanka Accounting Standard - (LKAS 24) on Related Party Transactions, are disclosed in Note 33 to Financial Statements.
D.2 Risk Management and Internal Control			
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets.			
Annual Evaluation of the Internal Controls System	D.2.1,D.2.1.1, D.2.1.2, D.2.1.3	Complied	The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MA & SRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MA & SRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MA & SRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Directors' Responsibility of Maintaining a Sound Internal Control System	D.2.2 & D.2.2.1	Complied	The Board has established a process to ensure internal controls are designed, implemented and monitored, to provide reasonable assurance of the achievement of an entity's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The board obtains a review of the effectiveness of the internal control systems. Please refer Statement of Directors' Responsibilities. Refer Page 329
Need for Internal Audit Function	D.2.2.2	Complied	The Hayleys Management Audit & System Review Department (MA & SRD) is responsible for the internal audit function of the Company and Group.
Review of the Process and Effectiveness of Risk Management and Internal Control	D.2.2.3	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
D.3 Audit Committee			
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.			
Composition of the Audit Committee	D.3.1	Complied	The Audit Committee comprises of Independent Non Executive Directors i.e. Mr. P.Y.S. Perera (Chairman), Mr. M.N.R. Fernando and Ms. A.I. Wanigasekera. A majority of the Members have relevant experience in financial reporting and control. Please refer Audit Committee report. Hayleys Group Services (Private) limited, the Company Secretaries serves as its Secretary. The Chairman, Managing Director, CFO and Hayleys Group CFO are invited to attend meetings as required. The input of the statutory auditors will be obtained where necessary. The Audit Committee is required to help the Company to achieve a balance between conformance and performance. Refer Page 326
Duties of the Audit Committee	D.3.2	Complied	The Audit Committee keeps under review the scope and results of the audit and its effectiveness, and the independence and objectivity of the auditors. Review of nature and extent of non-audit services provided by the auditors to seek balance objectivity and independence. Refer Audit Committee report for the duties of the Audit Committee. Refer Page 326
Terms of Reference of the Audit Committee	D.3.2	Complied	Terms of Reference of the Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors, Internal Audit and Risk Management procedures of the Company. Please refer Audit Committee report. Refer Page 326
Disclosures of the Audit Committee	D.3.3	Complied	Please refer Audit Committee report. Refer Page 326
Risk Committee	D.4	Complied	The scope of the Audit Committee has been widened to include risk management duties. Refer to the Audit Committee Report of this Annual Report for further information. Refer Page 326



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
D.5 Related Party Transactions Review Committee			
The Company should establish a procedure that it will not engage in "Related Party Transactions" which is more favourable treatment than with third parties in the normal course of business.			
Adhere to LKAS 24	D.5.1	Complied	The Company adopts the definition of a related party and related party transactions as defined in LKAS 24.
Related Party Transactions Review Committee	D.5.2	Complied	The Committee makes recommendations and gives directions to the Board. The Company established its own Related Party Transactions Review Committee (RPTRC) on May 16, 2024. Please refer RPTRC Report. Refer Page 322
Terms of References of Related Party Transactions Review Committee	D.5.3	Complied	The RPTRC has written Terms of Reference.
D.6 Code of Business Conduct and Ethics			
The Company should develop a Code of Business Conduct and Ethics for Directors and Members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.			
Code of Business Conduct and Ethics	D.6.1	Complied	The Directors and the Members of the Senior Management are bound by the 'Hayleys Way' which is the code of business conduct and ethics of the Hayleys Group. The Company adopted the Internal Code of business conduct and Ethics Policy with effect from October 1, 2024. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour, among a range of other criteria.
Material and Price Sensitive Information	D.6.2	Complied	Material and price sensitive information is promptly identified and reported to the shareholders via Colombo Stock Exchange notices.
Policy and Disclosures on Share Purchases by Directors	D.6.3	Complied	The Company has a policy and process for monitoring and disclosure of shares purchased by any Director, key management personnel or any other employee involved in financial reporting. All disclosures are duly made in the Colombo Stock Exchange.
Policy on Whistleblowing	D.6.4	Complied	The Company adopted the Policy on Whistleblowing with effect from October 1, 2024.
Training on Code of Business Conduct and Dissemination of information	D.6.5 & D.6.6	Complied	The Company conducts trainings about the Business Conduct to its employees on regular basis and to new employees upon them joining the Group.
Affirmative Statement by the Chairman	D.6.7	Complied	Refer the 'Joint Statement by the Chairman and Managing Director' for required details. Refer Page 28
D.7 Corporate Governance Disclosure			
Directors of the Company disclose annually the Company's adherence to the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.			
Disclosure of Corporate Governance	D.7.1	Complied	This requirement is met through the presentation of this report.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Section 02			
E. Institutional Investors			
E.1 Shareholders' Voting			
Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.			
Communication with Shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the Senior Management, in order to ensure that the views are properly communicated to the Company.
E.2 Evaluation of Governance Disclosures			
The Code requires the Company to encourage institutional investors to give due weightage to all relevant factors drawn to their attention			
Due weightage by Institutional Investors	E.2	Complied	The institutional investors are encouraged to give due weightage to all relevant matters relating to Board structure and composition.
F. Other Investors			
F.1 Investing/Divesting Decisions			
Seek Independent Advice	F.1	Complied	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. The Company's website serves to provide a wide range of information on the Group.
F.2 Shareholder Voting			
Encourage Voting by Individual Investors	F.2	Complied	Individual shareholders are encouraged to participate in General Meetings of the Company and exercise their voting rights.
G. Internet of Things and Cybersecurity			
Internal and External IT Devices Connected to the Business Model	G.1	Complied	Connection of internal and external IT devices to the organisation network has been allowed with necessary access controls and firewalls to safeguard the integrity of information.
Cyber Information Security Officer and Cyber Security Risk Management Policy	G.2	Complied	The Hayleys Group Chief Information Security Officer (CISO) continuously monitors and reviews the security requirements of the Company's information system and has introduced and implemented a Cyber Security Risk Management Policy.
Discussions on Cyber Risk Management	G.3	Complied	This is a regular agenda item of the risk management discussion of the Board and has been given due attention.
Independent Periodic Reviews and Assurance	G.4	Complied	Periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions.
Disclosure on Cyber Security Risk Management	G.5	Complied	A detailed disclosure has been made on the cyber security process in this Annual Report. Please refer Information Technology & Cyber Security. Refer Page 81



Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
H. Environment, Society and Governance (ESG)			
H.1 ESG Reporting			
Provision of Information on ESG	H.1.1	Complied	The Company has included the environmental, social and governance factors in its business models and provided sufficient information on all aspects in the Annual Report. Refer Page 76
"Process to recognise significant stakeholders and material matters"	H.2.1	Complied	The Group has a process to recognise significant stakeholders and material matters relating to significant stakeholders. A method of engagement relevant to their level of interest and influence is adopted. Refer Page 106
The Environment	H.3.1.1	Complied	The Company adopts an integrated approach which mitigates the environmental threats and improves best practices in Company's engagements to fulfill the obligation towards the environment. Such best practices are pollution prevention, sustainable resource use, protection of environment and restoration of natural resources. Refer Page 176
Social Factors	H.3.1.2	Complied	The Company adopts an integrated approach to build strong relationships with the community and strives towards sustainable development. Refer Page 176
Governance	H.4	Complied	The Group has established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG. Further the Company adopted the ESG - Environmental Policy and ESG - Social Policies on October 1, 2024. The Company also launched its ESG Framework DPL Pulse, Prior to that the Group was governed by the ESG Framework of the Hayleys Group, the Hayleys Lifecode. Refer Corporate Governance and Risk Management reports in this Annual Report. Refer Page 176
Disclosure relating to ESG in Annual Report	H.5.1 - H.5.3	Complied	This Report contains sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported. Refer Page 176
Board's role on ESG Factors	H.5.4	Complied	The Annual Report complies with the integrated framework and the GRI Standards for sustainability reporting. The Board recognises its responsibility regarding Sustainability/ESG reporting which is designed to add value by providing a credible account of the company's economic, social and environmental impacts. Refer Page 176
Policies	I.1.	Complied	The Company has established policies on Matters relating to the Board of Directors, Board Committees, Corporate Governance, Remuneration, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social and Governance Sustainability, Control and Management of Assets, Corporate Disclosures, Whistleblowing and Anti Bribery and Corruption, with effect from October 1, 2024. These policies are available on the Company website https://www.dplgroup.com/policies/

Operating Context

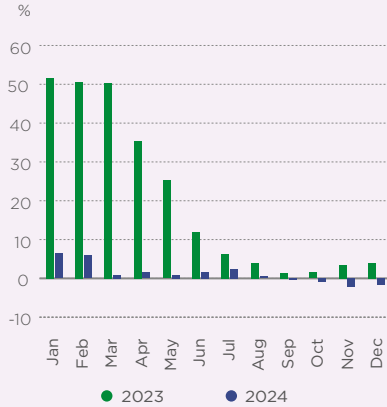
In 2024/25, Sri Lanka’s economy showed signs of recovery with 5% GDP growth, driven mainly by strong performance in the industry sector. Inflation remained moderate around 5%, while remittances and tourism earnings improved steadily. Lower interest rates and a more stable exchange rate also supported economic stability.

OVERVIEW	Global growth	Sri Lanka: From Downturn to Renewed Growth and Stability																																								
	ECONOMIC GROWTH <table><tr><th>Category</th><th>2024 (%)</th><th>2025 (%)</th><th>2026 (%)</th></tr><tr><td>World</td><td>3.0</td><td>3.0</td><td>3.0</td></tr><tr><td>Advanced economies</td><td>1.5</td><td>1.5</td><td>1.5</td></tr><tr><td>EMDEs</td><td>4.0</td><td>4.0</td><td>4.0</td></tr><tr><td>Low income Dev. Countries</td><td>4.5</td><td>5.0</td><td>5.0</td></tr></table>	Category	2024 (%)	2025 (%)	2026 (%)	World	3.0	3.0	3.0	Advanced economies	1.5	1.5	1.5	EMDEs	4.0	4.0	4.0	Low income Dev. Countries	4.5	5.0	5.0	GDP GROWTH <table><tr><th>Quarter</th><th>Agriculture (%)</th><th>Services (%)</th><th>Industry (%)</th></tr><tr><td>Q1</td><td>1.0</td><td>2.0</td><td>11.0</td></tr><tr><td>Q2</td><td>2.0</td><td>2.0</td><td>9.0</td></tr><tr><td>Q3</td><td>3.0</td><td>3.0</td><td>9.0</td></tr><tr><td>Q4</td><td>1.0</td><td>2.0</td><td>12.0</td></tr></table>	Quarter	Agriculture (%)	Services (%)	Industry (%)	Q1	1.0	2.0	11.0	Q2	2.0	2.0	9.0	Q3	3.0	3.0	9.0	Q4	1.0	2.0	12.0
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GLOBAL INFLATION <table><tr><th>Year</th><th>Inflation rate (%)</th></tr><tr><td>2024</td><td>5.5</td></tr><tr><td>2025</td><td>4.5</td></tr><tr><td>2026</td><td>3.5</td></tr></table>	Year	Inflation rate (%)	2024	5.5	2025	4.5	2026	3.5	QUARTERLY REAL GDP GROWTH <table><tr><th>Quarter</th><th>Real GDP Growth (%)</th></tr><tr><td>22 Q1</td><td>-5.0</td></tr><tr><td>22 Q2</td><td>-8.0</td></tr><tr><td>22 Q3</td><td>-10.0</td></tr><tr><td>22 Q4</td><td>-12.0</td></tr><tr><td>23 Q1</td><td>-10.0</td></tr><tr><td>23 Q2</td><td>-5.0</td></tr><tr><td>23 Q3</td><td>0.0</td></tr><tr><td>23 Q4</td><td>4.0</td></tr><tr><td>24 Q1</td><td>5.0</td></tr><tr><td>24 Q2</td><td>4.0</td></tr><tr><td>24 Q3</td><td>5.0</td></tr><tr><td>24 Q4</td><td>5.0</td></tr></table>	Quarter	Real GDP Growth (%)	22 Q1	-5.0	22 Q2	-8.0	22 Q3	-10.0	22 Q4	-12.0	23 Q1	-10.0	23 Q2	-5.0	23 Q3	0.0	23 Q4	4.0	24 Q1	5.0	24 Q2	4.0	24 Q3	5.0	24 Q4	5.0							
Year	Inflation rate (%)																																									
2024	5.5																																									
2025	4.5																																									
2026	3.5																																									
Quarter	Real GDP Growth (%)																																									
22 Q1	-5.0																																									
22 Q2	-8.0																																									
22 Q3	-10.0																																									
22 Q4	-12.0																																									
23 Q1	-10.0																																									
23 Q2	-5.0																																									
23 Q3	0.0																																									
23 Q4	4.0																																									
24 Q1	5.0																																									
24 Q2	4.0																																									
24 Q3	5.0																																									
24 Q4	5.0																																									
Global economic uncertainty remained elevated. Shifting trade policy dynamics and escalating geopolitical tensions drove geoeconomic fragmentation, undermining global growth prospects, tightening financial conditions, and straining international cooperation.	In 2024, Sri Lanka's economy continued its notable recovery from a severe downturn, outpacing many debt-distressed nations. Positive outcomes from post-crisis reforms fuelled this progress, reduced election-related uncertainty, and near-completion of external debt restructuring, all culminating in enhanced investor and stakeholder confidence.																																									
	Moreover, after two years of annual contraction, the economy rebounded in 2024, achieving 5% real economic growth. This growth was primarily driven by Industrial activities, particularly the revival of manufacturing and construction. Services also contributed significantly, with sustained growth in accommodation and transport providing key support. Agriculture further bolstered the expansion.																																									



Significant disinflation and eventual deflation

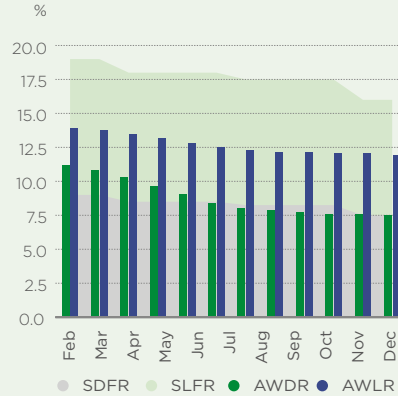
INFLATION BASED ON CCPI



Despite an early 2024 inflation surge due to VAT changes and food prices, Sri Lanka experienced a strong disinflationary trend throughout the year, culminating in deflation from September. This turnaround was attributed to substantial electricity tariff reductions in March and July, a strengthening Sri Lankan rupee, moderating global commodity prices, and potentially businesses absorbing some price increases amid low demand. This easing of price pressures helped alleviate high living costs. By year-end 2024, headline inflation measured by CCPI was -1.7% (compared to 4% at end-2023), and the annual average decelerated to 1.2% from 17.4% in 2023.

Continued monetary easing reduces interest rates throughout 2024

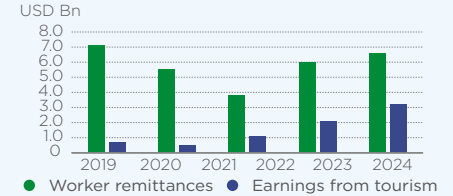
INTEREST RATES



Accommodative monetary policy, initiated in June 2023, continued to drive down market interest rates in 2024 through significant policy rate reductions totaling around 775 bps. Approximately 125 bps of these cuts occurred in 2024, culminating in a late November shift to a single Overnight Policy Rate (OPR), which effectively contributed -50 bps to the reduction and marked a move from a dual policy rate system.

Record reserve accumulation achieved amidst rupee appreciation

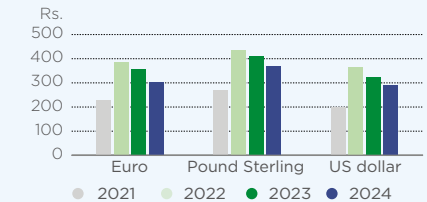
MAIN FOREIGN CURRENCY INFLOWS



GROSS OFFICIAL RESERVES AND NET INTERNATIONAL RESERVES



EXCHANGE RATE - YEAR END



Sri Lanka's Gross Official Reserves (GOR) significantly improved to USD 6.1 billion by end-2024, up from USD 4.4 billion at end-2023. This was largely driven by the Central Bank's record net purchases of USD 2.85 billion from the domestic market, made possible by the Sri Lankan rupees continued appreciation for the second consecutive year. The rupee's strength stemmed from improved economic fundamentals, including a sustained external current account surplus (fuelled by strong remittances, tourism, and other service inflows) and moderate foreign exchange outflows. The Central Bank maintained its market-based exchange rate policy, with interventions focused on reserve accumulation and managing excessive volatility.

Operating Context

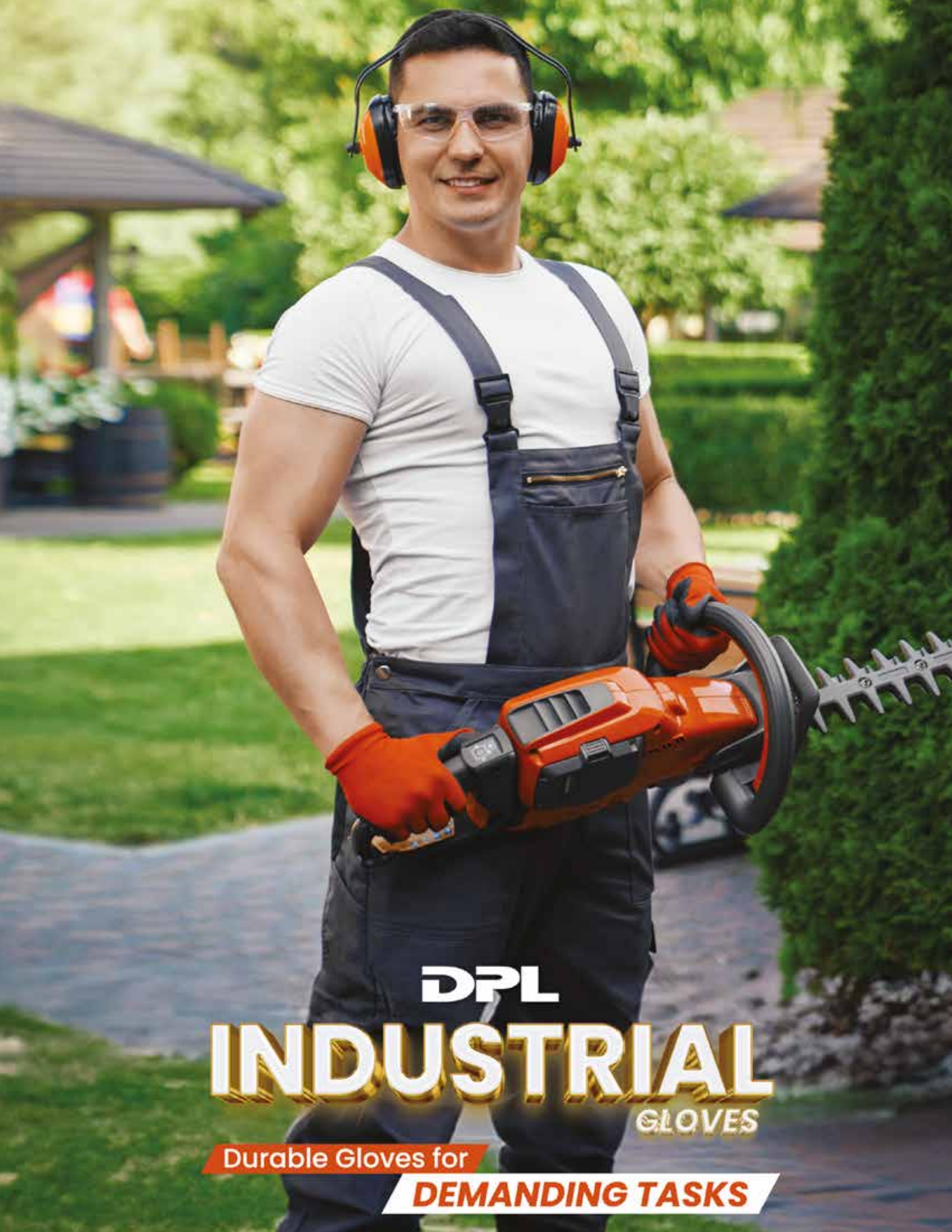
	Global growth	Sri Lanka: From Downturn to Renewed Growth and Stability	Significant disinflation and eventual deflation	Continued monetary easing reduces interest rates throughout 2024	Record reserve accumulation achieved amidst rupee appreciation
Outlook	Global growth is projected to slow to 2.8% in 2025 (from 3.3% in 2024) before a modest 2026 recovery to 3.0%. These widespread downgrades are primarily driven by new US-imposed trade measures, their spillovers, heightened uncertainty, and deteriorating sentiment, with varying national impacts and some potential fiscal offsets. Regionally, advanced economies are projected to slow (to 1.4% in 2025), with the US decelerating to 1.8% and the Euro Area to 0.8% due to trade tensions and uncertainty. Emerging and Developing Asia will also see further growth declines (to 4.5% in 2025), with ASEAN countries and China (4.0% in 2025) particularly impacted by tariffs.	Global economic headwinds could impact Sri Lanka, with trade being a primary vulnerability. Specifically, potential US tariff policy changes pose a threat: direct tariffs could hurt Sri Lanka's exports to the US.	After a period of deflation spanning late 2024 to early 2025, headline inflation is projected to turn positive by mid-2025. It is then expected to stabilise around the 5% target over the medium term, anchored by appropriate policy measures.	The Central Bank remains vigilant against demand-driven inflation to maintain its target, while recognising that global factors, especially US policy shifts and uncertainties, may affect the domestic economy and its monetary policy decisions. Domestically, interest rates are expected to remain low, with some scope for further reductions in rates for certain lending products.	Sri Lanka's external sector is projected to maintain its resilience in the near term, supported by the ongoing IMF programme, completion of debt restructuring, and a stable domestic environment, likely resulting in a current account surplus in 2025. Nevertheless, a challenging global outlook, particularly uncertainties surrounding US foreign policy changes, presents potential adverse consequences that necessitate proactive responses, despite the currently positive current account dynamics.
Impact on the Group	• Invigorated demand for industrial/Electrician gloves • Increased lead time for shipment with elevated freight cost	• Exchange rates are on stable phase on export earnings	• Reduction in operating cost	• Reduction in finance cost	• Considerably low impact of rupee appreciation on export earnings and Import bill
Our response	• Market diversification and expansion of our market presence • Entered into strategic partnerships with shipping lines • Proactive demand planning	• Maintained an optimal mix of Funds for meet expected requirement	• Continued emphasis on driving cost efficiency and enhance cost reduction strategies.	• Expanded investment on capacity expansion for high-value-added products	• Initiated forward exchange contracts



	Climate change and its financial stability risks	Tariff headwinds cloud strong 2024 trade performance	Commodity prices show mixed signals	Regulatory measures
Overview	Climate change increasingly threatens global financial stability, as rising temperatures impact economic activity, thereby triggering price volatility and systemic risk. These financial risks are generally classified into physical and transition categories. Physical risks originate from the direct consequences of climate-related damages, including extreme weather events, which can diminish production, escalate prices, and adversely affect financial institutions via a rise in non-performing assets. Transition risks, on the other hand, are associated with the societal and economic shift to a low-carbon future, which can devalue traditional businesses and potentially cause financial losses and instability. Sri Lanka is recognised as a nation highly vulnerable to such climate-induced risks.	The recent tariff disturbances mark a sharp reversal from a strong year for world trade in 2024, when merchandise trade grew by 2.9% and commercial services trade expanded by 6.8%. This robust performance outpaced the 2.8% growth in market-weighted world GDP, making 2024 the first year since 2017 (excluding the COVID-19 pandemic rebound) that merchandise trade grew faster than output.	Between August 2024 and March 2025, primary commodity prices rose by 1.9%, driven by increases in natural gas, precious metals, and beverage prices. In contrast, oil prices fell during this period due to concerns that a trade war could dampen global demand, alongside robust non-OPEC+ production and the unwinding of OPEC+ supply cuts.	During the year, the government significantly eased import restrictions. Previously Increased corporate tax rates and export levies have maintained with Electricity prices and other legal regulations. Stricter ESG regulations, particularly from European buyers, have pushed the company to enhance sustainability efforts.
Outlook	Despite its minimal contribution to global emissions, Sri Lanka is severely impacted by climate change (e.g., floods, droughts), which threatens its economy and livelihoods. A key global development at COP29 was the approval of standards to strengthen carbon markets under the Paris Agreement, fostering verifiable emission reduction projects and attracting funding. The United Nations is actively supporting Sri Lanka's climate adaptation and mitigation efforts—through initiatives in environmental management, climate-smart agriculture, e-mobility, and renewable energy assistance—as well as disaster preparedness and recovery, and will continue to assist with updating nationally determined contributions (NDCs) and rallying partners.	A surge in tariffs and trade policy uncertainty (TPU) has sharply deteriorated the outlook for global trade. Based on measures in place as of April 14, including the US suspension of “reciprocal tariffs,” world merchandise trade volume is projected to decline by 0.2% in 2025 before modestly recovering by 2.5% in 2026.	In 2025, fuel commodity prices are projected to decrease by 7.9%, driven by significant drops in oil (15.5%) and coal (15.8%) prices, though this is partially offset by a substantial 22.8% increase in natural gas prices due to cold weather and Russian gas flow disruptions. Conversely, nonfuel commodity prices are expected to rise by 4.4%, with food and beverage price projections revised upward.	2024/25 fiscal year, shaped by evolving regulatory and economic conditions. While eased import restrictions provide opportunities for cost-effective sourcing, higher corporate taxes and export levies continue to challenge profitability, requiring strategic financial adjustments. The company remains under pressure to meet stricter ESG standards, particularly from European buyers, driving sustainability-focused investments.

Operating Context

	Climate change and its financial stability risks	Tariff headwinds cloud strong 2024 trade performance	Commodity prices show mixed signals	Regulatory measures
Impact on the Group	Declined yield and quality in the Plantation sector due to climate change and availability of raw materials and quality of raw material.	- Higher costs for the products - The company may need to explore alternative markets or adjust pricing strategies - Countries like Indonesia and Thailand, facing lower tariffs, could gain an advantage over Sri Lankan manufacturers.	Increased freight costs and latex costs	- Import Benefits - Higher Tax Burden - ESG Compliance Pressure: - Trade Challenges: - Rising Energy Costs
Our response	Hand Protection faces climate-related risks that impact its operations and financial stability. Extreme weather events can disrupt raw material supply and production, while global shifts toward sustainability increase pressure on the company to adopt greener practices. In response, Dipped Products has launched its ESG roadmap, DPL Pulse, focusing on reducing its carbon footprint and increasing reliance on renewable energy.	- Expansion into new markets - Acquiring new customers - Increased focus on the high-value industrial glove sector	Implemented cost saving optimizing and cost-saving measures	Hand Protection sector remains committed to resilience and innovation, navigating evolving regulatory landscapes while strengthening sustainability efforts and market adaptability.

A man with a muscular build is standing outdoors in a garden setting. He is wearing a white t-shirt, dark blue overalls, orange safety glasses, and large orange and black earmuffs. He is holding a red and black hedge trimmer with both hands, wearing red work gloves. The background shows a green lawn, a paved path, and some garden structures.

DPL INDUSTRIAL GLOVES

Durable Gloves for

DEMANDING TASKS

Managing Opportunities & Risks

Risk management is a priority on the Board agenda due to the changing nature of risk, which also presents opportunities for growth and profit. A structured process has been established to review risks and opportunities, enabling early identification, management, and resource allocation. DPL continues to evolve its risk management processes to align with the business and regulatory landscape as well as developments in risk management tools and techniques.

RISK GOVERNANCE

The Board is ultimately responsible for managing risk within the DPL Group, supported by the Audit Committee as outlined in its Terms of Reference. Subsidiaries report risks to their Boards and DPL Finance, which then presents a consolidated risk view to the DPL Audit Committee and Board. The Managing Director leads the executive function to implement the risk management framework and processes as directed by the Boards and Audit Committees.

The Board and Senior Management aim to instill a culture of risk awareness across the Group, as many employees engage in activities that involve managing risks. Each function needs to understand the inherent risks of their tasks and how their actions affect risk levels. This understanding is reinforced through training and initiatives. For instance, factory employees receive specific training on occupational health and safety. Risk awareness is also emphasized in departmental and senior management meetings, ensuring that Board and Audit Committee guidance is communicated throughout the organisation.



DPL Adopts a three lines of defence model to manage risk as set out below:





A dynamic landscape

DPL's supply chains span the globe and therefore is exposed to both local and global changes that shape our risk environment. Key risk drivers are captured below.



Decline in Trade Flows

Global trade growth forecast of 3.2% in January 2025 by the IMF was revised down to 1.7% by April 2025, reflecting the uncertainty resulting from the tariffs announced by the US Administration. The escalation of tariffs for Chinese and US imports by the two respective governments may create a potential growth opportunity although both parties have now commenced discussions.



Economic Recovery in Sri Lanka

The World Bank has forecast a moderation in the country's GDP growth rate at 3.5% for 2025 and 3.1% for 2026 and 2027 in view of scarring effects of the crisis, structural impediments to growth and significant uncertainty relating to the global economy.



Foreign Exchange Volatility

While the rupee appreciated by 10% in 2024, it had depreciated by 6% (monthly average exchange rate) by March 2025. Despite the decline in oil prices, there maybe upward pressure due to disruptions in trade flows.



Technology

Technology continues to evolve rapidly with significant changes to productivity, engagement and the product itself. DPL remains at the cutting edge of technology for its product and invests in ensuring that infrastructure and the team are aligned to new developments, enhancing scalability, accuracy and efficiency.



Sustainability & Climate Change

The impacts of climate change are becoming more apparent with reduced harvests due to adverse weather and increasing extreme weather events accompanied by loss of lives, harvests and infrastructure. (Refer SLFRS S1 & S2 Disclosure)



Innovation & Growth

DPL maintains a pipeline of developing products supported by customer led innovation with a high degree of specialisation to optimise value addition.



Commodity Prices

While oil prices declined, prices of agricultural commodities increased due to adverse weather conditions. Gold prices have increased steadily due to the uncertain global outlook.



Employee Migration

Overseas migration for employment continues at a more moderate pace as immigration has become a hot topic in advanced economies with strong lobbying for limiting entry.



Amid global trade slowdowns, climate volatility, and economic uncertainty, DPL remains resilient, leveraging technology, specialised innovation, and a strong product pipeline to drive growth and value creation.



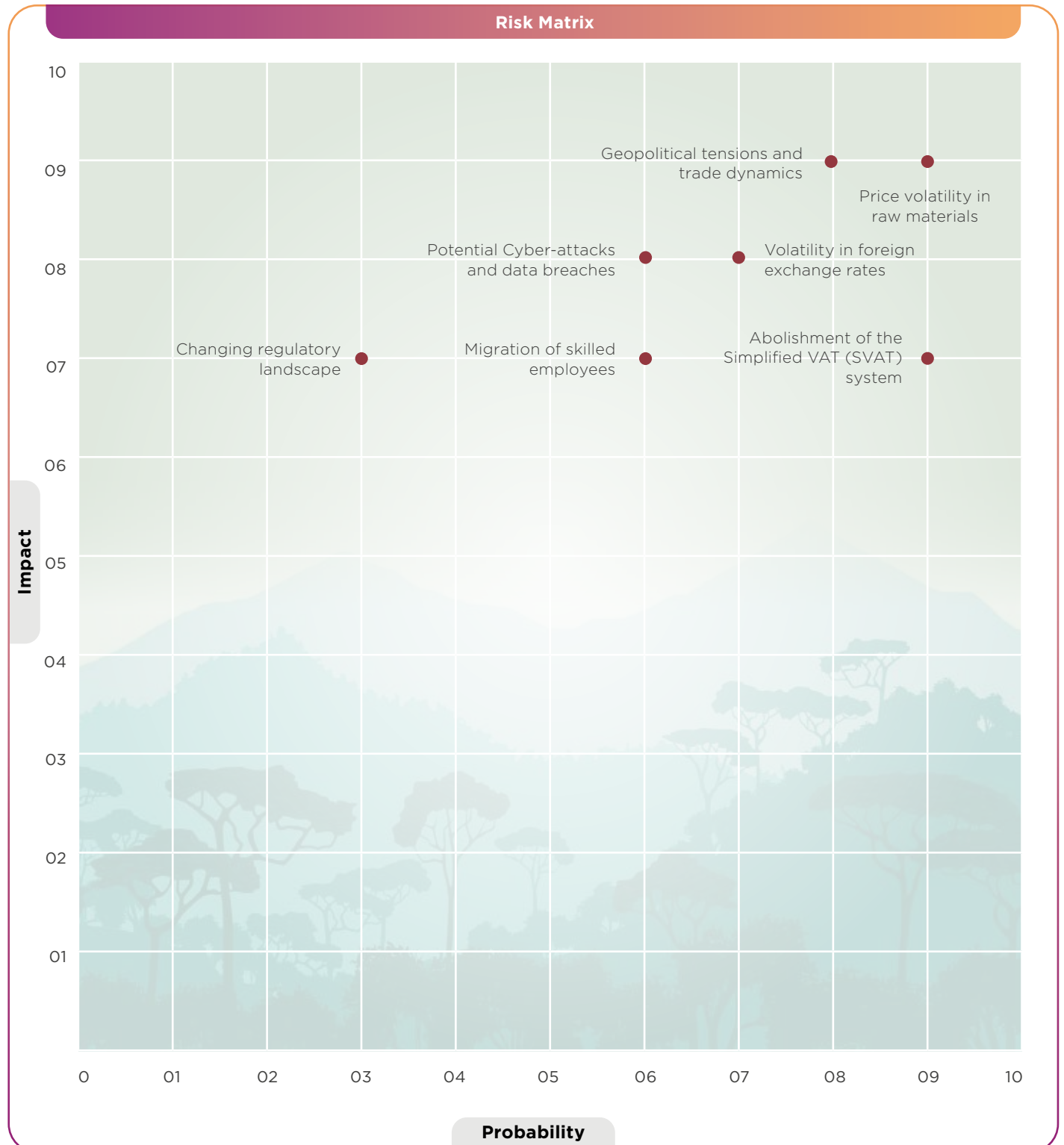
Managing Opportunities & Risks





KEY RISKS

The Group maintains risk registers for its key businesses. A consolidated view of the key risks of the Group presented to the Board and the Audit Committee for the last quarter of the year is given below.



Managing Opportunities & Risks

Risk Level ● High 8 to 10 ● Medium 4 to 7 ● Low 1 to 3

Risk Category	Financial Risk	Risk Code	FR 01
Risk Statement	Volatility in foreign exchange rates		
Risk Description	The Group is exposed to exchange rate volatility as a significant portion of its earnings are in foreign currencies. Adverse fluctuations can increase production costs, influence product pricing and adversely affect the translation of foreign currency, and impair financial predictability.		
Risk Impact on Business Model	High ● ● ● ● ● ● ● ● Impacts profitability, pricing, and investment planning due to exchange losses and unpredictability.	Risk Impact on Value Chain	High ● ● ● ● ● ● ● ● Currency instability disrupts supplier contracts, procurement pricing, and customer billing cycles.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	- Match receivables and payables in foreign currency to reduce net exposure. - Regularly review Foreign Exchange exposure reports to forecast potential risks.		

Risk Category	Policy and Regulatory Risk	Risk Code	PRR 01
Risk Statement	Potential abolishment of the Simplified VAT (SVAT) system could impose severe financial pressure on exporters		
Risk Description	The SVAT system currently facilitates VAT deferment for exporters. Its potential abolishment may require upfront VAT payments, disrupting cash flows, increasing operational costs, and reducing the financial viability of export operations. This policy shift could erode competitiveness in global markets.		
Risk Impact on Business Model	Medium ● ● ● ● ● ● ● ● Leads to capital lock-in, increased financing needs, and reduced profitability for export operations.	Risk Impact on Value Chain	Medium ● ● ● ● ● ● ● ● Delays in VAT refunds can disrupt procurement, inventory management, and supplier payments.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	- Ongoing stakeholder engagement with policymakers and industry chambers. - Model financial impact scenarios for various regulatory outcomes. - Maintain adequate working capital including additional funding facilities.		



Risk Level ● High 8 to 10 ● Medium 4 to 7 ● Low 1 to 3

Risk Category	Market Risk	Risk Code	MR 01
Risk Statement	Evolving geopolitical tensions and trade dynamics could disrupt market demand		
Risk Description	Geopolitical risks—including international conflicts, diplomatic rifts, and trade restrictions can impact global demand, increase input costs, and delay procurement and delivery cycles. These risks are compounded by sanctions on trading partners, shifts in commodity markets, and regional instabilities. DPL's exposure in certain export destinations may lead to reduced sales or delayed settlements.		
Risk Impact on Business Model	High ● ● ● ● ● ● ● ● ● ● Demand uncertainty and cost fluctuations may affect order planning, margin management, and long-term market development.	Risk Impact on Value Chain	High ● ● ● ● ● ● ● ● ● ● Lead time delays, logistics disruptions, and changing customer profiles may affect sourcing, production planning, and delivery efficiency.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	• Pre-booking of shipments and sourcing through alternative supply lines. • Expanding customer base across non-traditional and emerging markets. • Real-time monitoring of geopolitical developments impacting trade. • Engage in flexible contract structures to accommodate rerouting or delays.		

Risk Category	Market Risk	Risk Code	MR 02
Risk Statement	Price volatility in raw materials driven by global supply and demand fluctuations		
Risk Description	Limited production capacity, geopolitical constraints, and global economic fluctuations contribute to unpredictable raw material pricing. These cost escalations directly affect profitability, procurement planning, and inventory strategies, potentially impacting competitiveness and customer pricing models.		
Risk Impact on Business Model	High ● ● ● ● ● ● ● ● ● ● Directly affects cost structures and profitability; reduces pricing flexibility in customer negotiations.	Risk Impact on Value Chain	High ● ● ● ● ● ● ● ● ● ● Increased raw material costs disrupt procurement, production scheduling, and long-term supplier agreements.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	• Engage in long-term contracts with suppliers where feasible. • Maintain a diversified sourcing strategy to reduce single-point dependency. • Continuously monitor commodity markets and adjust procurement plans • Build inventory buffers for high-risk materials.		

Managing Opportunities & Risks

Risk Level ● High 8 to 10 ● Medium 4 to 7 ● Low 1 to 3

Risk Category	Human Resource Risk	Risk Code	HRR 01
Risk Statement	Migration of skilled employees poses a risk to the continuity of manufacturing operations and research & development activities		
Risk Description	An increasing number of skilled employees seek opportunities abroad, often with minimal notice. This disrupts continuity in core operations, delays key projects, and reduces institutional knowledge. Without timely replacement strategies, it can hinder long-term talent development and business resilience.		
Risk Impact on Business Model	High ● ● ● ● ● ● ● ● Loss of skilled workers impacts operations, delays deliverables, and weakens R&D continuity.	Risk Impact on Value Chain	High ● ● ● ● ● ● ● ● Disruptions in expertise reduce quality control, product development, and cross-functional collaboration.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	• Maintain a pipeline of talent through active succession planning. • Strengthen internal employee benefits to retain talent. • Encourage internal promotions and job rotations. • Improve offboarding processes to ensure adequate notice and knowledge transfer.		

Risk Category	IT & Cyber Security Risk	Risk Code	ITR 01
Risk Statement	Potential Cyber-attacks and data breaches pose significant operational, financial, and reputational risks		
Risk Description	With the increasing frequency and sophistication of global cyber threats, DPL is at risk of system disruptions, data leaks, and ransomware attacks. A breach in data protection can lead to severe financial penalties, lawsuits, and long-term brand damage. Strengthening IT infrastructure and employee awareness is crucial.		
Risk Impact on Business Model	High ● ● ● ● ● ● ● ● IT system compromise may lead to business disruption, financial losses, and compliance failures.	Risk Impact on Value Chain	High ● ● ● ● ● ● ● ● Disruption in digital operations can impact order processing, data management, and customer service.
Risk Probability Assessment	Short Term ● ● ● ● ● ● ● ● Medium to Long Term ● ● ● ● ● ● ● ●		
Risk Mitigation & Adaptation Measures	• Regularly update cybersecurity policies and firewalls. • Conduct periodic IT audits and penetration testing. • Implement multi-factor authentication and endpoint encryption. • Train staff on data privacy and phishing awareness.		



Risk Level ● High 8 to 10 ● Medium 4 to 7 ● Low 1 to 3

Risk Category	Regulatory Compliance Risk		Risk Code	RCR 01
Risk Statement	Changing regulatory landscape and customer requirements ranging from meeting regulatory compliance requirements.			
Risk Description	Customers are increasingly demanding compliance with international frameworks such as ILO standards, EUDR, and CSDDD—beyond local laws. This creates a dual burden of legal and ethical conformance. Unavailability of established systems and procedures to meet due diligence standards within the operations and across the supply chain may lead to non-compliance, supply disruptions, and reputational damage. New regulations require considerable investment in preparedness, data management, monitoring, traceability, and remediation mechanisms.			
Risk Impact on Business Model	High		Risk Impact on Value Chain	High
	Non-compliance can cause regulatory penalties, customer loss, and reputational harm.			Compliance gaps in the supply chain can lead to order cancellations, supplier disqualification, and regulatory scrutiny.
Risk Probability Assessment	Short Term			
	Medium to Long Term			
Risk Mitigation & Adaptation Measures	• Ensure compliance with all applicable legal requirements and social audit standards. • Engage in proactive supply chain interventions for EUDR and CSDDD compliance. • Implement new work arrangements aligned with ethical and sustainability expectations. • Develop a digital solution and automate compliance monitoring systems to reduce human error and ensure real-time tracking.			



Managing Opportunities & Risks

SLFRS S1 – DISCLOSURE ON SUSTAINABILITY RELATED RISKS & OPPORTUNITIES (SRROS) AND SLFRS S2 – DISCLOSURE ON CLIMATE RELATED RISKS & OPPORTUNITIES (CRROS)

About the Report

DPL continues its journey of enhancing transparency in a changing global climate. FY 2023/24 marks a key milestone in our sustainability reporting, as we take flight into a new era of disclosure under the SLFRS S1 & S2 standards, building on the foundations laid in previous years. This marks a significant evolution in our approach to sustainability and climate-related financial disclosures. To support this transition:

- Governance structures were established in FY 2023/24 to ensure oversight and accountability over sustainability-related risks and opportunities
- Completed a gap analysis to identify improvement areas for compliance.
- Implemented capacity building initiatives across the organisation for ESG Steering Committee and departmental teams, to raise awareness and foster readiness for the new disclosure expectations.

- Aligned processes with our existing ESG Roadmap “DPL Pulse” and strengthened Risk Identification and Management Framework.
- Enhanced non-financial reporting through integration of GRI, SASB, and other global standards and quarterly reporting to the GMC.

Reporting Scope and Standards

These sustainability and climate-related disclosures have been prepared in accordance with the SLFRS Sustainability Disclosure Standards comprising SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures. DPL’s sustainability and climate-related financial disclosures for FY 2024/25 are aligned with the SLFRS S1 and S2 standards, covering the same period as the audited financial statements.

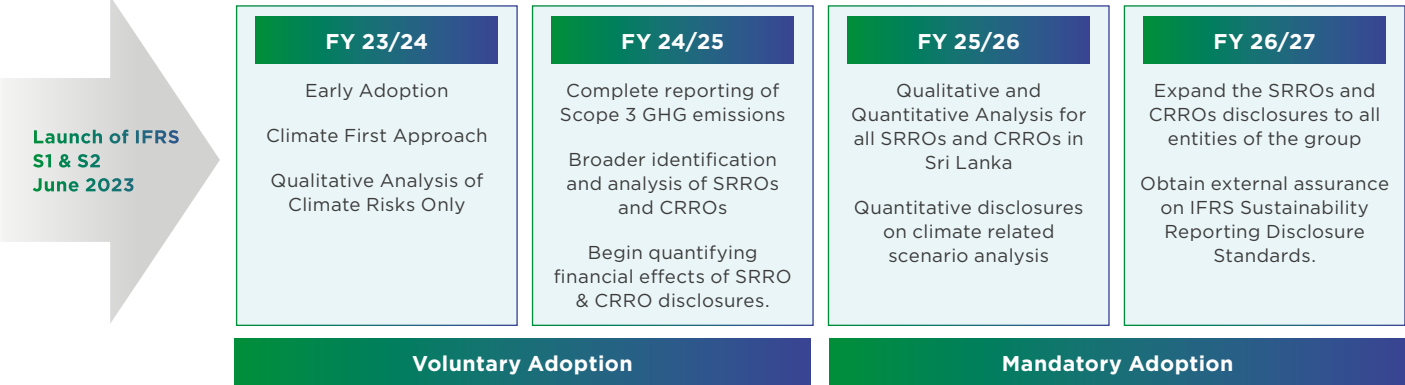
In preparing these disclosures, DPL also referred to:

- SASB Standards (5 industry-specific standards)
- Global Reporting Initiative (GRI)

Detailed disclosures aligned to SLFRS S1 & S2 are presented on pages 106–131 of this Annual Report.

This disclosure is prepared aligning with our existing skills, capabilities, and resources based on all reasonable and supportable information available at the reporting date, without incurring undue cost or effort for any external resources.

Transition Timeline



Time Horizon Considered:

Sustainability and climate-related impacts are assessed over defined short, medium, and long-term timeframes, in line with internal planning cycles and those of our parent company, Hayleys PLC.





Reporting Entity

This report presents the consolidated financial statements and climate-related financial disclosures of Dipped Products PLC (DPL), covering:

- Manufacturing and directly controlled entities in Sri Lanka and Thailand.
- Sustainability and climate-related disclosures are consistent with the consolidated financials, except for climate-related disclosures, which currently cover Sri Lankan operations only, with expansion to other regions planned in future reporting periods.

Connected Information

This report presents connected information that reflects the integration of sustainability and climate-related considerations within DPL's overall governance and reporting framework. The following areas are covered:

- Connection Between risks and opportunities and how they could impact the entity's future prospects
- Internal consistency of disclosures with links within sustainability disclosures on core content
- Connections between sustainability-related financial disclosures

- All data, assumptions, and monetary values (presented in LKR) are consistent with the audited financial statements, ensuring alignment and coherence between financial and non-financial disclosures.

DPL remains committed to resilient and forward-looking governance in a changing global environment. Our approach ensures that sustainability and climate-related risks and opportunities (SRROs and CRROs) are integrated into the organisation's strategy, risk management, and value creation process.

 Governance	Our ESG governance framework provides board and management oversight, ensuring rigorous assessment and strategic management of sustainability / climate-related risks and opportunities. Further details can be found on page 116.
 Strategy	Changes in the Sustainable Development landscape including but not limited to Labour, Human Rights, Climate Change significantly impacts our Hand Protection and Plantation Sectors, driving our proactive approach to identifying and integrating the risks and opportunities into our strategic planning. DPL Pulse: ESG Roadmap 2030 sets strategic direction with set targets incorporated into our business strategy and operational plans that helps achieve our goals. Further details can be found on page 119.
 Risk Management	To ensure business continuity, we closely monitor sustainability and climate-related risks across our value chain, paying particular attention to the natural resources availability, availability and quality of raw materials over the short, medium, and long term and changes in the market, policy and technology. We proactively implement measures to mitigate these risks effectively, stay resilient and build our capacity to adapt. Sustainability and climate-related risks are identified and addressed as part of our overall enterprise risk management process. Further details can be found on page 126.
 Metrics and Targets	Our commitment to a sustainable world is reflected in the continuous monitoring the progress made on achieving the DPL Pulse: ESG Roadmap Targets. This ensures accountability and drives ongoing progress, with accelerated action on metrics that show poor performance. Further details can be found on page 127.

Managing Opportunities & Risks

GOVERNANCE STRUCTURES, ROLES AND ACCOUNTABILITY

A structured governance framework is in place to oversee these matters, with defined mandates for key bodies including the Board, Audit Committee and ESG Steering Committee. These structures provide oversight, drive accountability, and support alignment with our ESG Roadmap, DPL Pulse, and the requirements of SLFRS S1 and S2.

BOARD OF DIRECTORS

Role: Provides ultimate oversight for ESG strategy and target delivery, ensuring ESG risks and opportunities are integrated into the long-term business strategy and corporate governance.

Accountability Mechanism:

- Receives quarterly ESG updates and performance reports from the ESG Steering Committee and ESG Division.
- Reviews ESG risk integration within corporate risk management.
- Approves ESG-related policies, strategic decisions, and capital allocation.
- Holds executive leadership accountable by ensuring ESG KPIs are tied to executive performance reviews and incentive structures

AUDIT COMMITTEE

Role: Monitors ESG-related risks, compliance, and internal controls; reviews ESG-related disclosures for integrity and alignment with financial and non-financial reporting standards.

Accountability Mechanism:

Conducts periodic reviews of risk registers which includes Sustainability Risks, controls, mitigation plans and compliance mechanisms.

- Ensures external and internal ESG disclosures are accurate, complete, and aligned with reporting standards.
- Provides assurance and recommendations to the Board on ESG performance integrity.
- Collaborates with external auditors or assurance providers on ESG metrics and data.

MANAGING DIRECTOR (MD)

Role: Champions ESG at the executive level, ensuring ESG is embedded in the company's vision, operational plans, and leadership decision-making while providing oversight into potential risks and opportunities.

Accountability Mechanism:

- Holds General Management Committee directly accountable for delivering ESG targets.
- Ensures ESG KPIs are embedded into annual performance reviews of employees.
- Reports ESG progress and challenges to the Board and key external stakeholders.
- Checks progress of targets monthly and provides direction to General management Committee
- Leads by example in championing ESG commitments across the company.

ESG STEERING COMMITTEE

Role: Composed of executive directors and General Management Committee members- this committee drives the implementation of the DPL Pulse: ESG Roadmap 2030, ensuring coordinated action across business units and assessing potential ESG related risks and opportunities.

Accountability Mechanism:

- Oversee the implementation of DPL Pulse: ESG Roadmap 2030 assessing resource requirement and alignment of ESG targets with departmental operations and performance metrics.
- Regularly review progress, and gaps across departments and business units.
- Report progress on non-financial compliance, ESG risks, and improvement actions to the Board and Audit Committee.
- Works with leadership to integrate ESG KPIs into employee goal setting, performance appraisals and incentives.

CHIEF FINANCIAL OFFICER (CFO)

Role: Oversees the ESG Division and integrate ESG performance into capital allocation, financial planning, and investor communications, ensuring the financial impact of ESG initiatives is well understood and managed.

Accountability Mechanism:

- Directs the ESG division's delivery of plan of action.
- Embeds ESG factors into capital allocation and investment decisions.
- Monitors the financial implications of ESG risks and opportunities.
- Ensures non-financial including ESG targets are reflected in financial performance reporting and investor communications.
- Supports linking ESG financial outcomes to executive compensation models.
- Oversee ESG disclosures aligning with global reporting frameworks.

ESG DIVISION

Role: Acts as the operational arm to drive implementation, monitor, and report on ESG initiatives; develops internal capacity, manages stakeholder engagement, and ensures data accuracy and timely reporting.

Accountability Mechanism:

- Tracks ESG KPIs and progress at all operating locations.
- Drives departmental teams in achieving targets and update data on progress to the Sustainability portal.
- Ensures data accuracy, transparency, and timeliness of internal and external ESG reporting and share updates to the ESG Steering Committee, General Management Committee, Audit Committee, and Board.
- Supports the integration of ESG objectives into team and department-level performance goals.
- Ensure ESG compliance requirements are met and report of any non-compliance.
- Contribute to Annual Integrated Reporting with non-financial including ESG related disclosures and obtaining external assurance.



ESG Steering Committee: Skills and Competency Assessment

To support effective ESG governance, a formal skills matrix assessment was conducted for members of the ESG Steering Committee through a self-evaluation. The matrix showcases each member's skills and competencies across key domains relevant to sustainability and climate risks and opportunities oversight, helping to identify strengths, address capability gaps, and guide future capacity-building efforts.

Skill Level:

 **High** - Expert in the area with an advanced academic qualification, professional qualification, and/or extensive work experience

 **Medium** - Intermediate in the area with a diploma, professional certificate and/or considerable work experience

 **Low** - Novice in the area with a certificate level qualification and/or any related work experience

ESG Steering Committee Member	Position in the Organisation	Gender	Corporate Strategy & Leadership	Accounting, Finance & Reporting	Legal & Regulatory Compliance	Governance, Risk Management & Internal Controls	Engineering, Environment & Innovation	Procurement, Logistics & Supplier Management	International & Regional Business Development	Sales, Marketing, Customer Management & Consumer Protection	Labour Relations, OHS, People Development & Community Engagement	Sustainability & Circular Economy	Operations, Quality Management & Delivery	Information Technology (IT) & Digital Transformation
Pushpika Janadheera	MD	M												
Ramesh Nanayakkara	ED	M												
Indika Kulathunga	ED	M												
Chandika Ratnasiri	ED	M												
Dr Upul Ratnayake	ED	M												
Nilaksha Pushpakumara	GMC	M												
Prabhath Mendis	GMC	M												
Thusitha Perera	GMC	M												
Amila Priyadarshana	GMC	M												
Vasana Wanigasekara	GMC	F												
Sampath Kumara	GMC	M												
Asanka Fonseka	GMC	M												

Managing Opportunities & Risks

Organisational Skill Building and Capacity Development on Sustainability / ESG Topics

During the year, DPL initiated a structured ESG training programme to build internal capacity and align with global sustainability frameworks. This marked the start of a long-term effort to embed ESG knowledge across all levels of the organisation. Common ESG awareness training was conducted for non-executive employees, strengthening foundational understanding of sustainability principles and expectations and for executives and above level had access to an advanced training programme on ESG and CSR, designed in alignment with the ISO 26000 guidance on social responsibility and global frameworks such as GRI, SASB, and the UN Sustainable Development Goals (UNSDGs).



ESG capacity building focused on key areas including:



- **Environment & Climate Action:** Energy efficiency, renewable energy, Scope 1–3 emissions reduction, water stewardship, pollution prevention, circular economy practices, carbon tracking, eco-innovation, conservation, ocean ecosystem protection, forest cover preservation (EUDR), and disaster preparedness.
- **Social Responsibility & Labour Practices:** Human rights, eliminating forced and child labour, promoting fair wages, employee well-being, diversity, and safe, inclusive workplaces.

- **Supply Chain Sustainability:** Through the Firstlight Initiative, driving supplier ESG compliance, ethical sourcing, and capacity building.
- **Community & Social Impact:** Supporting local development through projects, philanthropy, and employee volunteerism.
- **Business Integrity:** Reinforcing anti-corruption, fraud prevention, ethical conduct, and data protection, including a strong whistleblower mechanism and cybersecurity safeguards.

This approach ensures consistent knowledge transfer, alignment with emerging standards, and deeper internalisation of ESG priorities across all levels of the business.

15%

Of executive level and above employees participated in Advanced Training on ESG & CSR in FY 2024/25

801 Hrs

Of ESG awareness delivered to Non-Executive Level employee

100%

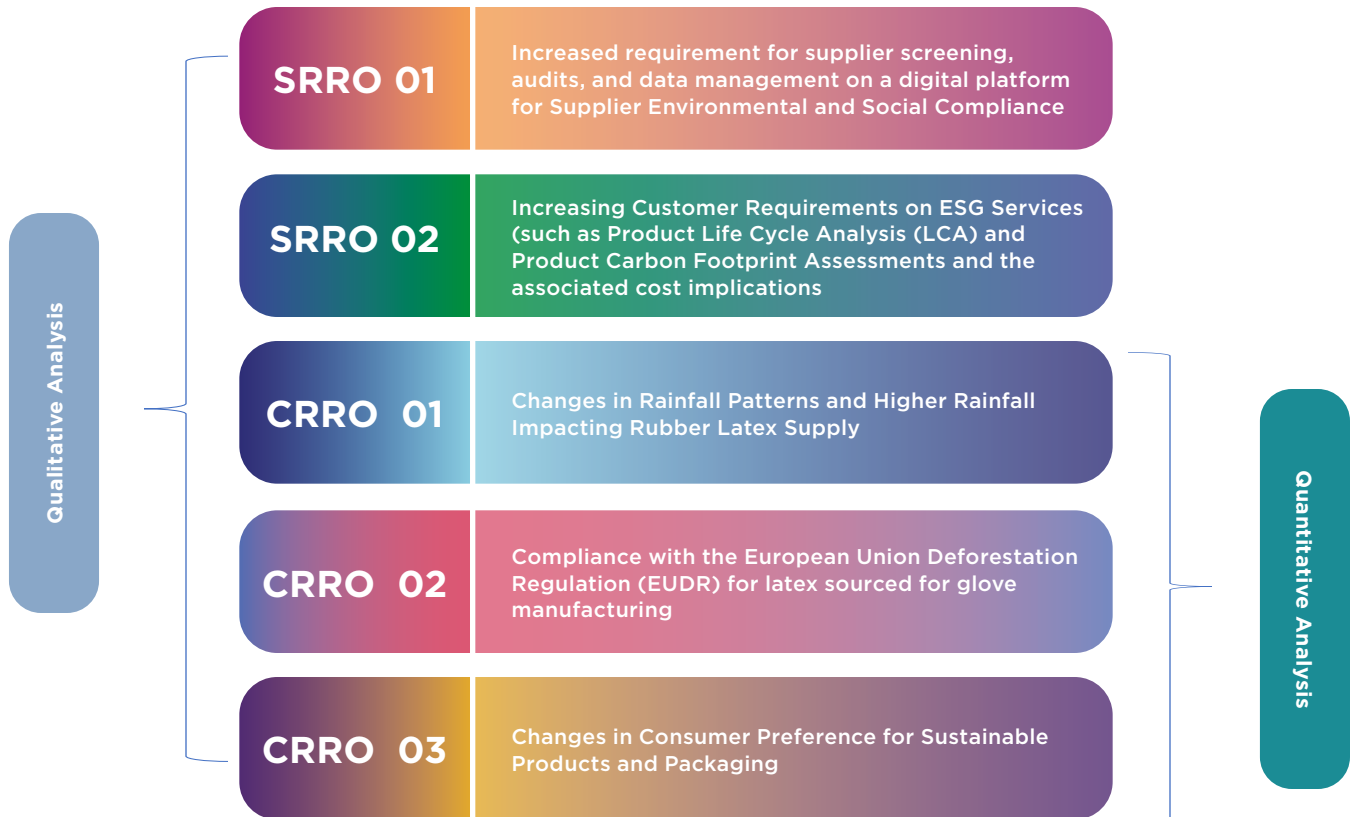
All new recruits have gone through orientation which includes understanding and incorporation of ESG in to their new roles

Integrating ESG into Performance driven Remuneration and Rewards

DPL has integrated ESG-related performance indicators into its appraisal and incentive structures across all departments and employee levels. These KPIs are aligned with the company's DPL Pulse ESG Roadmap and are tailored to each function's contribution to sustainability goals. Examples of targets related to relevant ESG areas are given in Page 127. By embedding these measures into individual performance evaluations, DPL reinforces shared responsibility for sustainability outcomes across the organisation. This approach ensures that ESG is not seen as a standalone function but as a core part of how performance is measured, recognised, and rewarded at every level.



IDENTIFIED SRROS & CRROS, IMPACT ASSESSMENT & STRATEGIC RESPONSE



Risk Management

Risk Identification & Management Process

(Page 126)

Opportunity Identification & Management Process

(Page 126)

Metrics & Targets

Alignment to DPL Pulse Targets & Performance of FY 24/25

(Page 127 to 131)

Managing Opportunities & Risks

Sustainability Related Risks & Opportunities

SASB RT-CH-530a.1, CG-AA-430b.3, CG-AA-440a.3, FB-AG-430a.3

SRRO 01	Increased requirement for supplier screening, audits, and data management on a digital platform for Supplier Environmental and Social Compliance	Sustainability Risk – Supply Chain Due Diligence
Effect on the Business Model	Effects on the Value Chain	Effects on Business Strategy
Sustainability-related shift reshapes procurement, product offerings, and supplier relationships, increasing operational costs through ethical sourcing and audits while enhancing DPL’s competitive edge through strengthened customer trust and regulatory compliance.	Sustainability issues are embedded across DPL’s value chain through rigorous supplier evaluations and facility audits, with a strategic shift toward ethical sourcing and supply chain transparency that shapes decision-making and strengthens engagement with responsible suppliers.	Embed ethical sourcing and supply chain transparency into its core business strategy, influencing procurement decisions, strengthening supplier accountability, and ensuring long-term compliance with global sustainability expectations.
Management, Mitigation and Adaption to Climate-Related Risks and Opportunities	- Revise procurement and financial strategies to prioritise ethical suppliers and allocate capital for compliance systems, balancing short-term costs with long-term gains from sustainable products and stronger supplier relationships. - Invest in digital infrastructure to monitor supplier compliance and sustainable sourcing and revenue reinvestment from sustainable product lines. - Embed human rights due diligence into its business strategy, updated its Supplier Code of Conduct, and strengthened enforcement through audits, spot checks, and whistleblower mechanisms to ensure supply chain transparency and ethical labour practices.	

SASB CG-AA-430b.3, CG-HP-410a.2

SRRO 02	Increasing Customer Requirements on ESG Services (such as Product Life Cycle Analysis (LCA) and Product Carbon Footprint Assessments) and the associated cost implications.	Sustainability Risk – Customer Requirements
Effect on the Business Model	Effects on the Value Chain	Effects on Business Strategy
Evolving to meet customer-driven sustainability demands, resulting in increased operational costs from ESG reporting, life cycle analysis, and certifications, potentially requiring price adjustments to maintain profit margins.	Adapt procurement, manufacturing, and distribution to align with life cycle and carbon footprint assessments, while increasing ESG transparency to meet rising customer demands for verified sustainability credentials.	Embed life cycle thinking and carbon footprint accountability into its business strategy, driving changes in sourcing, production, and logistics while prioritizing transparency and data-driven ESG reporting to meet evolving customer and regulatory expectations.
Management, Mitigation and Adaption to Climate-Related Risks and Opportunities	- Integrating ESG metrics into financial planning and investing in sustainable product innovation, life cycle assessments, and certifications to meet customer sustainability demands and enhance long-term competitiveness. - Committing to green technologies and low-carbon product development with short-term costs expected to yield long-term market advantages. - Adopting a sustainability-driven product strategy, emphasizing low-carbon gloves and embedding environmental performance metrics into its strategic and financial decision-making.	



Application of Scenarios to the Identified Physical and Transition CRROs GRI 201-2

(Detailed Scenario Analysis is shared below on Page 129 to 131)

	Scenario A - Net Zero	Scenario B-Current Pathway	Scenario C-Divergence
Global /Local Scenarios	Alignment to 2 degree scenario Sri Lanka meets its climate commitments with rapid decarbonisation  Global scenario C3/SSP 1-2.6 NZE  Local scenario CPP	Alignment to 3 degree scenario The country meets its unconditional NDC commitments  Global scenario C6/SSP 2-4.5 APS  Local scenario NDC	Alignment to 4 degree scenario Global and local implementation gap, climate commitments not met  Global scenario C7/SSP 3-7.0 STEPS  Local scenario BAU
Changes in Rainfall Patterns and Higher Rainfall Impacting Rubber Latex Productivity	Significant impact from extreme rainfall, disrupting productivity and supply chain.	Moderate impact, productivity disruptions expected, especially during rainy seasons.	High risk with extreme rainfall events leading to severe supply chain disruptions and higher costs.
Compliance with the European Union Deforestation Regulation (EUDR) for latex sourced for glove manufacturing	Strong compliance with EUDR, leading to increased costs but no penalties as DPL sources latex responsibly.	Moderate compliance, with potential cost increases and supply chain adjustments.	Non-compliance risks, resulting in higher penalties and reputation damage for not sourcing from deforestation-free land.
Opportunity - Changes in Consumer Preference for Sustainable Products and Packaging	Significant increase in demand for sustainable products, giving DPL a competitive edge.	Steady growth in demand for sustainable products, but slower than the net-zero pathway.	Limited growth in demand due to lack of sustainable consumer awareness and local infrastructure constraints.
Time Horizon Used	2050	2030	2030
Climate Related Policies in the jurisdiction	• Conference of the Parties (COP) - Paris Agreement • National Determined Commitments • National Climate Change Policy of Sri Lanka • Ministry of Environment Sri Lanka - Policies • Ministry of Finance, Economic Stabilization & National Policies - National Policies • Department of National Planning - Policies for Sectors		
Climate Related Policies In The Jurisdiction Sources Of Information	• World Bank - Climate Change Knowledge Portal - Global Status and Country Profile - Sri Lanka Specific Data • Third National Communication of Sri Lanka to the UNFCCC • Department of Census and Statistics - Chapter - Area & Climate - Rainfall, Temperature, Climate Change • Department of Meteorology - Climate > Seasonal Forecast, Weekly Rainfall Anomaly		

Managing Opportunities & Risks

SASB

CG-AA-430b.3, CG-AA-440a.3, FB-AG-430a.3, FB-AG-440a.1

CRRO 01	Changes in Rainfall Patterns and Higher Rainfall Impacting Rubber Latex Supply		Climate Risk Category: Physical – Acute Risk
Risk Trajectories Under Climate Scenarios: Implications for Latex Supply			
Scenario A - Net Zero	Scenario B - Current Pathway	Scenario C - Divergence	
Climate-resilient farming and improved regional practices could stabilize latex supply and pricing for DPL, despite some local sourcing disruptions.	Erratic rainfall moderately disrupts latex production, and despite global adaptation efforts, local farming challenges lead to higher latex import costs and increased supply-driven expenses for DPL.	Extreme rainfall and inadequate local infrastructure severely disrupt rubber production, forcing DPL to rely on higher-cost, lower-quality latex imports, leading to major supply chain risks and pricing volatility.	
Effect on the Business Model	Effects on the Value Chain	Effects on Business Strategy	
Pressure from unpredictable latex sourcing, potentially increasing COGS through higher import reliance and supply chain disruptions, requiring adaptive pricing strategies to protect margins while maintaining product quality.	Unpredictable latex supply impacts DPL's raw material sourcing, manufacturing efficiency, distribution reliability, and customer engagement, as increased costs, quality concerns, and delivery delays may challenge procurement, production, and client satisfaction.	Necessitating greater investment in supply chain diversification, cost management, and sourcing resilience to ensure uninterrupted production, stable pricing, and sustained market competitiveness in the face of latex supply volatility.	
Time Horizons Considered	Impact on Company's Prospects		
	Impact on Financial Performance	Impact on Balance Sheet	Impact on Cash Flow
Current Reporting Period	Rs. 300 - 330 Mn ↓	Rs. 15 - 20 Mn ↓	Rs. 275 - 300 Mn ↓
Short Term	Rs. 300 - 330 Mn ↓	Rs. 25 - 30 Mn ↓	Rs. 275 - 300 Mn ↓
Medium Term	Rs. 330 - 350 Mn ↓	Rs. 30 - 35 Mn ↓	Rs. 300 - 330 Mn ↓
Long Term	Rs. 400 - 450 Mn ↓	Rs. 35 - 40 Mn ↓	Rs. 360 - 400 Mn ↓
Methodology	Assumptions considered for the Calculation		
The financial impact was assessed by projecting annual latex consumption based on production volumes and estimating the incremental cost arising from higher local and imported latex prices. The new blended latex cost was compared against historical averages to determine the per-unit cost increase. This incremental cost was then applied to total annual consumption to quantify the overall rise in latex cost.	- Increased rainfall patterns have adversely affected latex production in key sourcing regions, leading to reduced yields and supply shortages. - The resulting scarcity of latex is expected to lead to an increase in raw latex prices. - To ensure continuity in production, DPL may be required to source latex from alternative or international suppliers at a higher cost.		
Management, Mitigation and Adaption to Climate-Related Risks and Opportunities	- DPL integrates climate risk into strategic and financial planning by investing in climate-resilient farming, optimizing latex sourcing, and aligning climate disclosures with long-term business goals. - The company is prioritizing investments in sustainable agriculture and diversified sourcing while exploring green financing and climate adaptation funds to support these initiatives. - DPL is enhancing supply chain resilience through alternative sourcing and product innovation focused on climate adaptability and sustainability.		



CRRO 02

Compliance with the European Union Deforestation Regulation (EUDR) for latex sourced for glove manufacturing

Climate Risk Category:
Transition Risk – Policy & Legal

Risk Trajectories Under Climate Scenarios: Implications for EUDR Compliance

Scenario A - Net Zero	Scenario B - Current Pathway	Scenario C - Divergence
The accelerated global low-carbon transition and Sri Lanka's policy readiness enable DPL to swiftly comply with EUDR requirements, ensuring continued access to deforestation-free markets and preserving its competitive edge.	Sri Lanka's moderate pace of policy adoption and infrastructure delays hinder DPL's ability to fully comply with EUDR requirements, posing regulatory and operational challenges.	Unmet climate commitments and sluggish policy adoption in Sri Lanka force DPL to independently implement EUDR requirements, increasing compliance costs and exposing the company to non-compliance risks.

Effect on the Business Model	Effects on the Value Chain	Effects on Business Strategy
Impacted by the heightened compliance burden of EUDR, leading to increased operational costs and required investments in audits, supplier transparency, and geo-mapping, potentially necessitating revised pricing strategies that could pressure profit margins.	Deforestation-free compliance across raw material sourcing, manufacturing, and distribution increases costs for DPL, while growing customer demand for sustainable products drives shifts in marketing strategies and product positioning.	Compelling a shift towards more sustainable and transparent sourcing practices, increased investment in compliance infrastructure, and the development of deforestation-free product lines to meet evolving regulatory expectations.

Time Horizons Considered	Impact on Company's Prospects		
	Impact on Financial Performance	Impact on Balance Sheet	Impact on Cash Flow
Current Reporting Period	Rs. 4 – 10 Mn ↓	Nil	Rs. 3.5 – 4 Mn ↓
Short Term	Rs. 400 – 450 Mn ↓	Rs. 30 – 35 Mn ↓	Rs. 360 – 400 Mn ↓
Medium Term	Rs. 150 – 200 Mn ↓	Rs. 15 – 20 Mn ↓	Rs. 160 – 200 Mn ↓
Long Term	Nil	Nil	Nil

Methodology	Assumptions considered for the Calculation
The impact of EUDR compliance on latex costs was evaluated by projecting latex consumption for products supplied to the European market. The analysis considered the projected price adjustments by supplier, incremental cost arising from enhanced traceability, certification, and sustainable sourcing requirements. This cost differential was applied to the estimated latex volume for Europe-bound products to quantify the additional raw material expense associated with compliance.	- The incremental cost of latex arising from compliance with the European Union Deforestation Regulation (EUDR) will be considered for quantification purposes. - The price increases from suppliers and compliance-related cost impact will be normalised over the future periods. - The annualised financial impact has been presented to provide a consistent view of the cost implications across the full year.

Management, Mitigation and Adaption to Climate-Related Risks and Opportunities	
	- Aligning its strategy with EUDR compliance by investing in sustainable technologies, supply chain transparency, and green financing to drive long-term value and mitigate regulatory risks. - Prioritizing digital systems for geo-mapping and sustainability tracking, funded through green loans and sustainability-linked financing, with no major asset disposals planned. - Revamping its product portfolio to offer deforestation-free latex and enhancing compliance efficiency through technology and policy shifts.

Managing Opportunities & Risks

SASB RT-CH-410a.1, CG-HP-250a.4

CRRO 03	Changes in Consumer Preference for Sustainable Products and Packaging	Opportunity	
Climate Scenario Pathways and Opportunities Created			
Scenario A - Net Zero	Scenario B - Current Pathway	Scenario C - Divergence	
Rising demand for sustainable, ethically sourced products aligns with global decarbonization, positioning DPL's strong ESG framework to meet market expectations, capture premium pricing, and expand market share.	Steady but slower growth in demand for sustainable products allows DPL to leverage its mature ESG practices to meet customer expectations and strengthen brand loyalty.	Despite weakened global sustainability efforts, DPL can gain a competitive edge by meeting growing local demand for eco-friendly products aligned with higher ESG standards.	
Effect on the Business Model	Effects on the Value Chain	Effects on Business Strategy	
Shifting toward sustainability by integrating ethically sourced materials, eco-friendly packaging, and responsible practices across product development and marketing, strengthening its market position and competitive advantage.	Strengthen sustainability across its value chain by sourcing ethical materials, adopting energy-efficient manufacturing, using eco-friendly packaging, optimizing low-carbon distribution, and offering products that meet rising consumer demand for responsible practices.	Embed sustainability deeper into its business strategy by developing certified eco-friendly product lines, enhancing brand differentiation, accessing premium markets, and strengthening long-term competitiveness in the global glove industry.	
Time Horizons Considered	Impact on Company's Prospects		
	Impact on Financial Performance	Impact on Balance Sheet	Impact on Cash Flow
Current Reporting Period	Rs. 600 – 650 Mn Revenue ↑	Rs. 50 – 60 Mn ↑	Rs. 80 – 100 Mn ↑
Short Term	Rs. 650 – 700 Mn Revenue ↑	Rs. 70 – 80 Mn ↑	Rs. 105 – 120 Mn ↑
Medium Term	Rs. 800 – 850 Mn Revenue ↑	Rs. 85 – 100 Mn ↑	Rs. 140 – 160 Mn ↑
Long Term	Rs. 1,000-1,100 Mn Revenue ↑	Rs. 110 – 120 Mn ↑	Rs. 180 – 200 Mn ↑
Methodology	Assumptions considered for the Calculation		
The growing consumer preference for sustainable products and packaging presents a significant opportunity for DPL to leverage its established ESG-compliant practices. To quantify this potential, future demand was projected based on current market trends and the rising adoption of environmentally responsible products. This analysis considered DPL's ability to meet demand through its existing sustainable product portfolio, with the annualised impact reflecting the expected incremental revenue growth from Sustainable products.	- Demand for sustainable products is assumed to be increased over the period, driven by heightened consumer awareness, regulatory support, and market shifts toward environmentally responsible sourcing. - DPL's ability to meet this demand through its existing ESG-compliant product range positions the company to capture additional market share. - A premium margin is expected sustainable products and will continue the trend for future years as well. - The annualised financial impact has been presented based on projected volumes and expected margin enhancements. - The analysis assumes that production capacity is sufficient to support the growth in demand and that no significant capital investment is required to scale sustainable offerings. - No material cost increase in marketing related expenses considering the current strength of the DPL brand recognition.		
Management, Mitigation and Adaption to Climate-Related Risks and Opportunities	- Advancing sustainable sourcing and green technologies while phasing out non-sustainable materials to address sustainability-related risks and opportunities. - Introducing eco-friendly gloves, adopting sustainable raw materials, and evolving policies toward zero-waste and carbon-neutral production goals with launch of a certified “Sustainable Product Line” with third-party eco-labels (e.g., FSC, Fair Rubber) to enhance credibility, tap into premium markets, and differentiate its offerings globally. - Offer sustainable packaging solutions to customers and promoting product end of lifecycle waste disposal best practices.		



Detailed Scenario Analysis for Climate Related Risks & Opportunities

Physical Scenarios

Global Scenarios	WGIII	C3	C6	C7	Source
	SSP	SSP 1-2.6	SSP 2-4.5	SSP3-7.0	
	RCP	2.6	RCP 4.5	-	
Emission scenario		Low	Intermediate	High	
Description		Limit warming to 20 (>67%)	Limit warming to 30 (>50%)	Limit warming to 40 (>50%)	IPCC AR 6
Net Zero pathways		2055-2060 net zero	No net zero	No net zero	IPCC AR 6
Projected emission reductions (from baseline of 2030)	2030	21%	2%	NA	IPCC AR 6
	2040	46%	3%	NA	IPCC AR 6
	2050	64%	5%	NA	IPCC AR 6
High to very high confidence risks		- Multiple risks to ecosystems and humans - Flooding in coastal regions - Decrease in food production climate driven food insecurity - Cryosphere related changes in floods, landslides and water availability			IPCC AR 6
Medium to high confidence risks		- Biodiversity loss in ocean, land, freshwater and eco systems - Rain generated local flooding			IPCC AR 6
Medium confidence-small island nations		- Economic decline and livelihood failure of fisheries, agriculture, tourism and from biodiversity loss from traditional agroecosystems - Risk to water security in almost every small island			IPCC AR 6
Sri Lankan Context					
Annual rainfall anomaly	Dry zone		Negative		
	South-Western		Positive		
Impact on rubber	- Higher precipitation and irregular rainfall pose higher risk for rubber latex productivity - High rainfalls can be expected in Kegalle and Kalutara districts as well as all other rubber growing areas in the wet zone where a greater risk of flood and landslides would be expected				NDC 2022

Transition Scenarios

Global Scenarios	Net Zero Emission (NZE) Scenario	Announced pledges (APS) Scenario	Stated Policies (STEPS) Scenario	Source
Overall description	Net zero CO2 emissions by 2050. Based primarily on changes in the energy sector.	Fully meet the NDC and climate commitments made by August 2023	Based on current policy settings and country by country assessment by August 2023	World Energy Outlook 2023
Objectives	Show what is needed to achieve net zero by 2050	Highlights the ambition gap that needs to be achieved to reach Paris Agreement	Implementation gap that needs to be closed to achieve decarbonisation targets	World Energy Outlook 2023
Temperature rise	Consistent with limiting global temperature rise of 1.5 (50% probability)	Consistent with limiting global temperature rise of 1.7 (50% probability)	Consistent with limiting global temperature rise of 2.4 (50% probability)	World Energy Outlook 2023
Global energy composition	Wide portfolio of clean energy technologies are deployed, without offsets	Countries fully implement their national targets	Relevant policies and implementation measures adopted as of the end of August 2023	World Energy Outlook 2023
Energy demand growth per annum till 2030	Decline of 1.2%	Decline of 0.1%	0.70%	World Energy Outlook 2023
Share of fossil fuels	62%	69%	73%	World Energy Outlook 2023
Policy framework	- Strong and coordinated policy measures - Rapid deployment of energy efficient technology			World Energy Outlook 2023

Managing Opportunities & Risks

DPL RISK MANAGEMENT FRAMEWORK FOR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SRROS / CRROS)



METRICS & TARGETS

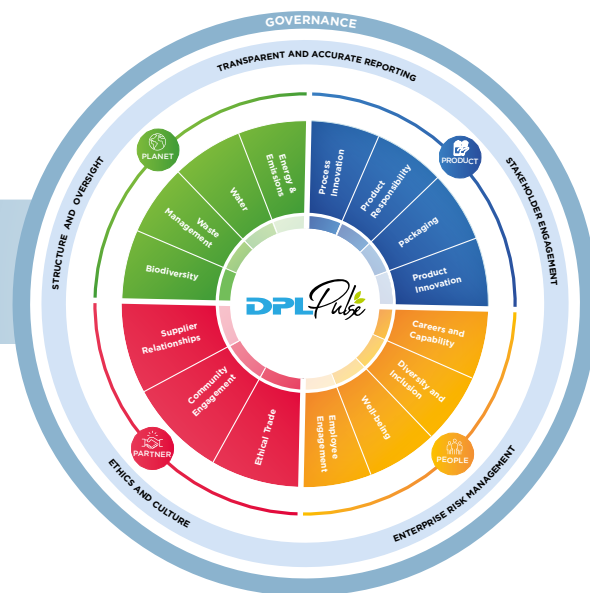
Alignment of Targets and Performance of DPL Pulse ESG Roadmap 2030 with Metrics & Targets of SRROs & CRROs

Planet

DPL Pulse Target	2023/24	2024/25	2030/31 Target	Status
Renewable energy 95%	93.3%	94%	95%	On Track
100% sustainable biomass	46.2%	50.3%	100%	On Track
Scope 1 & 2: 20% reduction in absolute GHG emissions	8.9%	0.2%	20%	Missed
30% sustainable water sourcing	8.4%	8.8%	30%	On Track
Increase the biodiversity enhancing programme to cover 5 times the area occupied by the group	N/A	2 Acres	125 Acres	On Track

People

DPL Pulse Target	2023/24	2024/25	2030/31	Status
Average training hours of 40 hours per employee per annum	33 hrs	36 hrs	40 hr	On Track
Cover 95% of training average ratio for Junior Executive and above employees	80%	85%	95%	On Track
100% performance evaluation process across the group including all local & foreign locations	100%	100%	100%	On Track
100% implementation of talent management and succession planning system for all positions at the senior manager level and above	33%	38%	100%	On Track
10,000 man hours of leadership and supervisory development programmes	8,757 hrs	9,553 hrs	10,000 hr	On Track
Anti-discriminatory training covering 100% of employees	6%	28%	100%	On Track
Total Injury Frequency Rate = 0	6.3	5.1	0	On Track
DPL Safety Compliance Index = 100%	63%	67%	100%	On Track
100% alignment with safe chemical management practices within the group operations	85%	90%	100%	On Track
100% coverage of employees in access to mental well-being services	On request basis	74%	100%	On Track
Attrition rate of 9.5%	22%	20%	9.5%	On Track
Engaging employees in productivity improvement process by involving 60 % out of permanent employees	60%	84%	60%	On Track
Execute employee engagement activities & 90% of staff involvement	82%	83%	90%	On Track



Product

DPL Pulse Target	2023/24	2024/25	2030/31 Target	Status
Digital transformation across 80% of business support functions	46%	54%	80%	On Track
Obtain eco-ratings for 10% of product	1%	2%	10%	On Track
Determination of emission intensity for 10% of products	1%	2%	10%	On Track
30% Usage of recycled material in packaging	4%	13%	30%	On Track
100% Recyclable packaging	80%	82%	100%	On Track
30% reliance on renewable and recycled input materials (Eg: Chemicals, Yarns/ liner etc.)	1%	1.5%	30%	On Track
10% of compostable and biodegradable products	1%	2%	10%	On Track
10% of total sustainable chemical consumption applications	3%	2%	10%	On Track

Partner

DPL Pulse Target	2023/24	2024/25	2030/31 Target	Status
Achieve 40% social and environmental screening of total suppliers	20%	57%	40%	On Track
30% of supply chain to implement chemical management practices	20%	57%	30%	On Track
Increase farmer based beneficiaries by 50% through community engagement programmes	7%	23%	50%	On Track
Increase CSR beneficiaries by 50% through community development activities around each operating locations.	43%	110%	50%	On Track
Achieve customer satisfaction levels of 95%	87%	85%	95%	On Track
Ensure 100% accessibility for all the products and technical data for all our products allowing customers to make informed purchase decisions	100%	100%	100%	On Track

Achieved
 On Track
 Missed

Managing Opportunities & Risks

SUSTAINABILITY RELATED RISKS

SASB RT-CH-530a.1, CG-AA-430b.3, CG-AA-440a.3, FB-AG-430a.3

SRRO 01

Increased requirement for supplier screening, audits, and data management on a digital platform for Supplier Environmental and Social Compliance

Sustainability Risk – Supply Chain Due Diligence

Through a strengthened supplier evaluation and onboarding process, fully aligned with its ESG Roadmap 2030 and global compliance requirements such as the EUDR. All new suppliers are screened for environmental and social compliance at onboarding, and 57% of existing suppliers have already been evaluated against comprehensive ESG criteria. Business-based suppliers are assessed through digital self-assessment forms, while smallholder farmers undergo in-person audits, translated materials, and capacity-building engagements. DPL's Supplier Code of Conduct, audit protocols, and performance monitoring systems help ensure ethical practices, transparency, and traceability throughout the supply chain. These actions are reinforced by DPL's commitment to inclusive sourcing through the Supplier Diversity Programme, targeting underrepresented supplier groups including women, youth, persons with disabilities, and small-scale businesses.

Key Metrics and Targets

Metric	Target	Timeframe	Baseline / Notes
% of total suppliers screened and evaluated for ESG compliance	40% by FY 2030/31	Roadmap Target	57% achieved in FY 2024/25
% of supply chain implementing chemical management practices	100% by FY 2030/31	Roadmap Target	57% achieved in FY 2024/25
% of smallholder farmers evaluated	100% of all active smallholder farmers by 2030/31	Achieved	61% evaluated out of total suppliers (2,583 out of 4,243)
% of business-based suppliers evaluated	40% by FY 2030/31	Ongoing	24% evaluated to date
% of suppliers meeting/exceeding minimum ESG standards	≥95% annually	Maintained	96% compliance in FY 2024/25
% of procurement spend covered by evaluated suppliers	Maintain ≥80%	Continuous	Currently 80% of payments go to evaluated suppliers
% of suppliers rated Green or Gold in Supplier Rating System	≥75% by FY 2025/26	In progress	Currently: Gold – 2%, Green – 54%,
% of diverse suppliers (Female, Youth, PWD, Minority, Small Biz)	Increase representation year-on-year	Voluntary Target	Current metrics: 30% female, 9% youth (<35 years), 7% small-scale pack suppliers

SASB CG-AA-430b.3, CG-HP-410a.2

SRRO 02

Increasing Customer Requirements on ESG Services (such as Product Life Cycle Analysis (LCA) and Product Carbon Footprint Assessments and the associated cost implications.

Sustainability Risk – Customer Requirements

By embedding life cycle thinking and carbon accountability into its product strategy, DPL is enabling alignment with evolving customer sustainability expectations. The company has launched a suite of customer-facing ESG services, including third-party verified Product Life Cycle Assessments (LCA) and Product Carbon Footprint (PCF) measurements for key product lines. These initiatives not only enhance product transparency but also support ESG-related marketing, procurement, and regulatory compliance for customers. DPL has strengthened internal mechanisms for data collection, invested in certifications, and proactively engages customers through ESG newsletters and dedicated meetings to communicate its sustainability performance. These actions align with the DPL Pulse ESG Roadmap 2030, emphasizing innovation, transparency, and assurance as core enablers of long-term customer trust and competitiveness.

Key Metrics and Targets

Metric	Target	Timeframe	Baseline / Notes
Number of products with third-party verified LCA/PCF assessments	Conduct LCA and carbon footprint certification for 10 products	Continuous	7 products certified to date
Investment in LCA/PCF certifications	Currently being analysed	By FY 2025/26	Rs. 8 Mn invested as of FY 2024/25
Completion of ESG/Sustainability evaluation questionnaires from Customers	100% completed questionnaires from customers	Continuous	100% completed in FY 2024/25
Number of customer engagements (meetings/workshops) on ESG topics	≥35 ESG-focused meetings (virtual/in-person)	By FY 2025/26	28 held as of FY 2024/25
Sales revenue from sustainable products	Increase sustainable product revenue by 20% YoY	Continuous	Rs. 616 Mn in FY 2024/25
ESG certifications and third-party labels (e.g., FSC, Fair Trade)	Maintain valid certifications and expand certification coverage	Annual renewal	Current certifications in place, targeting product expansion



CLIMATE RELATED RISKS

SASB CG-AA-430b.3, CG-AA-440a.3, FB-AG-430a.3, FB-AG-440a.1

CRRO 01

Changes in Rainfall Patterns and Higher Rainfall Impacting Rubber Latex Productivity

Climate Risk Category:
Physical – Acute Risk

DPL is strengthening local latex sourcing, expanding the use of renewable and recycled input materials, and enhancing supplier resilience. Recognizing the financial risks posed by climate-driven rainfall disruptions, the company is scaling investments in its Firstlight smallholder network, which supplies 85% of its natural latex needs, and conducting scenario-based financial impact assessments to estimate gross profit, equity, and cash flow exposure under various climate trajectories. DPL's supplier ecosystem strategy prioritizes local procurement (64% of total spend) and aligns with the EU Deforestation Regulation (EUDR) through reinforced audits and sourcing standards. Additionally, DPL is increasing the share of renewable and recycled raw materials in line with its ESG Roadmap 2030, reducing dependency on high-risk suppliers and improving supply chain adaptability under acute physical climate risks.

Key Metrics and Targets

Metric	Target	Timeframe	Baseline / Notes
Share of local sourcing (latex) from Firstlight smallholder network	Maintain or exceed 70% local sourcing	Annual	8,090 Mt of latex sourced locally in 2024/25
% of procurement spend directed to local suppliers (Sri Lanka)	Maintain >60% of total procurement from local suppliers	FY 2024/25	64% achieved (Rs. 3.5 Bn out of Rs. 4.7 Bn total)
% of renewable material use in total material consumption	Achieve ≥60% of renewable material usage	Ongoing	60% renewable material share in 2024/25
Volume of natural rubber latex sourced (Mt)	Sustain >11,500 Mt annually	FY 2024/25	11,755 Mt in 2024/25
Supplier coverage under EUDR-compliant due diligence process	Achieve 100% traceability	Roadmap Target	Currently under-phased rollout through Firstlight and Supplier CoC alignment
Financial risk exposure due to rainfall variability	Maintain visibility on risk across short-, medium-, and long-term scenarios	Ongoing	FY 2024/25 short-term: Rs. 300–330 Mn GP loss; long-term: up to Rs. 450 Mn GP loss

SASB RT-CH-530a.1, CG-AA-430b.3, CG-AA-440a.3, FB-AG-430a.3, FB-AG-440a.1

CRRO 02

Compliance with the European Union Deforestation Regulation (EUDR) for latex sourced for glove manufacturing

Climate Risk Category:
Transition Risk – Policy & Legal

DPL is integrating EUDR compliance into its sourcing strategy through geo-mapping, farmer data collection, supply chain traceability, and supplier audits. As a major glove exporter to Europe, DPL recognizes the strategic importance of maintaining access to EUDR-compliant markets. With over 4,200 smallholder farmers under the Firstlight initiative, DPL has completed polygon mapping of lands exceeding 4 hectares and reached 90% completion of EUDR data collection by March 2025. With the preparatory initiatives being implemented since FY 23/24, the company has allocated Rs. 4 to 10 Mn toward EUDR compliance activities in FY 2024/25 and embedded farmer engagement campaigns to build readiness for traceability and legal verification. Additionally, DPL is aligning its product strategy to include deforestation-free latex, supported by sustainable finance, ensuring long-term compliance, cost efficiency, and reputation protection.

Key Metrics and Targets

Metric	Target	Timeframe	Baseline / Notes
% of farmers geo-mapped and land parcels validated	100% of farmer land parcels geo-mapped and verified for EUDR compliance	By May 2025	90% complete
Number of smallholder farmers assessed for EUDR risk	4,200+ smallholders evaluated across 6+ districts	Ongoing	Risk assessments include deforestation, land claims, and legal compliance
Investment in EUDR compliance (data, geo-mapping, risk mitigation)	Future costs to be analysed	FY 24/25	Rs. 4 to 10 Mn used for mapping, documentation, supplier audits, and training since
% of EU-bound latex supply traced to deforestation-free and compliant sources	100% traceability and compliance by October 2025	Target set by EUDR	In progress via Firstlight traceability system
% of EU-destined product lines that include due diligence statements	100% by FY 2025/26	In line with EUDR	Requires proof of compliance at EU customs clearance stage
Farmer engagement activities completed (trainings, awareness)	100% of districts with active farmer capacity-building programs	FY 2024/25–2025/26	Completed in Kegalle, Matara, Colombo; ongoing in Moneragala, Hambantota

Managing Opportunities & Risks

CLIMATE RELATED OPPORTUNITIES

SASB RT-CH-410a.1, CG-HP-250a.4

CRRO 03	Changes in Consumer Preference for Sustainable Products and Packaging	Opportunity

DPL is leveraging the opportunity presented by embedding sustainability into its core product strategy through renewable materials, recycled content, and eco-certified innovations. With rising global demand for low-impact products, DPL has introduced plant-based and rPET yarns in its glove ranges, transitioned a significant share of its manufacturing to water-based coagulants, and launched third-party verified LCA and PCF assessments. These actions not only reduce environmental impact but also position the company to access premium markets, build customer trust, and drive revenue growth. Supported by the DPL Pulse ESG Roadmap 2030, this approach strengthens brand differentiation, ensures regulatory compliance, and contributes to long-term competitiveness in the global glove industry.

Key Metrics and Targets

Metric	Target	Timeframe	Baseline / Notes
% of glove product range with plant-based yarn	30% by sales share	Ongoing (FY 24/25)	450 kg used; 120,000 pairs sold
% of yarn made from rPET	30% by weight	FY 24/25	22,000 kg used; 225,000 plastic bottles recycled
% transition to water-based coagulants for nitrile gloves	60%	FY 24/25	5 out of 8 plants transitioned
Revenue from sustainable products	Rs. 616 Mn	FY 24/25	Increasing annually
Investment in LCA/PCF certifications	Rs. 8 Mn (7 products assessed)	FY 24/25	Targeting >10 products certified by FY 25/26
Eco-ratings & third-party labels (FSC, OEKO-TEX, BioPreferred, etc.)	Maintain certification coverage	Annual	Validated certifications across supported ranges
Sustainable chemical use (water-based coagulants)	90% of all Nitrile glove lines	FY 24/25	5 out of 8 plants transitioned 60% of all Nitrile glove lines



SLFRS S1 – Index for Sustainability Related Disclosures

Core Content	Disclosures	Page Number
Governance	Board's oversight of SRROs	77-78, 116
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	Skills Assessment and Capacity Building	117-118
	Performance Driven Remuneration	118
Strategy	Identify the SRROs that are expected to impact the organisation	119
	Qualitative Analysis of impact of SRROs on business model, value chain, strategy	120
	Resilience of its strategy against Sustainability-related risks & opportunities	120
Risk Management	Company's processes for identifying and assessing SRROs	126
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SLFRS S2 – Index of Climate Related Disclosures

Core Content	Disclosures	Page Number
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	Management's role in assessing and managing CRROs	116
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	Performance Driven Remuneration	118
Strategy	Identify the CRROs that are expected to impact the organisation	119
	Qualitative Analysis of impact of CRROs on business model, value chain, strategy	121-125
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Risk Management	Company's processes for identifying and assessing CRROs	126
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	Integration of managing Sustainability related risks to overall risk management framework	126
Metrics and targets	Organisation's ESG Roadmap Targets and performance against targets	127
	Metrics used to measure and monitor each CRRO	129-130



Business Review



Adaptable Foresight

At the core of DPL's success is our ability to deliver innovative products that protect people every day. Over the years, we have expanded our product portfolio, introduced cutting-edge technologies, and integrated digital tools to enhance efficiency and safety. As we continue to grow, our unwavering commitment to quality and protection remains a constant.

The Red Knot, a bird known for its long migratory journeys in search of food and shelter, symbolises DPL's adaptability and dedication to meeting our customers' evolving needs. As a trusted partner, we provide protection in ever-changing environments, always guided by foresight and a steadfast commitment to our people.

Business Line Review



DPL stands as a prominent global leader in protective hand-wear, fulfilling a significant portion of the world’s demand for high-quality natural and synthetic-latex-based household, industrial, disposable and sports gloves. Our extensive market reach spans over 70+ countries, solidifying our reputation for innovation, superior manufacturing capabilities, and consistent product quality. This global presence underscores our ability to deliver trusted protective solutions to diverse markets worldwide.

HAND PROTECTION VALUE CHAIN

			
Raw Material Sourcing	Manufacturing and packaging	Quality assurance	Global marketing and distribution
The primary raw material for our products is natural latex, obtained from a wide network of rubber smallholders and farmers. We also use other essential raw materials, including synthetic latex, various chemicals, and packaging.	Our sector manufactures a comprehensive range of protective handwear, including: • Supported Gloves • Unsupported Gloves • Disposable Gloves • Electrician Gloves • Sports Gloves • Sleeves	Our adherence to a range of quality, environmental, and occupational health and safety standards, validated by relevant certifications, is fundamentally strengthened by the implementation of rigorous internal processes and stringent controls across our operations.	Our products reach global markets through a robust network of distributors and directly to end-consumers in over 70+ countries worldwide.

Contribution to Group

14%
Employees

58%
Revenue

53%
PBT

55%
Assets

51%
Carbon footprint

Financial Capital

Revenue	Rs. 46.4 Bn
PBT	Rs. 3.9 Bn
PAT	Rs. 3.2 Bn

Social and Relationship Capital

Small scale Suppliers	93%
No. of new customers	77
Supplier payments	Rs. 24 Bn

Manufactured Capital

Capacity Utilisation	90%
Investment in CAPEX	Rs. 2.4 Bn
Manufacturing company acquired during the year	1

Human Capital

Employees	2,570
Payment to employees	Rs. 6.2 Bn
Investment in training	Rs. 11 Mn
No. of collective agreements signed	01

Intellectual Capital

New products launched	15
No. of patents	13
R&D team	19

Natural Capital

Volume of rainwater harvested	7,289 m ³ Mn. litres.
Solar power generated	5,548 MWh
Energy intensity MJ/Per pair	8.01
Energy consumed GJ Bn	2.29

SWOT Analysis

Strengths

Internal Factors

- State-of-the-art manufacturing facilities powered by innovative technology deliver superior product quality and efficiency.
- Our strong research and development infrastructure drives continuous innovation and future product excellence.
- Deep scientific and technical knowledge forms the foundation for our product design, quality control, and technical solutions.
- Sustained long-term customer relationships reflect the trust and value we consistently provide.
- A stable and predictable supply chain is secured through mutually beneficial partnerships with our local farming community.

Opportunities

External Factors

- Significant opportunities arise from the growing demand for industrial glove categories, driven by sector growth and increased safety regulations.
- Capturing expanding market share in emerging economies, including promising regions such as the Middle East, Asia, Africa, and India, offers substantial growth potential.
- Pursuing increasing opportunities in specialised, high-value product segments such as electrician's and sports gloves caters to specific industry needs and higher margin markets.
- Responding to the increased global emphasis on sustainability by developing and offering sustainable products and eco-friendly packaging solutions.

Weaknesses

- Exposure to adverse fluctuations in foreign exchange rates, potentially impacting revenue, and costs.
- Reliance on a concentration of sales within key markets, posing a risk to overall revenue stability.
- Exposure to volatility and unfavourable movements in the prices of key commodities essential to our operations.

Threats

- Impact of inflation on cost structures and product margins.
- Exposure to significant volatility in international currency exchange rates.
- Threats from increased competition in key product lines and markets.
- Broader implications arising from global economic shifts and uncertainty.
- The physical and transitional risks associated with climate change.
- Potential challenges in securing and retaining sufficient labour resources.
- Unpredictable fluctuations in agricultural output and essential raw material costs.

Business Line Review

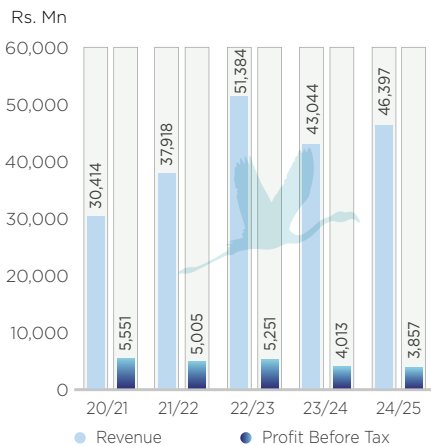
STRATEGY AND PERFORMANCE

- During the financial year, we strategically acquired the Hi – Care Thai Gloves Co Ltd, manufacturing facility in Thailand. This move represents a significant expansion of our presence in the specialised disposable glove market, concurrently establishing a crucial two-factory operational footprint within the country to enhance our manufacturing capacity and supply chain resilience.
- In line with our growth strategy, we expanded our market reach by appointing dedicated agents in Australia and South America , capturing new market share in these regions.
- We undertook a major restructuring of our French operations to optimise operations. This initiative was specifically targeted at cost reduction and improving efficiency.
- Established an Advanced Robotic Plant to enhance automation and operational efficiency.
- The unsupported gloves R&D Mini Plant was commissioned specifically to support the research and development of unsupported gloves.
- Expanding our operational footprint, we commissioned three new plants during the year. This included the natural rubber glove manufacturing Plant at Hanwella, alongside the high-value industrial product Plant and Chemical resistance glove manufacturing Plant, at Kottawa. Consistent with our sustainability goals, the construction of these facilities followed green building principles, incorporating sustainable design, construction, and operation practices.
- To meet the increased demand, we made capacity expansions across our facilities, including a 30% increase for electrician gloves. Moreover, we added a new packing facility and increased chlorination capacity. Our expansion initiatives prioritised

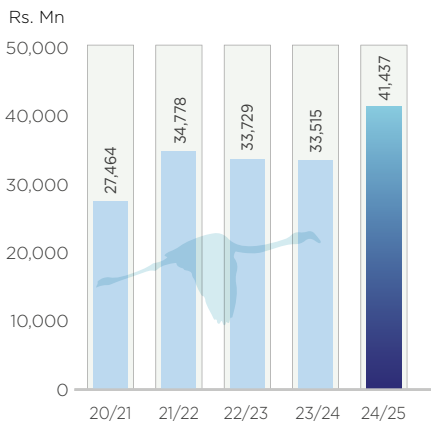
sustainability concepts, resulting in valuable cost savings, improved indoor ambience, and enhanced environmental performance.

- The Sports Glove Complex received the plaque from US Green Building Council the LEED Platinum Certification, making it the first glove manufacturing facility in South Asia.
- Developed 15 new products and secured 13 patents.
- Significant strides were made in integrating sustainability across all facets of our business during the year. Attained almost 94% reliance on renewable energy and disclosed the full scope of our third party-verified GHG emissions. Our Waste Management Programme was expanded by forging stronger partnerships for effective waste disposal solutions.
- Biodiversity conservation was advanced with the initiation of the Eco Pulse Nature Reserve construction and a landmark MOU signed for the first ever biodiversity restoration project above 5,000ft in Sri Lanka at Bambarakelle Estate. Enhancing our transparency and accountability, we have adopted the SLFRS S1 & S2 standards and obtained independent external assurance for our Non-Financial Disclosures.
- Our enduring commitment to community development, particularly through the Firstlight initiative, positively impacted over 4,000 smallholder farmer families and contributes meaningfully to all 17 UN SDGs.
- Research and development efforts were focused on integrating sustainable principles into product design and packaging. In particular, on utilising renewable and recycled input materials, as well as biodegradable packaging, among other initiatives.

PERFORMANCE



TOTAL ASSETS



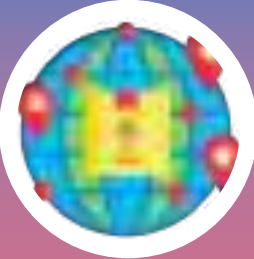


Plantations



Comprising Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC, our Plantation sector stands as the largest RPC grouping. Collectively, these entities oversee the cultivation of more than 26,166 hectares of prime tea, rubber and other crops lands across 55 estates, employing over 15,775 individuals. This core operation is complemented by tea exports facilitated through Mabroc Teas. The three companies are renowned for their pioneering expertise in plantation management and deep-rooted commitment to sustainability. They are consistently recognised, both locally and internationally, as leaders setting benchmarks for sustainable practices within the plantation sector.

PLANTATIONS VALUE CHAIN

			
Field development	Value-added tea exports	Sustainable agriculture products	Manufacture of high-quality produce
Our extensive land base comprises over 26,166 hectares under cultivation. This includes significant acreage dedicated to our core crops of tea and rubber, supplemented by various other agricultural ventures.	Leveraging Mabroc Teas as our dedicated export channel, we distribute a comprehensive range encompassing bulk and value-added tea products to global markets.	Harvesting practices for our tea, rubber, and other cultivated crops adhere to the stringent guidelines stipulated by the numerous domestic and international certifications secured across both KVPL, TTE and HPL, ensuring consistent quality and sustainable production standards.	Key products manufactured and cultivated include our core offerings in Tea and Rubber, along with other valuable commodities

Business Line Review

Contribution to Group

86%
Employees

42%
Revenue

47%
PBT

45%
Assets

49%
Carbon footprint

Financial Capital

Revenue	Rs. 33.1 Bn
PBT	Rs. 3.4 Bn
PAT	Rs. 2.3 Bn

Social and Relationship Capital

Payments made through revenue share model	Rs. 790 Mn
Staff volunteer hours	5,200+
Investment in CSR	Rs. 347 Mn
Beneficiaries of the Community Development Programmes	520,000 +

Manufactured Capital

Sri Lankan Production	4% Tea Production 4.6% Rubber Production
Estates	55
Investment in Capex	Rs. 1,971 Mn

Human Capital

Employees	15,775
Payment to Employees	Rs. 11 Mn
Investment in Training	Rs. 22 Mn
Great Place to Work Certification	
Mother and Child-Friendly Seal for Responsible Business	

Intellectual Capital

New products launched	5
National and International Certifications	26

Natural Capital

Volume of Rainwater Harvested	44,698 m ³ Mn
Renewable Energy Usage	76%
Energy usage	547,811GJ
Adoption of Sustainable Agricultural Practices	

SWOT Analysis

Strengths

Internal Factors

- Hold a leading position in major crops (Tea and Rubber), consistently ranked among the top high tea prices among the regional plantation companies.
- Benefit from a well-organised operational setup and favourable local conditions, ensuring efficiency and resilience against external risks.
- Unified leadership with deep industry expertise and strong knowledge sharing ensures clear strategic direction across the Group.
- Strong, long-standing partnerships with diverse local and international stakeholders, supporting collaboration and innovation.
- Adopt effective Human Capital Management models (including Oracle and internal digital systems) enabling real-time monitoring and performance management across the workforce.

Opportunities

External Factors

- Capitalising on our extensive land holdings and rich natural resources by developing sustainable tourism models and diversifying into other high-value agribusiness ventures, such as coffee cultivation and eco-tourism, to enhance revenue streams and asset utilisation.
- Growing young professional workforce presents an opportunity to accelerate innovation and build future-ready leadership in agribusiness and sustainability.
- Driving collaborative growth and mutually beneficial opportunities through our well-established network of strong relationships with a diverse range of local and international stakeholders. (Aligned with SDG 17).

Weaknesses

- Progress in integrating advanced technology within the Sri Lankan plantation sector remains a challenge, influenced by external factors such as the availability of suitable solution providers and infrastructure limitations.
- Addressing the industry-wide challenge of workforce out-migration and the broader demographic trend of an ageing workforce in Sri Lanka, which carries the risk of diminishing experience-based knowledge.
- Navigating the challenge of balancing and integrating long-standing experience and tacit knowledge with contemporary science-based knowledge within our workforce and management.

Threats

- Exposure to adverse fluctuations driven by global and local economic dynamics, market dynamics, and economic trends, potentially impacting prices and demand.
- Significant risks associated with climate change, volatile weather patterns, and potential disaster-related events, impacting agricultural operations and yields.
- The challenge of meeting evolving global and local demands for ESG reporting, particularly as the traditional plantation industry may lag in comprehensive disclosure, while recognising this as an opportunity for differentiation for early adopters.

STRATEGY AND PERFORMANCE

Cumulative tea exports for January-December 2024 totalled 245.78 million Kgs, marking an increase of 3.87 million Kgs (+1.6%) compared to 241.91 million Kgs exported during the same period in 2023. While most export categories recorded volume increases, the Tea Packets and Instant Tea segments experienced decreases.

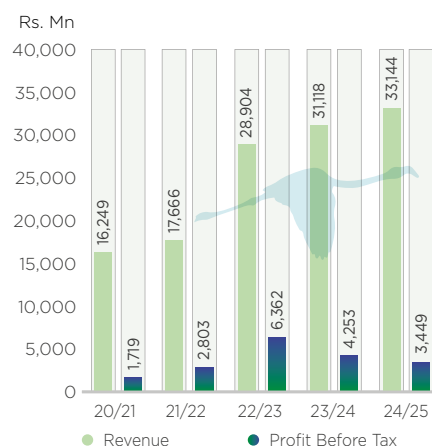
The overall Free On Board (FOB) value per kilogram for the period was Rs. 1,763.61. This represented a slight decrease of Rs. 6.83 in LKR terms compared to Rs. 1,770.44 in January-December 2023. However, when measured in USD terms, the overall FOB value per kilogram increased by USD 0.45. This highlights the industry's ability to achieve better dollar earnings per unit amidst varying category performances.

Leveraging our strong market reputation, the plantation segment sustained relatively high price levels, resulting in increased revenue.

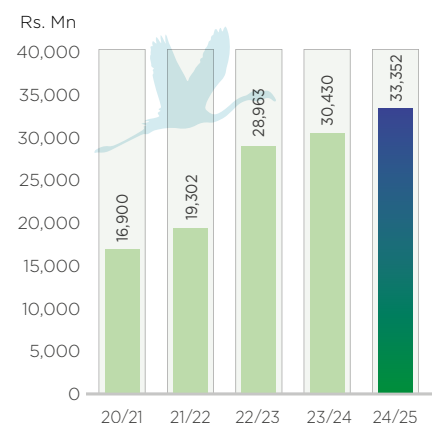
However, profitability declined, primarily following a 35% wage revision introduced in September 2024. Our production continued to increase through our proactive efforts to mitigate the impact of labour shortages. Maintaining and even boosting productivity amidst challenging industry conditions, including adverse weather and fluctuating currencies, is a significant achievement.

Underpinning this performance and future resilience is the ongoing transformation across our plantation companies. This involves a major shift from traditional practices to a dynamic business model known as "plantation agribusiness". This strategic approach is built upon five core areas: Plant, Plot, Product, People, and Process. Crucially, this strategy is intrinsically linked with sustainability, recognising the significant environmental and social impacts inherent in the plantation sector.

PERFORMANCE



TOTAL ASSETS



PLANT

Implementing sustainable agriculture practices for enhanced yields and quality outcomes.



PRODUCT

Quality and sustainability serve as cornerstones of our competitive edge. We uphold these standards through compliance with numerous social, environmental, and quality certifications, complemented by our investments in community and environmental initiatives.



PLOT

Our approach to managing our land (plots) focuses on enhancing soil health and land quality through sustainable practices. Key efforts involve systematically reducing the use of chemical fertilizers and implementing techniques aimed at boosting overall plot productivity.



PROCESS

Integrating technology and precision agriculture is central to optimising our operational processes. This strategic adoption enhances performance management capabilities, drives manufacturing efficiencies, and provides improved, real-time visibility into field-level operations.

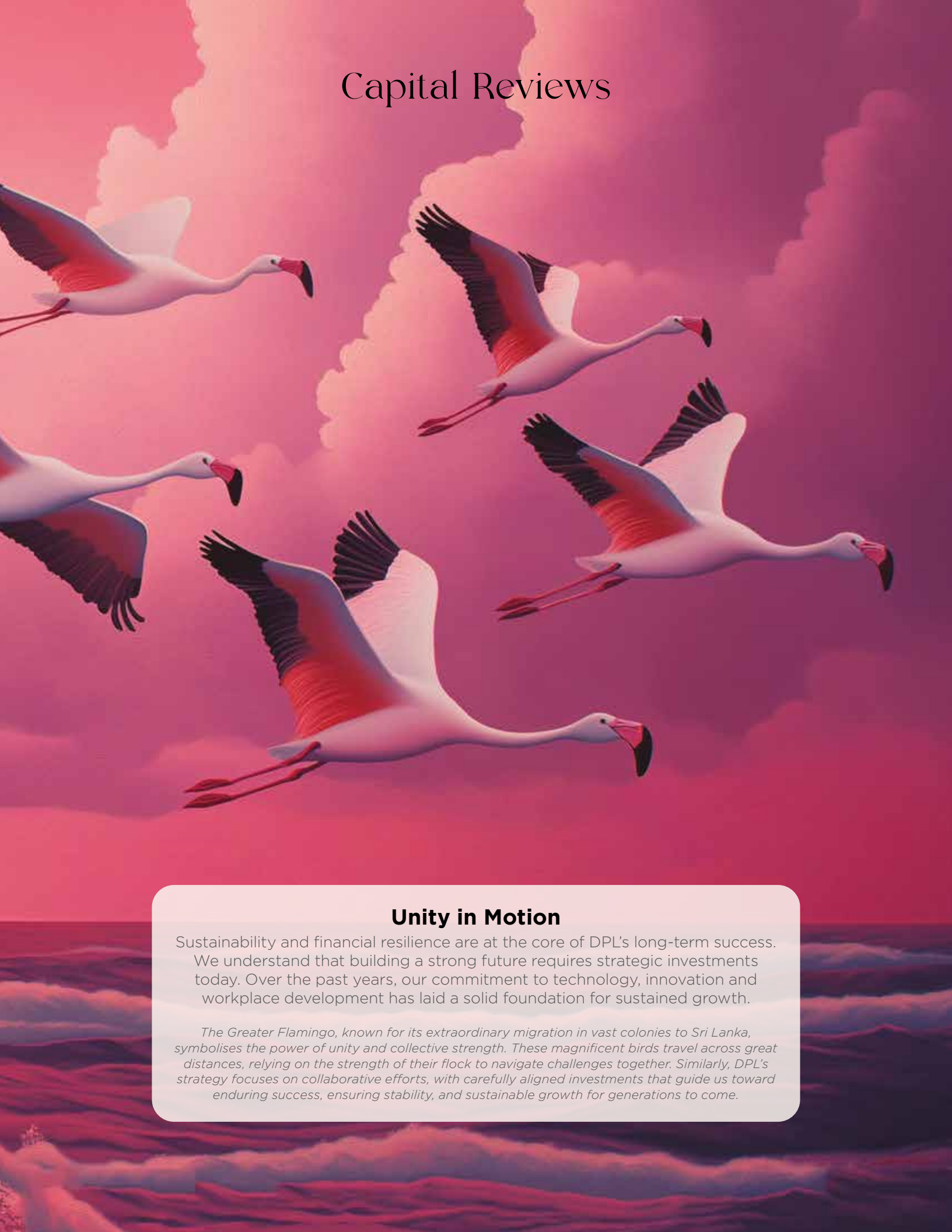


PEOPLE

Facing performance challenges linked to labour shortages and worker dignity, the Plantation sector is deploying key initiatives such as the revenue-sharing model and entrepreneurial incentives. These efforts aim to empower workers and improve retention, and are considered vital for long-term industry upliftment and sustainability, despite potential resistance to change influenced by traditional practices and educational barriers.



Capital Reviews



Unity in Motion

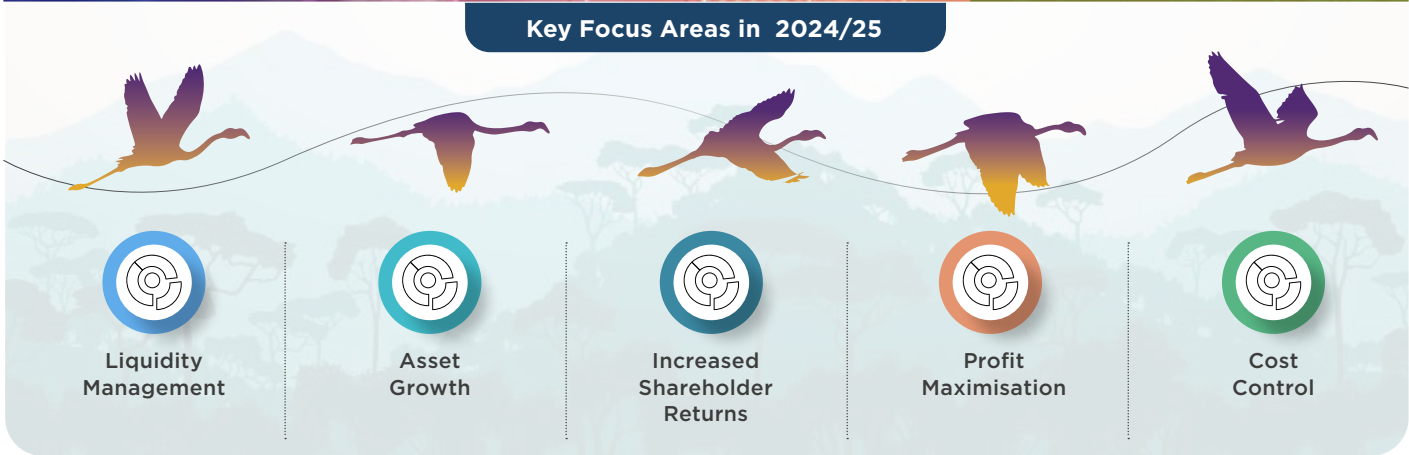
Sustainability and financial resilience are at the core of DPL's long-term success. We understand that building a strong future requires strategic investments today. Over the past years, our commitment to technology, innovation and workplace development has laid a solid foundation for sustained growth.

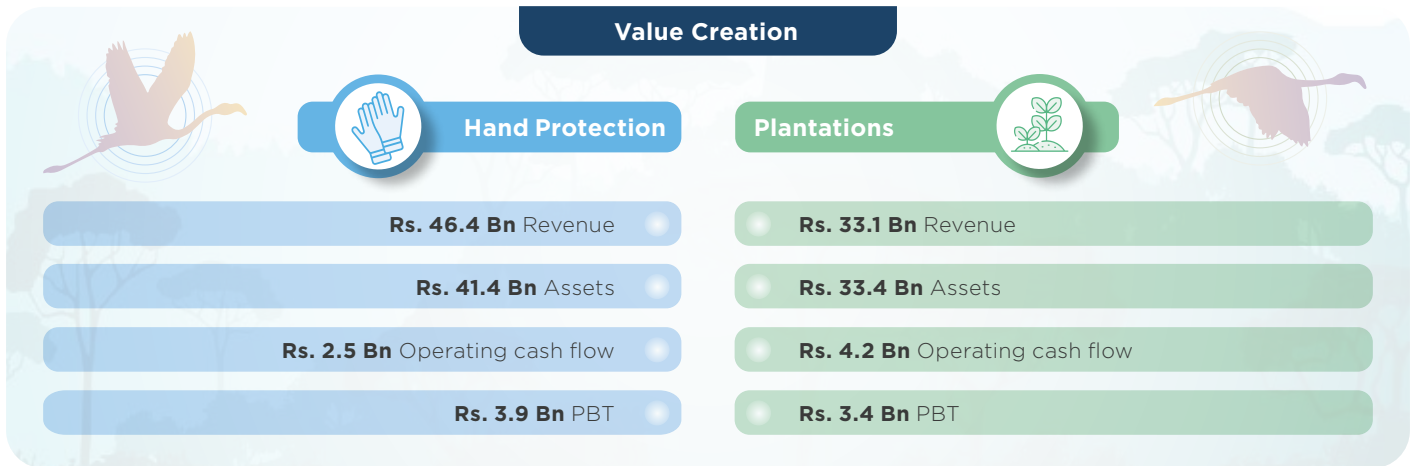
The Greater Flamingo, known for its extraordinary migration in vast colonies to Sri Lanka, symbolises the power of unity and collective strength. These magnificent birds travel across great distances, relying on the strength of their flock to navigate challenges together. Similarly, DPL's strategy focuses on collaborative efforts, with carefully aligned investments that guide us toward enduring success, ensuring stability, and sustainable growth for generations to come.

Financial Capital



Like the Flamingo’s steady poise, DPL takes a balanced, thoughtful approach to managing financial resources. Our strategic decisions fuel sustainable growth and strengthen our ability to adapt, invest, and thrive.





Material Topics

- M8** Regulations and Compliance
- M12** Macro-Economic Impacts
- M14** Impacts of Infrastructure and Project Development

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

• SRRO 01	• ITR 01
• SRRO 02	• RCR 01
• PRRO 1	• CRRO 01
• MR 01	• CRRO 02
• MR 02	• CRRO 03
• HRR 01	



Strategic Focus Areas



Short Term

- ✦ Ensure consistent operating cash inflows and maintain liquidity buffers.
- ✦ Control operating costs and enhance cost efficiency through expense management and process improvements.
- ✦ Hedge key foreign exchange exposures to stabilise earnings.
- ✦ Maintain prudent debt levels and ensure access to cost-effective financing.
- ✦ Improve short-term return metrics, including ROCE and EBITDA margins.



Long Term

- ✦ Maximise long-term ROCE and optimise capital allocation to high-return areas.
- ✦ Achieve structural margin improvements through operational efficiencies and product mix enhancements.
- ✦ Priorities strategic investments and R&D initiatives that yield long-term profitability.
- ✦ Enhance shareholder value through sustained EPS growth and stable dividend policies.
- ✦ Build a resilient financial structure capable of absorbing external economic shocks.
- ✦ Align financial strategies with ESG priorities, ensuring long-term value creation for both shareholders and society.

Financial Capital

FINANCIAL CAPITAL

During a year shaped by global economic uncertainty, rising raw material costs stemming from both local and international supply constraints, and subdued interest rates, the Group delivered a commendable performance. Despite the appreciation of the Sri Lankan Rupee impacting export competitiveness and margins, we recorded a profit of Rs. 6.8 Bn, reaffirming our commitment to creating long-term shareholder value.

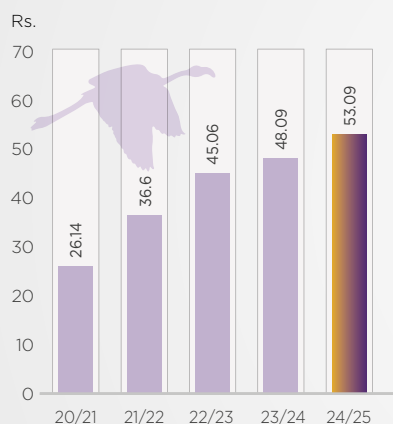
This success was directly attributable to our multifaceted strategy. We prioritised a focus on high-value, speciality products, enabling strong capacity utilisation despite market pressures. Our performance was further strengthened by implementing cost-efficiency programmes, upholding stringent quality standards, executing strategic regional expansion, and building a more resilient supply chain.

MANAGEMENT APPROACH

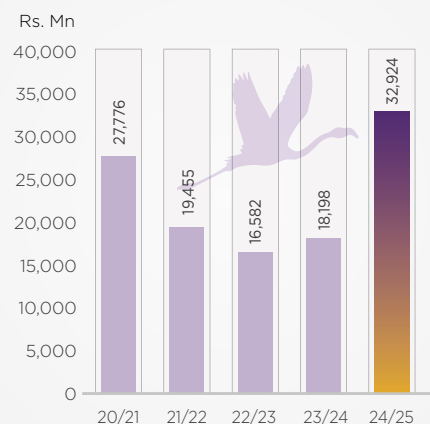
Our approach to financial capital management is guided by principles of responsible stewardship, aiming to maximise shareholder value while honouring our obligations and contributing to society. We strategically manage our finances with a focus on driving sustainable growth, optimising assets, and building a strong financial foundation to deliver enduring long-term value for all stakeholders.

Value created

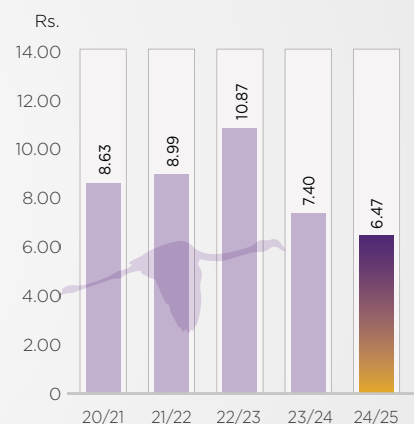
NET ASSET PER SHARE



MARKET CAPITALIZATION



EARNING PER SHARE

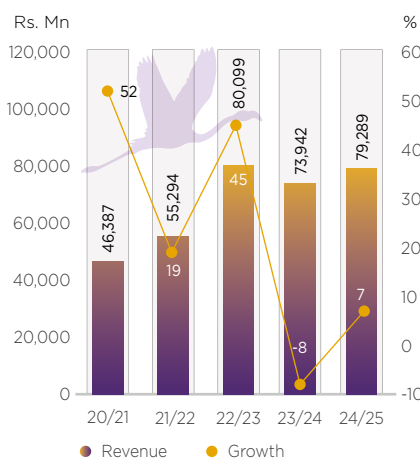


REVENUE

The Group recorded a 7% YoY increase in revenue for 2025 reaching Rs. 79 Bn compared to Rs. 74 Bn in prior year. This top-line expansion was primarily attributable to two key factors: growth in sales volume and an enhanced product mix strategically focused on high value added solutions.

The Plantations sector saw a commensurate 7% rise in revenue YoY, achieving Rs. 33 Bn. This was driven by higher average selling prices obtained for tea alongside increased sales volumes in the rubber segment.

REVENUE



OTHER INCOME

Other income recorded a growth of 59% to Rs. 1.3 Bn. from Rs. 820Mn. in the previous year. This is attributed to the bargain purchase of Hi-care Thai gloves Co.,Ltd, amounting to Rs. 370 Mn in FY 24/25.

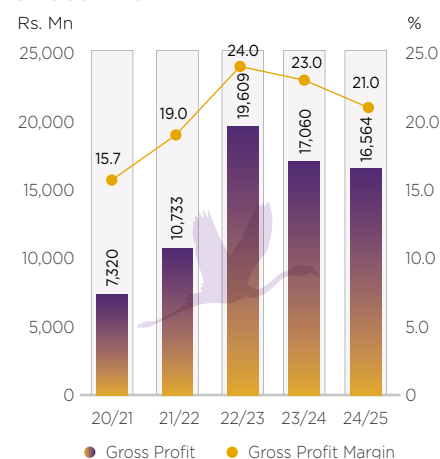


GROSS PROFIT & GROSS PROFIT MARGIN

Consolidated gross profits decreased by 3% to Rs. 16.6 Bn. in 2024/25, down from Rs. 17.1 Bn. in the previous year.

Accordingly, the Group gross profit margin declined from 23% in FY 2023/24 to 21% in FY 24/25.

GROSS PROFIT

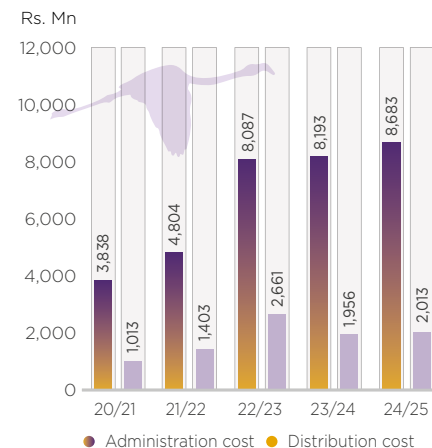


OPERATING EXPENSES

Group distribution costs rose by 3% year-on-year to Rs. 2 Bn in FY 2024/25. This increase primarily reflects higher sales promotion and trade fair participation in the Hand Protection sector. These factors offset the decrease in Plantation sector distribution expenses.

Group administration expenses increased by 6% year-on-year to Rs. 8.7 Bn in FY 2024/25, largely reflecting higher employee-related costs. The Hand Protection sector recorded a modest 2% increase, while the Plantation sector experienced a sharper 20% rise, influenced by employee related expenses.

OPERATING COST

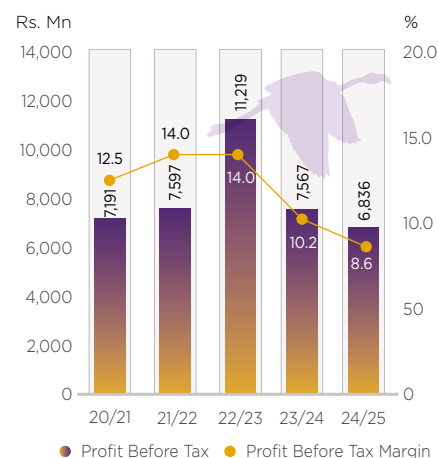


PROFIT BEFORE TAX

Profit before tax (PBT) declined by 10% YoY, falling from Rs. 7.6 Bn. in FY 2023/24 to Rs. 6.8 Bn. in 2024/25.

Decreases in both Hand Protection and Plantation sectors drove this decline. PBT from Hand Protection dropped by 4% (from Rs. 4.0 Bn. to Rs. 3.8 Bn.), while PBT from the Plantation segment fell by 19% (from Rs. 4.2 Bn. to Rs. 3.4 Bn.).

PROFIT BEFORE TAX



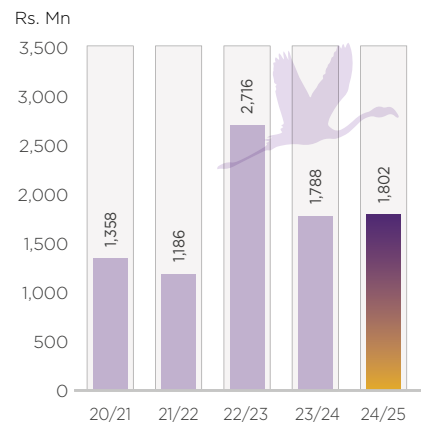
TAXATION

GRI 207-1-4

The Group's tax expense increased slightly to Rs. 1.80 Bn in FY 2024/25, up from Rs. 1.79 Bn in the previous year. The HP sector contributed to the increase in tax expenses, while the Plantation sector contributed to the decrease. Plantation sector tax expenses decreased in line with the decline of PBT.

The Group's tax strategy is directed by its Board of Directors and Audit Committee and implemented by the CFO and the finance team. Compliance with tax regulations is monitored on an ongoing basis by the Internal Audit team with independent evaluation carried out by the external auditors at the end of the fiscal year. The responsibility of liaising with the tax authorities and filing of tax returns with the respective departments of the Inland Revenue lies with the CFO.

TAX EXPENSE

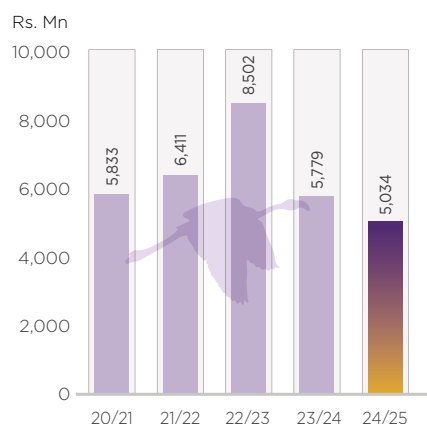


Financial Capital

PROFIT AFTER TAX

Profit After Tax (PAT) for FY 2024/25 declined by 13% YoY to Rs. 5.0 Bn, down from Rs. 5.8 Bn in the previous year. Notwithstanding this reduction in profitability, the Group remained committed to generating shareholder value by upholding dividend payments during the year.

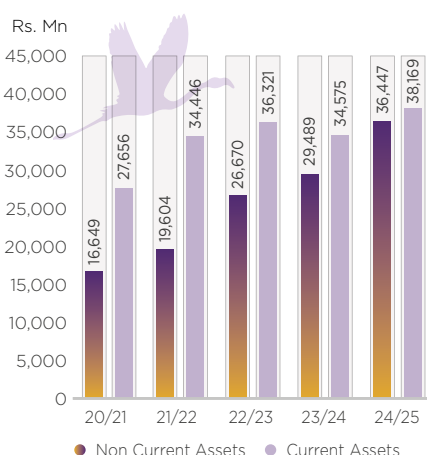
PROFIT AFTER TAX



ASSET GROWTH

Group assets increased by Rs. 10.7 Bn. to Rs. 74.6 Bn. from Rs. 63.9 Bn. as of the end of FY 2024/25. This was due to investment in Property, plant and equipment which increased by 26% (Rs. 6.1 Bn.) to Rs. 30.1 Bn.

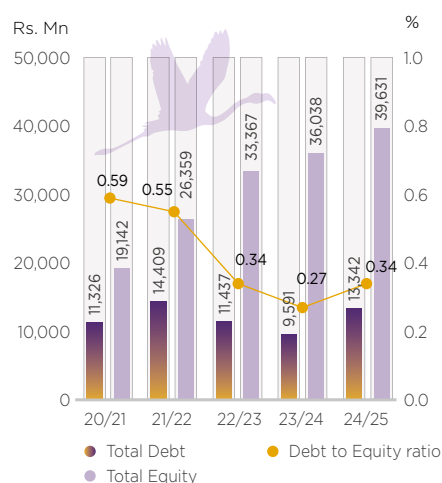
ASSETS



FUNDING PROFILE

The Group's total debt increased by 24% at the end of FY 2024/25 to Rs. 12.0 Bn. from Rs. 9.6 Bn. at the end of FY 2023/24. Total equity increased by 10% YoY to Rs. 39.6 Bn. from Rs. 36.0 Bn. as of 31 March 2024. This resulted in an improved debt-to-equity ratio of 0.3 times.

FUNDING PROFILE



CASHFLOW & LIQUIDITY

In FY 2024/25, the Group generated Rs. 6.7 Bn in cash inflow from operating activities, supported by factors including a net increase in working capital.

However, significant investment in property, plant, and equipment led to a net cash outflow of Rs. 5.7 Bn from investing activities.

Financing activities also utilised cash, with a net outflow of Rs. 2.9 Bn, primarily due to debt repayments and dividend distributions.

The cumulative effect of these activities resulted in a net cash outflow of Rs. 1.9 Bn for the year, contrasting with a net inflow of Rs. 0.4 Bn in the prior year.

OTHER COMPREHENSIVE INCOME

The Group's Other Comprehensive Income recorded income of Rs 0.02 Bn compared to a loss of Rs 1.3 Bn in the previous year.

The Group's Total Comprehensive Income amounted to Rs. 5.0 Bn. compared to Rs.4.5 Bn. in 2023/24, reflecting a YoY growth of 12%.

PERFORMANCE OF THE SHARE

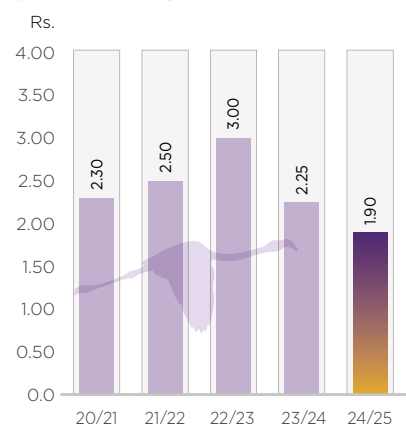
Dipped Products PLC's share performance in FY 2024/25 was marked by significant volatility, tracking broader market movements. The share price fluctuated between a low of Rs. 28.9 and a high of Rs. 63, ultimately closing the year at Rs. 55. This represented a 81% increase from the opening price. Trading volume for the year amounted to 226 Mn shares across 72,413 recorded transactions.

SHAREHOLDER RETURNS

The Group continued to deliver on its shareholder commitments, supported by robust performance and healthy dividend payout.

The Group paid a dividend of Rs. 1.90 per share, amounting to Rs. 1,137 Mn during the year.

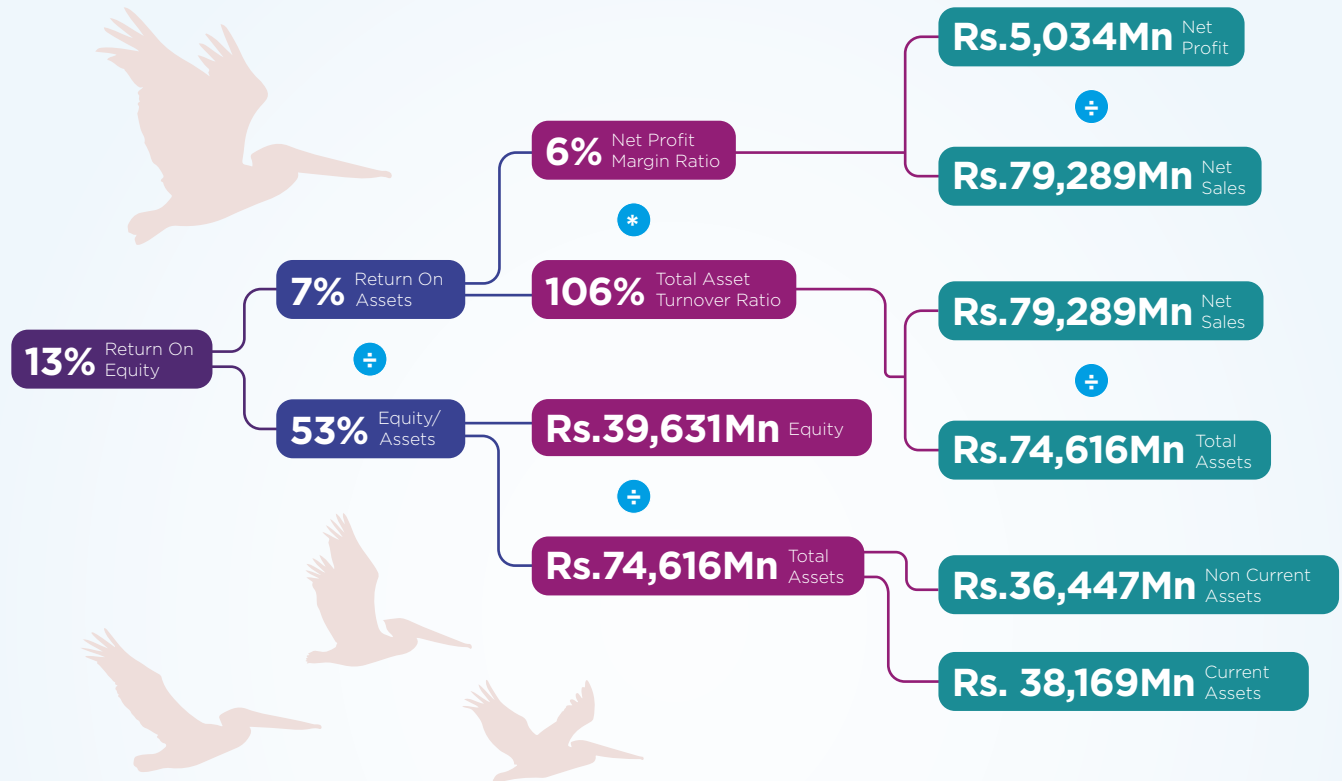
DIVIDEND PER SHARE





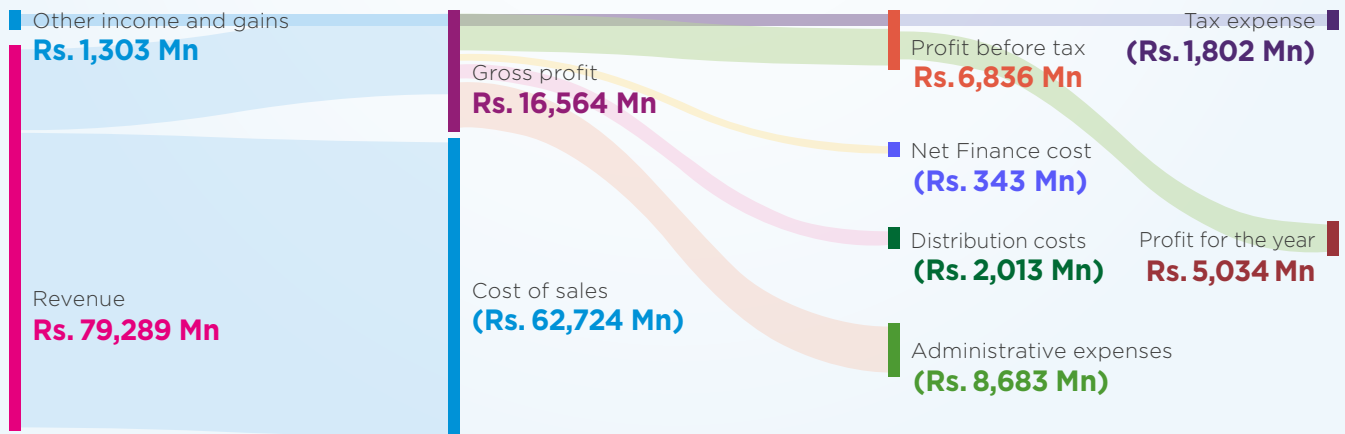
DUPONT ANALYSIS

DuPont analysis is a financial framework that breaks down return on equity (ROE) into three key components: profit margin, asset turnover, and financial leverage. This method helps investors and analysts understand how a company generates its profitability and where improvements can be made. By dissecting ROE, DuPont analysis provides deeper insights into a group's operational efficiency, financial structure, and overall performance.



SANKEY ANALYSIS

This Sankey diagram provides a structured visualization of the financial performance, tracing the flow of revenue and ancillary income through key expense categories to the resulting net profit. It offers a comprehensive overview of how each financial component contributes to the overall profitability of the organisation.



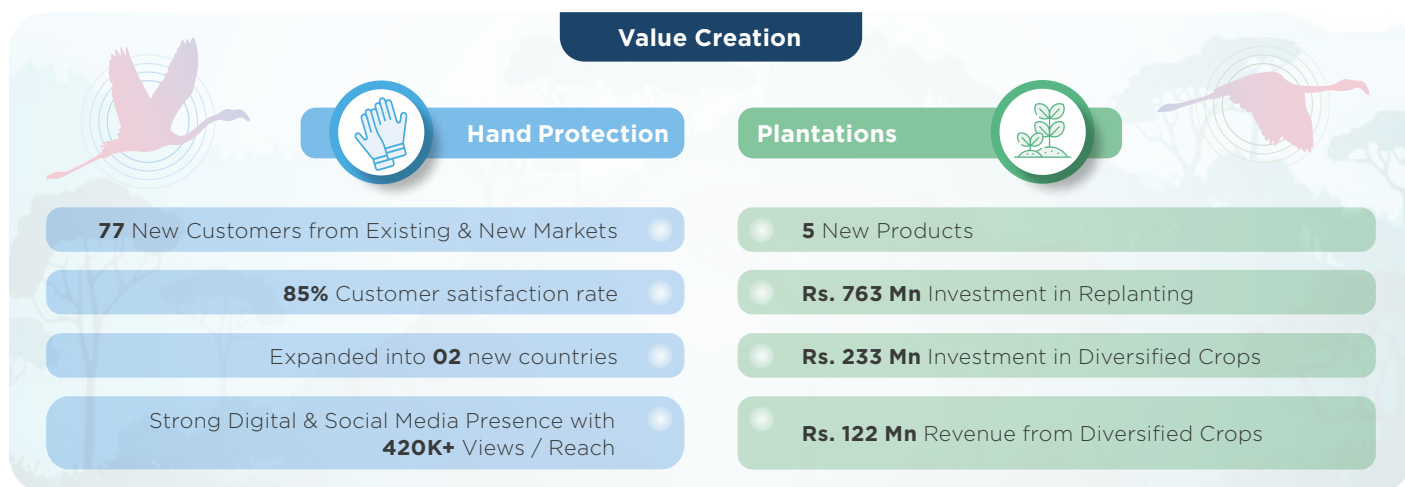
Social and Relationship Capital



The Greater Flamingo lives in large, organised colonies that rely on cooperation for nesting, feeding, and migration. At DPL, this mirrors our belief that strong relationships and teamwork—both within the company and with our partners—are essential to building resilient communities and lasting impact.

Key Focus Areas in 2024/25





Material Topics

- M8** Product Responsibility
- M2** Product & Packaging Lifecycle
- M4** Product Quality
- M6** Customer Satisfaction
- M19** Customer Requirements on Sustainability
- M20** On Time Delivery (OTD)

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- MR 01
- CRRO 02
- SRRO 02
- CRRO 03



Strategic Focus Areas



Short Term

- Strengthen customer relationship management through enhanced communication and support.
- Expand product range to meet evolving market demands and customer preferences.
- Ensure product quality and prioritise consumer health and safety with rigorous testing and standards.
- Offer sustainable services to customers, aligning with their environmental goals.
- Promote responsible marketing and labeling to ensure transparency and compliance with regulations.



Long Term

- Build long-lasting customer relationships through trust, engagement, and value-added services.
- Innovate and expand the product range to meet the future needs of diverse markets.
- Continuously improve product quality and ensure consumer health and safety through ongoing R&D and compliance.
- Position DPL as a leader in offering sustainable solutions and services to customers.
- Maintain responsible marketing and labelling practices that align with global sustainability and ethical standards.

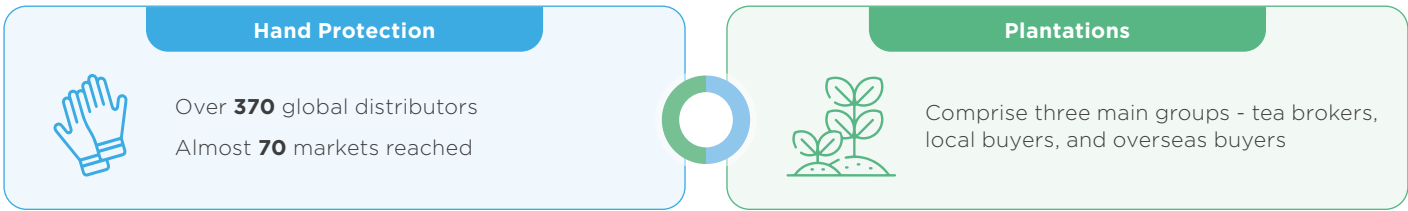
Social and Relationship Capital

Customer

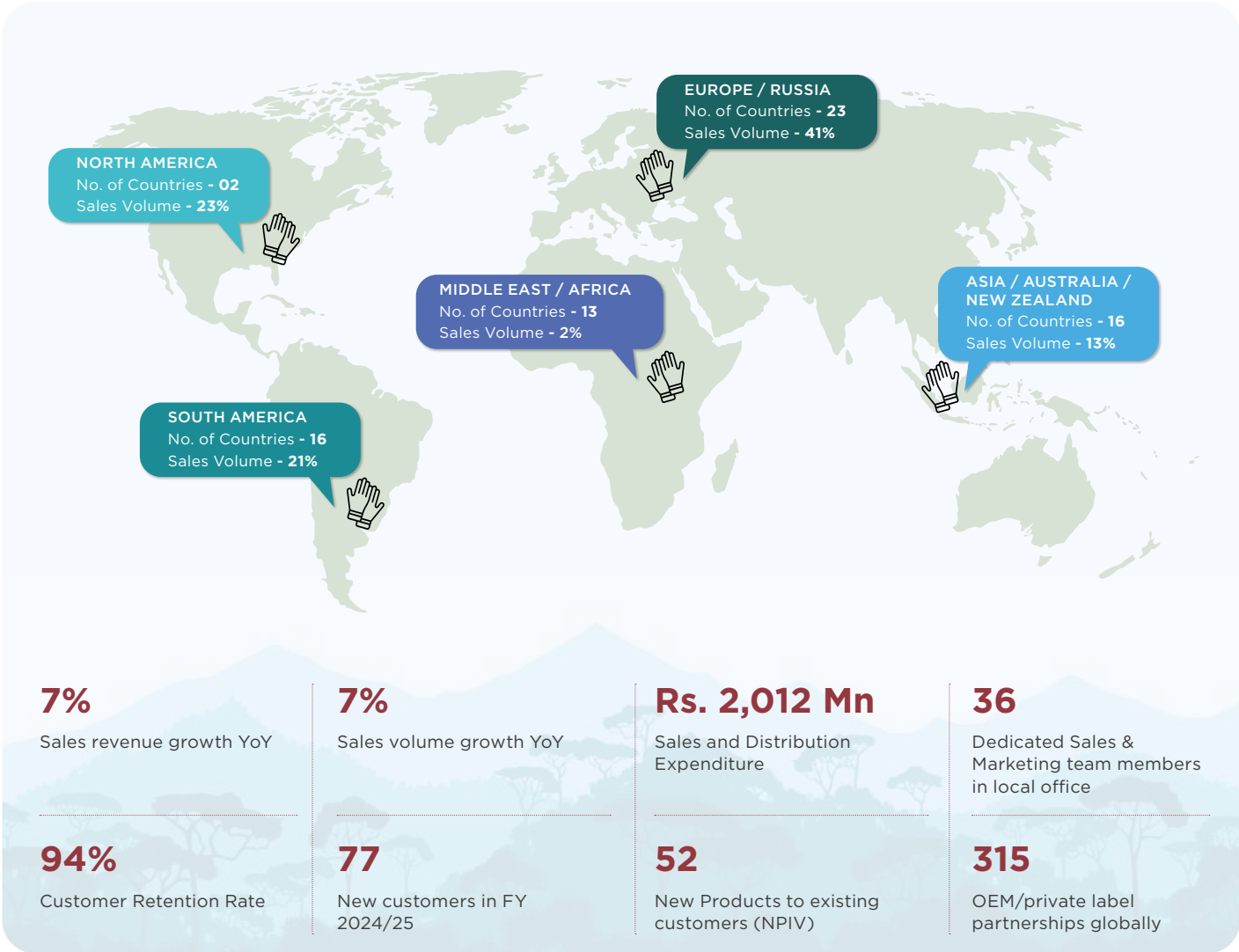
CUSTOMER RELATIONS

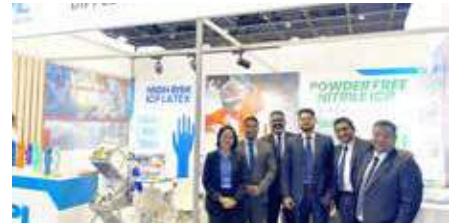
Our market leadership is deeply rooted in customer relationships. We focus on nurturing mutually beneficial connections, ensuring they consistently deliver greater value.

Customer Profile



Our Global Product Footprint by Region (Hand Protection)





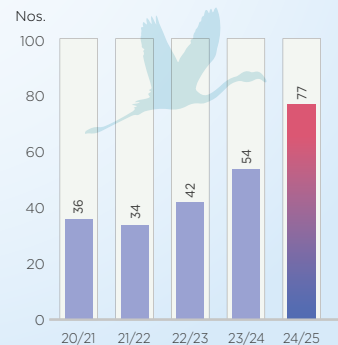
10 Trade shows and Exhibitions

762 Inquiries from trade shows and Exhibitions

INDIA OFFICE OPENING



YEARLY NEW CUSTOMER ONBOARDINGS



Social and Relationship Capital

Customer

Strategic Focus

Diversification of the customer base 	This past year, we successfully expanded our global customer base by acquiring 77 new customers within our existing and new markets. This growth was driven by a focused strategy that included: • Participation in several international trade exhibitions to strengthen market presence and showcase product innovation. • In-person customer visits to better understand specific needs and build stronger, long-term relationships. • Regular customer meetings to ensure alignment and responsiveness to feedback. • Hosting customer visits at our manufacturing facilities to reinforce transparency and trust. • Leveraging digital marketing tools to drive lead generation and boost engagement with both new and existing customers. • Active engagement across LinkedIn, Facebook, Instagram, and most recently, TikTok, to increase brand visibility and connect with target audiences. • Significant, targeted investment in digital advertising, especially in high-potential growth markets. • Introduction of new glove solutions tailored to emerging customer needs and industry trends, reinforcing our commitment to product innovation.
Strengthening distribution 	• We strengthened our global distribution network by establishing key regional infrastructure to improve lead times, service efficiency, and market responsiveness. These included a dedicated warehouse in the Middle East, a specialised glove testing facility in India, and sales and marketing offices in France, Italy, and Poland. • Europe: Enhanced direct sales offices through the recruitment of specialised glove experts to strengthen domestic sales and expand into new territories. • North America: Adopted an agent-based model, with appointed representatives managing customer service and business development activities across the region. • South America: Leveraged our strong base in Brazil to expand into key markets via targeted trade fair participation and a dedicated regional agent. • India: Implemented a hybrid strategy combining a direct sales office, a unique glove testing facility, and collaboration with long-standing distributors. • Middle East: Operated through a regional hub in the UAE (established 2 years ago), appointing country-specific sales managers for the UAE, Saudi Arabia, Oman, and Qatar to deepen market penetration.
Expanding the range of our offering 	We achieve competitive differentiation by focusing on continuous innovation and strategic market introduction of unique, market-leading products designed to meet evolving customer needs. Our R&D and Technical teams are key to this, having successfully launched 15 new products in FY 2024/25. These innovations are promoted via direct customer engagement, industry trade fairs, and targeted digital media. A prime example is the first-to-market EV Pro glove (rated up to 1000V for EV electricians), launched in FY 2024/25. Its introduction gave us an early advantage, and its continued promotion remains a priority due to the significant and growing demand within the electric vehicle market. To grow our sales and market presence, we expanded the sustainable product portfolio (including biodegradable, FSC®-certified, and fair-trade rubber options) and entered the high-growth Middle East market by establishing a dedicated UAE office with tailored offerings. Moreover, we implemented predictive analytics to improve forecasting accuracy and optimise inventory management, leading to more informed sales strategies.





Our Customer Value Proposition SASB HC0201-07



Customer-First Approach

At DPL, our customer-first mindset is not just a philosophy, it is a structured, evolving system built to deliver solutions that align precisely with our customers' needs, and serve them well wherever they are in the world.

Our customer support ecosystem includes over 30+ professionals globally, anchored by our Head Office team in Sri Lanka and supported by regional marketing and business development executives in North and South America, Europe, the Middle East, and Asia. This team includes Business Development Managers and Marketing Executives who ensure smooth communication, follow-up, and support across time zones.

Additionally, a business development manager provides overarching supervision, addressing customer inquiries, complaints, and general support. Furthermore, our Sales and Marketing teams drive and deliver;

- Exceptional service and responsiveness, prioritising prompt replies to inquiries and providing robust technical support. Operationally, we ensure reliability by monitoring our On-Time In-Full (OTIF) delivery performance against committed shipment dates.

- Regular monthly and weekly internal meetings are held to track progress and ensure seamless coordination within internal teams.
- Intensified customer interactions through increased physical and virtual engagements. Our aim is to visit customers in each major region at least annually.
- Encouraging and facilitating customer visits to DPL facilities, often including local hospitality elements to strengthen rapport and build lasting partnerships.
- Participation in several trade exhibitions.
- Strengthened our commitment to export markets by establishing local sales offices and marketing resources, enabling closer collaboration and relationship building.

CRM Implementation: As part of our ongoing commitment to providing exceptional service, we are in the process of implementing a Customer Relationship Management (CRM) system. This will allow us to better track customer interactions, personalize communications, and ensure timely follow-up, helping us to further strengthen relationships and improve service delivery.

KEY HIGHLIGHTS

77

New Customers from existing and new markets



36

member Business Development & Marketing team in local office



315

OEM/private label partnerships globally



86

customer visits and facility tours conducted



<42 hrs

average customer query response time

Social and Relationship Capital

Customer

Customer Feedback Management

We continued to advance our global leadership in sustainable and innovative glove manufacturing through proactive market expansion and strengthened customer partnerships. Our sales strategy directly addresses key industry priorities, ensuring alignment with sustainability goals, regulatory requirements, and the pursuit of high customer satisfaction.

Our "DPL Pulse: ESG Roadmap 2030," sets a target for 2030 for us to achieve a 95% customer satisfaction rate and gradually reduce customer complaints. Therefore, we are actioning out collaborative initiatives, and effective management of customer feedback.

DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Achieve customer satisfaction levels of 95%	80%	87%	85%	90%	95%	On Track

Customer satisfaction survey

To ensure ongoing service excellence and identify opportunities for enhancement, we conduct an annual customer satisfaction survey. This structured feedback mechanism allows customers to rate their satisfaction across 16 strategic service dimensions. The results are analysed to pinpoint areas for improvement, with the overall Customer Satisfaction Score serving as the key strategic performance indicator we track.



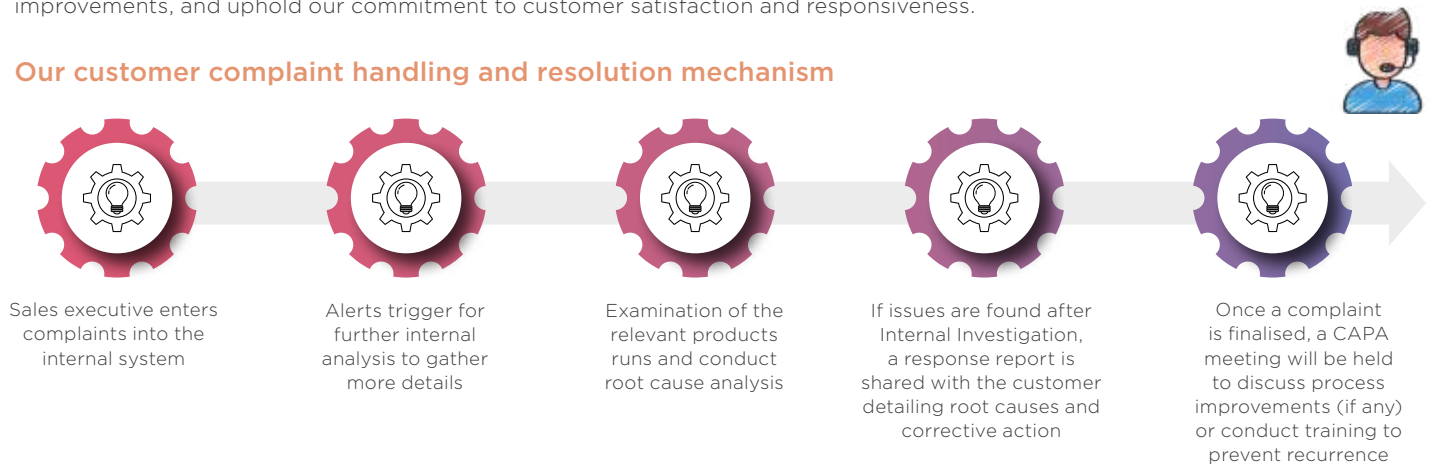


Customer feedback and complaint resolution

We are committed to listening to our customers and addressing concerns promptly. Our strengthened complaint resolution process ensures all issues are registered and managed by the Quality Control department. We leverage feedback from customer surveys to identify and rectify service gaps proactively.

We successfully addressed 100% of all received customer complaints, achieving an average initial response time of 42 hours and detailed response time of 30 days. Top management reviews these findings and survey results annually to analyse trends, guide improvements, and uphold our commitment to customer satisfaction and responsiveness.

Our customer complaint handling and resolution mechanism



Product Range & Innovations

We consider ourselves as a “One-Stop Shop” for all hand protection solutions. R&D and Operations teams continuously work on product and process innovations, improving efficiencies and reducing production costs. Refer Intellectual Capital from Page 252 to 278 for more details



Social and Relationship Capital

Customer

Product Quality

We are widely recognised in the market as a manufacturer of high-quality gloves. We strictly maintain the quality by not comprising, even if there is continuous demand for reduced pricing. Refer Intellectual Capital from Page 252 to 278 for more details.



KEY HIGHLIGHTS

- **100%** of DPL products covered by and assessed for compliance procedure on regulation requirements
- **2%** increase in product quality affecting pass rate
- Hanwella Rubber Products Limited's Testing Laboratory has officially achieved ISO/IEC 17025: 2017 accreditation!
- **100%** traceability on raw materials and finished products

**100%**
Compliance with international quality standards

**16%**
Decrease in defects YoY

Consumer Health & Safety

GRI 416-1-2

SASB HC0201-01-03, CG-AA-250a.1-2



Our recently adopted “Consumer Health & Safety Policy” underscores our commitment to **understanding our responsibility towards our customer and end-user / consumer** maintaining the highest standards in this critical area. While we operate primarily as a B2B manufacturer without direct end-consumer sales and interactions, we fully embrace our responsibility to deliver products that are high-quality, safe, and environmentally sound, proactively protecting users from potential risks.

This commitment is integrated throughout our operations, aligning strictly with global best practices and regulatory requirements. We embed consumer health and safety considerations into every stage of the product lifecycle – from initial design and development through manufacturing to final intended use. This policy serves as a testament to our dedication to these high standards, reinforcing our position as a responsible, export-oriented manufacturing leader.



**100%**
DPL products are assessed for health & safety impacts

**Zero Incidents**
reported or confirmed for non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products that resulted in warning / recalls / penalty / fine.



Ensuring safety throughout the product lifecycle

Our commitment to consumer health and safety is embedded in every stage of our operations, from initial concept to end-user feedback. We maintain rigorous standards through the following key processes:

Safety-Driven Design & Innovation:	We integrate user safety and comfort considerations at the forefront of our product design and innovation efforts.	Responsive Customer Feedback & Continuous Improvement	We actively engage with customers to understand end-user needs and gather feedback specifically related to product safety and quality.
	Continuous review cycles drive improvements, ensuring all product lines consistently meet or exceed 100% compliance with relevant international safety and quality standards.		This feedback loop informs continuous improvement efforts. We maintain a 100% complaint resolution target within defined timeframes and leverage robust quality assurance mechanisms with the goal of achieving zero product recalls due to safety or quality defects by 2030.
Rigorous Raw Material & Chemical Management:	We source and validate raw materials and chemicals, ensuring they are safe for consumers and meet stringent health, environmental, and safety standards.	Proactive Risk Mitigation in Manufacturing	Our manufacturing processes incorporate systematic identification, assessment, and mitigation of potential safety risks to prevent product defects and safeguard against harmful exposures.
	Our commitment guarantees that all gloves are manufactured using high-quality, non-toxic materials, eliminating potential health risks for users.		
Stringent Product Quality Assurance:	Multi-layered quality control checks are implemented throughout production to minimise defects and assure strict adherence to international safety standards.	Clear & Compliant Packaging & Labelling	We ensure all packaging and labelling provide clear, accurate information regarding materials, chemicals, and safe usage, fully adhering to international health and safety standards and regulatory requirements.
	Bi-annual product safety audits provide an additional layer of proactive risk identification and mitigation.		

Measure Taken to maintain the highest standards in end-consumer health and safety

We implement comprehensive measures to ensure the health and safety of end-consumers throughout the product lifecycle:

Proactive Risk Management	We systematically conduct product health and safety risk assessments for any new or modified infrastructure, processes, or activities, and perform regular reviews of existing operations to identify and evaluate potential hazards.	Information & Compliance Hub	A centralised digital portal and database maintains up-to-date health and safety standards for raw materials, product usage, packaging, and labelling. This ensures consistent adherence and prevents potential negative impacts.
	Ongoing research activities focus on analysing raw materials for any potential health and safety impacts during the product's end-use phase.		
Transparency & Communication	We provide customers with detailed information on product functionalities and capacities, enabling clear communication with end-consumers and preventing misuse-related safety issues.	Feedback & Response	Our dedicated Customer Feedback Management System captures external feedback regarding any product health and safety concerns raised before, during, or after use.
	Safety Data Sheets (SDS) detailing chemical/physical properties and potential hazards associated with product materials are readily available.		Established emergency preparedness and response procedures, including a formal product recall process, allow us to proactively support customers and address any end-consumer concerns (e.g., functionality issues, tears) swiftly and effectively.



Social and Relationship Capital

Customer

Integrating Sustainability: Our Services Offered to Customers

SASB CG-HP-250a.4, RT-CH-410a.1

DPL's ESG Roadmap 2030 targets encompass our entire value chain, understanding that achieving significant environmental and social impact requires collaboration with customers and end-consumers. In line with this, we now offer dedicated services to enhance transparency and knowledge around product sustainability:

- Product Life Cycle Assessments (LCAs):** Helping customers understand the full environmental scope of our products from cradle to grave.
- Product Carbon Footprint (PCF) Measurement:** Offering clear data on product emissions.



These initiatives provide valuable insights into our products' sustainability performance. To further share updates on our progress, we have also introduced a **Quarterly Sustainability/ESG Newsletter** specifically for our customers.



Measures promoting sustainability/ESG to customers and end-users

- Offering sustainable product choices accompanied by key information to support customer and end-user awareness and promotion.
- Commissioning third-party verified Product Life Cycle Assessments (LCAs) and Product Carbon Footprint (PCF) analyses to transparently demonstrate environmental impacts.
- Completing ESG/Sustainability evaluation questionnaires requested by customers.
- Strengthening internal compliance mechanisms, conducting risk assessments, and communicating relevant findings and assurances to customers.
- Maintaining reputable third-party certifications (e.g., FSC®, Fair Rubber Association membership) to independently validate our sustainability claims.
- Proactively engaging with customers through focused meetings (in-person and virtual) to discuss ESG/Sustainability performance, updates, and initiatives.





Responsible Marketing and Labelling

GRI 417-1-2 SASB HC0201-04-05

Our recently adopted Responsible Marketing Policy formally embeds ethical conduct into our marketing practices, recognising it as fundamental to building stakeholder trust. As a global leader in sustainable and innovative glove manufacturing, we mandate transparency, integrity, and compliance in all marketing communications. We adhere to the highest standards, ensuring alignment with global best practices, regulatory requirements, and voluntary codes.

Driven by our "DPL Pulse: ESG Roadmap 2030" targets, these principles permeate our branding, product claims, and customer engagements. We guarantee that all information shared whether through packaging, advertising, or digital platforms is accurate, verifiable, and fully compliant with regulatory standards. This commitment to transparency, end-consumer rights, ethical engagement, and the prevention of misleading claims guides our entire marketing approach.



KEY HIGHLIGHTS

All product labels, packaging, and promotional materials provide clear and factual information about product composition, sourcing certifications, sustainability attributes, intended use and safe disposal in line with regulations and standards product information and labelling requirements



100%

of DPL products covered by and assessed for compliance procedure on regulation requirements



Zero Incidents

reported or confirmed of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling resulting in a warning / penalty / fine.

DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Ensure accessibility for all the products and technical data for all our products allowing customers to make informed purchase decisions	100%	100%	100%	100%	100%	Achieved

Product Information & Labelling Compliance Processes

- Annual reviews of product labels and marketing collaterals are mandatory to verify full compliance with the specific regulations of every market where our products are sold.
- We provide comprehensive information detailing raw material sourcing, product composition (materials/chemicals), guidelines for safe use, and end-of-life disposal considerations, reinforcing product traceability. This includes disclosing certifications associated with supplier-sourced packaging materials (e.g., FSC).
- Product category information is routinely assessed for alignment with established internal and external marketing and promotional guidelines, ensuring responsible communication.

Regulatory Adherence

Detailed Product Disclosure

Marketing Compliance Verification

Social and Relationship Capital

Customer

Ethical Marketing Communication, Promotions, and Advertising

GRI 417-3, 418-1 SASB HCO201-04-05



Our commitment to responsible and ethical marketing is integral to building stakeholder trust. This commitment is operationalised through our Marketing Compliance Framework, which mandates rigorous verification of all claims related to our products, organisation, certifications, and sustainability efforts.

A cornerstone of this framework is a mandatory pre-publication fact-checking process for all advertising and promotional content. This involves internal subject-matter experts and, where necessary, external verification to guarantee the accuracy and validity of information presented.

Measures taken to ensure ethical use of data, protection of privacy and confidentiality in communication, promotion, and advertising:

- Enhanced internal ethical advertising guidelines ensure materials are factual, socially responsible, and free from gender stereotypes. Digital marketing governance was also strengthened to guarantee accuracy in online product specifications.
- Advanced content monitoring technology is adopted to identify potential non-compliance risks in digital and print communications.
- Rigorous pre-publication screening verifies all content against policies for ethical marketing, data protection, and brand standards.
- We collaborate with industry bodies to promote sector-wide ethical standards and benchmark our practices against leaders.
- Comprehensive training equips employees with knowledge of responsible marketing practices, including data privacy protocols (such as securing consent for personal data/image use), consumer protection, and regulatory compliance.



Zero incidents

of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship

Zero complaints

received concerning breaches of customer privacy

Zero cases

of identified or confirmed personal data leaks, thefts, or losses

Optimising Our Digital Marketing Presence

We maintain an active and growing presence across key digital platforms: our Website, LinkedIn, Facebook, Instagram, and YouTube with the newest addition being TikTok. Impressively, all current metrics—including reach and impressions—are the result of organic engagement, underscoring the authentic, loyal community we have built.

We use these channels for holistic communication. Beyond showcasing our products, we share content regarding our sustainability initiatives, CSR projects, and important educational topics such as safety. This multifaceted approach allows us to connect meaningfully with our audience and leverage digital opportunities effectively for overall business benefit.





Our performance on Digital Marketing in FY 2024/25

	Total Organic Traffic 89.7K	New Users 63.3K	Average Time Spent on Website 46s	View our website:	
	Total No of Posts 171	Total Reach for Posts 196.7K	Total Impressions for Posts 482.5K	Join our LinkedIn Community	
	Total No of Posts 165	Total Reach for Posts 75.7K	Total Post Interactions 15.5K	Join our Facebook Community	
	Total No of Posts 158	Total Reach for Posts 5.3K	Total Post Interactions 10.1K	Join our Instagram Community	
	Total No of Videos 36	Total Views for Videos 22K	Total Impressions on Videos 202.9K	Join our YouTube Community	
	Total No of Videos 25	Highest single Viewed Video 63.2K	Total Impressions on Videos 95.2K	Join our TikTok Community	

Measures taken in FY 24/25 to incorporate best practices in Managing Digital & Social Media Platforms

Increased transparency and open communication of information about products and company's activities that are user-focused, clear, relevant, accurate and valuable to help create authentic content to build trust on our brand.

Ensured all content follows relevant legal and industry standards and regulations including strengthening Data Protection Policy and displaying a clear privacy policy statement explaining how user data will be used, in compliance with national data protection, GDPR or other relevant privacy regulations as per regions of operation.

Improved procedures to track and monitor compliance with intellectual property laws when posting content that would support to attribute content correctly and seek permission to use copyrighted materials.

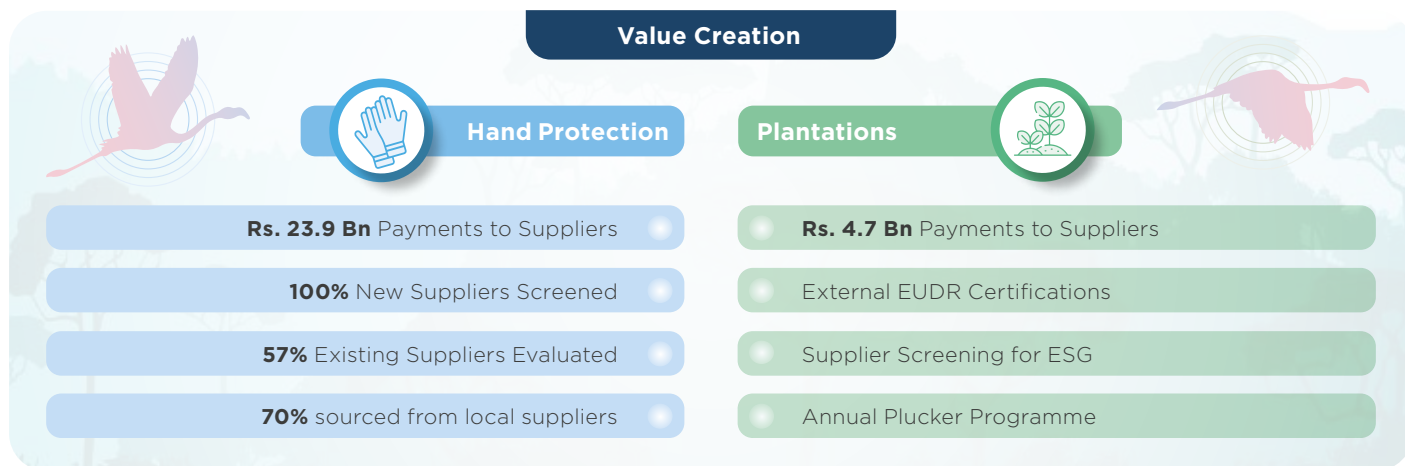
Introduced the use of analytics tools (e.g., Google Analytics, social media insights) to measure engagement, follower growth, and content performance that supported data driven decision-making on adapting the marketing strategy using the activities' effectiveness by tracking conversions or other business-specific KPIs (e.g., website traffic, lead generation) that showed ROI.

Developed a clear strategy for managing crisis situations such as handling negative feedback or crises on social media especially responding to users swiftly, professionally, and empathetically that would help mitigate damage to brand reputation.

Increased content with educational, entertaining, and informative posts to avoid overwhelming your audience with over promoting of products and sales messages.

Social and Relationship Capital

Supplier



Material Topics

- M8** Environmental and social issues along supply chain
- M10** Physical Climate Risks - Rainfall
- M13** Evolving Climate Regulations and Policies
- M23** Human Rights Assessment
- M25** Community and Livelihood Development

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- FR 01
- MR 02
- PR 01
- SRRO 01
- CRRO 01
- CRRO 02



Strategic Focus Areas

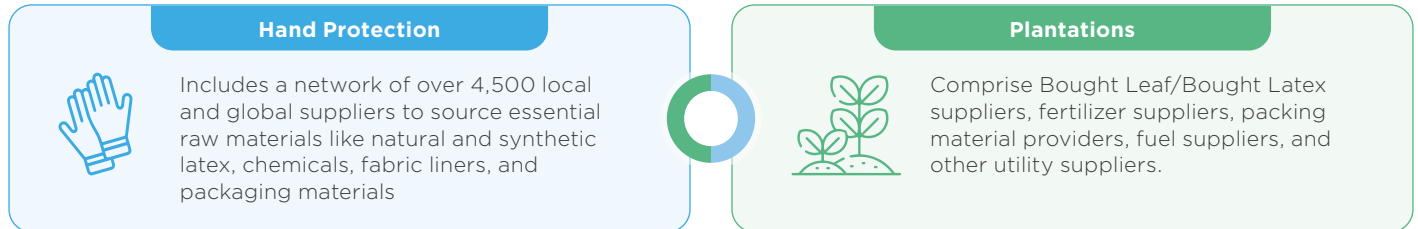




SUPPLIER RELATIONS

Our supplier partnerships are fundamental to our value creation process, as they enable us to secure a steady flow of quality raw materials but also contribute significantly to our overarching social mission of fostering sustainable livelihoods within our first-light farmer network.

Supplier Profile



Our Supplier Strategy SASB FB-AG430a.1, HC0201-16

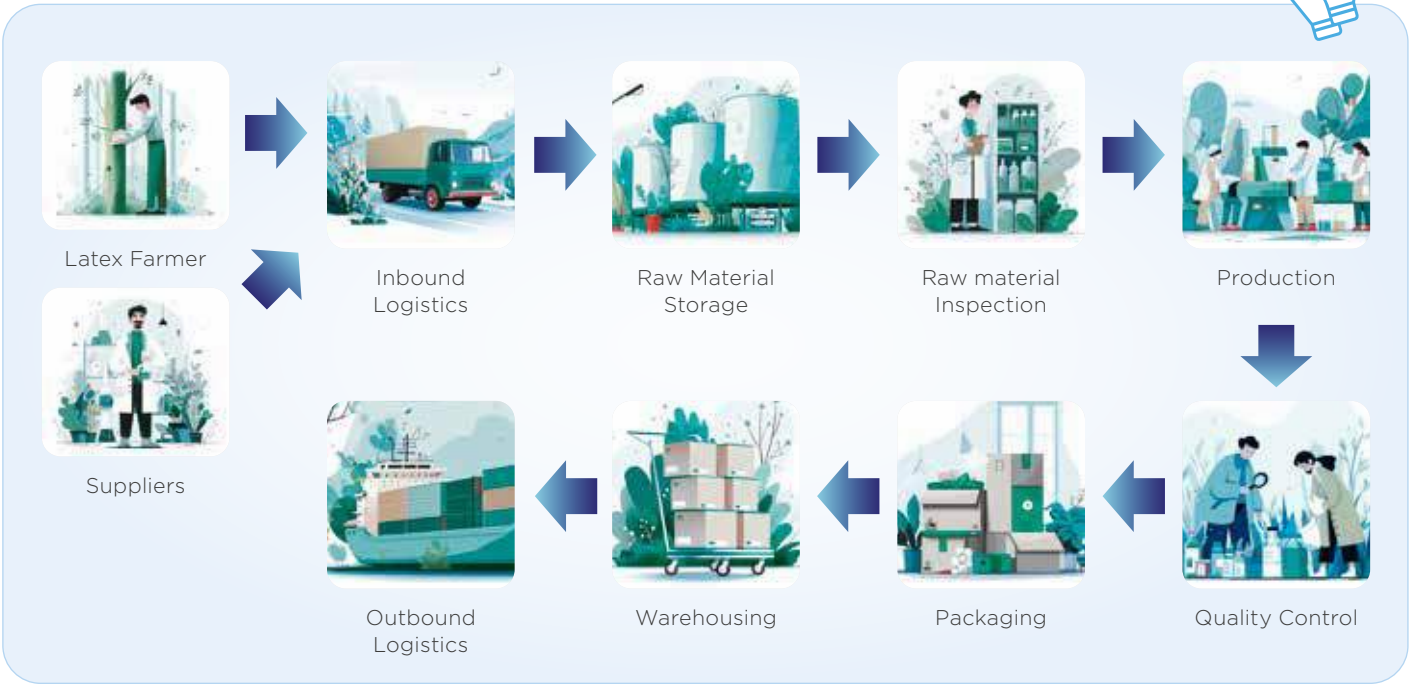
Strengthening the supplier base	We continued diversifying our supplier base to reduce the risk of supply chain disruptions. The diversification of suppliers also enabled us to negotiate more favourable prices with suppliers. Our supplier diversification strategy involved increasing the proportion of local suppliers and ensuring a pool of suppliers for each raw material. During the year 2024/25, 06 new strategic partners were onboarded for critical raw material supplies. We procure 70% of our natural latex from 4,200+ local farmers through our Firstlight programme. Ensuring fair prices, we directly pay them promptly, payments totalling approximately Rs. 3.5 Bn in FY 2024/25.
Driving greater supply chain efficiencies	Amidst persistent cost pressures affecting margins, our focus was on enhancing cost efficiencies across our supply chain. Key initiatives undertaken include: - Establishing an in-house printing facility generating cost savings. - Expanded our supplier base in the synthetic latex range and achieved price reductions. - Implementing Total Productive Maintenance (TPM) enabled reduced waste and increased efficiency, resulting in annual savings of Rs. 350 million. Initiatives of the supervisors in cost reduction and productivity enhancement further contribute to savings. - The centralised warehousing facility in Biyagama enabled the reduction of fuel costs, waiting times, labour requirements and gaining operational efficiencies.
Prioritising ESG considerations in the supply chain	With our key buyers increasingly prioritising ESG considerations, establishing a sustainable supply chain is imperative. Efforts to streamline logistics operations yielded a 12% reduction in fuel consumption. Additionally, we maintain close collaboration with suppliers to ensure social and environmental compliance, with 57% evaluated using relevant criteria. No negative social or environmental impacts, nor risks of child or forced labour, were identified in our supply chain this year. Refer page 162 for more details In the plantation sector suppliers undergo rigorous screening and due diligence to verify their social and environmental credentials. Only those meeting assessment criteria are onboarded. Fuelwood suppliers are required to annually update their tier status regarding the validity and relevance of their license. All suppliers undergo periodic audits to assess their ability to align the RA™ certification and the ISO 14000: Environmental Management Standard guidelines. This enables us to maintain traceability from the final product to the specific fields through unique invoice numbers.
Strengthening the supplier ecosystem	We view our suppliers as integral parts of our ecosystem, cultivating a deep understanding of their challenges and actively seeking solutions together. Supplier development programmes were conducted tailored for local suppliers, particularly for packing material suppliers. To address the high packing costs, we provided support in identifying areas for improvement and extending financial assistance for acquiring machinery to enhance production volumes.

Social and Relationship Capital

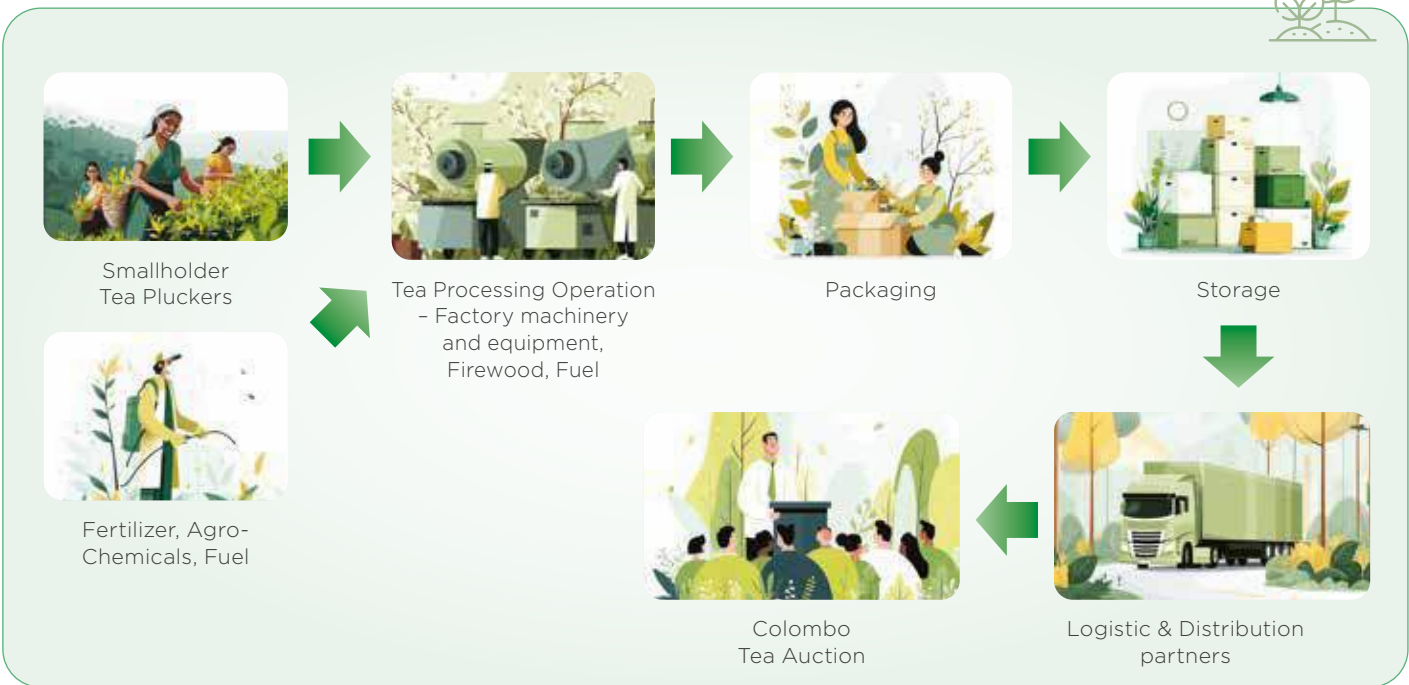
Supplier

SUPPLY CHAIN

Hand Protection Sector



Plantation





Our supplier ecosystem GRI 2 - 6b(ii)

Category 01: Smallholder Farmer-Sourced Raw Materials

Definition : Cultivation, extraction, or initial production of raw materials.

Example : Natural latex sourced from local farmers and plantations.



4,243

Active Smallholder Farmers

Category 02: Processed Raw Material & Intermediary Suppliers

Definition : Businesses engaged in processing/manufacturing raw materials into intermediate products or those sourcing raw materials from other suppliers and supplying them as standalone inputs or as part of a larger formulation.



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Active Global Business Based Suppliers

Sub-Categories & Examples

Direct Manufacturers & Processors	Intermediary Traders & Importers
Nitrile latex manufacturers	• Natural latex importers
Chloroprene latex suppliers	• Latex traders (third-party latex, imported latex suppliers)
Chemical processing units (chemical blending, formulation, raw material refinement)	• Chemical ingredient suppliers (used in chemical mixing)
Fabric, liner, and yarn manufacturers (including fiber and recycled materials)	
Packing material manufacturers (producing final packaging components)	

Category 03: Logistics & Distribution Partners & Service Providers

Definition : Upstream and downstream partners managing logistics, warehousing, and distribution of materials and finished products.

Example : Local & global logistics partners (moving raw materials and transporting finished goods)

Warehousing & distribution networks (for export logistics)



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Active Logistic & Distribution Partners

Strengthening our supply chain GRI 204 - 1 SASB CG-AA-440a.3(1) - 4(1), FB-AG-000.D

As part of our commitment to strengthening local economies and promoting sustainable supply chains, we track and prioritize procurement from local suppliers across our significant operational locations in Sri Lanka and Thailand. In FY 2024/25, 74% of our procurement cost in Sri Lanka (Rs. 3.5 Bn out of Rs. 4.7 Bn total spend) was spent on local suppliers. In Thailand, 64% of procurement spend (Rs. 4.4 Bn out of Rs. 6.9 Bn) was directed to suppliers operating within the country.

 Hand protection	Supplier Categories Relevant to Sri Lankan Context	Local Suppliers		Global Suppliers	
		Active No. (Registered No.)	% of Quantity Purchased	Active No. (Registered No.)	% of Quantity Purchased
	Natural latex Suppliers	4,243 (9,847)	70%	3 (4)	30%
	Nitrile latex Suppliers	N/A	N/A	6 (7)	100%
	Chemical Suppliers	29 (30)	20%	110 (126)	80%
	Liners and Yarn Suppliers	20 (23)	37%	34 (35)	63%
	Packing Materials Suppliers	65 (67)	98%	10 (11)	2%
	Logistic & Distribution Partners	17 (19)	95%	1 (1)	5%

Social and Relationship Capital

Supplier

OUR APPROACH TO SUPPLIER MANAGEMENT GRI 308 - 1, 414 - 1

Supplier Selection & Screening Process

Suppliers are selected and undergone thorough screening based on the below focus areas:

- Regulatory Compliance & Ethical Standards
- Price competitiveness
- Quality assurance
- On-time delivery
- ESG Compliance
- Opportunity for Business growth & innovation



DPL Supplier Diversity Programme

The Supplier Diversity Program (SDP) is designed to promote procurement from diverse suppliers, ensuring equal opportunities, economic empowerment and equitable business growth. We are committed to fostering an inclusive and diverse supply chain by providing equal opportunities for our direct suppliers - farmers from underrepresented and vulnerable groups. We additionally encourage our businesses-based suppliers to improve their employee diversity with the aim of diversifying overall supply chain.

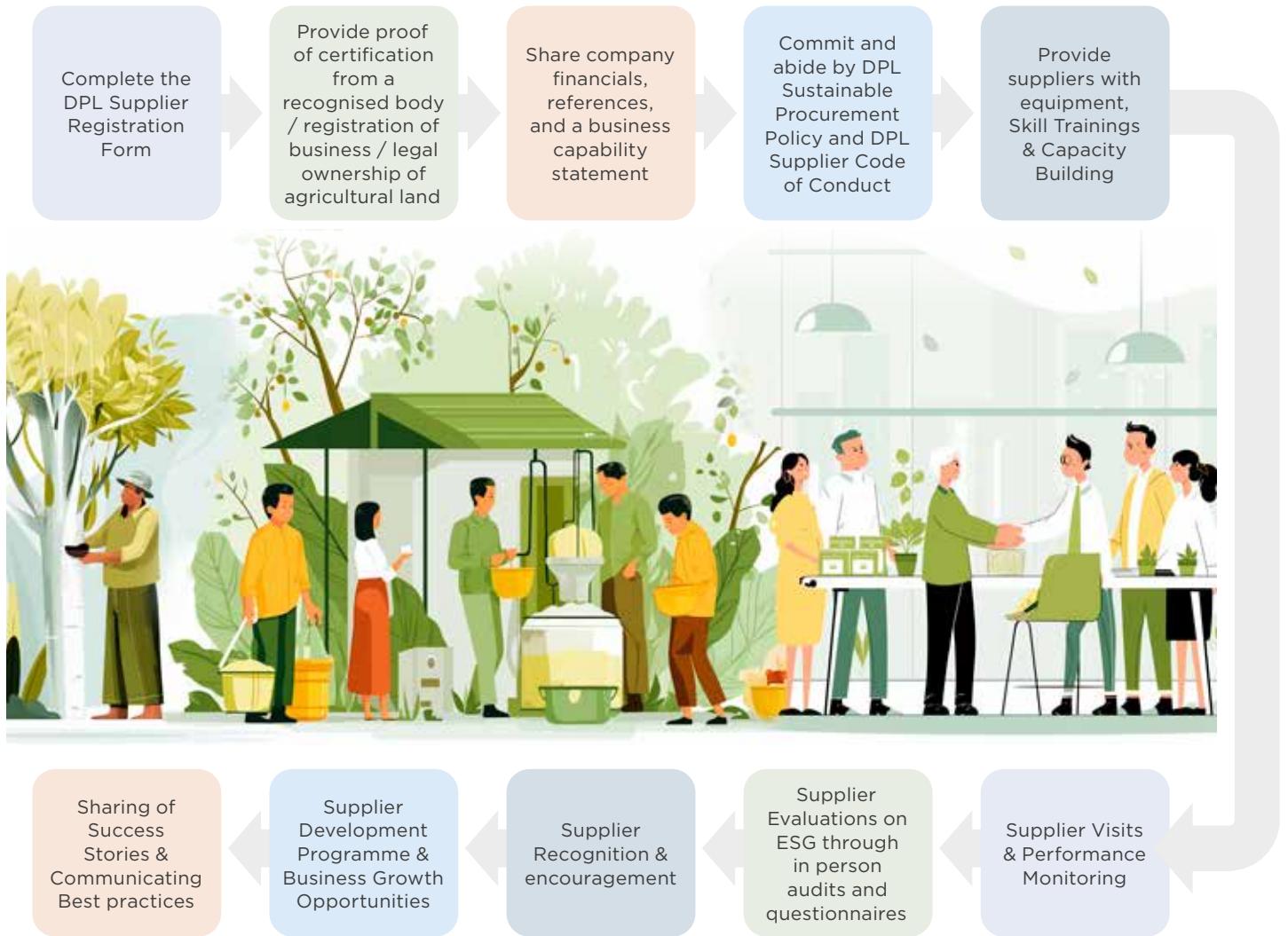
DPL recognises the following classifications for diverse suppliers:

- Female Smallholder Farmers / Women-Owned Businesses
- Unemployed youth serving as smallholder farmers /Youth-Owned Businesses
- Smallholder Farmers/Businesses Owned by Minority Community
- Smallholder Farmers / Businesses owned by Persons with Disabilities
- Economically Disadvantaged Smallholder Farmers
- Small and Disadvantaged Businesses
- Any business where ownership is held by members of underrepresented communities





Supplier Onboarding & Relationship Management



DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Achieve Social and Environmental Screening and Evaluation of Total Suppliers	0%	20%	57%	65%	40%	Achieved
Supply chain to implement chemical management practices	0%	20%	57%	65%	30%	Achieved

Objective of the Extensive Supplier Evaluation is to manage the risks of adverse environmental and social impacts in our supply chain and to select suppliers that implement the best environmental and social practices

Social and Relationship Capital

Strengthened Supplier Evaluation Process in FY 24/25

GRI 308 - 2, 407 - 1, 408 - 1, 409 - 1, 414 - 2 **SASB** CG-AA-430a.1-2, CG-AA-430b.1-3, FB-AG-430a.1-3, CG-AA-000.A

Step 01 - Deciding the scope of the evaluation process, requirements to fulfill, supplier base, material topics to assess the suppliers and mode of data collection and evaluation criteria

Confirmation of Understanding & Alignment to Principles of DPL Sustainable Procurement Policy

Signed Commitment to abide by DPL Supplier Code of Conduct

Required Information & Material
Topics Suppliers were Assessed /
Evaluated on;

Supplier or
Business
Information
(Demographics,
Legal, Operational
Data)

Business Ethics & Good Governance

Quality
Management &
Safe Chemical
Management

Health, Safety
& Well-Being
of Workers/
Employees

Agricultural & Environmental Practices and Preparedness for Climate Change Impacts

Social
Compliance,
Protection of
Human Rights
& Impact on
Community

Status of Compliance in National & Regional Laws and Regulations (Ex: REACH, EUDR etc)

Sustainability Standards, Frameworks, Certifications, Memberships

Key Highlights,
Best practices,
Success Stories
and Sustainability
Reports

Accountability
- Confirmation
from Highest
Leadership for
Accuracy of
Information

Interest to Receive
/ Share Best
Practices

(Quarterly
Newsletter)

Interest to engage
in Supplier
Capacity Building
Sessions / Training

Note – All suppliers were assessed and evaluated on the material topic in the first row and the second row was checked only with the business-based suppliers.

Step 02 - Development of Evaluation Form:

Smallholder Farmers - Questions simplified and translated to local languages.

Business Based Suppliers – Multiple questions with the option to upload supporting documents and evidences.

Step 03 - Data Collection:

Smallholder Farmers - Circulating the hardcopies to smallholder farmers through the Smallholder Agents.

Business Based Suppliers - Circulating the e-form via email to all business-based suppliers.

Step 04 - Sample in-Person Audit & Data Accuracy Checks:

Smallholder Farmers - Visit to Farmers by Smallholder Agents and checking for Accuracy during physical data collection.

Business Based Suppliers – In-Person Supplier Visits/Outbound Meetings and Validating supporting documents / evidences uploaded to the e-form to monitor the implementation and effectiveness of supplier's alignment to organisation's commitments, activities and goals related to due diligence.

Step 05 - Supplier Evaluation

Smallholder Farmers - Based on response provided assessing and preparing the final results of the evaluation.

Business Based Suppliers - Based on Responses / Evidence Provided Marks Allocated and rated as per final score.

Step 06 - Supplier Acknowledgment & Recognition for Participation in the Assessment:

Smallholder Farmers - Letter Confirming Evaluation Conducted and the result received from the Assessment.

Business Based Suppliers – Certificate with the Rating Achieved based on Final Score obtained and Report with Areas for Improvement.

Step 07 - Communication of Areas for Improvement:

Smallholder Farmers - Opportunities for Training & Capacity Building shared with farmers along with accessible resources to further improve – Refer Firstlight Initiative in Page 179.

Business Based Suppliers – Virtual capacity building opportunities and share best practices through Quarterly Newsletter.



Smallholder Farmer Evaluation Results

Total No of Active Suppliers for FY 24/25 – **4,243**

Evaluation Completed No of Suppliers – **2,583**

61% Smallholder Farmers Evaluated

Supplier Details Obtained;

- Improve Supplier Diversity (Age, Gender, Minority, Any Vulnerabilities etc)
- Ensure Legal Ownership of Agriculture Land
- Alignment to DPL Sustainable Procurement Policy
- Signed DPL Supplier Code of Conduct

Supply Chain Free from;

- Deforestation (EUDR Compliance)
- Agricultural Practices Harmful to Environment
- Unethical Waste / Effluent Disposal
- Exposure to Hazardous Chemicals / Fertilizers

Zero Cases Identified / Reported on;

- Violations of Worker/ Labour Rights and freedom of association and collective bargaining
- Child Labour
- Forced / Involuntary / Compulsory
- Human Trafficking & Modern-Day Slavery

No Incidents Identified / Reported on;

- Violations of Law / Regulations
- Bribery / Corruption
- Unethical Pricing
- Fraud & Illegal Practices

Best Practices along Supply Chain;

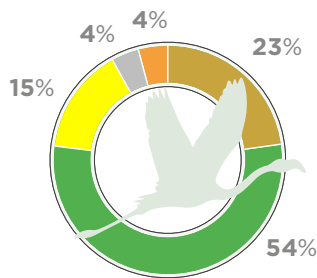
- Health & Safety Measures
- Safe Chemical Management
- Sustainable Agriculture
- Reduced Plastic / Polythene Usage

Business based Supplier Evaluation Results

Total No of Active Suppliers – **277**

Evaluation Completed No of Suppliers – **66**

24% Business Based Suppliers Evaluated



Evaluation Completed by Suppliers, to whom 80% of Payments Made

96% of Suppliers Assessed met or exceed minimum standard expected in DPL Supplier Code of Conduct

Suppliers Evaluated based on Location of Plant supplying the RM to DPL

1. Sri Lanka	6. Canada	11. Japan
2. Thailand	7. Hong Kong	12. Vietnam
3. China	8. Taiwan	13. Norway
4. Malaysia	9. Germany	
5. South Korea	10. Singapore	

Each Supplier Rated based on the Responses and Evidence provided in the Comprehensive Online Questionnaire based on the Material Topics in Page 60

Supplier Rating System

Supplier Rating	Final Score (%)	Description of Rating	Percentage of Suppliers	Next Steps Based on Rating
Gold	85 – 100%	Industry leader with robust sustainability programs, best practices, and compliance.	23%	Maintain partnerships & explore further collaboration
Green	70 – 84%	Fully compliant with international and local regulations and DPL standards.	54%	Maintain partnerships & explore further collaboration
Yellow	60 – 69%	Meets minimum DPL standards but requires monitoring.	15%	Monitor and provide feedback for improvement Provide Supplier Development Opportunities
Gray	50 – 59%	Limited scope supplier; authorised under special conditions.	4%	Engage in corrective actions and remediation plans Provide Supplier Development Opportunities
Orange	30 – 49%	Supplier has critical issues; remediation required for continued engagement.	4%	Engage in corrective actions and remediation plans Provide Supplier Development Opportunities
Red	10 – 29%	Major compliance failures; supplier is under review with risk of termination.	0%	Suspend or terminate supplier relationship Provide Supplier Development Opportunities
White	0 – 9%	Did not pass minimum assessment; supplier disqualified.	0%	Suspend or terminate supplier relationship

Social and Relationship Capital

Supplier

OPTIMISING OUR SUPPLY CHAIN FOR EFFICIENCY, RESILIENCE, AND SUSTAINABILITY

We are continuously implementing strategic initiatives across our supply chain to enhance efficiency, mitigate risks, reduce costs, and advance our sustainability goals.



Measures taken in FY 24/25

1 Strategic Raw Material Procurement

- We are consolidating the procurement of major raw materials – particularly Natural Rubber (NR), Nitrile Butadiene Rubber (NBR), and key chemicals – across all our manufacturing facilities in Sri Lanka and Thailand. By leveraging the combined volume of our factories, we aim to achieve better pricing, improve negotiating power, and standardise supply arrangements with key partners.
- While pursuing consolidation benefits, we simultaneously work to mitigate risks associated with reliance on single suppliers for critical chemicals. We have identified, rigorously assessed, and qualified alternative suppliers for essential materials, ensuring greater supply chain resilience. Supplier evaluations, audits, and development programmes are ongoing to maintain compliance and performance standards.



Mitigate risks associated with reliance on single suppliers for critical chemicals

2 In-house Process Enhancements and Cost Savings

- Implementing in-house printing capabilities for labels has yielded cost savings and reduced reliance on external suppliers while also minimising associated transport costs and potential delays.
- We have transitioned from importing certain pre-mixed chemical dispersions to producing them in-house cost effectively by creating the dispersions locally. We achieved substantial savings in freight costs and gained better control over inventory levels, producing dispersions as needed.
- A key process improvement with significant environmental benefits involved replacing hazardous solvent-based chemicals with safer, water-based alternatives in specific manufacturing steps. This initiative reduces costs, minimises environmental impact, and enhances workplace safety by lowering fire risks associated with volatile solvents.



37%
Solvent based chemicals replaced with water based alternatives

3 Incentives & support programmes for suppliers

- Incentivized high-performing farmers by recognising performance, potential and sustainable practices and rewarded them with access to technical support programmes - rubber saplings, tapping tools, rain guards free of charge.
- Business based suppliers with strong sustainability performance and effective risk mitigation were rewarded through DPL's preferred supplier program with increased orders and will be eligible for recognition mechanisms that encourage continuous improvement.



550+
Suppliers benefitted from supplier support programmes



4 Advanced supplier monitoring practices

- Used the Fair-trade certificate validation process audits in the field covering suppliers directly in local languages as a tool to obtain information and verify the risks of adverse impacts from suppliers' operations, as well as identify the relevant stakeholders that should be engaged.
- Communicated the whistleblower procedure during supplier visits, meetings, trainings and union meetings - as an active grievance mechanism available publicly to be accessed by any person from suppliers to suppliers' workers, to local community available. The suppliers were assured a report can be made anonymously to share concerns and feedback with the highest leadership of organization, that high confidentiality is maintained and reporting party is protected from non-retaliation.



Zero cases
reported via the
Whistleblower or
Other Grievance
Mechanisms in FY
24/25

5 Employees from the Procurement Department received Advanced ESG training

- Advanced ESG Training was conducted with a target to train 100% of Procurement team on ESG by 2030 to strengthen their knowledge of environmental, social and governance issues and the risks of adverse impacts along the supply chain.
- Advanced ESG Training covered topics from sustainable procurement practices such as;
 - » Sustainable raw material sourcing
 - » Recycled input material
 - » Use of recycled/renewable input material in packaging
 - » Recyclable packaging material
 - » Compostable and biodegradable packaging
 - » New Supplier screening and evaluations for existing suppliers
 - » Collaborations with supplier for sustainable innovations
 - » Pushing for reduced GHG emissions and improved logistic planning



100%
of Procurement
Team who
conducted the
Supplier Evaluation
participated in
Advanced ESG
Training in FY
24/25

6 Introduced Performance driven Remuneration of Procurement Employees on integrating Sustainable Procurement into their function

- The performance of procurement employees in integrating sustainable procurement into their roles is formally evaluated through a dedicated KPI on "Sustainable Procurement Practices" as applicable to each individual's role. This KPI, embedded within their annual performance appraisal, captures actions taken to assess supplier sustainability performance and promote the sourcing of sustainable raw materials.
- KPIs are cascading down from Management level to executive level in the Procurement team in driving the targets set for sustainable procurement.
- A key process improvement with significant environmental benefits involved replacing hazardous solvent-based chemicals with safer, water-based alternatives in specific manufacturing steps. This initiative reduces costs, minimises environmental impact, and enhances workplace safety by lowering fire risks associated with volatile solvents.



40%
of Procurement
Team have a Goal
and Target to
meet on "ESG
Integration"
in Employee
Performance
Evaluation in FY
24/25

Social and Relationship Capital

Supplier

7 Warehousing Optimisation, Effective Management of Global Logistics amid Market Volatility

- We have optimised transportation through measures such as consolidating volumes and using monthly rental agreements for vehicles where advantageous.
- As previously mentioned, our direct contractual agreements with major shipping lines provide cost benefits and secure capacity.
- The financial year was characterised by considerable volatility within global sea freight markets, influenced by geopolitical factors and disruptions to key routes such as the Red Sea. This led to significant escalations in freight rates and challenges in securing shipping capacity.
- We navigated these conditions through prudent logistics management, underpinned by established long-term contractual agreements with key global shipping lines. These arrangements enabled us to:
 - » Ensure consistent access to necessary shipping capacity amidst market constraints.
 - » Secure freight rates preferential to elevated spot market levels, thus controlling logistics expenditures.
 - » Although transient logistical challenges arose during periods of peak disruption, these contractual agreements afforded critical operational stability and insulation from the full extent of external cost escalations.



18

Local and global
logistic partners

8 Diversifying supply sources and expanding domestic network

The below qualifying additional international suppliers and expanding our domestic farmer network – are key components of our operational plan to secure the necessary raw material supply for our growing production needs and mitigate potential supply chain risks:

- While Thailand remains a key source, we have qualified and formally approved new NR latex suppliers in Vietnam. This diversification reduces reliance on a single import region and increases our procurement flexibility.
- Complementing our international efforts, we are developing new farmer supplier bases within Sri Lanka. Specific focus areas for this expansion include Ampara and Haputale, aiming to nurture partnerships in these promising regions and increase our local sourcing capacity over time.



2

New areas/locations
added to Firstlight
farmer network

9 Adapting to regulatory landscapes and driving operational excellence

- European Union Deforestation-Free Product Regulation Compliance – Refer Page 173 for more details
- Responding to heightened US regulatory focus (partly influenced by global trade dynamics) demanding greater supply chain transparency, we are implementing enhanced screening processes. This extends beyond our direct suppliers to encompass the upstream supply chain. We are obtaining necessary attestations and documentation to verify compliance with critical standards, including human rights and labour practices, throughout the value chain, ensuring continued access to the US market.



90%

Completion of
EUDR compliance
in Firstlight farmer
network



European Union Deforestation Regulation (EUDR)

SASB FB-AG-430a.3, HC0201-17

The European Union has introduced the Deforestation-Free Products Regulation (EUDR) to combat global deforestation and promote sustainable trade. With rubber among the seven targeted commodities, Sri Lankan rubber exporters and manufacturers must act quickly to meet the new requirements. The European Parliament and Council have agreed to delay the regulation's enforcement until the end of December 2025.

Under the EUDR, your rubber products must originate from land that:

- Has not been converted from forest to agricultural use after December 2020.
- Complies with all applicable legal requirements, including land ownership rights, labour rights, and environmental and forest protection laws.

Impact of EUDR on Sri Lanka and DPL as a Glove Manufacturer

Why It Matters to Sri Lanka

The EU Deforestation-Free Products Regulation (EUDR) aims to block access to the EU market for commodities and products linked to deforestation after December 2020 or produced in violation of local laws. As the EU is a major trading partner for Sri Lanka's rubber industry, complying with the EUDR is critical. Rubber products must now be "deforestation-free" and produced according to Sri Lankan legal standards to remain eligible for export to the EU. Non-compliance could result in the loss of access to this vital market, posing a serious risk to Sri Lanka's rubber export sector.



Why It Matters to DPL

As a leading glove manufacturer and exporter, DPL relies heavily on access to the European market. Under the EU Deforestation-Free Products Regulation (EUDR), all rubber-based products must be proven "deforestation-free" and produced in line with local legal standards to enter or remain in the EU market. Non-compliance could significantly impact DPL's ability to export gloves to Europe, risking revenue loss and reputational damage. Ensuring full compliance with the EUDR is therefore essential for DPL to protect its market position, sustain growth, and meet the increasing global demand for ethically and sustainably produced goods.

Timeline for EUDR



2023/24

2024/25

2025/26



Timeline & Preparations

In-House Awareness Raising & Capacity Building
Dedicated Team to drive Compliance Requirement Completion
Farmer Awareness Raising Campaign & Preparing to meet requirements

Fulfilling the Checklist of Requirements to adopt and adhere to EUDR Requirements
(Data Collection – Geo-location Mapping, Supplier Details, Proof of Compliance, Production Data)

Data Collection Completion, Sourcing of EUDR Complied Latex, Manufacturing and Shipping Final Goods with Due Diligence Statement to be Submitted at Clearance

Social and Relationship Capital

Supplier



Measures Taken to Meet EUDR Compliance:

We are proactively navigating the evolving regulatory environment while simultaneously pursuing operational excellence and strategic growth initiatives.

Ensuring compliance with emerging regulations:

- **EU Deforestation Regulation (EUDR) readiness:** We are diligently preparing for the implementation of the EUDR. This involves a comprehensive data collection process to ensure full traceability of our Natural Rubber supply chain back to the source plantation. Key activities include:
 - » Mapping farmer plots using geospatial data (Polygon mapping).
 - » Collecting and verifying supplier details and land ownership documentation.
 - » Significant progress has been made, with overall completion of approximately 90%. We are on track to finalise data collection across our entire local farmer base by end of May 2025, ensuring readiness to supply EUDR-compliant latex well ahead of the regulation's full enforcement (expected requirements for supply by October 2025).

Geo location mapping completed for lands over 4 hectares

EUDR Compliance Process

Progress as of March 31, 2025 and Way Forward



Polygon mapping of all land parcels exceeding 4 hectares is now complete.

All farmers are being qualified to meet EUDR requirements. Using available geolocation data, deforestation risk assessments have begun.

Kegalle district - **Fully Completed**

Moneragala district - **Partially completed**

Matara district - **Fully Completed**

Hambantota district - **Fully Completed**

Colombo district - **Fully Completed**



Rs. 4 Mn

Investment on EUDR Compliance in FY 2024/25

Risk Assessment & Mitigation Plans

Risk Assessment was done evaluating risks based on country of origin, deforestation levels, indigenous land claims, supply chain complexity, and increased costs for compliance. Risk Mitigation Plans are put in place to have additional documentation, audits, or surveys to verify compliance.

Under the Risk "Increased Policy & Legal Compliance Requirements" we have discussed in detail the Risks related to EUDR Compliance both qualitatively and quantitatively. We have analysed data adopting the SLFRS S1 & S2 Standards. Please refer Pages 106 to 131 for in depth and comprehensive risk analysis.





Plantation



The 100-hectare plot in the low-country region of Horana Plantation PLC has been certified according to EUDR standards. A third-party audit confirmed compliance, making Horana Plantations PLC the only Sri Lankan company with external EUDR certification for low-grown products.



10 Partnering for sustainability: Establishing an FSC certified farmer network SASB CG-AA-440a.4, FB-AG-430a.1



In collaboration with our smallholder farmer partners, we are establishing our own Forest Stewardship Council (FSC)-certified Natural

Rubber supply chain. This initiative moves beyond reliance on third-party certified sources, allowing us to directly support and verify sustainable practices within our own network while managing associated costs.

Significant progress has been achieved in preparing our farmer base through training and groundwork alignment with FSC standards. Formal audits are planned for the next financial year, paving the way for official certification.

A cornerstone of this initiative is our shared value commitment:

- **Farmer Premium:** A premium price paid directly to farmers for their FSC-certified latex, acknowledging their commitment to sustainable practices.
- **Community Development Fund:** We contribute an additional amount for the FSC-certified latex collected towards a dedicated fund for the participating farmer societies. Based on an initial target collection, this fund generates a significant amount, supporting local community development projects (such as micro-loan schemes) and enhancing financial resilience.



Social and Relationship Capital

Supplier

11 Strengthening partnerships and enhancing operational capabilities



Our commitment extends beyond internal operations to fostering strong, mutually beneficial relationships with our diverse supplier base and supporting our local communities, while continuously enhancing our own operational efficiencies.

Supplier development and partnership:

Built capacities of suppliers on the risks of adverse sustainability impacts

- 550+ Farmers Participated in Capacity-Building on Identified Areas of Improvement in Knowledge and Skills out of the network of approximately 9,847 smallholder farmers. This investment is vital for ensuring consistent quality, particularly from smallholders who may lack the internal oversight structures of larger estates. These efforts help mitigate environmental and social risks while improving yield quality and sustainability performance.
- Regular in person trainings and field demonstrations focused on;
 - » agricultural best practices
 - » improved tapping techniques
 - » the responsible use and maintenance of equipment,
 - » safe chemical management practices
 - » quality control at tapping and storing stage
 - » human rights protection, labour and social compliance,
 - » impact to communities
- Engaged with Business Based Suppliers to implement corrective actions identified through sustainability assessments. Sharing of best practices and performance improvement guidance was also provided to encourage long-term compliance and continuous improvements.

Nurturing strategic suppliers

We develop and support key suppliers across various categories:

- **Critical materials:** For essential chemicals where we previously had limited options, we have strategically developed alternative suppliers, starting with smaller volumes and supporting their growth to become reliable, long-term partners.
- **Packaging and components:** We provide consistent order volumes to packaging and component suppliers (e.g., fabric producers who convert yarn provided by us), enabling them to scale their operations and invest in capacity. We are proud to note that partners developed through this collaborative approach have achieved external recognition for their growth and performance (e.g., EDB SME awards).

New strategic supplier qualification

During the year, we qualified approximately five new strategic suppliers across key categories including Natural Rubber (NR), Nitrile Butadiene Rubber (NBR), chemicals, and packaging materials. These suppliers have the potential for significant business volume, strengthening our supply chain resilience and diversification.



12 Achieving operational milestones and efficiencies



Record domestic latex collection: Demonstrating the strength of our local sourcing network and operational capabilities, we achieved a record-high domestic Natural Rubber collection of 800,000 dry kilograms in February 2025 – the highest monthly collection volume in our company's history.

Community



Material Topics

- M7** Climate Change Adaptation
- M14** Impacts of Infrastructure and Project Development
- M23** Human Rights Assessment
- M25** Community and Livelihood Development

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- SRRO 01
- CRRO 02
- CRRO 01



Strategic Focus Areas



Short Term

- Strengthen Firstlight farmer community development efforts with immediate support and resources.
- Engage with local communities around operating locations to build trust and mutual support.
- Encourage employee contribution and volunteerism in local community development efforts.
- Increase beneficiaries of community programs through targeted outreach and collaboration.
- Conduct initial impact assessments and gather feedback to refine and improve initiatives.



Long Term

- Foster long-term relationships with Firstlight farmers to promote sustainable agricultural practices.
- Build ongoing community engagement strategies around the operational locations to ensure lasting partnerships.
- Develop a robust employee volunteerism program that drives deeper engagement and support for community projects.
- Expand the number of beneficiaries and investment in community projects over the years to create lasting impact.
- Implement continuous impact assessments and integrate feedback to improve and adapt community programs and projects.

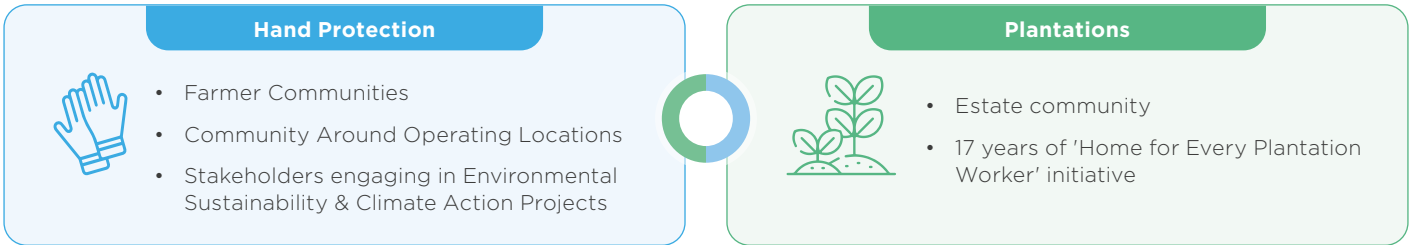
Social and Relationship Capital

Community

COMMUNITY RELATIONS GRI 203 - 1, 2, 413 - 1, 2, SASB RT-CH-210a.1

We value our partnership with the communities where we operate. By investing locally, we strengthen our brand reputation, improve our access to skilled future employees, and support vital community outcomes such as increased literacy and economic development.

Community Reach

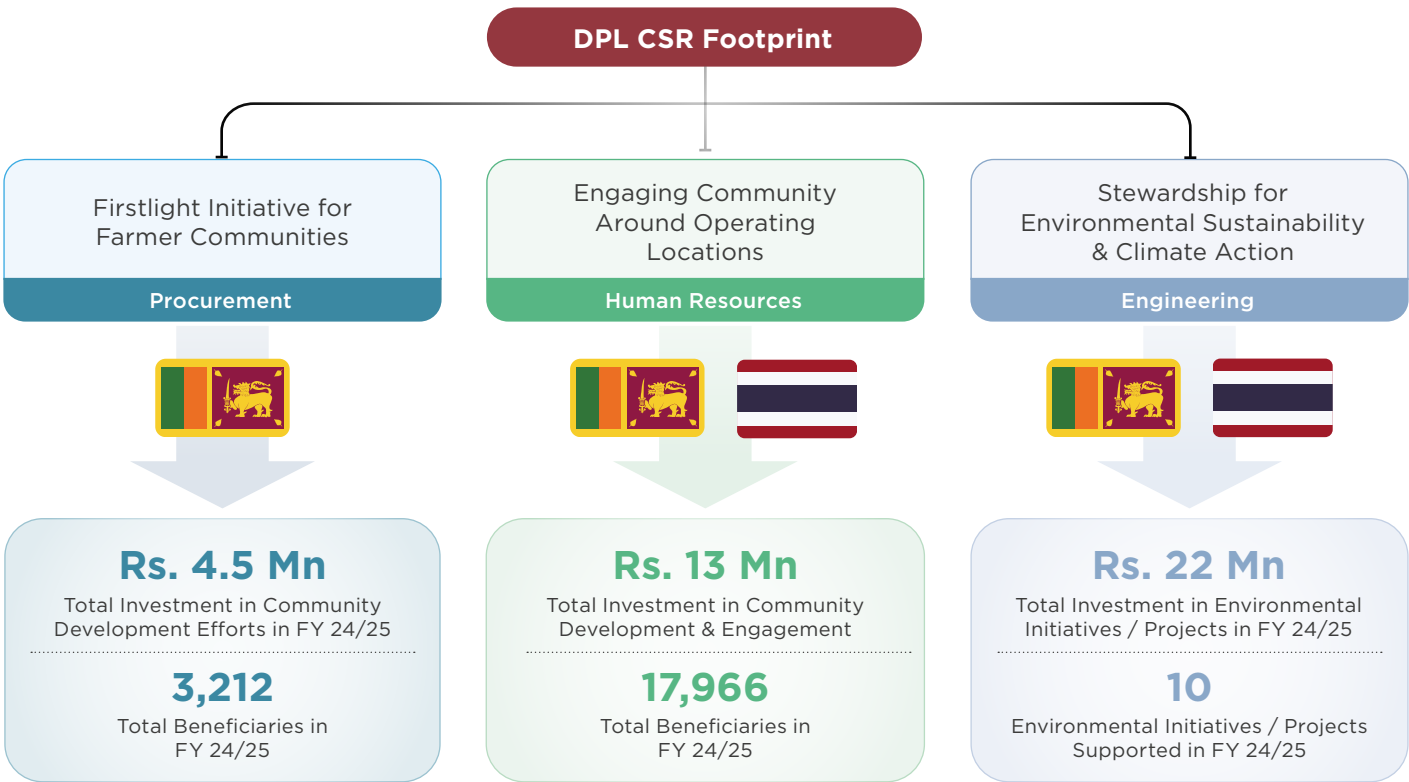


Management Approach

DPL's Community Engagement Policy

In line with the Hayleys Group direction and our Community Engagement Policy, we drive community development initiatives broadly focusing on the key areas of livelihood development and economic empowerment, education and capacity building, promoting health and well-being, protecting environment and wildlife, and promoting religious harmony, culture and unity. Importantly, there were no incidents of negative impacts on local communities and natural ecosystems resulting from our operations throughout the past year.

DPL's CSR Investments are directed as per the below structure in both Sri Lanka and Thailand and led by relevant departments who drives the design and delivery of such projects.



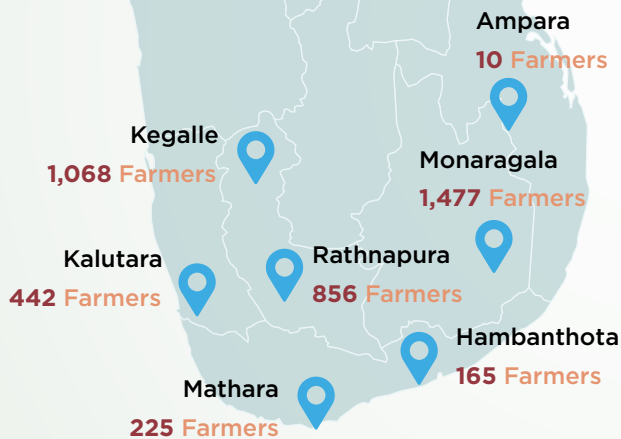


Firstlight Initiative SASB FB - AG - 440a.2



"Firstlight," DPL's award-winning CSR initiative, is dedicated to enhancing the quality of life for disadvantaged farming communities throughout Sri Lanka. The cornerstone of this programme is fair trade in rubber latex, facilitated through ethical business partnerships in natural rubber production. This approach empowers over 4,200 smallholder farmers nationwide, fostering self-reliance, enabling them to sustain their families, and driving broader socio-economic advancement. Firstlight addresses wide-ranging issues impacting the lives within these communities, from the youngest to the eldest members. Furthermore, the initiative is designed to ensure sustainable profitability for all stakeholders while protecting the planet's delicate ecosystems.

DPL Firstlight Farmer Network



	Location (District)	No. of farmers
1.	Kegalle	1,068
2.	Kalutara	442
3.	Matara	225
4.	Ratnapura	856
5.	Hambanthota	165
6.	Moneragala	1,477
7.	Ampara (New)	10

*The quantities purchased and cost is shared on page 165.

Stakeholder Engagement in the Firstlight Initiative

Smallholder Farmers & Communities

Smallholder rubber farmers participate in DPL Firstlight voluntarily, retaining full autonomy over where they sell their latex. We foster strong loyalty and consistent supply through fair pricing structures, launch additional support programmes, and community development initiatives tailored to local needs.

DPL Staff / Employees

Our employees demonstrate strong commitment to the Firstlight initiative. Many staff members volunteer their time and skills to support the programme's goals and activities, reflecting internal pride in its significant community impact.

Government

We collaborate with Governmental Institutions and Authorities such as Rubber Research Institute, Grama Seva Niladhari, Educational Offices, Schools in delivering various activities targeting the farmers and their family members.

International Organisations & Validation

The Firstlight initiative undergoes rigorous third-party validation to ensure its integrity and adherence to global standards.

The European Fair-Trade Association audits the programme against internationally recognised Fair Trade principles. Furthermore, endorsement from organisations such as Traidcraft UK validates Firstlight as a credible Fairtrade project, enhancing consumer recognition and trust.

Customers

Customers purchasing gloves under the Firstlight scheme directly contribute through a development premium of USD 0.005 per pair, with these funds dedicated entirely to farmer development projects. Beyond this financial contribution, we encourage deeper customer engagement, facilitating visits for clients to meet farmers personally and witness the initiative's positive impact within rural communities firsthand.

Business Partners & Experts

We collaborate with various external organisations, subject matter experts, and suppliers to implement the Firstlight initiative effectively. These partnerships are crucial for accessing specialised knowledge and delivering cost-effective solutions for farmer and community development projects.



Social and Relationship Capital

Community

Innovative Aspects and Impact

Firstlight incorporates several innovative aspects to maximise its positive impact. It is a solution-oriented project designed to directly address challenges prevalent in rural communities, including knowledge and skills gaps, lack of access to essential equipment and fertiliser, barriers to children's education, and health concerns.

- Operationally, we pioneered early tapping practices (2-3 am) to enhance farmer crop yields and utilise mobile SMS technology for efficient, timely communication.
- Socially, the programme promotes Diversity, Equity, and Inclusion (DEI) by prioritising support for women and youth farmers, who are often more vulnerable to poverty, enabling their integration into the network.
- Sustainability is paramount, evidenced by strict compliance with national and global Environmental, Social, and Governance (ESG) policies and frameworks (e.g., Sri Lanka 30x30, NDCs, Global Biodiversity Framework, UN SDGs, GRI, TCFD, SASB).
- Provide practical support, such as letters of reference/guarantee to assist farmers in securing bank loans or visas.

Project Financing

The Firstlight initiative is financed through a combination of key sources:

- Direct contributions from customers via the development of premium mechanism
- Dedicated investments by DPL focused on supply chain strengthening and farmer development
- Strategic allocations from our overall corporate social responsibility (CSR) budget for community efforts

- Increased local rubber production - Greater economic resilience among farmers - Stronger local supply chain to cater for demand	 Target: 8.3, 8.4, 8.7  Target: 10.3	 Target: 12.2  Target: 16.2
- Formation of farmer unions - Strengthened local governance - Collaboration between government bodies and other partners	 Target: 16.5, 16.7	 Target: 17.16, 17.17
- Improved healthcare and education - Greater inclusivity and strong social cohesion - Development of skills and knowledge of local farmers	 Target: 3.4, 3.9  Target: 4.1, 4.2, 4.4, 4.5, 4.7	 Target: 5.5, 5.a  Target: 6.2, 6.b  Target: 13.3
- Promotion of sustainable tapping methods to prevent deforestation - Reduce carbon footprint and deforestation - Share best practices with the entire value chain	 Target: 1.5  Target: 6.3, 6.4  Target: 8.4	 Target: 12.1, 12.5, 12.6, 12.8  Target: 13.1, 13.2  Target: 15.2

Impact of the Firstlight Initiative

Rural Economic Development & Farmer Livelihood Creation

A core achievement of Firstlight is the significant economic empowerment of participating smallholders. Through fair pricing agreements and direct sourcing without having middlemen, coupled with training on improved production methods (including rubber-tapping techniques) and financial management, farmers experience increased income and greater livelihood stability. Additional support with equipment, fertilizer and rubber sapplings helped farmers in improving production capacity and further increase economic benefits.



Rubber Industry Development

The Firstlight initiative contributes significantly to the broader rubber industry in Sri Lanka. It facilitates the responsible development and expansion of rubber plantations into new areas, strengthening the industry's overall capacity. Through associated R&D efforts tailored to local requirements, the initiative supports increased local production of rubber latex and encourages its consumption by businesses such as DPL, thereby bolstering the domestic supply chain.



Social Advancement and Community Development

Firstlight demonstrably improves the quality of life in rural farming communities by enhancing access to education and healthcare. The initiative empowers farmers through cooperative development, training (including financial literacy), and increased bargaining power. Tangible community development is achieved through investments in local infrastructure including schools, temples, water and sanitation facilities, and health clinics. Specific support, such as providing educational materials for children, further contributes to social upliftment and capacity building. The programme promotes inclusivity, encouraging participation from women and youth.



Key Performance Indicators for FY 2024/25:

- Estimated Percentage Increase in Average Household Income for participating farmers: **15%** (reflecting fair pricing & productivity gains)
- Total Farmers Registered with the Initiative: **9,847**
- Farmers attending productivity enhancement training: **550+**
- Payments to Smallholder Farmers: **Rs. 4 Bn**
- Investment in Supplier Development and support Programme: **Rs. 11 Mn**



Environmental Stewardship

Environmental sustainability is integral to the Firstlight initiative. Farmers receive training on and are encouraged to adopt eco-friendly rubber tapping techniques and sustainable agricultural practices. Agroforestry and Inter-cropping programmes and reforestation initiatives, including the distribution of rubber plants, help preserve biodiversity and restore degraded lands. Environmental awareness campaigns and specific training on regulations such as the European Deforestation Regulation (EUDR) ensure farmers are equipped to meet evolving environmental standards and contribute to conservation efforts.

Key Performance Indicators for FY 2024/25:

- Farmers attending sustainable rubber-tapping training: **201**
- Investment in EUDR Compliance in FY 24/25: **Rs 4 Mn**
- Farmers attending EUDR awareness sessions: **2,400+**
- Percentage of mapped farmers assessed for EUDR compliance: **90%**

Key Performance Indicators for FY 2024/25:

- New locations engaged by Firstlight: **1 (Ampara District)**
- Dry Kilograms (kg) of latex consumed by DPL from Firstlight farmers: **4.9 Mn**
- Collaborations established with Government Authorities/Institutions: **03** (Rubber Research Institute of Sri Lanka, Rubber Development Department, Regional Development Officer)



Farmer Voice & Institutional Strengthening

Firstlight fosters institutional development within farming communities by supporting the formation of effective farmer unions and associations. These structures empower farmers to collectively manage production, uphold quality control standards, handle latex collection efficiently, and improve their negotiating positions. Furthermore, strong collaborations fostered by DPL with external bodies, including local government institutions (for technical assistance) and supportive customers/investors, ensure the initiative's long-term sustainability and success.

Key Performance Indicators for FY 2024/25:

- Farmer unions/associations established and operational: **05**
- Farmers responding to satisfaction/feedback surveys: **2,583**
- Customers expressing interest in partnering/investing on supplier development: **02**

Key Performance Indicators for FY 2024/25:

- Community development activities completed (facilities, infrastructure): **02**
- Farmers attending awareness sessions (health, finance, etc.): **550+**
- Estimated children benefiting from community efforts (education, facilities): **2,600**
- Women actively participating in the initiative: **2,981**
- Youth (under 35) actively participating in the initiative: **867**
- Investment in Direct Community Development Efforts - **Rs. 4 Mn**
- Total Beneficiaries of Community Development Efforts - **3,212**



Social and Relationship Capital

Community

Firstlight Way Forward

Firstlight being DPL’s signature CSR Initiative, is currently implementing many projects as part of its next phase.



Digitization of Supply Chain

- Digital Farmer integration: Begun the piloting in FY 24/25 in selected communities to help identify gaps, streamline the processes and enhance farmer engagement. The complete rollout of our digital latex collection application is expected in FY 25/26.
- First time in Sri Lanka** the local smallholder farmers will be engaged in such a digitalization journey.

What is currently ongoing and being piloted?

- Mobile Phones provided to Smallholder Agents to manage the digital payment disbursement on the spot when latex is collected from farmer, closing the payment window gap.

- More secured process with face recognition through the app to verify the farmer receiving the payment.

What additional benefits?

- Digital accessibility for rural farmer community
- Faster and effective communication
- Improved farmer loyalty and strengthened supply of latex



Centralized Latex Collection Centre & Laboratory Services

In the FY 24/25, begun the ground work for the proposed project in Moneragala and once this centre opens, it will benefit both DPL and farmer community in numerous ways such as;

- Ability to attract new suppliers beyond the existing supplier network
- Centralizing the latex collection supporting the existing network
- 1 collection point to manage distribution of field latex
- Quality checked and laboratory services provided with advanced technology
- Immediate DRC (Dry Rubber Content) Report can be issued

Expected Benefits:

- Increasing latex collection
- Increasing farmer base
- Reducing logistics / transport costs and emissions with less distribution requirements
- Improving latex quality standards and requirements
- In the Long run, smallholder farmer to receive competitive price benefits
- Savings can be utilized to contribute for farmer community development efforts
- Creating further business opportunity for farmers
- Livelihood development and economic empowerment in rural areas

- Ability to expand the centre as a “One-Stop Shop” to cater to farming requirements with farming equipment, fertilizer and other services such as training





Engaging Communities Around Operating Locations and Beyond GRI 2 - 6c

Safeguarding the well-being of communities neighbouring our factories and estates is a core DPL responsibility. We invest directly in equipping and educating these communities, fostering empowerment for residents to thrive and contribute positively. Our CSR Projects focused the below thematic areas which has been critical for national development in Sri Lanka and Thailand;



Education & Capacity Building



Health & Safety



Nutrition & Wellbeing



Peace, Unity & Harmony through Culture, Religion, Sports & Entertainment



Poverty Eradication, Community Welfare & Uplifting Community Living Standards



Rapid Response during Disasters & Emergency Situations

All initiatives took an approach based on below principles;

Multi-stakeholder Engagement



80+

Partnerships and Collaborations with External Stakeholders to deliver the community development initiatives in FY 24/25

Benefits of Working with Multiple External Stakeholders:

(External Stakeholders: Government & Local Authorities, NGOs/NonProfits/CSOs, Community Networks, Educational Institutions, Places of Worship, Business Partners, Industry Associations, Environmental Groups, Vulnerable/Marginalized Groups, Media and others)

- Enables more relevant, practical, and sustainable solutions with new ideas and viewpoints that enrich CSR initiatives.
- Demonstrated power of collective action through sharing of knowledge, skills, and resources for greater impact and extended the reach and effectiveness of CSR initiatives.
- Boost the organisation's public image and goodwill and built credibility and trust with local communities.
- Helped identify and manage social and environmental risks and strengthens transparency and accountability in CSR efforts.

Employee Contribution & Volunteerism for Community Development



2,500+ Hrs

Employee Volunteer Hours Contributed to Community Development initiatives in FY 24/25

Impact of employee engagement and contribution to CSR initiatives:

- Aligned actions with the company's social and environmental commitments and multiplied the effect of financial contributions through direct, hands-on involvement.
- Evident of a socially responsible culture to stakeholders (customers, investors, communities) and builds empathy, understanding, and meaningful relationships between staff and local communities.
- Increased motivation, job satisfaction, and pride in the workplace and appeals to socially conscious employees and helps retain top talent.
- Opportunity for employees to be exposed to issues on the ground (outside of the workplace) by interacting with communities and expand understanding and develop skills and competencies such as teamwork, problem-solving, and leadership abilities that can be applied in the workplace.

Social and Relationship Capital

Community

Education & Capacity Building


Resources to support equitable access to education


Knowledge Building & Skills Development



Provided students with stationery packages tailored to each grade's requirements (based on school checklists) and contributed books to the school library.

Location: Parangiyawadiya Maha Vidyalaya

Key Issues Addressed

- **Poverty and economic hardship in rural areas** create significant barriers to education
- **Inability to Afford Educational Material** such as school bags, stationery, and textbooks.
- Financial pressures contribute directly to higher **school dropout rates** among children.
- Rural school libraries often **lack sufficient reading material like books**, limiting students' reading and learning opportunities.

Contribution to UN SDGs










Almost 10 Years of Contribution to Support Rural Village School Students

3,000+

Cumulative Beneficiaries in last 9 Years

327 Student

Beneficiaries in FY 24/25

Project Impact Assessment & Contribution to Development

(Feedback from Beneficiaries & Partners)

- Essential school supplies removed obstacles, allowing **more rural children to attend school and fully participate** in their learning journey.
- **Increased attendance and a more engaging learning environment**, linked to resource availability, led to demonstrably **better educational outcomes** including higher scores and completion rates.
- Access to books fostered a love of reading and learning where opportunities were scarce, **empowering children as avid readers and learners.**



SCAN ME

QR Code to Watch Beneficiary Video

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Supported with essential school items to children for school functions and addressed the problem of limited access to essential school items, which can hinder children's participation in school functions and activities. The initiative boosted students' confidence, supported their inclusion, and enhanced their overall school experience.



Provided resources and opportunities for university students to build their capacities and develop skills, we addressed the challenge of limited resources and skill-building opportunities for university students, which can restrict their personal and professional growth. By providing targeted resources and development programs, the initiative empowered students to enhance their capacities, improve their employability, and contribute more effectively to society.

Contributed financial resources to support activities of educational institutions and addressed the challenge of limited financial resources that constrained the activities. This strengthened the school's ability to deliver education, cultural activities, and moral development programs for young learners

Key Issues Addressed

- Limited access to essential school items for children
- Lack of resources and capacity building opportunities University students
- Financial constraints faced by educational institutions in underprivileged communities



Provide support and resources to educational institutes and students

1,343

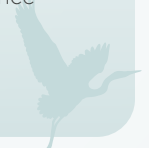
Beneficiaries in FY 24/25

Contribution to UN SDGs



Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Enhanced educational inclusion and participation of school children
- Empowered University students for employability and societal contribution
- Strengthened educational institutions to provide quality educational experience



Social and Relationship Capital

Community

Education & Capacity Building



Collaborated with schools in the community to conduct educational programmes and capacity building sessions for students on;

- Drug prevention to strengthen community well-being and safety.

- Promotion of safety and raise awareness about health.
- Enhance students' understanding of basic hygiene practices.
- Awareness raising on waste management & disposal.

Key Issues Addressed

- Drug abuse and addiction among youth leading to increasing risks to health, safety, and social stability.
- Lack of awareness about personal health and safety leading to preventable illnesses, accidents, and poor long-term health outcomes.
- Insufficient safety equipment in schools leading to higher damages and risks.
- Poor hygiene practices among students causing the spread of infectious diseases in schools and homes.
- Improper waste management and disposal contributing to environmental pollution, health hazards, and community sanitation problems.
- Limited youth capacity and life skills reducing their ability to make informed decisions, resist harmful influences, and contribute to national development.

Contribution to UN SDGs



Deliver Educational Programmes & Capacity Building Sessions and provide Safety equipment to local schools

1,700

Beneficiaries in FY 24/25

16

Sessions Delivered in FY 24/25 in Sri Lanka & Thailand

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- **Reduced youth vulnerability to drugs**, better decision-making, and peer support networks.
- **Improved health and hygiene outcomes** with fewer hygiene-related illnesses reported in schools; students practice and promote healthy habits at home.
- **Enhanced school emergency preparedness** and improved safety for students and staff and reduced risk of injury or harm.
- **Increased environmental responsibility** with students and families adopt better waste sorting and disposal practices, improving local cleanliness.
- **Enhanced student capacity and leadership** and a sense of responsibility, contributing to local and national development goals.
- **Strengthened community-school ties** helps collaborative problem-solving fosters trust and shared ownership of local development challenges.



Health & Safety



Support to Access Health Care & Services



Promote Personal Hygiene & Safety



Provide resources to hospitals and upgrade patient facilities

250

Beneficiaries in FY 24/25

Contribution to UN SDGs



By providing resources and support to upgrade patient facilities — such as renovating wards, improving sanitation, and upgrading medical equipment — directly improves patient comfort, safety, and dignity. It also enhanced operational efficiency for hospital staff, reduced patient complaints and contributed to overall hospital experience.



Blood Donation Drives in Sri Lanka and Thailand

280

Patients could potentially be supported

Contribution to UN SDGs



In collaboration with Blood Bank in Sri Lanka and Red Cross Society in Songkhla and Hat Yai Hospital Blood Bank in Thailand, organized Blood Donation Drives, bringing together employees and volunteers to support lifesaving blood supplies for local hospitals and patients in need. This initiative reflects our ongoing commitment to community health and social responsibility.



Key Issues Addressed:

- Shortage of safe and sufficient blood supplies in local hospitals and clinics.
- Rising demand for blood due to medical emergencies, surgeries, and patient treatments.
- Limited public awareness about the importance of regular blood donation.
- Need to strengthen corporate and community involvement in public health support.

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Increased availability of blood for patients in need, helping save lives.
- Strengthened the local healthcare system's capacity to respond to emergencies.
- Fostered a sense of social responsibility and solidarity among employees and volunteers.
- Built stronger partnerships between the private sector and the Red Cross for ongoing health initiatives.
- Enhanced the company's contribution to community well-being and public health resilience.

Social and Relationship Capital

Community



Providing Access to a Balanced Meal



Promotion of Proper Nourishment & Wellbeing





“Sisu Divi Pahana” Mid-Day Meal Programme for School Students in Underprivileged Communities

2,030

Beneficiaries in FY 24/25

6,500+

Cumulative Beneficiaries in the last 3 Years

Providing mid-day meals to students from communities vulnerable to malnourishment improves their health, well-being, and education.

Key Issues Addressed

- Combating Malnutrition & Educational Disruption

Addressing the rise in malnutrition among schoolchildren, driven by economic hardship, which leads to school dropouts and disrupted learning, perpetuating poverty.
- Removing Barriers to Attendance

Tackling the lack of basic necessities (like shoes) for vulnerable urban children, which prevents regular school attendance and participation, worsening inequality.
- Ensuring Equitable Education

Countering the poor and unequal educational experiences resulting from resource scarcity, which leads to exclusion and limits future opportunities for vulnerable students.

Contribution to UN SDGs











Project Impact Assessment & Contribution to Development

(Feedback from Beneficiaries & Partners)

- Advancing National Development:

Directly contributed to national progress by increasing educational access and opportunities for vulnerable children in urban centres, fostering greater inclusion.
- Reducing Educational Disparities:

Bridged the gap in educational access by supporting underserved rural communities, promoting equity in learning opportunities nationwide.
- Enhancing Learning Outcomes:

Demonstrably improved student attendance and the quality of the educational experience, leading to better learning results and expanded future prospects.

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Peace, Unity & Harmony through Culture, Religion, Sports & Entertainment



Promotion of Peace, Unity & Harmony through Culture, Religion, Sports & Entertainment

Promoting peace, unity, and preserving local heritage by leveraging festive occasions, sports, shared cultural experiences, and collaborations with local organisations on charitable initiatives.

Key Issues Addressed

- **Weakening social fabric** due to Insufficient focus on promoting interfaith and inter-ethnic harmony leaves community divisions unaddressed and potentially widening.
- **Loss of cultural identity** and traditional practices and unique heritage, languages, or rituals due to lack of cross-generational transmission or appreciation, lack of investment and active support.
- **Lack of support** to preserve religious and other sites with rich heritage and historical importance
- **Under-utilised community assets** and the unifying potential of sports for fostering social good and connection remains largely neglected.



Providing Resources to Preserve Local Traditions and Religious Sites



Promoted cultural festivals and preserved heritage and religious sites

3,310

Beneficiaries in FY 24/25

25+

Events Supported in FY 24/25

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- **Safeguarded cultural & religious traditions and sites** by ensuring the vitality and transmission of traditional practices to future generations through active promotion and preservation efforts.
- **Strengthened community cohesion** by successfully utilizing sports and cultural activities as platforms to build bridges and enhance harmony among diverse residents.
- **Enhanced community spaces:** Invested financial and other resources to create and improve essential facilities, fostering vibrant centers for social connection, cultural life, and community growth.



Celebrated cultural festivals & preserved religious sites

600+

Beneficiaries in FY 24/25

10+

Events and Activities Supported in FY 24/25

Preserving local traditions like Loy Krathong and Songkran is vital for maintaining cultural identity, passing on shared values, and strengthening community bonds. By honouring these time-honoured celebrations, we ensure that cultural heritage continues to enrich future generations and fosters respect for local history and customs.



Contribution to UN SDGs



Social and Relationship Capital

Community

Poverty Eradication, Community Welfare & Uplifting Community Living Standards



Provided resources to under-privileged communities



Provided resources to individuals from vulnerable communities

- Constructed Community Welfare Centres
 - Renovated religious spaces
 - Donations to organise community activities
- Supported need-based requirements from low-income individuals
 - Donated gift packs for individuals from marginalised communities participating in community activities

2,489

Beneficiaries Impacted by the Efforts in FY 24/25

Contribution to UN SDGs



Key Issues Addressed

- Limited access to essential items** and struggle to afford necessities such as safe housing, basic care products, which are vital for health, dignity, education, and social engagement.
- Increased vulnerability and health risks** caused by lack of basic supplies, both individuals and communities face heightened exposure to injuries, illnesses, and long-term health problems, limiting their ability to thrive and contribute to local development.
- Strained community resilience** from widespread poverty weakens the social fabric, reduces collective well-being, and deepens inequality, making it harder for entire communities to recover and progress.

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Reduced social exclusion** of vulnerable individuals, especially children, seniors and low-income families, were supported to overcome systemic barriers, allowing them to actively participate in family, work, and community life.
- Strengthened community well-being** by addressing basic needs, the initiatives enhanced overall health, stability, and opportunities for under-privileged communities, reinforcing local resilience and social cohesion.
- Advanced equity and inclusion** through the projects that helped build a more equitable society, where everyone—regardless of background or income—has fair access to essential resources and services, fostering a stronger, more united community.





Response to Disasters & Emergency Situations



Raising Awareness on Emergency Preparedness & Response



Immediate Support to Communities Affected by Disasters



Rapid Response during heavy floods by providing support to affected families

80+

Beneficiaries in FY 24/25

15+

Employees Volunteered for Disaster Rapid Response & Relief Efforts in FY 24/25

In response to severe flooding, we organized the **distribution of dry ration packs** to affected families, ensuring they received essential food and supplies during a time of urgent need. Alongside this relief effort, we also worked to **raise awareness about rapid response and emergency preparedness**, helping communities understand how to protect themselves and respond effectively in future emergencies.

Key Issues Addressed

- Immediate food insecurity and basic needs of families displaced or affected by floods.
- Disruption of local supply chains and lack of access to essential goods.
- Limited community knowledge about emergency preparedness and rapid response measures.
- Heightened vulnerability of at-risk populations during natural disasters.
- Need for stronger collaboration between organizations and communities in disaster relief.



Project Impact & Contribution to Development

- Provided critical food and basic supplies to flood-affected families, reducing hunger and hardship.
- Improved community awareness and readiness for future emergencies and disasters.
- Strengthened local resilience by sharing knowledge on safety, preparedness, and rapid response.
- Fostered solidarity and trust between the company, local communities, and relief stakeholders.
- Reinforced the company's commitment to social responsibility and humanitarian support during crises.



Contribution to UN SDGs



Social and Relationship Capital

Community

Stewardship for Environmental Sustainability & Climate Action

The initiatives delivered under environmental protection is driven considering the below focus ar **GRI 304-3**

Biodiversity Conservation

(Protecting ecosystems, species diversity, and natural habitats.)

Deforestation / Reforestation / Afforestation

(Preventing the clearing of forests, planting trees and restoring forests, and combating habitat loss.)

Animal / Wildlife Conservation

(Safeguarding endangered species and promoting wildlife protection.)

Pollution Prevention

(Reducing air, water, and soil pollution through waste reduction and cleaner practices.)

River, Ocean & Marine Life Conservation

(Preserving aquatic ecosystems, reducing ocean plastic, and protecting marine species.)

Environment Advocacy & Partnerships

(Collaborating with stakeholders to promote environmental awareness, policies, and joint action.)



Songkhla is located in an area with a lot of lakes, mangroves and aquatic life, therefore working towards protecting water life and at this event released aquatic animals into Klong Phumi at Hat Pak Bang Phumi.

Key Issues Addressed

- Decline of local aquatic species due to overfishing and habitat loss.
- Reduced biodiversity weakening ecosystem balance and resilience.
- Pollution and environmental degradation threatening waterway health.
- Low community awareness of the importance of aquatic conservation.
- Risk of losing natural resources that sustain local livelihoods and culture.

Contribution to
UN SDGs



The ‘Environment Matters’ program in partnership with Local Government to restore local ecosystems in natural water sources

10,000+

Fish Released to the Lake

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Restoration of aquatic populations, helping rebalance local ecosystems.
- Strengthened biodiversity and improved ecosystem services (like water purification).
- Enhanced resilience of local waterways against environmental pressures.
- Increased public awareness and community engagement in conservation efforts.
- Contribution to long-term environmental sustainability and intergenerational responsibility.



Partnering with the Central Environment Authority and Shraddha Media Network for the “Cleanup Sri Lanka Project” – donation of gloves and a dedicated DPL team joined hands with volunteers, actively contributing to the collective mission of creating a cleaner, healthier Sri Lanka supporting cleanup efforts across the country.

Key Issues Addressed

- Widespread waste accumulation and pollution in public spaces and natural areas.
- Low public awareness and participation in large-scale cleanup initiatives.
- Health and safety risks for volunteers engaged in waste collection without proper protective gear.
- Negative environmental impacts on ecosystems, waterways, and biodiversity due to unmanaged waste.

Contribution to
UN SDGs



“Cleanup Sri Lanka Project” event commenting World Clean Up Day

5,000+

Gloves Donated

200 Hrs

Employee Volunteerism for
Clean Up Efforts

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Removal of significant waste volumes, improving the cleanliness and aesthetics of public and natural spaces.
- Enhanced safety and well-being of volunteers through provision of protective gloves.
- Increased public awareness and collective action on waste management and environmental responsibility.
- Strengthened partnerships between private sector, government, media, and communities for sustainable environmental action.
- Reinforced DPL's reputation as an environmentally responsible organisation committed to hands-on sustainability efforts.

Scan the QR Code
to Watch the
TV Programme



Social and Relationship Capital

Community

Stewardship for Environmental Sustainability & Climate Action



DPL donated high-protection gloves specifically chosen to meet the requirements of this event. These gloves offered essential hand protection to volunteers tackling the removal of invasive thorny bushes “Ulex Europaeus” in Horton Plains National Park. DPL team members volunteered alongside park officials, army personnel, and other stakeholders to preserve this UNESCO World Heritage Site.



International Biodiversity Day
Event organised by Ministry of Environment

200 Hrs

Employee
Volunteerism for
Clean Up Efforts

Contribution to UN SDGs



“Haritha Dakma” program organised by the Martin Bauer Hayleys Toastmasters Club at Adam’s Peak!

A post-pilgrimage cleanup event to ensure the pristine beauty of the sacred site – a vital part of Sri Lanka’s heritage by donating gloves and engaging an employee volunteer team contributing to this important initiative.

100 Hrs

Employee
Volunteerism for
Clean Up Efforts



Key Issues Addressed

- Environmental degradation post-pilgrimage.
- Invasive species threat – Ulex Europaeus (Gorse).
- Volunteer safety during cleanup operations.
- Preservation of a UNESCO World Heritage Site.
- Stakeholder collaboration for environmental stewardship.
- Corporate environmental responsibility and employee engagement.

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Reduction of waste in the environment
- Support for biodiversity conservation
- Improved volunteer safety and efficiency
- Strengthened public-private partnerships
- Promotion of environmental volunteerism



Mangrove Planting Project in Mueang District, Songkhla Province

Mangrove Planting Project in collaboration with The Federation of Thai Industries Songkhla Chapter & the Department of Labour Protection and Welfare.

Contribution to UN SDGs



15,000+

Mangroves Planted

3rd Consecutive Year of Crab Releasing and Mangrove Planting Event at Songkhla Lake

Project delivered in collaboration with the Mangrove Conservation Club and other business/supply chain/logistic partners at Hua Khao Sub district, Singhanakhon District, Songkhla Province



Key Issues Addressed

- Loss of coastal ecosystems due to deforestation and human activities.
- Declining mangrove coverage reducing natural coastal protection.
- Erosion and loss of coastal land impacting local communities.
- Loss of marine biodiversity and fish nursery habitats.
- Weak community engagement in environmental conservation efforts.
- Insufficient awareness about the role of mangroves in climate change mitigation.

Project Impact Assessment & Contribution to Development (Feedback from Beneficiaries & Partners)

- Restoration of mangrove forests to strengthen coastal resilience against storms and erosion.
- Enhanced biodiversity by rebuilding critical habitats for marine life.
- Improved carbon sequestration, contributing to local climate action.
- Increased community awareness and participation in environmental stewardship.
- Strengthened partnerships between industry, government, and local stakeholders for long-term conservation.
- Support for local livelihoods by improving fish stocks and ecosystem services.

Social and Relationship Capital

Community

'Home for Every Plantation Worker'

For 17 years, the 'Home for Every Plantation Worker' initiative has been a key program by our plantation group companies aimed at elevating living standards for estate communities.



Socio-economic compliance

We maintain a robust governance framework, reinforced by ongoing compliance monitoring through our Internal Audit function, ensuring strict adherence to all relevant laws and regulations. To proactively manage risks associated with corruption or unethical behaviour, we have established clear whistleblowing policies and grievance mechanisms. All employees receive mandatory training on the company's comprehensive anti-corruption policies and procedures. Reflecting the effectiveness of these measures, there were no confirmed incidents of corruption, nor any legal actions related to anti-competitive behaviour, anti-trust, or monopoly practices during the year. Furthermore, as a matter of strict policy, DPL abstains from making contributions to any local or foreign political party, individual, or affiliate. Refer page 312 to 317 for details about our ethical compliance whistleblower procedure.



DPL
SPORTS
GLOVES

Precision, Comfort, and Protection

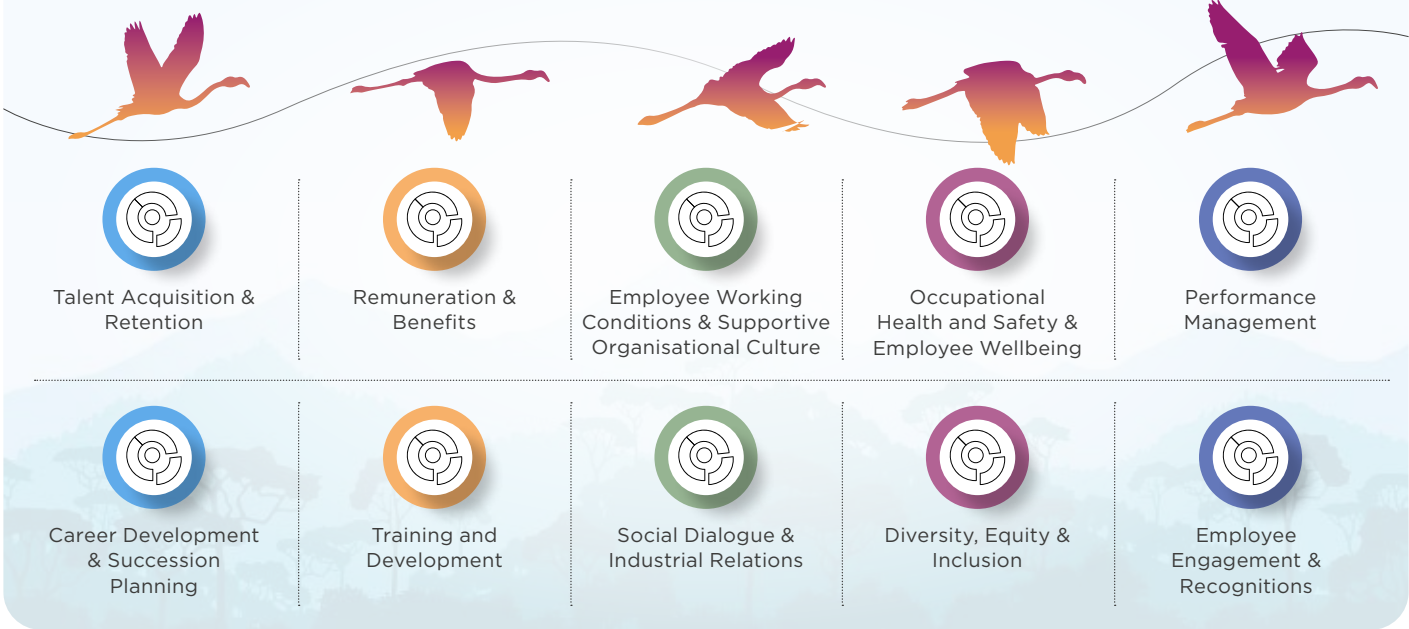
YOUR ULTIMATE SPORTS COMPANION

Human Capital



The Greater Flamingo’s close-knit flocks show how much can be achieved through unity and mutual support. At DPL, this reflects our belief that strong relationships and collaboration—within our teams, partners, and communities—are essential to achieving shared goals.

Key Focus Areas in 2024/25





Material Topics

- M8** Regulations and Compliance
- M18** Operational Safety and Emergency Preparedness
- M23** Human Rights Assessment

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- HRR 01
- ITR 01



Future Focus



Short Term

- ✦ Review current HR policies and procedures.
- ✦ Ensure employees' well-being, both physical and emotional.
- ✦ Offer competitive compensation and benefits packages and continue performance-based reward systems.
- ✦ Build core competencies and enhance learning and development programs.
- ✦ Increase employee engagement activities and improve employee satisfaction to address employee retention at all levels.



Long Term

- ✦ Drive HR's strategic partnership with business objectives and engage employees in organisation's productivity improvements.
- ✦ Develop a diverse and engaged workforce through skill-building and offer continuous learning opportunities.
- ✦ Develop a robust career and succession planning mechanism and implement leadership programs across the organisation.
- ✦ Foster an inclusive and equitable organisational culture to strengthen employer brand and employee value proposition.

Human Capital

HR GOVERNANCE GRI 406-1, 408-1, 409-1

Our commitment to responsible HR management is embedded in a comprehensive policy framework, robust processes, and strong governance, mirroring our parent company, Hayleys PLC. These structures are aligned with the Hayleys Lifecode 2030 and DPL Pulse: ESG Roadmap 2030 environmental and social targets, with our HR Department overseeing implementation to support business goals.

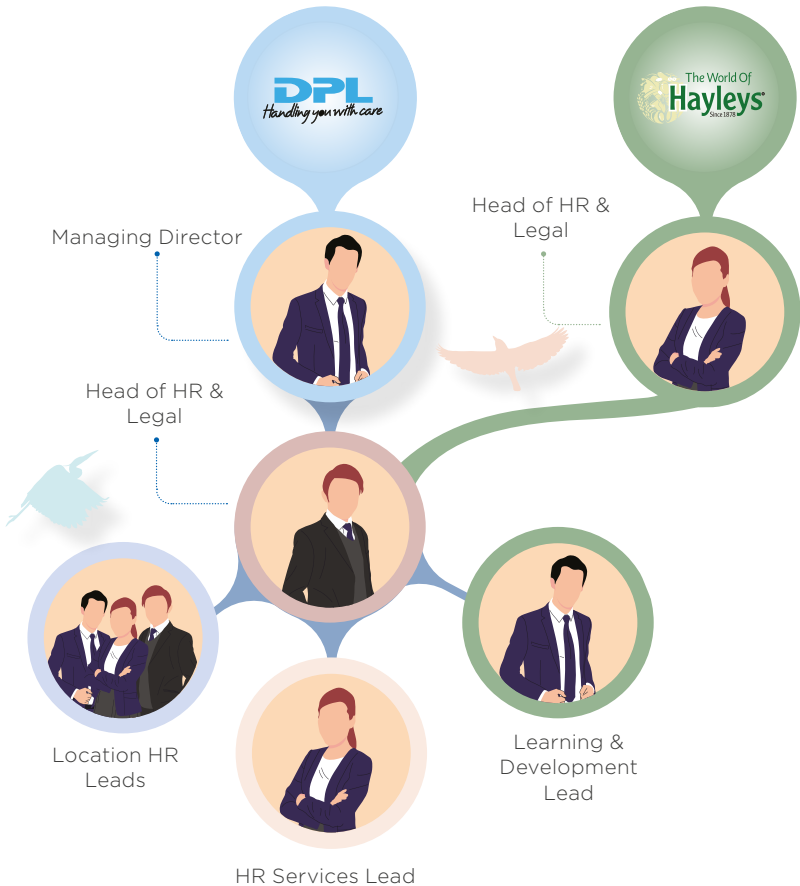
We strictly uphold all legal and ethical standards, ensuring zero tolerance for any human rights and labour law violations including but not limited to child labour, forced / involuntary / compulsory labour, modern-day slavery, human trafficking, discrimination or harassment.

ZERO INCIDENTS related to the above issues reported during this financial year.

Information related to these topics in our Supply Chain is disclosed on Page 162.

Policy Framework GRI 2-23, 25, 26

- Hayleys Values
- DPL Business Code of Conduct
- Remuneration Policy
- Anti Sexual Harassment Policy
- Social Accountability Policy
- Non-Discrimination Policy
- Human Rights Policy
- Pregnant Mothers' Policy
- Diversity, Equity & Inclusion (DEI) Policy
- Higher Education Assistance Policy
- Late Attendance & Overtime Policy
- Flexible Work Arrangement Policy



In regions with potentially higher risks, we implement specific, stringent controls and preventive measures regarding labour practices. We ensure 100% coverage of all operational sites for human rights impact or risks assessments. Regular internal and external audits continuously monitor these safeguards. Our high ratings in independent social compliance audits including Sedex Members Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI) and positive customer assessments consistently validate the effectiveness of our commitment and preventive systems.

Whistleblower Procedure

Designated email
ethics@dplgroup.com

Anonymous Submit via Web Form
<https://www.dplgroup.com/whistleblower-policy/>

Grievance Handling Mechanism

Direct Concerns raised to Immediate Supervisor is Logged in as a Manual Entry

Anonymous Complaints can be put to the Suggestions / Complaint Box

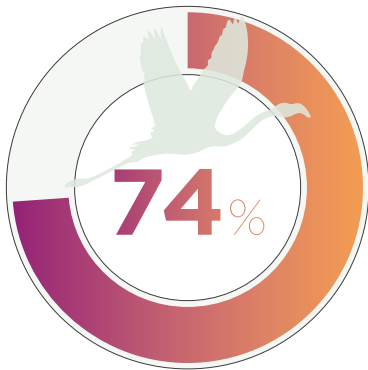


EMPLOYMENT GRI 2-7, 202-2, 411-1

As of March 31, 2025, Hand Protection sector employed 2,570 individuals and the Plantation sector total employee count was 15,775. As an equal opportunity employer, we nurture a diverse team. Our team profile is detailed below:

Hand Protection			
	Male	Female	Total
By Region			
Sri Lanka	1,469	434	1,903
Overseas	248	419	667
By Employment Type			
Part-time	-	-	-
Full time	1,717	853	2,570
By Employment Status			
Permanent	1,484	756	2,240
Contract	233	97	330
By Employee Category			
Assistant Management & Above	127	33	160
Executive	121	72	193
Non-Executives	1,469	748	2,217

SRI LANKAN EMPLOYEES ACROSS THE GROUP



The methodology used for above data collection is based on headcount as of the end of the reporting period. The table provides a breakdown of employees by region, employment type, status, and category, with gender as a key factor.

We consider ourselves a multi-national company, with a considerable global presence, hence the Sri Lankan and Overseas regional breakdown. We employ the majority of our workforce in Sri Lanka, which shows a significant increased compared to last FY 23/24 and we have considerable operations in Thailand and limited employment in France, Italy, Poland, India and UAE. To create value in the local communities we operate in, we hire for all positions from the local communities as applicable and feasible aligning with local and international labour laws and regulations.

Employment types are classified as full-time, with no part-time positions offered in either Sri Lanka or overseas. Employment status includes both permanent and contract (fixed-term) agreements, with no non-guaranteed hour work arrangements offered.

Further, our operating locations are not located near any indigenous settlements or have received any complaints about disturbances to indigenous community.

Human Capital

Hand Protection								
By Age and Employee Category	Under 30		30-50		Over 50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Management & above	2	1	92	22	33	10	127	33
Executive	41	30	62	37	18	5	121	72
Non-Executives	620	253	735	421	114	74	1,469	748
Total	663	284	889	480	165	89	1,717	853

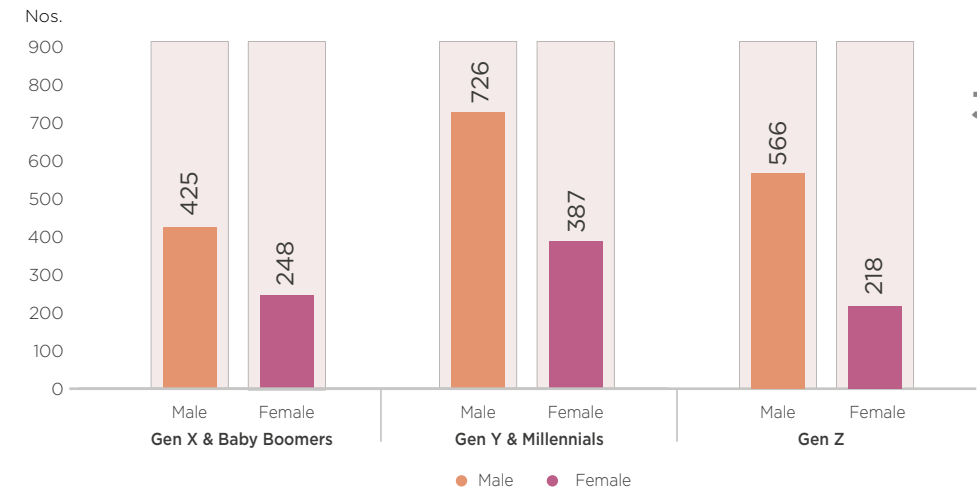
Hand Protection								
By Service Period and Employee Category	Under 5 Years		6-10 Years		Over 11 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Management & above	45	11	40	6	42	16	127	33
Executive	67	49	21	12	33	11	121	72
Non-Executives	891	460	324	180	254	108	1,469	748
Total	1,003	520	385	198	329	135	1,717	853

Generation Analysis

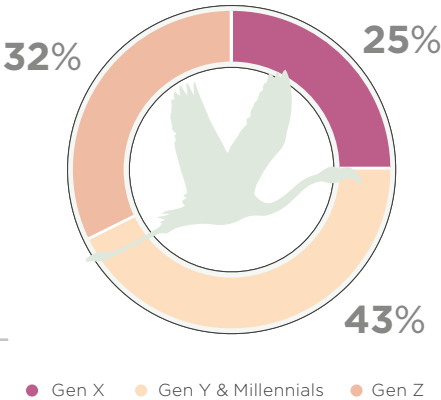
As an adaptive business responding to market and consumer shifts, we analyse our workforce beyond standard age groups to understand generational needs. This insight helps us make better decisions for our employees and foster an inclusive environment where all generations can effectively engage and contribute, bridging potential gaps.

Hand Protection										
Employee Category	Baby Boomers		Gen X		Gen Y & Millennials		Gen Z		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Management & above	2	-	64	20	61	13	-	-	127	33
Executive	3	-	27	12	64	37	27	23	121	72
Non-Executives	2	2	327	214	601	337	539	195	1,469	748
Total	7	2	418	246	726	387	566	218	1,717	853

EMPLOYEE BY GENERATION & GENDER

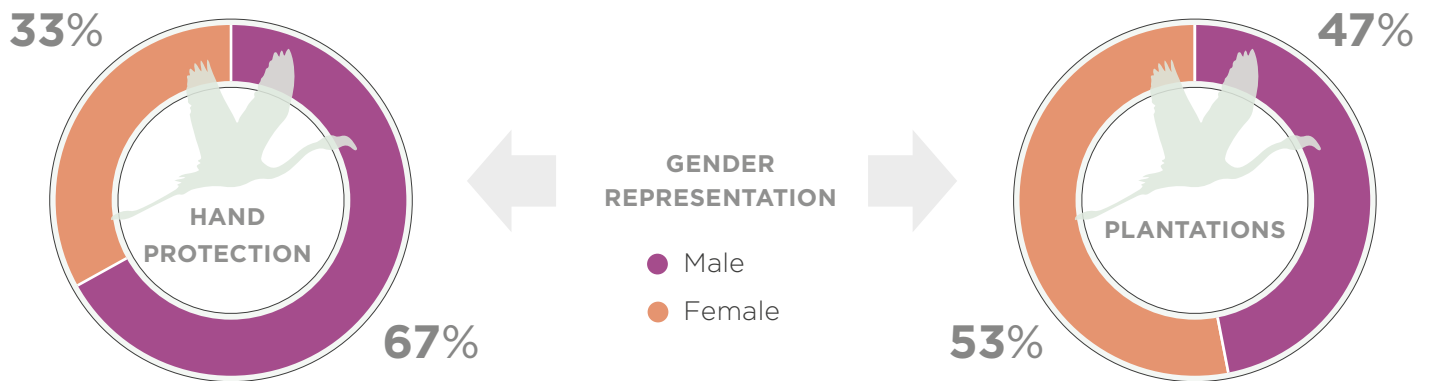


GENERATION ANALYSIS BY EMPLOYEE COMPOSITION

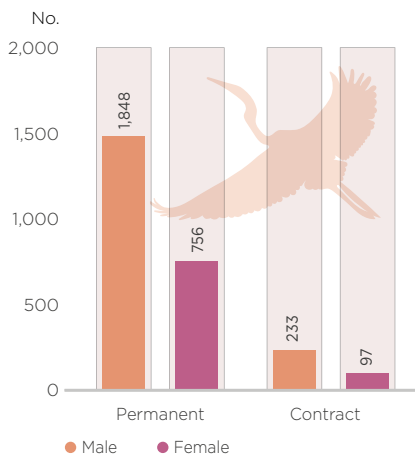




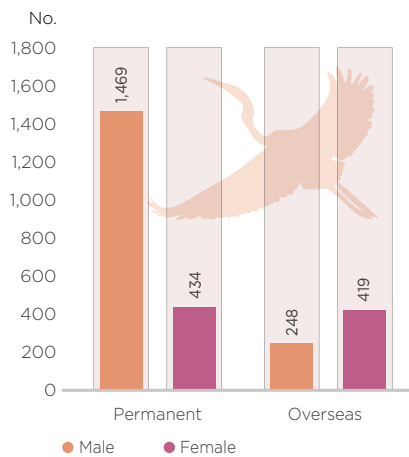
Plantation Sector			
	Male	Female	Total
By Employee Category			
Manual	6,638	7,986	14,624
Clerical and Supervisory	639	290	929
Executives	43	19	62
Assistant Managers and Above	146	14	160



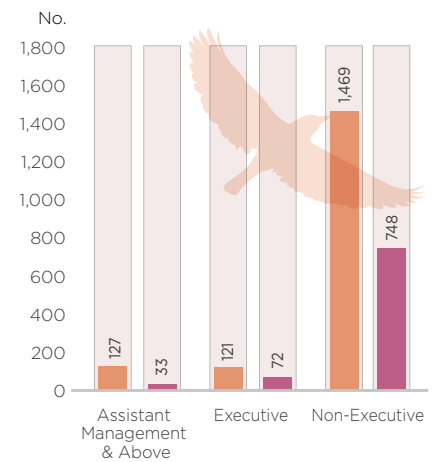
BY EMPLOYMENT STATUS & GENDER



BY REGION & GENDER



BY EMPLOYEE CATEGORY & GENDER



Human Capital

TALENT ACQUISITION & RETENTION GRI 401-1

Our comprehensive talent acquisition strategy focuses on identifying and recruiting top candidates through a fair, inclusive process. We equip our managers with best practices to ensure equal opportunity and mitigate unconscious bias throughout hiring. A transparent onboarding programme then integrates new hires into our organisational culture, fostering a supportive environment conducive to long-term career growth.

Moreover, implement various initiatives to;

Partnership with National Apprenticeship and Industrial Training Authority (NAITA) and German Tech

- NVQ Level Qualification For On The Job Training
- Existing employees to upskill and receive qualification

Nomination Process Ongoing

Partnerships with state and private universities

- Attract high-caliber graduates for technical and high functional areas

08 Career Fairs Attended

Robust internship programme

- Valuable hands-on experience to young professionals, serving as a critical talent pipeline; many successful interns transition into permanent roles upon completion

65 Internships offered

Additionally, we leverage licensed recruitment tools on digital platforms such as LinkedIn to reach specialised talent pools.

Measures Taken to Promote Human Rights & Labour Standards in Recruitment

Recruitment is only persons 18 years and above with comprehensive age verification process.

Training provided to employees to strengthen their knowledge on child labour, forced labour, and human trafficking and modern-day slavery issues.

Regular Monitoring of internal controls and effectiveness of actions taken to prevent child labour, forced labour, or human trafficking and Modern-Day Slavery.

Incident Reporting & Corrective Actions Taken discussed on Page 171 under the Grievance Handling Mechanism & Whistleblower Procedure.

Procedures are in place to help mitigate incidents of child labour, forced labour, human trafficking or modern-day slavery and also it helps to identify and correct any harm towards victims.

Analysis of Recruitment and Exits of Employees

During the reporting period, the Hand Protection sector recruited 711 individuals, Employee exits numbered 484. We acknowledge that employee retention in Sri Lanka is currently challenged by national trends of emigration for overseas work. We adhered strictly to International Labour Organisation (ILO) standards in recruitment, achieving a labour turnover rate of 20%, indicating high employee retention of 80% in the Hand Protection sector.

DPL Pulse: ESG Roadmap 2030 Target & Performance

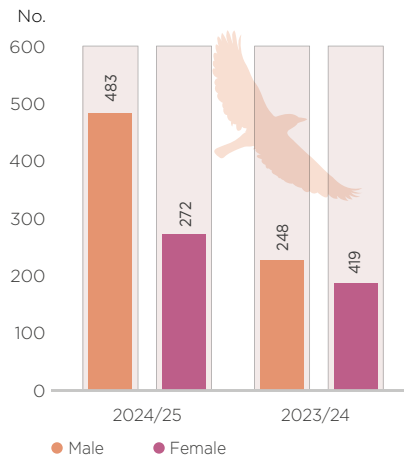
DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Attrition Rate	26%	22%	20%	18%	9.5%	On Track



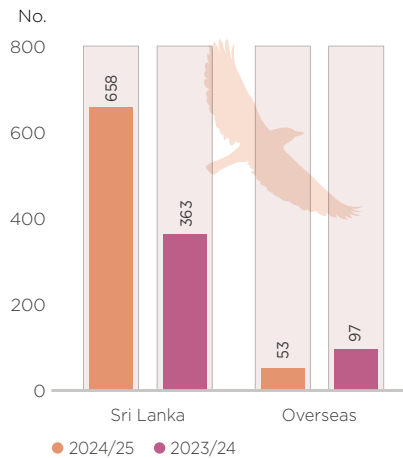
Analysis of New Recruitments & Exits

Classifications	New Recruits		Exits	
	2024/25	2023/24	2024/25	2023/24
By Gender				
Male	483	272	307	369
Female	228	188	177	141
By region				
Sri Lanka	658	363	432	411
Overseas	53	97	52	99
By Age (years)				
Less than 30	547	335	300	345
30-50	156	120	161	139
'> 50	-	5	23	26

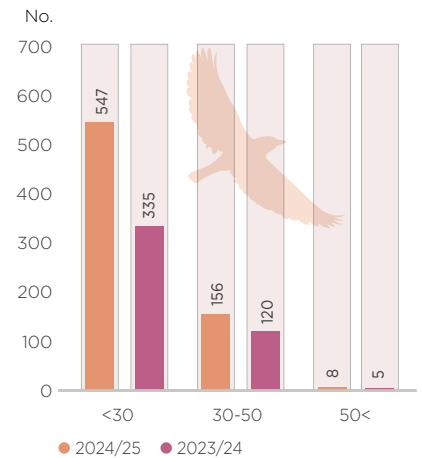
NEW RECRUITMENTS BY GENDER



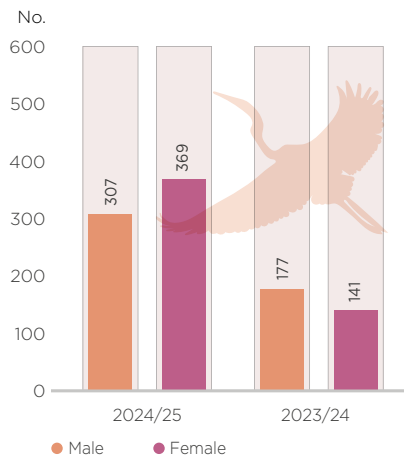
NEW RECRUITMENTS BY REGION



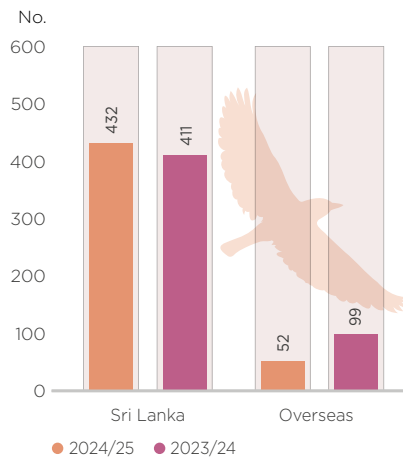
EXITS BY EMPLOYEE AGE (YRS)



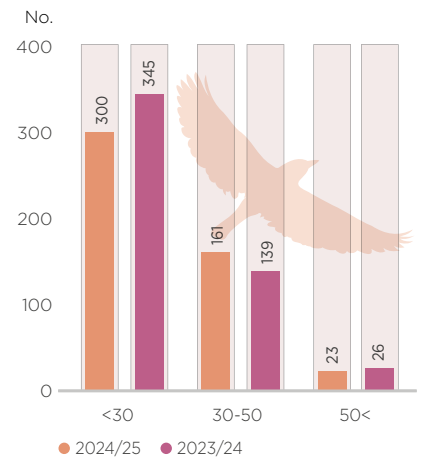
EXITS BY GENDER



EXITS BY REGION



EXITS BY EMPLOYEE AGE (YRS)



Human Capital

REMUNERATION AND BENEFITS GRI 202-1, 401-2

In response to the increased cost of living, we continued to support our workforce, investing Rs. 16.9 Bn. in total employee payments in FY 2024/25 for the Hand Protection and Plantations sectors.

DPL Remuneration Policy defines at a high-level the procedures in place to ensure equity and fairness in pay to all levels of organisation. While adhering to national labour laws and regulations, DPL fulfills national minimum wage requirements and continuous reviews are conducted on offering competitive wages and benefits package to all employees considering external factors such as inflation, living costs, crisis, pandemics situations in the operating locations to support improved quality of life for all employees and their families.

Compensation is structured through collective agreements for non-executive staff, with annual reviews, increments, and bonuses factoring in living costs; Executive pay combines fixed and variable performance-linked components, benchmarked against market rates and living standards. We ensure transparent communication regarding the remuneration process, including salary scales and advancement procedures.



Payments to Employees
(Hand Protection)

Rs. 6.2 Bn

In the Hand Protection Sector, all employees receive statutory entitlements and a comprehensive benefits package is arranged including but not limited to medical, allowances, loans, insurance, etc. Furthermore, Plantation sector wages adhere to the Wages Board Ordinance, with DPL meeting minimum daily wages.

Remuneration and Benefits		
	Hand Protection	
Total Payments to Employees in FY 2024/25 (Rs. Mn.)	Rs. 6.2 Bn	
Ratios of Entry-Level Wage to Minimum Wage by Gender	Male : 1:1.07	Female : 1: 1.07

Transparent and clear communication shared with employees to help employees understand their remuneration and entitled benefits. (i.e. base salary, fuel allowances, bonus schemes, financial remuneration benefits etc.).

Monthly Salary slip is shared in the form of a salary grid or salary matrix for easy understanding of employees on salary components and deductions made including PAYE tax etc.

Annual salary advancement or increments are officially communicated in a formal letter format to all.

Performance-Based Remuneration Linked to ESG Objectives.

DPL undertook an exercise in FY 24/25 to include an ESG KPI for the Employee Performance Evaluation in FY 25/26.

Performance-based components (such as bonuses or long-term incentives) that are directly tied to key environmental, social, and governance (ESG) targets that contributes to achieving the DPL Pulse: ESG Roadmap 2030 by linking pay with purpose and mitigating reputational or regulatory risks.



EMPLOYEE WORKING CONDITIONS & SUPPORTIVE ORGANISATIONAL CULTURE

GRI 401-3

We have continued to prioritise a fair and supportive working condition for our employees by ensuring we meet the national labour standards with reasonable working hours, clearly defined leave entitlements, and compensation for extra/atypical work hours. We strengthen communication to promote employee voice and address concerns related to workplace conditions. Family Friendly Programs (FFPs) and Flexibility in work - including remote work and flexi-time—is encouraged where feasible to support work-life balance. These measures collectively contribute to maintaining a positive and equitable work environment.

Measures Taken in FY 24/25:

Action: Increased sessions to establish two-way communication among Senior Leadership & Employees

Impact: These sessions enabled employees to provide direct input and feedback on working conditions and benefits, while also allowing the management to directly respond to any points raised.

Employee Gatherings
Attended by MD & GMC

72

Action: Introduced Family Friendly Programmes

- ① 7-Days Paid Paternity Leave
- ② New-Born Care Package

Impact: These proactive initiatives helps employees balance their work and family lives, creating a more supportive work culture in the organisation.

Employees Received New-Born
Care Package

37

Parental Leave Disclosure in FY 24/25	Hand Protection	
	Female	Male
Total number of employees that were entitled to parental leave	853	1,717
Total number of employees that took parental leave	12	25

Action: Flexible Work Arrangements (On Request and Case-By-Case Basis)

Impact: This has supported employee requests at times of needs in achieving a balance between their personal and work lives, especially in medical situations, academic situations and also playing caregiving roles beyond child care, especially considering employees with care responsibilities such as taking care of parents, grandparents and other family members.

Action: Provided housing and accommodation facilities for non-local employees working long-term or short-term in foreign locations of the Group

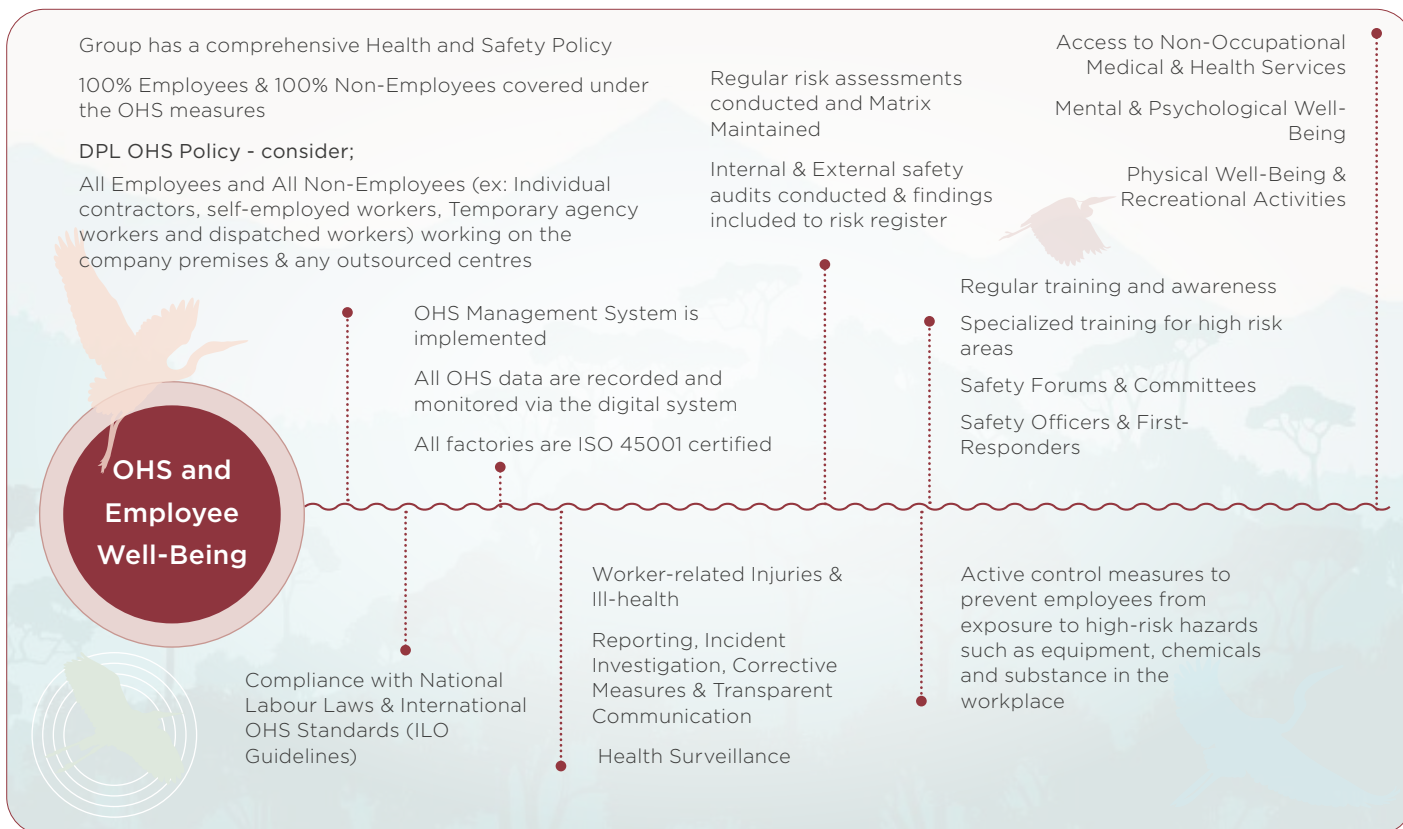
Impact: This has supported employees to adapt and adjust smoothly in foreign locations

8 Non-local executive employees were provided with accommodation facilities in Thailand

Human Capital

OCCUPATIONAL HEALTH AND SAFETY (OHS) AND EMPLOYEE WELL-BEING

GRI 403-1-10 SASB RT-CH-320a.1-2, FB-AG-320a.1, RT-CH-540a.1-2



GRI 403-9 & 403-10 Disclosure on OHS in FY 24/25	Hand Protection	
	2024/25	2023/24
No. of fatalities as a result of work-related injury	-	-
Rate of fatalities as a result of work-related injury	-	-
No. of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
No. of recordable work-related injuries	15	24
Rate of recordable work-related injuries	2.22	3.88
No. of fatalities as a result of work-related ill health	-	-
No. of cases of recordable work-related ill health	-	-
LTIFR - Lost Time Injury Frequency Rate	0.75	0.16
TIFR - Total Injury Frequency Rate	5.07	6.3
DSCI - DPL Safety Compliance Index	67.20%	63.10%
First Aid Cases	20	15

Main types of injuries considered but not limited to:
Cuts, burns, slips, falls, chemical spill, etc.

Main types of ill-health considered but not limited to:
Respiratory issues, skin conditions, heat exhaustion, asthma, etc.

Assumptions taken for Calculation based on OSHA Methodology

Basis for rate calculation
Per 1,000,000 hours worked

Zero Workers/Employees were excluded



DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
TIFR - Total Injury Frequency Rate	6.5	6.3	5.07	3.5	-	On Track
DSCI - DPL Safety Compliance Index	70%	63.1%	67.2%	72%	100%	On Track
Alignment with Safe Chemical Management practices within the group operations	80%	85%	90%	95%	100%	On Track
Coverage of employees in access to mental wellbeing services	On Request Basis	On Request Basis	74%	85%	100%	On Track

Compliance with Local and International OHS regulations	OHS Measures Covering All Employees	Creating Employee Awareness on OHS
- All manufacturing facilities are certified to relevant ISO standards (e.g., ISO 45001), validating adherence to international OHS management system requirements. - A Group Safety Manager is responsible for leading and overseeing OHS compliance and performance company wide. - Each factory manager holds responsibility for ensuring the effective implementation and ongoing compliance with OHS standards within their respective facilities. - A comprehensive legal register is maintained to systematically identify, monitor, and ensure compliance with all applicable legal and customer OHS requirements. - Regular internal and external audits are conducted by qualified auditors to verify ongoing compliance with regulations and the effectiveness of implemented OHS systems.	- Comprehensive Occupational Health and Safety (OHS) measures are implemented across all DPL operational sites, including factories, warehouses, and packing locations, ensuring consistent standards. This is underpinned by a formal DPL Crisis and Emergency Response Plan (ERP) which is subject to mandatory annual review at each facility. The plan identifies all relevant potential emergencies, with a particular focus on critical scenarios. - Regular drills are conducted specifically for these critical emergencies to rigorously test our response procedures and ensure personnel readiness. Furthermore, detailed Standard Operating Procedures (SOPs) exist for each identified emergency type, providing clear, actionable guidance during an incident. - OHS Key Performance Indicators (KPIs) are embedded across all levels of management, ensuring accountability and promoting a proactive safety culture throughout the organisation.	- Annual Safety Week conducted across all factories, this dedicated week promotes safety awareness and engagement through a variety of activities. These typically include interactive safety quizzes, educational games, spot safety question challenges during work, and recognition/rewards for demonstrated safety knowledge and commitment. - Safety Observation Tours are regularly scheduled tours where executives and management actively observe workplace conditions and practices. During SOTs, leaders engage employees in safety discussions, identify potential hazards or unsafe behaviours, and formally report observations to drive corrective actions and reinforce safety culture.

Human Capital

Mechanism for all employees to report incidents / concerns about occupational health and safety

We ensure standardized, complete, and timely accident reporting across all operations through procedures requiring initial reports within 8 hours.

Critical incidents trigger immediate factory-wide communication via a dedicated 'Alert' system for shared learning, while all accidents and near-misses necessitate formal reporting, investigation, and documented corrective actions, ensuring consistent handling and analysis with 90% of all the reported incidence being resolved in FY 2024/25 and the balance being action out FY 2025/26.

1,060 Safety Observation Tours (SOT's) Reported in 24/25

100% Reported Hazards were attended to and investigated

Robust OHS Incident Reporting and Resolution Process



- OHS hazard, near miss, or incident is observed or experienced
- Reporting the Incident / Concern (Direct or Anonymous)
- Recording the Report
- Initial Assessment
- Investigation and Root Cause Analysis
- Implementation of Corrective Actions
- Resolution and Closure
- Communication to Employees
- Monitoring and Review

PL Safety Week – Promoting a work culture that holds everyone accountable to ensure health and safety of all!

In March, Dipped Products PLC proudly celebrated Safety Week 2025 across all 5 of our manufacturing locations in Sri Lanka.

The theme for this year was “Protect Hands, Reduce Accidents”, focusing on the importance of hand safety in industrial environments.



Winner

DPL Sports Glove Complex was the champion of the inter-factory safety quiz



The safety week of activities emphasized;

- Safety is not just a workplace priority, but a mindset that must extend to our homes and communities.
- Need for advancing behaviour-based safety practices to address human factors and prevent accidents more effectively.
- Building a safer workplace, and fostering an interdependent safety culture, where every individual takes responsibility for their own safety and the safety of others

Organised activities to enhance safety knowledge and engagement of our teams;

- Firefighting training
- First aid training
- Chemical emergency response
- PPE Training
- Working at heights safety
- Confined space entry and rescue
- SCBA (Self-Contained Breathing Apparatus) training
- GHS (Globally Harmonized System) labelling awareness
- Factory-level and inter-factory safety quiz competitions



Measures Taken to Improve Safe & Healthy Working Conditions in FY 24/25:

Commitment to Safe and Healthy Working Conditions: We are committed to providing a safe, healthy, and comfortable working environment for all employees. This involves continuous improvement of facilities, proactive hazard management, and robust health monitoring programmes.

Work Environment and Facility Upgrades	Occupational Health and Safety (OHS) & Hazard Control	Employee Health Monitoring	Safety Training
• Reporting of Employee Concerns We continuously invest in upgrading employee facilities across all our factories to meet evolving expectations and standards. State-of-the-art facilities have been implemented in most locations, with ongoing upgrades planned for the remaining sites. • Reporting of Employee Concerns While Employees have the Right to Refuse Unsafe Work, any concerns raised by employees regarding working conditions, directly to supervisors or through anonymous submission option are proactively addressed. Further reporting mechanism is strengthened with protection from reprisals through the safety consequences management policy in place. • Corrective Actions & Communication Concerns raised are resolved with corrective and remediation actions and employees informed through established feedback channels. We recognise the importance of a comfortable environment and proactively seek solutions when issues are identified.	• Hazard Identification, Risk Assessment and Control (HIRAC) Our safety approach is grounded in the systematic process of Hazard Identification, Risk Assessment, and Control (HIRAC). For each task or process, potential hazards are identified and assessed. Recommendations are presented to leadership to effectively prevent and address the risks identified. • Hierarchy of Controls Our primary approach is to control hazards at their source using methods including machine guards or improved ventilation where feasible. PPE is mandated as the necessary final layer of protection when risks cannot be completely removed by these primary control measures. • Appropriate Personal Protective Equipment (PPE) We make significant investments to equip employees with the correct PPE tailored to their specific job hazards, identified through HIRAC risk assessments. This process is rigorously applied, ensuring appropriate protection such as task-specific gloves, footwear, and respiratory, eye, or hearing protection (for noise >85dB) is selected based on the identified risks. The management monitors the correct application and use of this PPE.	• Occupational Medical & Health Services We provide comprehensive annual medical check-ups and health insurance coverage tailored to different employee groups. Mental health services and other recreational activities are available. • Special Medical Check ups Employees who are regularly exposed to risk factors, such as chemicals, dust, potentially dangerous machines, noises, or other potential hazards undergo specific medical surveillance relevant to their exposure risks to allow for early detection of effects on health and timely. • Public Health Collaboration We collaborate with local health authorities (e.g., the Medical Officer of Health). This includes facilitating public health initiatives within our premises, such as recent Filaria screening programmes (blood sample collection), contributing to both employee well-being and broader community health efforts.	• Specialised Teams Dedicated training is provided for designated safety teams, including comprehensive First Aid training for the First Aid team and specialised Fire Safety training for the Fire Fighting team. HR facilitates the coordination and organisation of these training programmes. • General Awareness & Drills While specialised training is focused on, broader safety awareness activities, including mandatory fire drills and chlorine drills for all employees, are conducted under the guidance of the dedicated Safety Department to ensure preparedness across the workforce. • Weekly Health & Safety Tips Email communication circulated to all executive level staff to encourage health and safety and good working practices

Human Capital

100%

Locations covered with Safety Instructions board and all visitors go through safety inductions

100%

Locations: covered with Regular Health and safety risk assessments to systematically identify and evaluate potential health and safety risks on employees.

(Refer OHS Risk Identification & Mitigation for more details)

100%

employees included in OHS Initiatives

(includes non-employee and other contracted workers on premises)

6,754 Hrs.

of Training employees on OHS risks and good working practices



Dedicated KPI on “Safety”

Included in Employee Performance Evaluation for all levels of org, to encourage reporting, contribute and hold each individual accountable in ensuring OHS at DPL

Key Actions Taken;

Mitigate occupational noise exposure through implementation of regular noise measurements or noise cancelling equipment

Prevent Repetitive Strain Injuries (painful conditions of the muscles, tendons, or nerves caused by repetitive movements and overuse) through work process and task optimised ergonomically.

Rs. 19 Mn

Invested in OHS Efforts & specialised Medical Check-Ups for employees in High-exposure job roles.

15

Emergency drills conducted for employee preparedness to face situations / incidents such as accidents related to operation of heavy equipment, injuries, fires, chemical spills, explosions, falls etc.



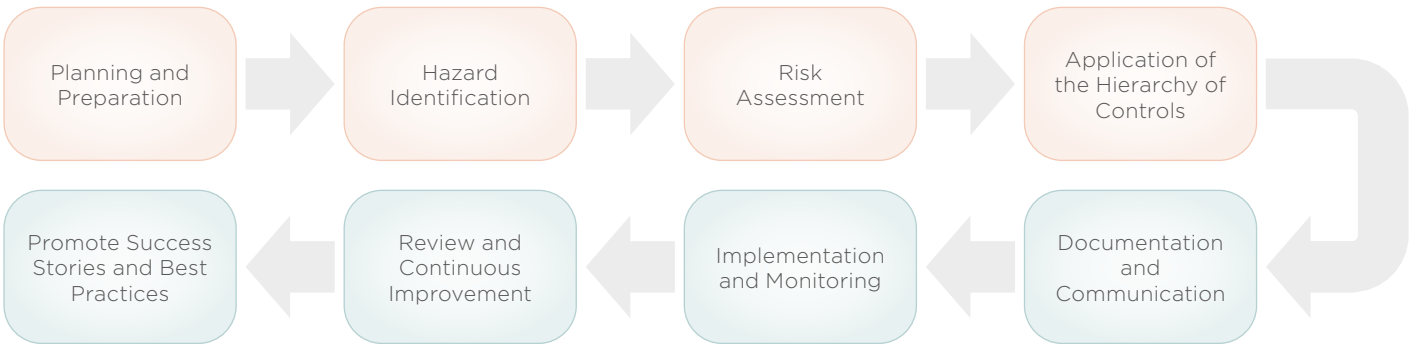
DPL
HOUSEHOLD
GLOVES

Everyday Essentials for

EVERY HOUSEHOLD

Human Capital

OHS Risk Identification & Mitigation Process



Measures Taken for Risk Mitigation:

Mitigating Fire Risk	Mitigating Chlorine Risk	Mitigating Other Risks
- We employ a layered approach to mitigate fire risk effectively. Foundational prevention includes regular risk assessments, strict work permit controls (particularly for hot work), and diligent internal/external inspections. - This is supported by robust detection (dual systems) and suppression capabilities with system integrity verified by certified third-party maintenance. Finally, response readiness is ensured through dedicated resources, official Fire Cover Certification, mandatory annual training, and frequent drills testing our emergency procedures. 	- To mitigate chlorine risks, we employ a multi-faceted approach. Detailed Standard Operating Procedures (SOPs) guide safe handling, storage, and emergencies, supported by engineering controls like fixed chlorine sensors, alarms, and an emergency scrubber system for automated leak detection and neutralisation. - Personnel preparedness is crucial; mandatory annual training covers safe practices, hazards, and the use of PPE, including SCBA. A dedicated, SCBA-equipped emergency response team stands ready, and their proficiency, along with the effectiveness of response plans, is validated through rigorous bi-monthly drills. 	- Our approach to mitigating various operational risks includes dedicated hazard reporting channels and embedding safety into executive KPIs for accountability. Mandatory annual safety inductions for new hires and targeted training like ergonomics enhance workforce awareness. - Physical safeguards such as interlocks and safety curtains, along with a formal Management of Change process, provide robust engineering and procedural controls. Accident reporting is automated and sent immediate to senior management (MD and GMC) for oversight and action, while fatigue is managed via work rosters and required breaks. 



Safe Chemical Management Practices:

Mitigating Risks from Chemicals & Hazardous Substance

- Ensuring compliance with Safety Data Sheet (SDS/MSDS) requirements across all production sites is mandatory. We maintain readily accessible and current SDS/MSDS for every chemical, ensuring they conform to regulatory guidelines (such as GHS format).
- Hazard communication is reinforced through appropriate labelling, including HMIS colour codes where applicable. We have processes to keep these documents current, working with suppliers to obtain updated versions as required by regulations. To ensure understanding, SDS/MSDS are available in local languages, and employees receive regular training on accessing and interpreting the information regarding chemical hazards and safety measures.



Compliance with International Chemical Safety Standards

- Compliance with international chemical safety standards (including principles aligned with REACH, OSHA, etc.) is ensured through a multi-layered approach anchored by our ISO 45001 certified OHS Management System. This system mandates processes for identifying legal obligations, managing chemical risks, and verifying compliance.
- We maintain essential national licenses and certifications, such as the Environmental Protection License (EPL), Precursor Control Authority certification, and Excise Department approvals, demonstrating adherence to specific regulatory controls. Proactively, we utilise the ZDHC Gateway to assess new chemicals against stringent safety and environmental criteria before use. Continuous monitoring occurs via internal and external ISO 45001 audits, regulatory inspections, and adherence to the requirements of programs like ZDHC.



Value Chain Impact Prevention

- Mapping all the chemical suppliers and promoting safe chemical management practices into supply chain (both process and non-process related) to ensure the mitigation of significant OHS risks from supply chain partners, and preparedness for response at any emergency situation.
- DPL Sustainable Procurement Policy and Supplier Code of Conduct requires supplier (both smallholder farmers and business-based suppliers) adherence and commitment to follow safe chemical management, then all suppliers evaluated to check adoption of such chemical management practices. (Refer Page 168 for more details)
- Provide guidance and capacity building to ensure the sustainable chemical management practices to existing and new suppliers.



Human Capital

Non-Occupational Medical & Health Services

- The organisation places strong emphasis on the overall well-being of its workforce by offering a range of non-occupational medical and health services. Annual medical check-ups, which help in the early detection and management of health conditions are provided. Comprehensive medical care is provided for employees and their dependents directly through health insurance and reimbursement. The provided health care can cover both work and non-work-related injuries/accidents/illness as soon as the employee chooses to avail of medical care, ensuring financial protection and access to quality healthcare.
- To support mental health and emotional well-being, a confidential counselling helpline is made available for employees to seek professional support as needed. Additionally, the organisation promotes healthy lifestyles through various recreational and wellness activities, including yoga and Zumba sessions, which foster physical fitness, stress relief, and team bonding in a fun and inclusive environment.

Mental Well-Being

DPL Careline - a dedicated toll-free helpline for all DPL Sri Lankan employees to access for counselling services

Recognising the need for enhanced employee support beyond traditional means and addressing cultural barriers to in-house counselling, we established the DPL Careline in partnership with Sumithrayo – a Sri lankan Not-For-Profit / NGO with an impressive track-record of providing mental health services.

This service allows all employees in Sri Lanka to access professional counselling daily (8 AM-10 PM) for personal or work-related issues.

Confidentiality is paramount and no personal data shared with DPL. An anonymised usage report shared with the company, with the exception for a critical safety protocol involving intervention required due to a possible suicide risk. The Care Line provides a vital, accessible support system demonstrating our commitment to employee well-being.

100%

coverage of Sri Lankan employees' access to services addressing stress and psychological wellbeing in the workplace

“Talking Helps: Listening Heals” Awareness Raising Sessions

Sessions on Personal Money, Time, and Stress Management is organised as proactive efforts to minimise stress and support employees' psychological wellbeing in the workplace. This reshape the work environment and help the organisation to reduce stress and mental health risks, and to prevent incidents or case of stress or mental health issues.

207 Hrs.

Employees received awareness sessions on managing mental health





Physical Well-Being

- Access to on-site first-aid and medical facilities
- Breast Cancer Awareness & Clinic
- Drug/Alcohol Prevention Programme
- Regular employee health check-up in partnership with MOH
- Filaria Check Up
- HIV Awareness Sessions

Hayleys Group offers Recreational Activities;

- Yoga
- Zumba
- Gym
- Swimming
- Sports

232

Employees received Health & Well-Being Awareness Sessions

Rs. 30 Mn

Investment by DPL for Employee Health & Wellness Initiatives

92

DPL employees accessed Sports & Wellness Programmes

Special Programmes
delivered in Partnership with Government Authorities

Dipped Products (Thailand) – Achieved the prestigious National Safety Platinum Award - the nation's highest honour for Occupational Health & Safety

Dipped Products (Thailand) reinforces its safety culture daily with a 5-10-minute routine for all staff in the morning, combining a relevant safety talk with an energizing warm-up exercise to boost awareness and start the day positively and energized. This dedication to safety excellence culminated in achieving the prestigious National Safety Platinum Award, the nation's highest honour.

Our commitment extends further through broader initiatives, often highlighted during Safety Weeks, such as collaborating with local police on road safety training for motorcyclists and partnering with hospital doctors for health sessions covering disease prevention, nutrition, and managing health conditions.



The Plantation Sector

Our Plantation Sector provides comprehensive lifelong healthcare for employees, covering maternity benefits, childcare, immunisations, nutrition support, and reproductive health, among other services. This commitment extends beyond the direct employees to encompass the broader estate community. Underscoring this dedication, our Plantation Sector companies embraced the Mother and Child-Friendly Seal for Responsible Business, pledging to prioritise the well-being of our workforce and their families.

Mental Health and Workplace Environment

Our health focus broadens beyond physical safety to include mental wellness. During FY 2024/25, employees participated in targeted emotional and mental wellness programmes. Furthermore, our positive work environment was recognised as both KVPL and TTE maintained their "Great Place to Work" (GPTW) certifications throughout the year.

Systematic Occupational Health & Safety (OHS)

Regular risk assessments are conducted across all operational facilities and reviewed annually to identify potential hazards and evaluate existing control measures. This review process informs our prioritisation of higher-risk areas, ensuring resources and funding are allocated effectively to mitigate risks and continuously improve safety standards.

Human Capital

PERFORMANCE MANAGEMENT GRI 404-3

All DPL employees (100%) undergo systematic annual performance and career development reviews. For executive and above level, evaluations are based on pre-defined SMARTER goals, tracked through our online system with mid-year and year-end assessments.

We utilise Oracle HCM, a Tier 1 Human Capital Management system, for performance management across our entire executive cadre. This system ensures a structured process for setting objectives, measuring performance, and recording outcomes, providing transparency and consistency.

Non-executive appraisals focus on annual reviews against productivity targets.

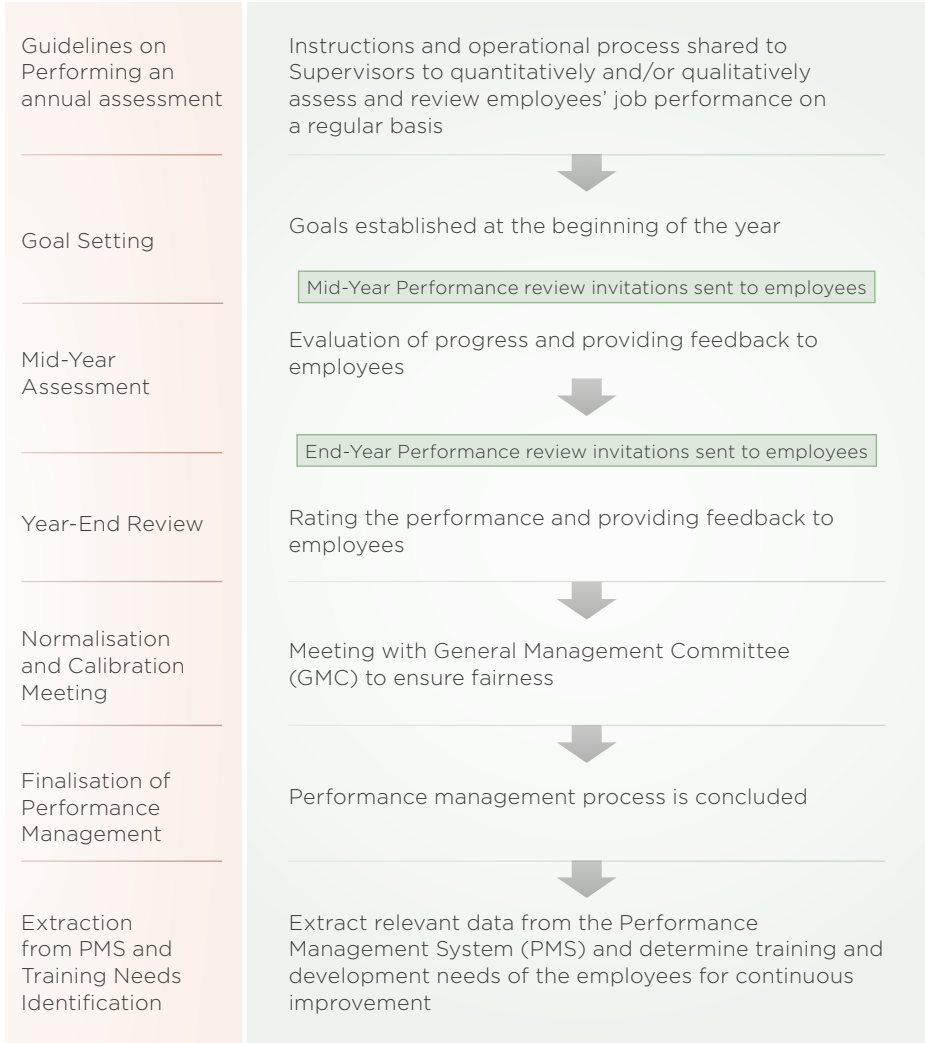
For our factory workforce, a separate, established manual performance management system is employed, tailored to their specific roles and responsibilities.

100%

of employees completed performance evaluations in FY 2024/25

Employee Performance Appraisal Process

Regular assessments of individual performance are carried out as suited for the different levels of the organisation to ensure the required support and guidance is available for employees to grow in their careers.



DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Performance evaluation process across the group including all local and foreign locations	100%	100%	100%	100%	100%	On Track



CAREER DEVELOPMENT AND SUCCESSION PLANING

DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Implementation of talent management and succession planning system for all positions at the senior manager level and above	30%	33%	38%	40%	100%	On Track

Measures taken in FY 24/25:

Talent Management	Integrated within the Oracle system, our Talent Management and Succession Planning processes were significantly revamped in FY 2024/25. A key strategic priority is identifying potential successors for all critical positions as the phase 01 of this initiative and then gradually moving to next levels of the organisation.
Career Growth	This proactive approach is designed to build a robust internal leadership pipeline, ensuring business continuity and mitigating the risks associated with unexpected departures of key talent in the organisation. Securing top management talents is crucial for the organisation, therefore continuous personal development and career growth opportunities are provided for management level roles.
Individual Development Plans & Career Plans	Once employees' potential is identified, then the employees receive personalised Individual Development Plans (IDPs) created to support their professional growth according to their potential and priorities. These plans outline specific actions and training required to address any developmental gaps and prepare the individuals for future leadership responsibilities. Employees will drive their action plans detailing how they can make their career aspirations a reality.
Supervisor Guidance to Support Career Plans of Employees	Additionally, Managers and Supervisors receives guidelines on how to hold regular career development conversations and support employees in their career growth. The supervisors will be required to consistently follow the employees over time on achieving their career plans. They will guide the employees on achieving their short and long-term career goals and working on areas of improvement.

Internal Mobility – Promotions & Transfers

Vertical Mobility Employee promotions/transfers that advanced them to the next level of the organisation 51 Employee Promotions / transfers to the Next Level of the organisation	Horizontal Mobility Employees changing functions/departments, but remain at the same job level within the organisation 10 Employee Transfers to the different function/department within the organisation	Geographical Mobility Involves developing an activity on another site/location within the organisation 01 Employee transferring between the organisation's facilities across the same country or different countries	Transversal Mobility Involves employees moving across different roles, by leveraging their transferable or cross-functional skills 67 Employees engaging in Project-based Stints due to their varied skills and capacities
Transparent communication is maintained about employee promotions, transfers, or role changes across all levels of the organisation. Internal mentoring programs for specialised areas were implemented. Hayleys Group Talent Platform published internal job postings across all sectors of the Hayleys Group.			01 Employee moved across Hayleys Group Sectors (To & From DPL)

Human Capital

LEARNING AND DEVELOPMENT GRI 404-1

Training and Development Achievements

During FY 2024/25, we met our target of providing an average of 36 training hours per employee. This achievement reflects our commitment to continuous learning and skill development across the workforce.



Avg Training Hrs. per Employee



36

Furthermore, we enhanced our training offerings by introducing mandatory training focused on Diversity, Equity, and Inclusion (DE&I). The implementation of this programme, potentially positioning us as a pioneer within the group in this important area, is currently underway across our employee base. Approximately 847 hours of DEI training was given to our employees in FY 2024/25.

In addition to these specific initiatives, essential compliance training, including modules covering anti-corruption policies and ethical conduct, continues to be a standard component of our employee orientation program, ensuring awareness from the outset of employment.

38%

Employees accessed knowledge building & skills development opportunities

DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Average training hours per employee per annum	9 hrs	33 hrs	36 hrs	38 hrs	40 hrs	On Track
Coverage of training average ratio for Junior Executive and above employees	75%	80%	85%	90%	95%	On Track
No of man hours of leadership and supervisory development programmes	2,339 hrs	8,757 hrs	9,553 hrs	9,800 hrs	10,000 hrs	On Track

Indicators	Hand Protection	
	2024/25	2023/24
No. of training hours	85,865	71,543
No of Employees Trained	7,466	6,936
Avg. training hours per employee	36	33
Investment in training (Rs. Mn.)	10.9	7.4





Employee Skills Development & Capacity Building Programmes GRI 404-2

- We invest in external technical training to maintain and enhance specialised knowledge within our workforce. A primary partner is the Plastics and Rubber Institute (PRI), where we sponsor approximately 24 employees annually for certificate, diploma, and higher diploma programmes crucial to the latex industry. We also selectively utilise other institutions, such as the Sri Lanka Institute of Textile & Apparel (SLITA), for specialised training relevant to specific product lines.
- English Diploma offered to employees in partnership with external organisations.
- We support employees pursuing advanced academic qualifications by providing financial assistance for programmes including Masters, MBAs, and even PhDs, fostering long-term professional growth.

Orientation to all employees is delivered by Hayleys Group HR which covers;

- Business Code of Conduct
- Hayleys Values
- Different Sector Updates
- Branding & Reputation Management
- ESG Principles & Practices

Sponsored
30 employees
for specialized trainings and
certificate / diploma / higher
diploma programmes

11
No of Employees Assisted with
Rs. 3 Mn
Of assistance for higher education

Category	Programme	No. of training hours
Leadership Training	Staff Development Programme	697
	Executive Development Programme	6,018
	Management Development Programme	3,535
	Outbound Leadership Training	288
Functional Training	Occupational Health & Safety Related Training	6,754
	ESG Related Trainings	801
	Quality SLSI Training	38
	Internal Auditor Training	1,259
	SGS Training for Supervisors	56
	Lean / Kaizen / TPM/White/Yellow/Green/Black Belt	1,874

GRI 410-1

Our **common training programme** aimed at improving the understanding, expertise and capabilities of our **non-executive staff, service providers, spanning across security, janitorial, transport, and other functions**, cover varied topics from

- human rights
- anti-sexual harassment
- safe chemical handling
- grievance handling mechanism
- environment friendly practices
- ethical conduct



Learning and Development Opportunities:

Employee Skills Development Programme for Executive Level.

A tailored plan for each employee based on training requirements to improve hard/soft skills.

Provides learning paths and training opportunities (in-person/virtual/hybrid) for the employee to improve on the identified training needs.

Human Capital

Strategic Collaboration with Ceylon German Technical Training Institute	Internal Supervisor Development Programme	Upskilling Experienced Workforce (NVQ Certification Pathway)
While acknowledging the high market demand and subsequent retention challenges for German Tech graduates (both locally and internationally), we entered into a strategic Memorandum of Understanding (MOU) to foster a mutually beneficial relationship.	To address the challenge of promoting high-performing operational staff into supervisory roles without adequate preparation—often failing and the loss of valuable talent—we launched a targeted Supervisor Development Program. Accordingly, 21 carefully selected high-potential employees from our operational assistant grades completed this comprehensive training, equipping them with essential leadership and supervisory competencies.	Recognising that many long-serving operational employees possess valuable hands-on skills (e.g., in welding and fitting) despite lacking formal technical qualifications, we initiated a dedicated NVQ Certification Pathway. In partnership with relevant authorities such as NAITA, this structured programme assesses employees' current competencies, provides targeted training to bridge identified skill gaps, and facilitates their achievement of National Vocational Qualifications.
Outcome & Benefit: The collaboration involves our engineers lecturing at German Tech and providing students/lecturers access to our advanced facilities/technology, while German Tech students gain real-world experience through internships and site visits at our company.	Outcome & Benefit: This initiative has created a qualified internal pipeline of candidates ready for future supervisory vacancies, ensuring smoother transitions and better performance in leadership roles. It also represents an investment in our employees' careers, enhancing their skills and employability (aligning with our CSR goals), even if they eventually pursue opportunities outside the company.	Outcome & Benefit: Formally validating the significant expertise of our experienced workforce, enhancing their official qualifications, boosting morale, and improving internal skill standardisation across our operations.
 	 	 



Dipped Products (Thailand)

Developed operational supervisors and leaders through an external "Supervisory Skills" programme attended by 30 employees. The training focused on enhancing key competencies in communication, coordination, and management.

- Senior executives participated in the "Smart Leader Programme," a dedicated leadership development course held in Bangkok, Thailand.
- Provided specialised digital marketing training to enhance the skills and capabilities of the marketing team.
- Launched a 15-hour Kaizen programme for supervisors, leaders, and key staff. This initiative successfully generated over 150 actionable ideas aimed at manufacturing cost savings, with recognition and rewards provided to motivate participants and encourage continuous improvement.

Supervisory Skill Development Programme



Smart Leader Programme



Plantation Sector

Our commitment to training and development is demonstrated through a robust annual programme with dedicated funding, covering all employee levels from executives to operational staff. This structured approach includes essential compliance training including First Aid, alongside targeted skill enhancement. Notably, during this period, significant efforts focused on operational safety through a collaboration with Humedica, an international NGO. This partnership delivered comprehensive First Responder training across most estates, boosting capacity for emergency preparedness and response as part of our overall strategy to enhance workforce capabilities

Female Supervisor Programme

Talawakelle tea factory continued its successful Female Supervisor Programme, actively creating a career path and promoting female leadership. During the year, applications were received from the community, and individuals were selected to undergo a rigorous six-month training program. These newly trained female supervisors are now integrated into field operations, working alongside their male counterparts. This initiative has significantly boosted motivation among female pluckers, addressing the traditional lack of career advancement opportunities for workers who historically remained at the same level. The programme's performance-based structure now enables pluckers to progress professionally within our organisation.



INDUSTRIAL RELATIONS GRI 2-30, 402-1, 407-1

Social Dialogue and Constructive Employee Relations

Maintaining effective social dialogue is a cornerstone of our employee relations strategy, ensuring open communication and fostering a stable industrial environment, with 56% of our Employees covered by formally-elected employee representatives or collective agreements. Our approach encompasses several key elements:

1. Facilitating Employee Awareness:

We collaborate with and facilitate access for the Labour Department to conduct training sessions at our factory locations. These sessions educate employees on their rights, labour standards, and relevant regulations, promoting awareness and understanding and facilitating two-way communication among employees and management.

2. Engagement with Employee Representatives:

- **Trade Unions:** We engage with the six (06) trade unions representing employees across various sites. Moreover, we maintain a healthy, open, and constructive relationship built on regular dialogue, which is crucial for proactively addressing concerns and maintaining industrial peace.
- **Employee Councils:** In our two factories without formal union representation, two (02) established Employee Councils serve as the primary channel for dialogue and consultation between management and employees.

3. Collective Bargaining:

- Formal collective bargaining is an integral part of our engagement process.
- We negotiate and sign collective agreements, typically on a three-year cycle, although the specific timing is staggered across different agreements.
 - We successfully concluded negotiations and signed one collective agreement in FY 2024/25. Negotiations for two additional agreements due in 2025/26 are scheduled to commence. Our approach focuses on achieving mutually agreeable (“win-win”) outcomes.
 - In the upcoming negotiations, aside from remuneration package, we wish to propose new areas of consideration to the collective bargaining agreements such as; employee health & safety, working conditions, career management, training opportunities and prevention of discrimination and harassment.
 - In line with the collective bargaining agreements which indicates that we consult with employees about organisational operations and changes, we practice highest standards of social dialogue. With strengthened communication channels, we inform our employees of operational changes that impact them directly or indirectly. The changes are dynamic, therefore the timeline is decided based on case by case.

4. Building Trust and Alignment (Profit-Sharing Bonus):

A key factor underpinning our positive relationship with employees and unions is our established bonus policy, where a significant percentage of company profits are distributed among employees. This transparent policy directly links employee rewards to company performance. As a result, employees and their representatives are demonstrably invested in the company’s profitability, often proactively identifying and reporting potential cost savings, waste reduction opportunities, or inefficiencies, knowing they share directly in the benefits.

Overall, we are proud of our ability to manage employee and union relations effectively, fostering a climate of trust and collaboration that supports employee well-being and the company’s operational stability and success.

- **No incidents** reported on violation of right to freedom of association
- DPL is not operating in any location that has restrictions on right to freedom of association by local law or regulation



Grievance Handling Policy and Mechanism

We maintain a formal and accessible Grievance Handling Policy, ensuring employees have clear channels to raise concerns. This established procedure, which is communicated throughout our factories and reviewed during external audits, outlines a structured escalation path: employees can first address grievances with their immediate supervisor, followed by skip-level management, and have recourse up to the Chairman if necessary.

In addition to this formal process, our status as a unionised organisation provides a significant parallel channel for addressing employee concerns. Union representatives frequently raise collective grievances directly with factory management or the location HR head. These issues can range from operational matters such as transport or canteen facilities to concerns about specific departmental supervision. Due to their recognised role, union leaders engage openly and proactively in this dialogue.

Furthermore, unions sometimes advocate on behalf of individual employees facing personal hardships (e.g., related to illness or financial difficulty), bringing these situations to management's attention for potential support. This dual approach, combining a formal procedure with open dialogue via union representation, ensures that both individual and collective grievances are heard and addressed effectively, contributing to a stable and responsive employee relations environment.

Grievance mechanism relies on the principles of;

1) Accessibility to all Employees

All employees are made aware of the availability of a grievance mechanism. The communication available in all locations and in easily understandable local languages.

2) Employees Reporting Concerns Faces No Retaliation

Employees who report any grievances are protected by the policy and doesn't face retaliation.

3) Confidentiality is upheld at all times

Concrete steps in place to protect confidentiality of the grievance reported.

Remediation procedure for victims

Remediation procedures in place to help mitigate incidents and to help identify and correct any harm caused to victims.

- 1) Identification of appropriate responses to an incident
- 2) Transparent and responsible communication with relevant stakeholders
- 3) Measures in place to monitor effectiveness of the implemented remedy



Plantation Sector

To strengthen grievance handling for both compliance and improved engagement, we implemented major enhancements this year. We expanded beyond traditional methods by activating new channels such as hotlines, WhatsApp, and QR codes. Extensive awareness campaigns encouraged their use, while specific training addressed reporting sensitive issues such as harassment. The Sustainability team now oversees the process, ensuring grievances are systematically collected, directed, and investigated, resulting in a more practical and robust system.

Human Capital

DIVERSITY, EQUITY, AND INCLUSION (DEI)

A significant milestone during the reporting period was the formal adoption of our comprehensive DEI Policy and Procedure, solidifying our commitment to these principles and aligning with the broader group's DEI strategy.

DEI Training to Prevent Biases, Discrimination & Harassment

- Following the 'train-the-trainer' programme facilitated by the Hayleys Group's learning and developing function and external expert organisations, designated internal trainers from DPL are now delivering DEI sessions across our workforce.
- DEI principles focusing on equality, non-discrimination, and respect for diversity are also integrated into our standard employee orientation programmes for all new hires.
- To date, approximately 60% of our executive staff have completed the dedicated DEI training module. While the rollout is ongoing, particularly for factory workers via orientation and other means, we recognise the logistical challenges of classroom training across our six locations. We are therefore exploring scalable methods to deliver the DEI trainings.
- Additionally, we are exploring to refresh the awareness through e-learning modules and informational documents to ensure widespread understanding and reach all employees effectively.

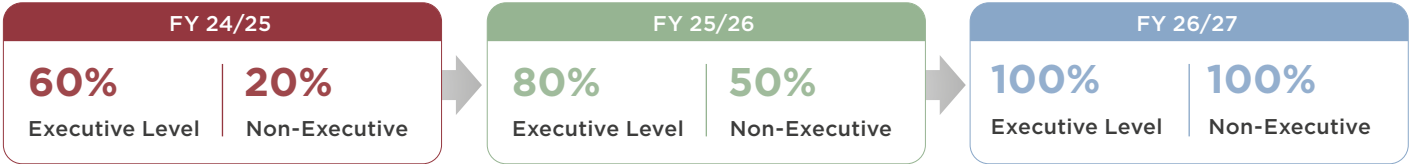
Key Focus Areas of the DEI Training;

- Identity
- Religious Diversity
- Gender Diversity
- Disability
- Unconscious Bias
- Discrimination
- Sexual Harassment

DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Anti-discriminatory training covering employees	0%	6%	28%	60%	100%	On Track

Forward Plan for DEI Training





Actions to Prevent Biases, Discrimination and Promote Inclusion

GRI 406-1

- **Recruitment:** We are an “Equal-Opportunity Employer” and strictly adhere to gender-neutral language in all job advertisements, ensuring roles are open to all qualified candidates regardless of their diverse representation.
- **Remuneration & Benefits:** As an “Equal Opportunity Employer” and with strong DEI principles, we ensure there is equality in pay and no discrimination based on an individual’s diverse and intersectional representation but purely based on qualification, skills and talent of the individual. We continuously monitor and internally audit our remuneration practices to identify any unequal pay cases, and all other measures are taken to eliminate the pay gap.
- **Professional Development:** We made efforts to increase accessibility for all and ensure balance representation in the training and development opportunities that were made available to all employees.
- **Promotion Processes:** We follow strict guidelines for non-discrimination and all managers/supervisors are provided training and guidance on preventing discrimination or increasing accessibility to help provide equal opportunities to all employees. If any employee experience or observes discrimination, they are encouraged to report directly or anonymously through our grievance handling and whistleblower procedures.

1:1 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

GRI 405-2

(For each employee category & for all operating location considered in this Annual Report)



Zero

Cases Reported on
Discrimination



Zero

Cases Investigated by
Independent Committee



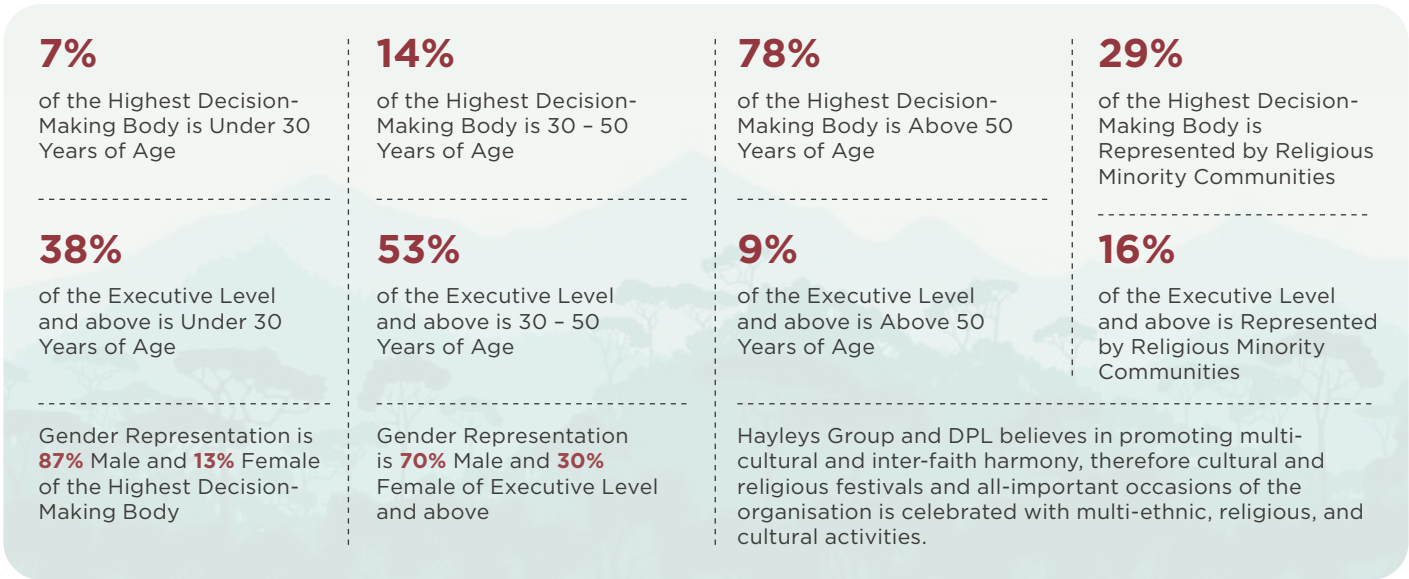
Zero

Cases Confirmed as
Discrimination

Human Capital

Broader Inclusion GRI 405-1

Our commitment extends to fostering an inclusive environment for all, irrespective of age, religious beliefs, gender identity, or sexual orientation. We promote a culture of tolerance and respect, ensuring that recruitment and workplace interactions are free from discrimination based on these personal attributes. While acknowledging that discussing certain aspects of diversity was previously challenging within the cultural context, we are proud of the progress made in creating a more open and accepting workplace where all employees feel included and valued.



“Choose to Challenge” – DPL’s Initiative to Promote Gender Equality

We acknowledge the need for concrete actions and have set internal targets to actively increase female representation, mentorship programmes for career development and to create a safe and supportive environment for all employees.

The “Choose to Challenge” initiative focuses on challenging societal norms and transforming existing practices to empower employees of all diversities.

Our action plan is built upon six key pillars:

1. Talent Acquisition, Recruitment, Retention, and Remuneration
2. Knowledge & Skills Development
3. Career Progression, Leadership & Representation in Decision-Making
4. Safe, Respectful & Supportive Workplace
5. Reporting & Recognition of Achievements
6. Impact on a Wider Community



Gender parity indicators	2024/25	2023/24
Female representation of the organisation	33%	32%
Female representation at the Board level	13%	8%
Female representation Assistant manager and above level	21%	23%
Female representation at the Executive level	37%	35%
Female representation at the Non-Executive level	32%	32%
Female recruits (Nos)	228	188
Training hours for females (Hrs)	21,376	18,874
Proportion females trained (%)	36%	27%
Departmental female representation (Nos)	2024/25	2023/24
HR and Administration	9	8
Finance	11	9
Sales and Marketing	34	31
Procurement	11	11
R&D and Technical	24	24
Operations	2	2
Engineering	3	3

Measures taken to prevent and monitor sexual harassment in the workplace

Internal & External Audits identifies harassment risks through workplace climate checks, employee perceptions and working environment	Safe Physical Workspaces with lighting, isolated spaces, etc.	Job Design and Work Environment Controls to avoid isolated roles, power imbalances etc.	If any risks identified immediate response to mitigate and corrective actions are taken for remediation
Strong Communication of Code of Conduct & Consequences for Violations shared in all local languages	Orientation, Trainings & Awareness Sessions Delivered	Incident Reporting on Page 225 under the Grievance Handling Mechanism	

Commerating International Women's day meaningful Events and Activities



Human Capital

Employees with Disabilities

We are working to enhance the inclusion of Persons with Disabilities within our workforce. Our ongoing efforts to ensure our infrastructure and working environment is safe began with our Sports Glove Factory which is a disability-friendly workplace build on green concepts and achieved LEED Certification. Additionally, we follow a buddy system where employees with disabilities are having a buddy – another employee supporting them in getting used to the organisation and continuous DEI training across the group supports in changing employee awareness and sensitivities towards creating an inclusive workplace.

Other concrete steps include engaging with organisations such as the Ceylon School for the Blind to identify potential candidates and suitable roles where they can contribute effectively and safely. This reflects our commitment to expanding opportunities for this talent pool.



5
Employees with disabilities are working at DPL operating locations

25 Years of Inspiration at DPL

Kumarasinghe's journey is a powerful reminder of what determination, support, and an inclusive workplace can achieve. Despite his visual impairment, he has completed 25 years of dedicated service, uplifting those around him with his positivity and perseverance.



SCAN ME
QR Code to Watch Video

Scan the QR code to watch his inspiring story and see how DPL is fostering a culture where everyone can thrive.

Plantation Sector

Addressing DEI presents unique challenges within our sector, prompting the implementation of specific, targeted programmes across our companies. A key initiative focuses on enhancing female leadership and engagement at the operational level through a dedicated Female Supervisor Development Programme. This programme identifies high-potential female employees for comprehensive six-month training, utilising internal and external expertise, and has successfully trained and appointed over 20 female supervisors to date. The aim is to foster a more

supportive environment facilitated by female leadership representation while also actively developing structured career progression pathways—from entry-level roles such as plucker up to team leader and potentially management—to significantly boost long-term female engagement and retention. Furthermore, efforts are made to employ Persons with Disabilities in suitable roles where feasible, with current examples including positions within our medical clinics and support functions such as paper bag production.





EMPLOYEE ENGAGEMENTS AND RECOGNITIONS

Throughout the year we conducted several staff engagement activities to enhance camaraderie.

DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Participation level in employee engagement activities	26%	82%	83%	85%	90%	On Track
Employee satisfaction rate	72%	72%	WIP	N/A	80%	Work In Progress

DPL continues to believe that our dedicated team members are the backbone of the organisation therefore achieving high level of employee satisfaction is considered crucial for the success of the Company. We are currently in discussion with external organisation to conduct an employee satisfaction survey covering all locations and all employee categories.

Key Employee Engagement initiatives in FY 2024/25:

Launched in 2024/25, this monthly event (held on the last Friday) dedicates approximately one hour, primarily at the head office but extended to factory locations, for team-building games and activities accompanied by small appreciation gifts and refreshments. This initiative has proven highly popular in fostering camaraderie and a positive atmosphere.



We acknowledge and celebrate various religious, cultural (e.g., Thai Pongal, Christmas, and Vesak), and special occasions (e.g. Valentine's Day) across all locations, often incorporating these celebrations into the workday to ensure broad participation and demonstrate appreciation.

Dedicated social events, such as Christmas & Year-end parties and team bowling sessions, are organised to further strengthen interpersonal relationships and provide informal interaction opportunities.



Human Capital

Employee Recognitions & Awards



**DPL LONG
SERVICE AWARD
RECOGNISING
CONTRIBUTION TO
THE SUCCESS OF
DPL'S JOURNEY**

Plantation Sector



In the Plantation sector, the annual Plucker Programme, conducted during the year, serves as a significant process for enhancing estate productivity and linking worker compensation directly to performance outcomes. The final event associated with this programme is considered **an industry-level benchmark**, showcasing excellence in operational efficiency and worker engagement.

DPL
FOOD HANDLING
GLOVES

Reliable Protection for

FOOD INDUSTRIES

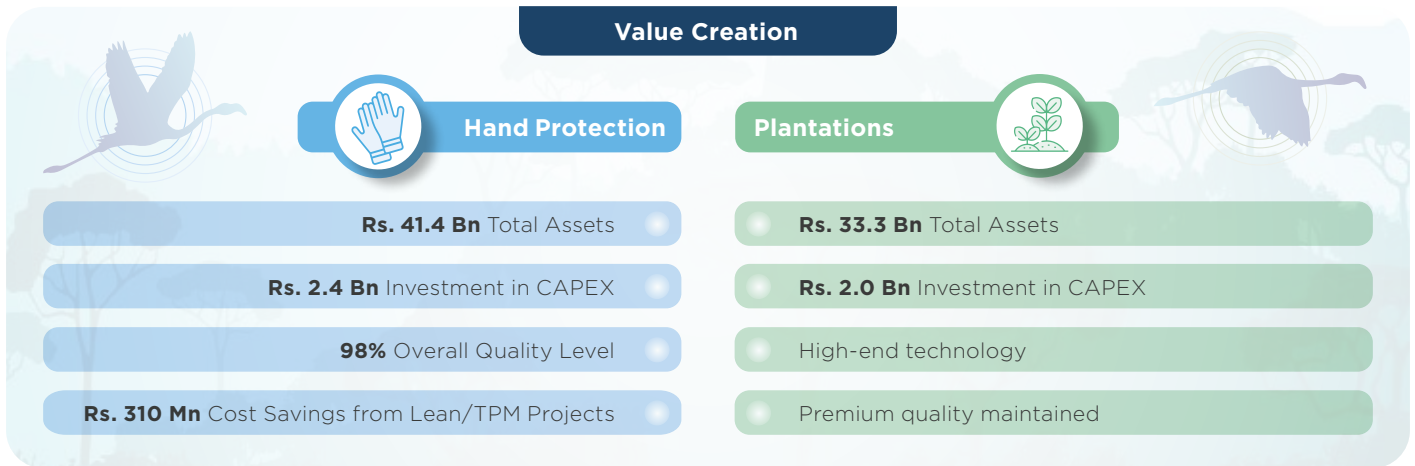
Manufactured Capital



Flamingos build their nests from mud and natural materials, creating simple yet resilient structures that adapt to their environment. At DPL, this reflects our approach to building smart, sustainable solutions—using resources wisely to create systems and infrastructure that are both practical and environmentally responsible.

Key Focus Areas in 2024/25





Material Topics

- M8** Regulations and Compliance
- M14** Impacts of Infrastructure and Project Development
- M16** Energy consumption
- M18** Operational Safety and Emergency Preparedness
- M21** Technology and Product Innovations

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- MR 02
- RCR 01



Future Focus



Short Term

- Acquire and integrate new facilities to enhance production capabilities.
- Upgrade core infrastructure to support operational growth.
- Improve manufacturing processes through Kaizen, Lean, Six Sigma, and TPM methodologies.
- Implement immediate capacity enhancements to meet rising demand.
- Optimize existing operations with advanced technology solutions.



Long Term

- Establish sustainable, green buildings and operations for long-term environmental impact.
- Invest in advanced technology for automation and digital transformation in manufacturing.
- Achieve manufacturing efficiency and quality improvements through continuous Kaizen and Six Sigma projects.
- Drive long term growth by scaling capacity and optimizing operations to align with future market demands.

Manufactured Capital

OUR MANUFACTURED CAPITAL

SASB FB-AG-000.B, CG-HP-000.A-B, HC-0201-16

Hand Protection



- 5 Manufacturing facilities in Sri Lanka
- 2 Manufacturing facilities in Thailand

Plantations



- 55 Estates
- Rs. 996 Mn Investment in new crop & replanting existing crop



Product Portfolio consist of products with Environmental and/or Socially Beneficial Attributes

- Biodegradable gloves
- Carbon-neutral manufacturing processes
- Gloves made with sustainably sourced natural rubber
- Fair trade certification or ethical labour practices

Total Revenue from sale of products



Rs. 46 Bn

Total annual glove production in FY2024/25 amounted to



286 Mn
Equivalent pairs

Total glove production percentage by product category



Unsupported Gloves

65%

Supported Gloves

4%

Disposable Gloves

31%

In FY2024/25, **14%** of our revenue was derived from **Eco-Friendly / Sustainable Products**



OUR MANAGEMENT APPROACH GRI 2-23, 203-1, 302-4, 303-3, 5 SASB FB-AG-000.C

Our manufacturing assets are a key strategic advantage, continually enhanced through prudent investments that deliver increased revenue, better service, higher productivity, and a reduced environmental impact across our Hand Protection and Plantation operations. Sustainability is central to our expansion strategy, leading to cost efficiencies and improved environmental outcomes. This dedication to sustainable practices and high-performance facilities culminated in our Sports Glove Complex achieving the landmark LEED Platinum Certification from the US Green Building Council, distinguishing it as the first glove manufacturing facility in South Asia to receive this honour.

	Factory	Location	Land Area Owned / Occupied	Product
Hand Protection	Dipped Products PLC	Kottawa	11.2 acres	Unsupported/supported household, industrial and Electrician gloves
	Hanwella Rubber Products Ltd	Hanwella	10.2 acres	Unsupported household and industrial gloves
	DPL Premier Gloves Ltd	EPZ block B, Biyagama	5.4 acres	Unsupported household and industrial gloves
	DPL Universal Gloves Ltd	EPZ block A, Biyagama	3.3 acres	Supported household and industrial gloves
	DPL Sports Glove Facility	EPZ block B, Biyagama	2 acres	Sports Gloves
	Dipped Products (Thailand) Ltd	Khun Nieng, Songkhla (Thai-land)	13 acres	Disposable Gloves
	Hi-Care Thai Gloves Co. Ltd	Hatyai, Songkhla (Thai-land)	6.4 acres	Disposable Gloves
Plantations	Kelani Valley Plantations PLC	Island wide	32,662 acres	Tea and Rubber
	Talawakelle Tea Estates PLC	Island wide	9,699 acres	Tea and Rubber
	Horana Plantations PLC	Island wide	16,109 acres	Tea and Rubber



Manufactured Capital

Hanwella Rubber Products Ltd

Successful Completion and Commissioning of New NR Plant



Exclusively dedicated to Natural Rubber (NR) glove production, supporting increased global demand in healthcare and industrial safety.

New high-thickness glove production line designed for heavy-duty industrial and chemical-resistant applications, enhancing product portfolio diversity.

This line integrates advanced dipping and curing technologies enabling precise thickness control.

Incorporates a new thermic fluid heater operating on biomass fuel, increasing the renewable energy usage and supporting the company's decarbonization targets.

Equipped with energy-efficient machinery and LED lighting, contributing to lower carbon emissions per unit produced.

Enhancements were made to the Effluent Treatment Plant (ETP) to accommodate the increased production capacity, ensuring continued compliance with discharge standards and minimizing environmental impact.

Includes real-time monitoring systems for tracking production, energy, and environmental performance.



Estimated

25% Increase in

overall NR production capacity

Expected to generate over

110 new employment opportunities,

with an emphasis on local community hiring and workforce inclusivity

A photograph showing a group of people standing in front of a large industrial machine, likely part of the new NR plant. The machine has a conveyor belt and various mechanical components.

SCAN ME

QR Code to Watch Video

EcoPulse Nature Reserve – an eco park was opened along with the new plant, showcasing our commitment to running our operations while preserving the natural eco-system surrounding our plant. This is discussed in detail under “Natural Capital” on Page 280.

Our Hanwella site is progressing with several key projects focused on capacity, technology, sustainability, and employee well-being.

Core Infrastructure Upgrades

- Installed 2Mnkal/hrs brand-new high-efficiency thermic heater to cater to the increased energy demands from new and expanded production capacity.
- Aligned with the DPL Pulse: ESG Roadmap 2030 targets, installed rainwater harvesting system in FY 24/25 to contribute towards achievement of sustainable water sourcing with a capacity of 16% (Rain water + Recycled Water - 190 Mn Liters), discussed in detail under “Natural Capital” on Page 280.



Optimised Manufacturing Process

- Increase in reuse of recycle water by improving water quality of recycled water
- Reduced fresh water intake by reusing processed water



Manufactured Capital

Dipped Product PLC, Kottawa

Our Kottawa facility has undergone substantial expansion and technological upgrades to meet growing market demand and enhance our high-value product portfolio.

Core Infrastructure Upgrades	• Steam Generation - Began the installation of 12-ton steam boilers, the largest in the group, set for commissioning in FY 2024/25 to support expanded operations. • Effluent Treatment - Doubling the Effluent Treatment Plant (ETP) capacity, incorporating new technology for enhanced environmental performance.	
New Advanced Technology in Manufacturing Plants	• Commissioned as a state-of-the-art glove manufacturing lines employing innovative dipping practices to produce our leading chemical handling glove (Keto resistance glove). • Launched as a brand-new robotic facility dedicated to Laurel Plus glove production, transitioning this line from a manual process to full automation.	
Capacity Enhancements	• Capacity increased for industrial gloves • Production of the high-value Laurel Plus glove was boosted. • Chlorination capacity increased due to installment of 2 new chlorination machines. • The new packing facility will increase daily out put by 15%.	



D P L Premier Gloves Ltd, Biyagama

At the D P L Premier Gloves site key facility upgrades were completed.

Core Infrastructure Upgrades

- **Nitrile Conversion** – 02 Natural Rubber (NR) plants were converted to Nitrile production in-house to meet market demand.
- **Building Optimisation** - A production building was repurposed for enhanced post-production, storage, and working environment.



Capacity Enhancements

- Chlorine Capacity increased by 100%
- Solvent storage capacity increased by 50%



Optimised Manufacturing Process

- Improved machine efficiency and flock consumption reduced by 15%.
- Changed the form of a raw material for transport purpose leading to increased cost savings and other impacts such as;
 - » Increased bulk movement that enabled transport efficiencies reducing emissions.
 - » Significantly reduced plastic usage and reuse of material supporting circular resource use and waste minimisation.



Manufactured Capital

D P L Universal Gloves Ltd, Biyagama

Mini R&D Plant was established for Supported Gloves



Opening a new R&D
Mini Plant at D P L
Universal Gloves

Our commitment to drive innovation, upgrade infrastructure and introduce new advanced technologies in our manufacturing plants becomes a reality with the new R&D plant established at D P L Universal Gloves.





Universal Gloves factory leading with innovation, new technologies and process improvements

Capacity Enhancements

- 100% increase of yarn covering capacity in Supported Gloves.
- Industrial glove plant capacity increase by 15% by increasing the Former Denticity and Cycle Time.
- Knitting capacity increased.



Optimised Manufacturing Process

- Enhanced yarn quality and production efficiency through advanced conditioning and processing technologies.
- Process re-engineering of a plant increased 3 in 1 production by 100% at same energy and water consumption.
- Convert Xtralite prime range (wash products) to non-wash compound leading to reduced water consumption.



Manufactured Capital

Sports Gloves Facility, Biyagama

Key Achievements, Impact & Progress



Sports Glove Complex made history by becoming the FIRST LEED Platinum certified glove manufacturing facility in South Asia!

2022/23

Construction of the facility based Green Building Concepts



2024/25

Handover of **Official Confirmation & Certificate** from US Green Building to Deputy Chairman & Managing Director



Project Team **Recognised at the "LEED in Sri Lanka" Award Ceremony** organised by Green Business Certification Inc. (GBCI)



2023/24

Opening of the Sports Glove Facility

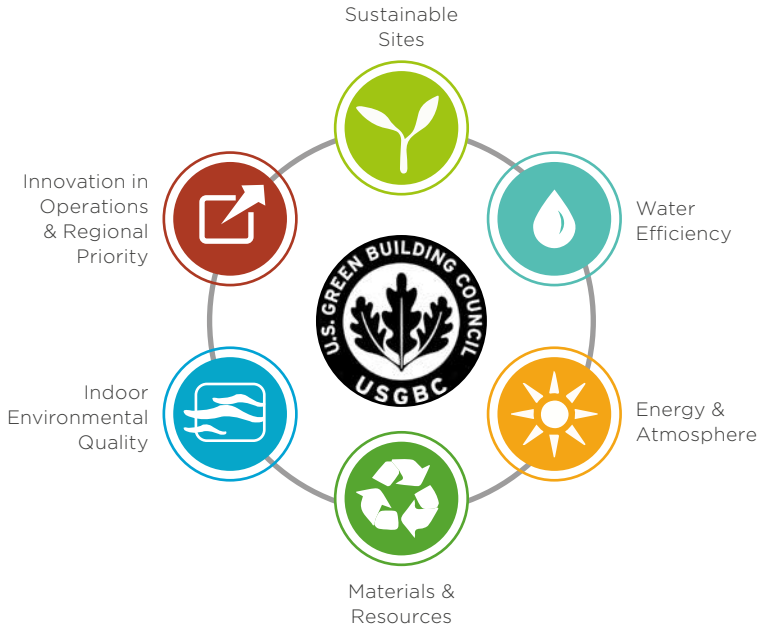


Receipt of LEED Platinum Plaque from US Green Building Consultant for Sri Lanka





LEED Credit Categories



The facility is also thoughtfully designed to be **disability-friendly**, ensuring that the infrastructure developed to support accessibility and inclusivity for all.

Key Achievements of DPL's LEED Platinum Facility:

This Certification marks a milestone in DPL's sustainability journey, and we are thrilled that our efforts have been recognised with a special mention for DPL's unique green features, such as:

1. 100% renewable energy usage via a rooftop solar PV system.
2. Optimised energy performance using an efficient chiller system controlled by BMS (Building Management System).
3. Sustainable site with a 30,000-litre Rainwater Harvesting tank and water use reduction strategies.
4. Construction and demolition waste management systems.
5. Use of recycled timber and low Volatile Organic Compound products for interior finishes.
6. Indoor air quality control with CO₂ and air flow sensors.
7. Installation of electric vehicle charging stations at designated areas.
8. Lighting control systems that respond to daylight availability.
9. Comprehensive construction and demolition waste management to minimise environmental impact.
10. Interior and exterior lighting power densities compliant with ASHRAE energy efficiency standards.



Manufactured Capital

Dipped Products (Thailand) Ltd, Songkhla

DPTL facility drives initiatives to support production improvement while aligning with sustainability goals and targets.			
Core Infrastructure Upgrades - Conversion of a plant to facilitate double dipping for high-end product manufacturing. - Temperature management system upgraded leading to improve working condition. 		New Advanced Technology in Manufacturing Plants - Overall production efficiency increased by 7%. - Reduction of unit cost of energy in electricity and Firewood . 	





Hi-Care Thai Gloves Co. Ltd

Acquisition of a New Facility in Thailand



6.42 acres
Land area



Employees

131

Risk Assessment and Internal Audits / Screening Completed.

Zero cases identified on:

- Child Labour
- Forced / Compulsory / Involuntary Labour
- Human Trafficking & Modern-Day Slavery
- Any negative Impact such as human rights violations, pollution, public nuisance on External Stakeholders including but not limited to vulnerable communities / indigenous people around the operating location



Product types:

**Natural Latex
Disposable Gloves**

**NBR Latex
Disposable Gloves**

Facility will be onboarded and considered for Reporting on ESG from FY 25/26 onwards

Manufactured Capital

MANUFACTURING EFFICIENCIES

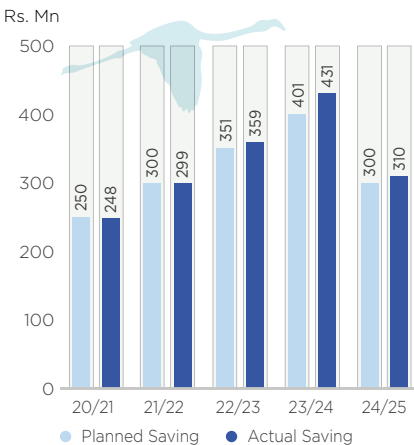
We persistently pursue organisation-wide measures to improve manufacturing efficiencies and boost productivity. Initiatives to optimise resources, increase productivity, and minimise waste helped us in the improvement of Turnover/PPE ratio across the Company is the evidence for success of these initiatives.

GRI 201-1, 203-1, 205-1, 302-1, 3, 4, 303-3, 5, 306-2, 4, 5, 403-1-9, 416-1-2, 417-2

Manufacturing Efficiency Initiatives and direct impact:

- Production uptime
- Cost reduction
- Quality improvement
- Waste minimisation
- Process optimisation

PLANNED VS ACTUAL COST SAVINGS FROM 2020/21 ONWARDS

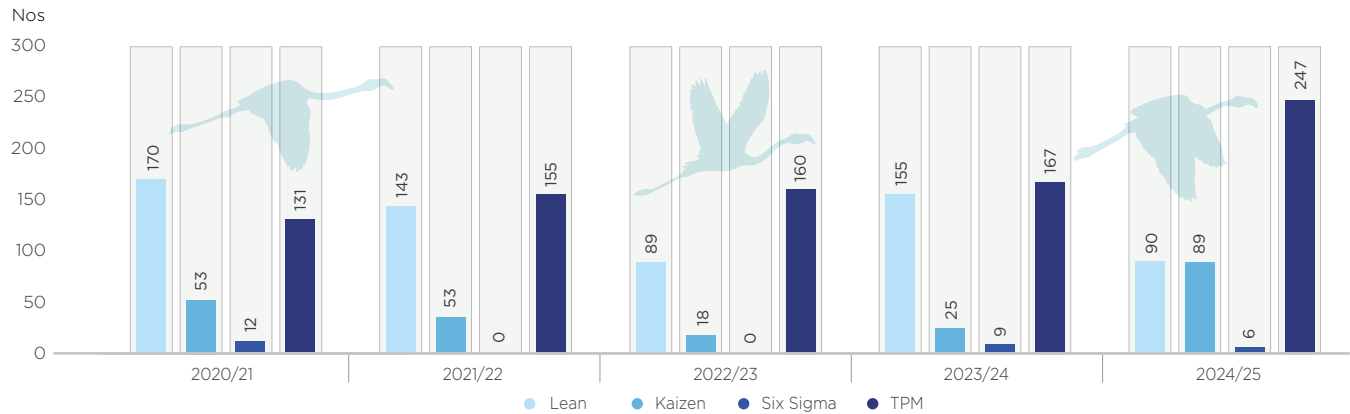


Lean, Kaizen, Six Sigma, and TPM (Total Productive Maintenance) are operational excellence tools and continuous improvement methodologies, contributing to efficiency, safety, quality, waste reduction, and sustainability.

In the FY 24/25, we drove projects through the below approaches;

Lean Manufacturing	Kaizen	Six Sigma	Total Productive Maintenance (TPM)
Goal: Eliminate waste (non-value-adding activities) and improve workflow Focus: Streamlined processes, faster cycle times and improved flow	Goal: Drive continuous physical/process-level improvements Focus: Employee-driven, daily improvements in quality, efficiency, and safety	Goal: - Improve product quality, reduces variation / defects Focus: Data-driven problem solving using DMAIC methodology	Goal: Maximise equipment effectiveness, Boosts machine uptime and reduces breakdowns Focus: Preventive maintenance, operator ownership, reducing downtime
Improves productivity and resource use	Enhance operational discipline and workplace	Lead to more consistent, high-quality outputs with less rework	Ensure machines perform optimally

YEARLY COMPARISON OF EMPLOYEE ENGAGEMENT PRODUCTIVITY TRAININGS





Employee Engagement in Productivity Improvement

DPL Pulse: ESG Roadmap 2030 Targets & Performance

Progress Made in FY 24/25		
20% of Permanent Employees engaged productivity improvement efforts	84% of Junior Executive & above employees involved in TPM projects	12% of manual employees participated in the Lean White Belt programme and received recognition for their Kaizen improvement contributions

Progress over the Years on Training & Capacity Building:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Lean Manufacturing	First Year of implementation	87 participants	- Lean Yellow Belt Training - All supervisors, Technicians, Key-men 58 participants - Lean White Belt and Kaizen Training 85 New Comers participants - Lean tools (Process Map) training Junior Executive & above 14 participants	- Lean Yellow Belt Training - All supervisors, Technicians, Key-men 23 participants - DPL Universal Gloves Ltd Lean Transformation 25 participants - Lean White Belt and Kaizen Training 43 New Comers participants	- Lean Yellow Belt Training - All supervisors, Technicians - Key-Men 33 participants - Lean White Belt and Kaizen Training 122 New Comers participants	Lean tools (SMED) training Junior Executive & above 12 participants Lean White Belt and Kaizen Training 90 New Comers participants
Six Sigma	First Year of implementation	Six Sigma Green Belt Training Executives, Managers 12 participants	-	-	- Six Sigma Green Belt Training - Executives, Managers - Six Sigma Black Belt Training - Executives, Managers	TPM Revitalize Training (Executives, Managers) 138 participants Six Sigma green belt Trainings for executive and managers
TPM	First Year of implementation	Executives, Managers (Refresher training in all factories)	- Executives, Managers (Refresher training in all factories) - DPL Premier Gloves Ltd Executives & Managers	Executives, Managers (Refresher training in all factories)	Executives, Managers (Refresher training in all factories)	TPM Revitalize Training (Executives, Managers) 138 participants

Manufactured Capital

In the FY 24/25, we drove projects through the below approaches;

Lean Manufacturing		
KPI / Data Point	Description	Value Achieved in FY 24/25
Number of Lean projects implemented	Total Lean initiatives focused on waste elimination and process efficiency	32 projects (Total saved by Lean projects Rs. 89 Mn)
Number of Lean tools / Yellow /White Belts trained	Certified staff as internal capability	102
Lean training participation	% of Executive & Managers trained in Lean methods	7%
Kaizen		
KPI / Data Point	Description	Value Achieved in FY 24/25
Number of Kaizen suggestions submitted	Reflects employee engagement and innovation culture	180 Kaizen suggestions submitted
Kaizen implementation rate	% of Kaizen ideas actually implemented	49%
Recognition or rewards given	Incentives to employees for Kaizen participation	89 Kaizens rewarded and recognised
Functional areas covered	Departments or lines where Kaizen was applied	All manufacturing facilities in Sri Lanka
Six Sigma		
KPI / Data Point	Description	Value Achieved in FY 24/25
Number of Six Sigma projects completed	Projects executed using DMAIC or DMADV	14 projects (Total saved by Six Sigma projects Rs. 63 Mn)
Number of Green/Black Belts trained	Certified staff as internal capability	6 Green belters and 3 Black belters
Total Productive Maintenance (TPM)		
KPI / Data Point	Description	Value Achieved in FY 24/25
Overall Equipment Effectiveness (OEE)	Key TPM metric (% availability x performance x quality)	13 projects (Total saved by TPM projects Rs. 157 Mn)

ESG / SUSTAINABILITY FOCUSED ACHIEVEMENTS

	Reduction in production defects	Improvements in material efficiency	Energy savings	Cycle time reduction	Labour productivity
 SRI LANKA	OEE Improvement savings Quality Improvement	Reduce Central Ware House operation cost by 10% and Per pair flock consumption reduction by 10% (DL)	Water intensity reduction by 5% Reduce factory Electricity consumption by 2% Reduction of chipped wood consumption	Reduced cycle time across manufacturing facilities	Labour cost reduction by 5% and Efficiency improve by the plant output increase projects
 THAILAND	Scrap reduction from 2.5% to less than 1.5% Improve AQL 1.5 acceptance percentage from 80% to 95% Rework lot reduction by 50%	Raw material wastage reduction & material efficiency improvement from 210 to 160 by optimisation of formulation	Reduction of Cost of Energy in Electricity and Biomass	Cycle time reduction by 15%	Achieved labour productivity above 10% and efficiency improvement achievement



Centralised Warehousing Facility for Packed Material GRI 2-6, 203-1, 302-1, 305-5

Our commitment towards finding solutions that address multiple facets of our processes led to the further capacity enhancements of our already established centralised warehousing facility for packed material. This helped us achieve improved inventory visibility, reduced lead times, optimised storage space, and enhanced coordination between production and dispatch operations.



Sustainable Operations

Reduced transportation frequency, minimised material wastage, optimised resource use, and a lower carbon footprint across our logistics network

Operational Excellence

Enabled significant cost savings through bulk procurement, reduced handling and storage inefficiencies, and streamlined material flow across production units

Digitisation Journey

Allowed for real-time inventory tracking, enhanced supply chain planning, and seamless integration with our production and dispatch scheduling systems

External Stakeholder Focus

Reduce traffic flow to and from all locations and prevent road congestion around locations by managing logistic schedules and providing dedicated parking grounds for vehicles leading to lower accident risk, prevention of public nuisance and improved road safety

Intellectual Capital



The Greater Flamingos are studied for their unique migration patterns and social behaviours, offering valuable insights into ecology and conservation. At DPL, this spirit of learning and observation inspires us to continually seek knowledge, adapt with purpose, and contribute to protecting the systems we depend on.

Key Focus Areas in 2024/25





Material Topics

- M1** Product Responsibility
- M2** Product & Packaging Lifecycle
- M8** Regulations and Compliance
- M11** Chemical Management
- M16** Energy consumption
- M21** Technology and Product Innovations

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- ITR 01
- RCR 01
- SRRO 02
- CRRO 03



Future Focus



Short Term

- ✦ Accelerate new product development to meet market demand.
- ✦ Expand R&D capacity to enhance innovation and competitive advantage with sustainable product to meet customer needs.
- ✦ Achieve key certifications and compliance standards for quality assurance.
- ✦ Strengthen quality assurance and systems for immediate operational improvements.
- ✦ Optimise IT & digital transformation for streamlined processes and enhanced data management.
- ✦ Reinforce business ethics and compliance with quick training and policy updates.



Long Term

- ✦ Drive continuous product development with a focus on innovation and sustainability.
- ✦ Invest in R&D capacity for breakthrough innovations and future market leadership.
- ✦ Maintain long-term compliance with global standards and quality assurance systems.
- ✦ Lead sustainable product and process innovation for a competitive edge in the future.
- ✦ Foster long-term IT & digital transformation to future-proof operations.
- ✦ Build a strong ethics and compliance culture that evolves with industry and regulatory changes.

Intellectual Capital

OUR MANAGEMENT APPROACH

We strive to enrich our intellectual capital by elevating the calibre of our team by encouraging our employees to pursue higher qualifications and expand their knowledge. Our recruitment initiatives target attracting high-calibre individuals, whom we then nurture through a blend of education and practical experience. This approach enables us to continuously elevate our talent pool, foster innovation, strengthen competitiveness, and sustain growth in the dynamic business environment.

DPL RECOGNISED FOR INNOVATION STRENGTH

DPL wins big at the 26th Presidential Export Awards

DPL was recognised for excellence in innovation and export performance with the Innovative Export Product of the Year award for its groundbreaking Magneto glove, a revolutionary solution designed to enhance global food safety.

The award ceremony marked a proud moment for DPL, showcasing its dedication to innovation-driven manufacturing and export excellence on a national stage.

The Magneto glove stands out as a pioneering advancement in food safety. Engineered with state-of-the-art technology, it ensures that even a 5mm x 5mm glove fragment can be detected and removed, significantly reducing contamination risks in food processing industries. This cutting-edge solution addresses a critical challenge in food safety, reinforcing DPL's commitment to research, development, and industry-leading innovation.

The recognition at the Presidential Export Awards highlights the company's ability to create high-impact, globally relevant solutions, further solidifying its position as a leader in the hand protection industry.



Hayleys secures top honours at National Innovation Report 2024, driven by DPL breakthroughs

Hayleys, our parent Company was awarded the prestigious Best Contribution – Overall Award at the National Innovation Report, recognising outstanding commitment to pioneering advancements across multiple industries. This success was significantly propelled by our groundbreaking contributions to safety and sustainability.

- Our key innovations that were highlighted were:
- Magneto.
- KetoResister
- Rubber Insulating Gloves
- Sustainable Sportswear Solutions



This top national award underscores Hayleys' leadership in cutting-edge, sustainable innovation, largely fuelled by our relentless drive to push the boundaries of hand protection technology and set new industry benchmarks in safety, performance, and sustainability.

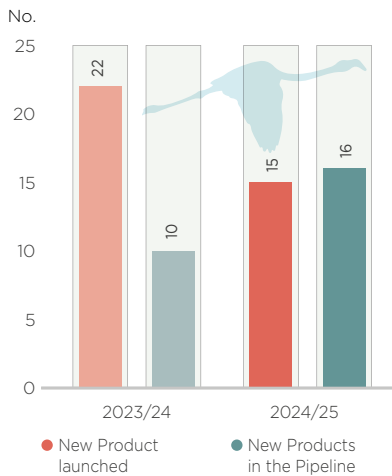


NEW PRODUCT DEVELOPMENTS GRI 201-1, 416-1, 417-1

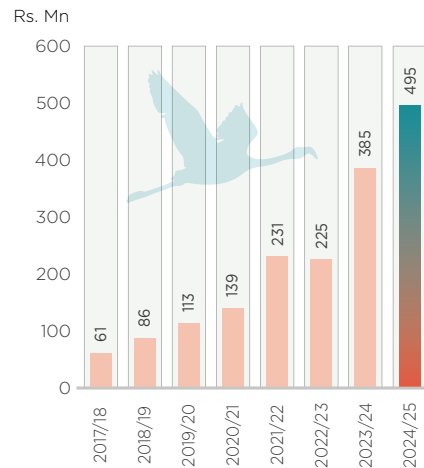
We continued to harness our deep customer insights alongside our R&D strengths to design innovative solutions that address evolving customer needs. Over the course of the year, we introduced 15 new products to the market, as outlined below.

	Unsupported	Supported	Disposable	Total Products
New products launched	06	04	05	15
New products in the pipeline	04	08	04	16

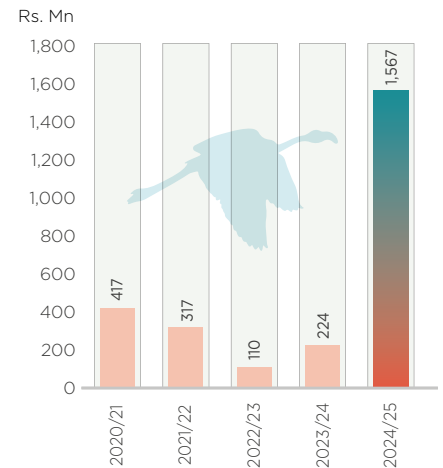
NEW PRODUCT DEVELOPMENT



INVESTMENT IN R & D



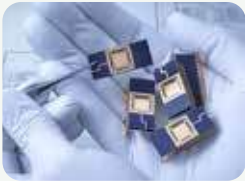
REVENUE FROM NEW PRODUCTS



Unsupported Glove Range		
1. NR/NBR Layered Glove: Enhanced Protection & Comfort Offering balanced safety and usability, the Natural Rubber (NR)/ Nitrile Butadiene Rubber (NBR) layered glove provides enhanced chemical and oil resistance (from Nitrile) without sacrificing the comfort and flexibility of Natural Rubber. It is a high-performance choice for industries like food processing and retail where dexterity and protection are crucial.	2. EV Pro- Class 0 and Class 00 The EV Pro glove - a revolutionary electrical-insulating glove that provides superior electrical protection, enhanced anatomical construction, and exceptional flexibility. The roughened textured surface of the palm ensures a firm grip, making EV Pro gloves ideal for handling high-voltage systems in Electrical Vehicle Industry safely and effectively.	3. Patented re-engineered KetoResister: Ketones & Solvent Protection Leveraging patented technology combining Nitrile and a hydrophobic PVA coating, the Re-engineered KetoResister provides superior protection against challenging chemicals such as ketones and strong solvents. Enhanced through recent manufacturing advancements including a new formulation and robotic dipping, the glove offers improved processability, dexterity, quality, and consistency, establishing it as a leader in specialised chemical resistance.
		

Intellectual Capital

Supported Glove Range			
1. XTraChem – SD – EN 374 Type A chemical resistant, double-dipped gloves with ANSI A4/EN ISO D cut protection.	2. Biodegradable Glove with ANSI A1/EN ISO A cut protection.	3. High-performance Flat Nitrile glove with ANSI A1/EN ISO A Cut protection	4. Ultra-lightweight 21-gauge glove with ANSI/ISEA 105-2024 Cut A6 and EN ISO F protection.
Xtrachem Type A nitrile gloves provide secure wet/oily handling, broad applicability with EU/FDA food compliance, guaranteed skin safety via Oeko-Tex®, and enhanced comfort/dexterity from their built-in liner.	Biodegradable gloves: Less landfill, less plastic pollution, lower emissions, fewer microplastics – a step towards sustainable materials.	Step into a new era of hand protection with our Nitrile Flat Coated Gloves, engineered to deliver an unparalleled combination of performance and wear-ability for a wide range of tasks.	Featuring an ultra-lightweight 21-gauge construction for exceptional comfort and dexterity, this glove delivers ANSI A6 and EN ISO F cut protection, along with thumb crotch reinforcement, making it ideal for dry and slightly oily tasks.
			

Disposable Glove Range				
1. Accelerator Free Nitrile Glove	2. Cleanroom Compatible Glove	3. Biodegradable Glove	4. Gripper Glove	5. Latex High-Risk ICP Glove
Many glove users experience allergies or irritant contact dermatitis by wearing gloves that are supposed to protect their hands. Accelerator free nitrile gloves certified to EN 374-1:2016 Type B provide reliable protection against at least three hazardous chemicals for a minimum of 30 minutes, while also minimizing skin irritation risks for sensitive users. They are suitable for a range of professional environments where chemical and biological hazards are present.	Cleanroom gloves are engineered to meet the stringent demands of controlled environments, such as those in pharmaceutical, biotechnology, electronics, and aerospace manufacturing. Below are the essential features and specialties that define a high-quality cleanroom compatible glove: Low particle and extractable level, durability and strength, grip and tackiness and antistatic property with variable length options 240mm/295mm.	The biodegradable additive technology is integrated to traditional nitrile glove during the designing of DPTL biodegradable nitrile glove to create and enhance the biodegradation of traditional acrylonitrile rubber while retain all functional qualities while significantly improving end-of-life environmental performance through enhanced microbial breakdown in waste environments ensuring the same strength, flexibility, chemical resistance, and shelf life of Biodegradable Nitrile similar to regular Nitrile gloves.	This innovative gripper glove is the first of its kind to achieve EN ISO 374-1:2016+ A1:2018 Type A. This glove sets a new benchmark for safety and versatility by combining high-level chemical resistance, robust grip, food safety compliance, and durability. It is highly recommended for the automotive industry and any application requiring direct food contact, especially where both chemical and physical hazards are present.	This glove is a uniquely thin natural rubber option that combines the highest chemical permeation resistance (Type A) with mechanical durability, making it highly suitable for handling the most aggressive acids and battery acid safely. Its compliance with stringent food contact regulations further broadens its application scope.
				



PATENTS

Our portfolio of patented products and technologies stands as a testament to our commitment to innovation.

13
 Local and international patents in the Hand Protection Sector

2
 New Patents Certificates obtained

6
 Patents in the processing stage

Product Name	Awarded Year	Awarding Body
Knock It	2010	National Intellectual Property Office
Trak 45	2011	National Intellectual Property Office
NoSweat	2010	National Intellectual Property Office
Stick Grip	2010	National Intellectual Property Office
	2015	United States Patent and Trademark Office
ESD Pro	2017	National Intellectual Property Office
Neotherm	2019	National Intellectual Property Office
Bloom Free Glove	2023	National Intellectual Property Office
Keto Resistor	2022	National Intellectual Property Office
	2024	United States Patent and Trademark Office
Interface Ultra Grip	2023	National Intellectual Property Office

The following patents were obtained in FY 2024/25

Product Name	Awarded Year	Awarding Body
Interface Ultra Grip	2025	European Patent Office
Magneto	2025	United States Patent and Trademark Office



OUR RESEARCH AND DEVELOPMENT (R&D) FOCUS AREAS

Driving Innovation through R&D Leadership

Our robust R&D capabilities are fundamental to our competitive edge and leadership position in the hand protection sector. We leverage significant in-house technical expertise and advanced R&D facilities, providing a distinct advantage in driving innovation. This commitment to continuous improvement enables us to develop and deliver customised, sustainable hand protection solutions tailored to the rigorous requirements of leading global brands across the household, industrial, and medical sectors.

Chemical Protection Strategy for Unsupported Glove Categories

We enhanced hand safety through a structured chemical protection approach. Our chemical gloves were categorised into three distinct levels—Moderate, Advanced, and Superior—to provide targeted solutions for diverse industrial requirements. Compliant with EN ISO 374-1:2016 standards, these gloves offer proven resistance against 18 different chemical categories, maximising worker safety in hazardous environments.

Intellectual Capital

Tiered Innovation in Chemical Hand Safety

Leveraging a clear categorisation system and scientifically developed materials, DPL's chemical protection gloves provide targeted solutions for varying levels of industrial chemical exposure. This ensures optimal hand safety while maintaining crucial flexibility, comfort, and durability.

Our commitment to superior hand safety is reflected in our innovative, tiered approach to chemical protection. By classifying our gloves into six performance levels within three distinct categories, we provide clear, effective solutions tailored to specific industrial hazards:

Moderate Chemical Protection (Levels 1-3):

Designed for environments requiring basic-to-moderate resistance, providing dependable protection against specific chemicals while maintaining crucial comfort and dexterity.

Advanced Chemical Protection (Level 4):

Addresses increased chemical risks with enhanced resistance. This category includes versatile options across sub-levels 4-A, 4-B, and 4-C, featuring robust nitrile, chloroprene, and layered material technologies suitable for broader hazardous substance exposure.

Superior Chemical Protection (Levels 5 & 6):

Engineered for maximum safety in highly hazardous conditions, these gloves offer top-tier, specialised protection against an extensive array of aggressive chemicals, utilising advanced materials where resistance is paramount.

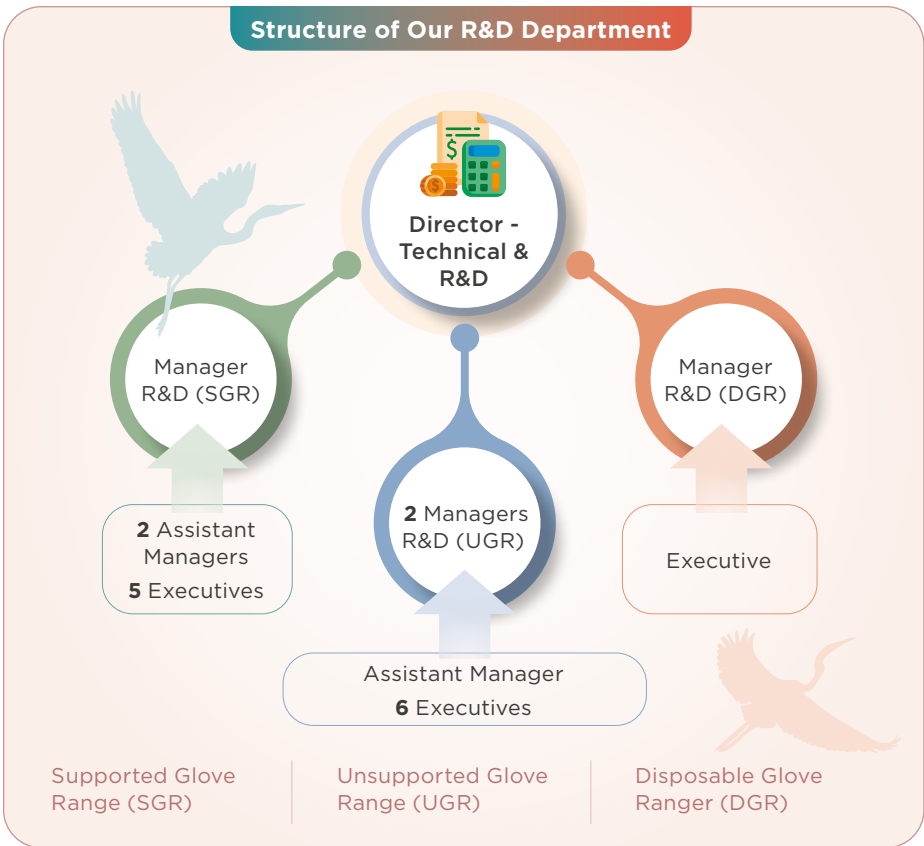
Our Technology Platforms

Our innovation in the unsupported glove range is powered by 6 distinct technological platforms, enabling unique features and performance characteristics that differentiate our latest products from competitors.



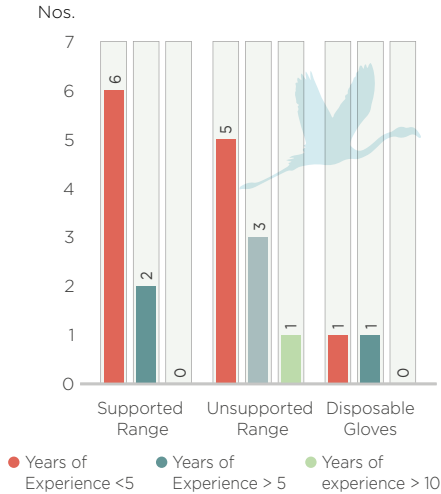
Our R&D Capacity

Driving innovation across our portfolio, our R&D engine comprises three expert teams, each specialising in a core glove range: supported, unsupported, and disposable. This dedicated structure enables focused development, illustrated below:

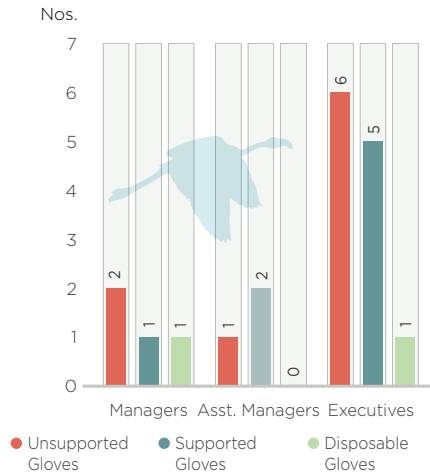




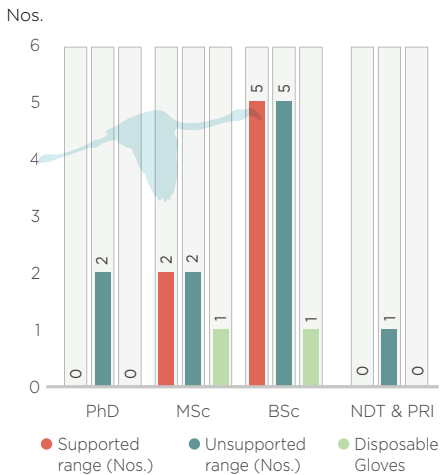
LEVEL OF EXPERIENCE IN R&D (YEARS)



STRENGTH OF R&D TEAM BY EMPLOYEE CATEGORY



QUALIFICATION LEVEL OF THE R&D TEAM



Functional Collaborations for Innovation

Aside from the Capacity of our R&D team in Sri Lanka, our quality assurance, quality systems, process and engineering teams, drive our process innovations and technology developments. Their expertise extends to re-engineering and re-purposing existing resources along with introducing new machinery to meet the requirements of our manufacturing process enhancing the sustainability of our operations while optimising our capital expenditure.

Extensive tacit knowledge has enabled us to anticipate emerging opportunities in the glove manufacturing sector and strategically direct our innovation efforts.



10

Quality Control & Assurance Team Members



5

Management Systems & Certifications Team Members



7

Manufacturing Process Team Members



29

Engineering & Project Team Members

1,996 Hrs

Training & Capacity Building of Employees Engaged in Product Design and Manufacturing Process



Intellectual Capital

Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Reliance on renewable and recycled input materials (Eg: Chemicals, Yarns/ liner etc.)	0.5%	1.0%	1.5%	2.5%	30%	On Track
Eco-friendly Compostable and biodegradable products	0.5%	1.0%	2%	3.0%	10%	On Track
Total sustainable chemical consumption applications in products and processes	0.5%	1.5%	2.5%	3.5%	10%	On Track
Obtain eco-ratings for product	0.5%	1.0%	2.0%	5.0%	10%	On Track
Determination of emission Intensity of Products	0.5%	1.0%	2.0%	5.0%	10%	On Track

Product & Process Innovation - Key Initiatives & Achievements in FY 24/25

Unsupported Glove Range

GRI 301-1, 303, 305 4 – 5, 306-2, 416-1

Success of increasing the use of **sustainable chemicals**, specifically the replacement of solvent-based coagulants with water-based coagulants in nitrile glove production.



5 out of 8

plants converted to water-based coagulants

Impact & Progress:

- Improvements in workplace air quality, by significantly reducing VOC & GHG emissions / air pollutants released by solvent-based coagulants in production, use and disposal
- Minimize the generation of hazardous chemical waste, making waste management safer and more environmentally friendly
- Improvement in effluent water quality due to reduction in COD/BOD and chemical residues
- Reduction in employee exposure to toxic fumes and chemicals that can cause chemical-related incidents or near-misses, enhancing occupational health and safety.
- Reductions in maintenance due to less chemical handling
- Operational cost savings
- Easier regulatory compliance
- Positive perception among ESG-conscious buyers
- Workplace Safety and Well-being



Supported Glove Range GRI 301 1-2, 305 4-5, 306 - 2

Plant-based yarn in a glove product range contributing significantly to driving for lower environmental impact through renewability and potential compostability, contrasting with synthetic materials.



Impact & Progress:

- Reduction in fossil-fuel-based raw material use
- Reduction in carbon footprint per glove
- Certified by sustainable standards (e.g., GOTS, OEKO-TEX, USDA BioPreferred)
- Ability to label products as “bio-based” or “eco” under recognised frameworks

30%

of yarn used in glove production is plant-based

450 Kg

of plant-based yarn used in FY 24/25

120,000 pairs

sales volume from eco-product ranges using plant-based yarn

rPET yarn (derived from recycled PET bottles and used to make Polyester-PES) in these gloves fosters circular economy innovation, directly reducing our dependence on virgin fossil-based materials



Impact & Progress:

- Large number of plastic bottles diverted from landfills/oceans
- CO₂e reduction per glove using rPET compared to virgin polyester
- rPET saves significant water in raw material extraction and processing
- Improved results in product life cycle assessment Indicators
- Customer acceptance, preference and positive feedback for rPET glove products
- Increased in demand / sales / re-order for rPET product lines
- Increased glove models marketed as eco-friendly/sustainable/recycled

30%

of glove yarn is rPET by weight

22,000 Kg

volume of rPET yarn used in FY 24/25

550,000

of plastic bottles recycled (1kg of rPET = 25 bottles)

90%

of rPET yarn certified by trusted bodies (e.g., GRS – Global Recycled Standard, OEKO-TEX, Recycled Claim Standard)

Supported Glove Range GRI 416-1

Biodegradable gloves with ANSI A1/EN ISO A cut protection aim to decompose naturally after disposal, reducing landfill waste, minimising environmental impact.



This product is **35%** biodegradable in only 90 days

Impact & Progress:

- Contribute significantly less volume to already overflowing landfills, alleviating pressure on waste management systems.
- Reduces the accumulation of harmful plastic debris in soil and waterways, minimising plastic pollution and risks to ecosystems and wildlife.
- Result in lower greenhouse gas emissions compared to the anaerobic decomposition of plastics in landfills, which often produces methane, a potent greenhouse gas.
- Less likely to fragment into persistent microplastics, which are an emerging environmental concern due to their potential to enter the food chain and impact human health.
- Demand for biodegradable gloves drives innovation and investment in the development and production of more sustainable and environmentally friendly materials.

LEPTO Series - Thin nitrile gloves provide the perfect balance of comfort, control, and protection with secure wet/oily grip and high tactility, offering a **solvent-free alternative** to PU coatings.



DMF-free industrial gloves providing optimal dexterity, “second skin” feel.

Impact & Progress:

- Offering a solvent-free alternative to polyurethane coatings reduces the potential for skin irritation and allergic reactions associated with residual solvents, promoting user health and well-being.
- Promoting increase health & safety standards by using manufacturing process free from hazardous chemicals such as dimethylformamide (DMF).
- Choosing a solvent-free manufacturing process can contribute to a more environmentally friendly product lifecycle compared to solvent-based alternatives.
- Providing a balance of comfort, control, and protection suggests suitability for a range of applications requiring defence against light chemical splashes, abrasions, and general soiling.
- The thin nitrile construction combined with high tactility allows for excellent manual dexterity and a sensitive feel, making them ideal for tasks requiring fine motor skills and precise handling of small parts.
- The secure wet/oily grip minimizes the risk of slippage and dropped items, improving safety and efficiency when handling components in diverse work environments.
- The balanced comfort ensures reduced hand fatigue during prolonged use, leading to increased worker satisfaction and productivity over longer shifts.



Disposable Glove Range GRI 301 1-2, 302-4, 305 4-5, 306 - 2, 416-1, 417-1

Launched a NEW **biodegradable powder-free nitrile disposable glove** is a major sustainability milestone, especially for reducing post-use environmental impact in a traditionally high-waste product segment.



99%

of glove material is biodegradable under anaerobic landfill condition

Impact & Progress:

- Biodegradability certification - Tested as according to ASTM D5511 and achieved 31.77% biodegradability in 240days (Further Testing In Progress).
- Reduction in end-of-life glove waste or estimated landfill degradation.
- Estimated reduction in microplastic pollution risk.
- CO₂e emissions reduction over product life cycle especially from waste management or disposal phase.
- Using Eco-labels or biodegradable claims certified by third parties.
- Increased acceptance and preference from customer leading high demand and re-orders.

Improved Chemical Permeation Nitrile Glove tested for 35+ chemicals including all the 18 chemicals EN ISO 374-1:2016+A1:2018 & additional aggressive oxidizing acids and corrosive chemicals & solvents.



Impact & Progress:

- Comply with French Decree of Food Regulation (DGCCRF) and suitable to handle all types of food.
- Antistatic (EN 1149-5:2018).
- Comply with ISO 18889:2019 G1 which makes it highly suitable for low risk scenarios such as entry level operator and re-entry working.
- Offers elevated protection for frontline workers in labs, manufacturing, pharma, agrochemicals, and cleaning sectors—minimizing chemical exposure risks

Strengthens trust and brand reputation with clients in **critical industries** where chemical protection is non-negotiable.

High-performance barrier integrity without compromising tactile sensitivity or durability combined with food safety and antistatic features in a single product reduces the need for **multiple glove** types per task.

This longer-lasting gloves reduce consumption and waste, supporting **resource efficiency across the value chain**.

Continuous improvement to product design by preventing hazardous chemicals and acid usage strengthens product safety and reduce environmental impact of the product.

Intellectual Capital

Disposable Glove Range **GRI** 301 1-2, 302-4, 305 4-5, 306 - 2

Developed a **resource efficient glove formulation** and optimised the production process, scaling both environmental and economic benefits.

Impact & Progress:

- Optimised formulation resulted in lower material usage per glove, directly cutting down on resource intensity.
- Integration of circular economy principles, where non-defective waste is reintegrated into the production cycle.
- Reduced dependency on new material inputs, aligning with responsible consumption and production.
- Reduced waste generation contributed to a smaller carbon and waste footprint per glove.

Supports long-term goals of greener manufacturing practices and improved waste-to-product ratios

Significant reduction in cost per unit without compromising glove integrity or safety



Achieved High Quality Level (AQL Compliance) marking a significant improvement in **product consistency, defect reduction and increased resource efficiency.**

Impact & Progress:

- Lower rejection rates during in-process checks and final quality audits reduced production waste and rework, enhancing operational efficiency.
- Fewer defective gloves reduced non-conformance costs, rework time, and resource usage
- Higher product quality = fewer resources used per acceptable unit, aligning with resource efficiency and waste reduction goals.

Improved AQL performance strengthens **customer confidence**, especially in high-specification markets

Increased resource efficiency leads to reduced waste generation and disposal and waste reduction goals



COMMITMENT TO QUALITY GRI 2-27, 416 -1, 417-1

We are committed to upholding the highest standards of quality, safety, environmental stewardship, and ethical conduct across all operations. This commitment is validated through a comprehensive portfolio of internationally recognised certifications and robust internal management systems. Our adherence to these standards ensures regulatory compliance, meets demanding customer requirements, drives operational excellence, and underpins our commitment to sustainability. We maintain 41 distinct certifications and accreditations across Hand Protection and Plantations sectors, strategically categorised under System Certifications, Social Compliance, and Sustainability.

Quality Control & Assurance

Management Systems & Certifications

Quality Control & Assurance (QA)

Quality assurance is a core pillar of our intellectual capital. Our robust QA framework integrates decades of specialised knowledge in material science, production processes, and regulatory compliance to deliver consistently high-quality glove products across diverse industries.

We continuously invest in advanced inspection technologies, data-driven quality monitoring, and employee upskilling to embed excellence into every stage of manufacturing. Our proprietary testing protocols, aligned with international standards such as ISO 13485 and ASTM specifications, are a testament to the deep technical expertise and institutional knowledge within our organisation.

By systematically capturing learnings, benchmarking best practices, and fostering a culture of continuous improvement, we ensure that our quality assurance systems not only meet but anticipate evolving customer and regulatory expectations. In doing so, we strengthen our competitive advantage and safeguard our reputation for reliability and innovation.



1,523 Hrs

Training and capacity building on quality controls, standards, management systems and procedures

Initiatives to use AI-based inspections, automated defect detection and digitization across quality control and assurance

Installation of state of art camera system for Glove defect identification

Installation of digitized monitoring system for Adhesive side glove defects identification

Improved the Overall Quality Level which is the percentage of products passing quality inspections without rework reflecting effectiveness of embedded QA knowledge and systems in place at our manufacturing plants.

98%

Overall Quality Level in FY 2024/25

Continues to hold the Gold Award of the Sri Lanka National Quality Award for the next 3 Years

We will continue to hold the once in 5 years received nation's highest quality honour award, which is equivalent to the Malcolm Baldrige Award in the USA, re-affirming our commitment to world-class manufacturing excellence and continuous improvement.



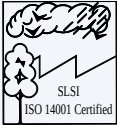
Intellectual Capital

MANAGEMENT SYSTEMS & CERTIFICATIONS GRI 2-28

We work with different globally and locally recognised institutions and certification bodies to ensure we meet and exceed the internationally expected level of quality in all aspects of our organisation and product. These external stakeholders are able to provide us with guidance and support while ensuring there is monitoring and evaluation through audit to ensure highest-level of standards are met. The below listed systems certifications are obtained by following a rigorous process of audits conducted, corrective actions done and procedures in place to monitor compliance.

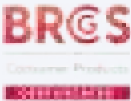
All logos and symbols used have been approved in advance by the respective awarding bodies, in accordance with our intellectual property and copyright policies.

The cornerstone of our operational framework is built upon core ISO management system standards:

Foundational Management Systems (ISO Certifications)		
ISO 9001: Quality Management System		Held since 1999, this long-standing certification reflects a mature and effective QMS. Our implementation is highly regarded by certifying bodies such as the Sri Lanka Standards Institution (SLSI), which recognises DPL as a benchmark organisation
ISO 14001: Environmental Management System		Obtained in 2007, demonstrating our commitment to managing environmental impacts responsibly.
ISO 45001: Occupational Health and Safety Management System		Achieved in 2020, ensuring a systematic approach to workplace safety.
ISO 9001 and ISO 14001 are managed via group certificates covering all five (05) Sri Lankan manufacturing locations. Following guidance from SLSI, ISO 45001 is certified individually for each primary manufacturing entity, ensuring focused attention on site-specific health and safety management.		

Key Certifications and Compliance Standards

Beyond the foundational ISO standards, we maintain numerous specialised certifications critical to specific markets and product categories:

Product Quality, Safety and Legality		
BRC Global Standard for Consumer Products		Our key glove manufacturing sites consistently achieve the highest possible AA grade annually against a critical UK retail standard. This demanding Higher-Level certification verifies exceptional adherence to stringent product quality, legality, and safety controls required for the UK market.
EU PPE Regulation (EU) 2016/425 Compliance		We ensure strict adherence to EU PPE regulations. For high-risk Category III gloves, this requires mandatory third-party testing and ongoing audits of our production quality systems by an EU Notified Body to verify consistent manufacturing of safe and compliant products.
ISO 13485		Quality Management Systems (QMS) in the medical device industry.



Responsible Sourcing & Environmental Stewardship

Forest Stewardship Council (FSC®) Chain of Custody (COC):		Demonstrates responsible sourcing of Natural Rubber Latex from our affiliated FSC®-certified entity, Kelani Valley Plantations PLC. Rigorous segregation, traceability, and compliance with social/chemical management standards enable us to supply verifiably sustainable products.
Recycled Claim Standard (RCS):		Validates the use of recycled materials (specifically recycled polyester from PET bottles) in fabric-supported gloves produced at DPL Universal, meeting strong EU/US market demand via a verified Chain of Custody.
Responsible Wool Standard (RWS):		Ensure wool components originate from farms prioritising animal welfare and responsible land management, verified through a Chain of Custody process meeting ethical sourcing demands.
ISO 14064-1 (Organisational Carbon Footprint):		We quantify our group-wide greenhouse gas emissions according to this standard. The resulting independently verified GHG Inventory provides a crucial baseline for setting reduction targets within our ESG strategy.
ISO 14067 (Product Carbon Footprint - PCF):		We calculate and verify the carbon footprint of specific products, providing granular data for ESG improvements and meeting key customer transparency requirements (especially the UK).

Ethical Trade, Labour Practices & Social Compliance

Driven by global focus and customer requirements (especially US/EU), DPL validates its critical social compliance and ethical business conduct primarily through recognised amfori BSCI and SMETA Audit Programmes.

amfori BSCI Certification: Business Social Compliance Initiatives - Audit Programme		Rigorous audits against the BSCI Code of Conduct cover forced/child labour, working hours, wages, anti-bribery, etc. We consistently achieve the highest 'A' rating , granting a two-year audit validity and demonstrating strong ethical labour standards.
SMETA Certification: Sedex Members Ethical Trade Audit		These audits provide detailed reports (uploaded to the Sedex platform for secure customer sharing) covering similar ethical trade areas, requiring annual assessments. We consistently meet SMETA requirements.

Laboratory Accreditation & Testing Integrity

ISO/IEC 17025: 2017 Accreditation		Four key DPL labs (Kottawa, Hanwella, DPL Premier sites) maintain accreditation, validating their technical competence and ensuring globally accepted, reliable test data crucial for product validation and compliance.

Intellectual Capital

Upgrade to the Audit Database Online System

Our existing Audit Database Online System went through improvements to provide a centralised, real-time platform to track, manage, and analyse internal and external audit findings, enabling faster corrective actions, greater transparency, and continuous improvement across all operations.

Key Features Introduced in the Online System:

- Improvements in NCR (Non-Conformance Report) Reporting and Handling
- Automated Alerts and Escalations for overdue actions or critical findings
- Real-Time Dashboards and Visual Data Presentations
- Root Cause Analysis (RCA) Tools integrated into the system
- Action Tracking and Verification Workflows (close-loop CAPA management)
- Role-Based Access Control (different views for auditors, auditees, management)

- Mobile Access (audit findings and actions can be updated via mobile/tablet)
- Document Management (upload, store, and link evidence or reports)
- Trend Analysis and Risk Assessment based on historical audit data
- Customizable Reporting Templates for different standards (ISO, GMP, etc.)
- Multi-Site or Multi-Department Audit Tracking
- User Activity Logs and Audit Trails for accountability and traceability

Our Management Systems and Standard Operating Procedures

Our extensive certification portfolio is supported by robust internal systems and processes:

Documentation Control & Digital Transformation	Fully digitised our 4,590+ controlled documents using SharePoint, significantly improving secure access, version control, and searchability, while reducing manual document handling by an estimated 90%.	4,590+ Digitized Platform with documents
Internal Audit Programme and Continuous Improvement	Verify compliance and drive continuous improvement through rigorous internal audits managed by a custom digital platform, enhancing effectiveness with features such as efficient finding capture, automated tracking, escalations and reporting.	48 Internal Audits conducted in FY 24/25
Quality Plans & Risk Control	Standardised operational control is achieved by integrating risk-based Quality Plans—which detail CCPs, limits, monitoring and corrective actions—directly into departmental SOPs.	18 Quality Plans integrated to Departmental Quality Plans
Data Integrity	Maintained through layered controls including strict document access permissions (SharePoint), audit trail capabilities (audit platform), rigorous multi-stage document review/approval processes (ensuring high accuracy), and overarching IT security policies.	100% IT security ensured with strict access controls

Future Preparedness

We proactively adapt to the evolving landscape:

EU Deforestation Regulation (EUDR) Readiness: In preparation for EUDR (Jan 2025), We use the Ter Rax platform for comprehensive supply chain mapping (3000 farmers), geolocation data management, satellite-based deforestation risk monitoring (post-2020), verification of local law compliance through farmer audits and tracking of due diligence certificate submissions with EUDR

AI-Powered Knowledge Assistant: To enhance knowledge accessibility and procedural adherence, we are launching a successfully piloted AI Assistant. Trained in internal documents, it provides employees with simplified answers and source links via natural language queries.



CERTIFICATIONS & MEMBERSHIPS

GRI GRI 2-28



Hand Protection Sector

15 Certifications in FY 2024/25

15% Increase in Certifications YoY

Adherence to Technical Standards and Compliance

- All factories in Sri Lanka have complied with the relevant technical standards.
- Moreover, our Thailand facility has adhered to all relevant technical compliance standards and testing requirements essential for product categories and markets. These include, but are not limited to, standards such as SCVF and RSRPS, which dictate specific testing protocols and performance benchmarks. Compliance with these standards is fundamental to ensuring product quality, safety, and market acceptance.

No	Certification	Dipped Products PLC, Kottawa	Hanwella Rubber Products Limited	DPL Premier Gloves Limited	DPL Universal Gloves Limited	Dipped Products (Thailand) Limited
1	ISO 9001:2015 Quality Management System	Available	Available	Available	Available	Available
2	ISO 13485:2016 Quality Management in Medical Devices	Unavailable	Unavailable	Unavailable	Unavailable	Available
3	ISO 45001:2018 Occupational Health and Safety Management System	Available	Available	Available	Available	Available
4	ISO 17025:2017 Laboratory Accreditation Certification	Available	Unavailable	Available	Unavailable	Unavailable
5	ISO 14001:2015 Environment Management System	Available	Available	Available	Available	Available
6	ISO 14064-1 Organisational Carbon Footprint	Available	Available	Available	Available	Available
7	ISO 14067: Product Carbon Footprint	Unavailable	Unavailable	Unavailable	Available	Unavailable
8	Forest Stewardship Council (FSC) COC Certification	Available	Available	Available	Unavailable	Unavailable
9	British Retail Consortium Global Standard for Consumer Products Personal Care and Household Certification	Available	Available	Available	Unavailable	Unavailable
10	Regulation (EU) 425/2016, Module C2	Unavailable	Unavailable	Unavailable	Unavailable	Available
11	Regulation (EU) 2016/425 Module D Certification	Available	Available	Available	Available	Unavailable
12	Recycle Claim Standard (RCS) (Version 2.0) Certification	Unavailable	Unavailable	Unavailable	Available	Unavailable
13	Responsible Wool Standard (Version 2.2) Certification	Unavailable	Unavailable	Unavailable	Available	Unavailable
14	Amfori BSCI (Business Social Compliance Initiative) - Assessment Result Certificate	Available	Available	Available	Available	Unavailable
15	SMETA (Sedex Members Ethical Trade Audit) - Assessment Result Certificate	Available	Available	Available	Available	Unavailable

No	Memberships in Association	No	Memberships in Association
1	The Ceylon Chamber of Commerce	13	Council for Business with Britain
2	The Industrial Association of Sri Lanka	14	Sri Lanka - Mekong Business Council
3	The Ceylon National Chamber of Industries	15	Sri Lanka - USA Business Council
4	International Chamber of Commerce Sri Lanka	16	Sri Lanka Philippines Business Council
5	The Federation of Exporters Association of Sri Lanka	17	Sri Lanka Vietnam Business council
6	National Chamber of Exporters of Sri Lanka	18	Malaysian Rubber Glove Manufacturers Association
7	Exporters Association of Sri Lanka	19	The Employers' Federation of Ceylon
8	Export Development Board	20	SA-Connect (Shippers' Academy)
9	Sri Lanka Association of Manufacturers & Exporters of Rubber Products	21	Free Trade Zone Manufacturers' Association (FTZMA)
10	Sri Lanka Business Council	22	The National Chamber of Commerce of Sri Lanka
11	Plastic and Rubber Institute of Sri Lanka	23	ICC Sri Lanka
12	European Chamber of Commerce	24	United Nations Global Compact

Intellectual Capital

Plantations

26 Certifications in FY 2024/25

37% Increase in Certifications YoY

No	Certification	Kelani Valley Plantations PLC	Talawakele Tea Estate PLC	Horana Plantations PLC
1	Rainforest Alliance Certificate	Available	Available	Available
2	Eco Label Certification	Available	Available	Available
3	ISO 22000:2018 Food Safety Management System	Available	Available	Available
4	ISO 14001:2015 Environmental Management System	Unavailable	Available	Available
5	ISO 14064-1: 2018 Organisation Level Quantification and Reporting of Greenhouse Gas Emissions and Removals	Available	Available	Available
6	ISO 50001:2018 Energy Management System	Unavailable	Available	Unavailable
7	ISO 45001:2018: Occupational Health & Safety Management System	Available	Unavailable	Available
8	ISO 9001:2015 Quality Management System	Unavailable	Available	Available
9	ISO 27001: Information Security Management Systems			
10	Forest Stewardship Council	Available	Unavailable	Available
11	Certificate of Ethical Trading from National Chamber of Exporters of Sri Lanka (NCE)	Unavailable	Available	Unavailable
12	Great Place to Work Certification	Available	Available	Available
13	Mother and Child friendly Seal for Responsible Business	Available	Available	Available
14	Science Based Targets Initiative	Committed (Pending Verification)	Available	Committed
15	Certified Ecosystem Restoration Projects (Kirulu and St. Clair) Standard by Preferred by Nature	Unavailable	Available	Available
16	Organic Rubber (USDA/NOP, EU Organic)	Available	Unavailable	Unavailable
17	Global Organic Latex Standard (GOLS)	Available	Unavailable	Unavailable
18	Fair Rubber Certification	Available	Unavailable	Available
19	Fair Trade Certification	Unavailable	Unavailable	Available
20	UN Climate Neutral Now	Available	Available	Unavailable
21	Kosher Certificate	Unavailable	Available	Unavailable
22	Organic Production Methods (USDA-NOP Handling) / Processing Halal Certificate	Unavailable	Available	Unavailable
23	Organic Production Methods (EU)	Unavailable	Available	Unavailable
24	Global Standard for Food Safety	Unavailable	Available	Unavailable
25	FSSC 22000: Food Safety Certification	Unavailable	Available	Unavailable
26	EUDR Compliance System Certification	Unavailable	Unavailable	Available

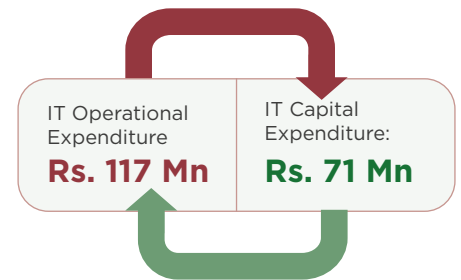
No	Memberships in Association	No	Memberships in Association
1	The Planters' Association of Ceylon	6	United Nations Global Compact (UNGC)
2	The Ceylon Chamber of Commerce	7	Biodiversity Sri Lanka (BSL)
3	Colombo Tea Traders' Association (CTTA)	8	Wildlife and Nature Protection Society (WNPS)
4	Ceylon National Chamber of Industries (CNCI)	9	Plantation Human Development Trust
5	National Chamber of Exporters of Sri Lanka (NCE)	10	Employers' Federation of Ceylon



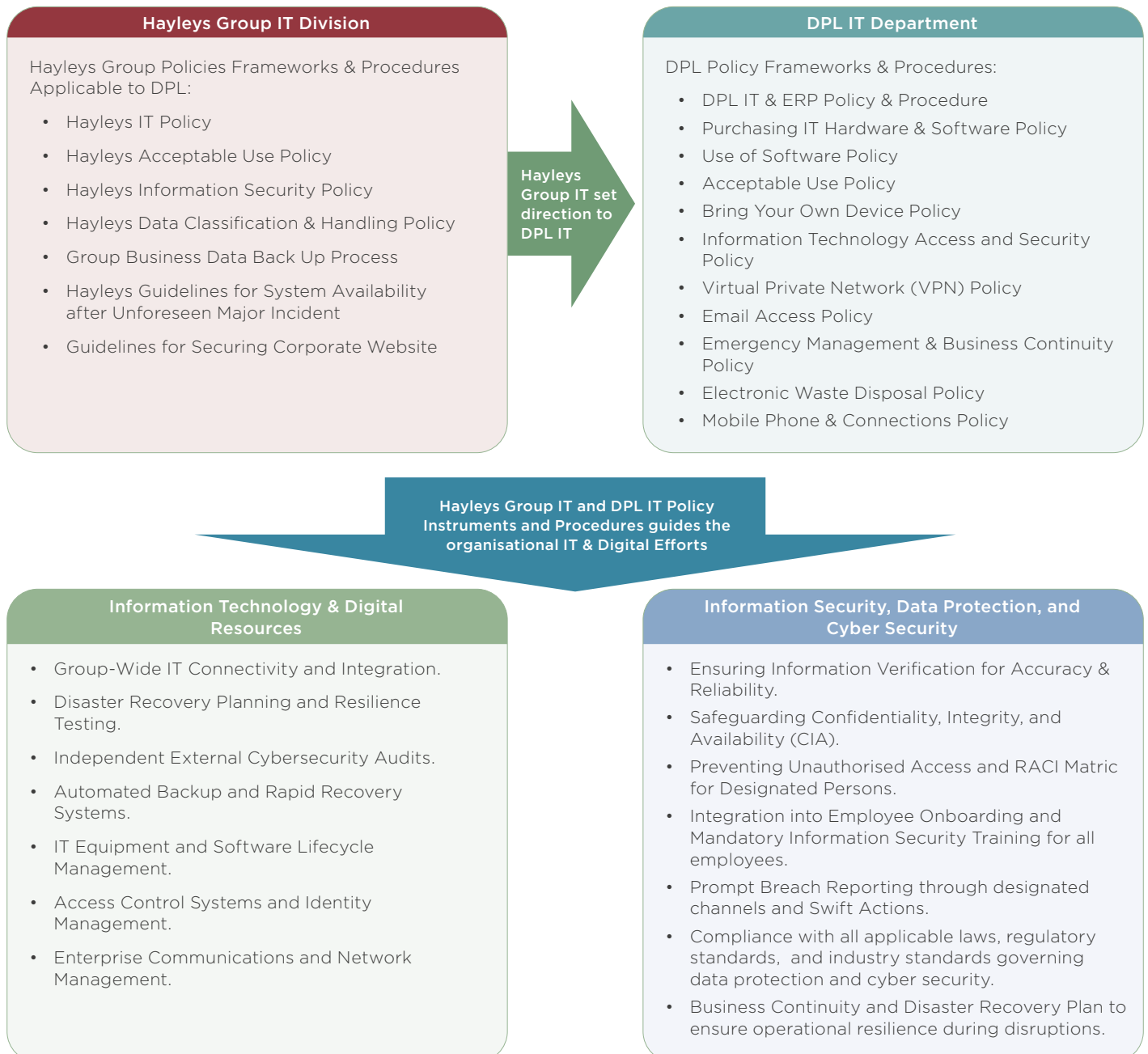
Our IT Strength & Digital Transformation Journey

GRI GRI 2-28

We embrace technological change as essential for continuous improvement across our business. Currently, we are undergoing a digital transformation journey, using advanced technologies to create new efficiencies and modernise existing processes and services. This strategic initiative allows us to better meet customer requirements, adapt to market expectations, be prepared to face global and national risks in cyber space and data protection, and optimise value delivery for all stakeholders.



IT and Cyber Security Governance



Intellectual Capital

Strategic Focus Areas

Our IT strategy delivers a transformative digital management platform engineered to accelerate growth, optimise efficiency, and embed robust security across operations. Through the integration of leading cloud technologies and innovative solutions, we are creating the scalable, secure, and future-proof IT backbone essential for driving sustained business success. We focus on the below key areas;

Information Technology (IT) Infrastructure Development	Digitization Initiatives	Cyber Security & Data Protection
Enhancing IT Infrastructure	Driving future-ready operations through digitisation	Strengthening cyber security and data protection
- Migrating on-premises file servers to SharePoint Online to enhance secure data accessibility, enable seamless collaboration, and strengthen disaster recovery capabilities while laying the foundation for AI-driven document management and future integration with Microsoft 365 Copilot to unlock intelligent search, automation, and productivity insights. - Implementing automatic data classification powered by Microsoft 365 Copilot to enhance data security, ensure compliance, and streamline information governance across the organisation. - Implementing Azure AD and Autopilot for streamlined, secure identity and device management, improving user experience and reducing administrative overhead. - To support growing operational demands and ensure uninterrupted connectivity across all business functions, we increased our internet bandwidth capacity.	- Strategically replacing legacy on-premises systems with agile, cloud-based platforms to enhance operational scalability, efficiency, and cost-effectiveness. - Spearheading this transformation is BDeX (Business Intelligence Decision Experience), our next-generation Manufacturing Execution System (MES). BDeX is designed to: » Deliver actionable, real-time insights for optimised operational decision-making. » Streamline and integrate production planning, execution, and monitoring processes. - Extending digitalisation across the value chain, including: » Implementing digital systems for latex incoming quality inspection and comprehensive farmer-level collection tracking. » Introducing digital tools for enhanced accuracy and efficiency in compound preparation and quality inspection workflows.	Emerging cyber security risks, the probability of its occurrence and potential impacts on our business are evaluated on a quarterly basis and actions plans are updated accordingly by the DPL IT team - Progressively adopting a Zero Trust security model, shifting from perimeter-based defense to verifying every user and device access request, significantly minimising potential attack surfaces. - Leveraging advanced AI-driven threat monitoring solutions to enable real-time detection and proactive mitigation of emerging cyber risks, strengthening the organisation's overall security posture. - Ongoing cybersecurity training for employees to reduce human error and foster a culture of security.
All IT infrastructure related concerns raised during the FY 2024/25 have been fully resolved with preventive measures in place to avoid re-occurrence of such issues within the operations		
Zero Major Cases on information security or data protection breaches such as leaks, thefts, or losses of data and privacy violations reported by internal or external stakeholders during the FY 2024/25		
There are NO significant incidents reported of Cyber threats or attacks causing major disturbances or failures during the FY 2024/25		



DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Digital transformation across business support functions	40%	46%	54%	60%	80%	On Track

Digitisation initiatives implemented during FY 2024/25

- Enhanced SAP systems across Dubai and India, complemented by the seamless implementation of SAP at the newly acquired Hicare Thai Gloves facility in Thailand, ensuring operational continuity and standardised processes.
- Executed a strategic transition from on-premise SAP S/4HANA to the RISE with SAP cloud platform, significantly boosting system scalability, operational flexibility, and capacity for future innovation.
- Deployed a fully digitised Electrician Glove Testing Tracking and Monitoring System, featuring a dedicated portal providing customers direct access to test results, thereby improving service and transparency.
- Commenced the migration of key on-premises servers to SharePoint Online, improving secure data access and enhancing team collaboration capabilities across the organisation.



Fully digitized solution to manage 4,590+ controlled documents of management systems and SOPs

Digitization of end-to-end Audit Process with an Online Database and Upgrades

Installation of digitized monitoring system for Adhesive side glove defects identification and state of the art camera system for glove defect identification

Future of IT Infrastructure Development & Digitisation

- Working towards the launch of Microsoft Dynamics CRM in FY 25/26, which will seamlessly be integrated with our SAP ERP system and BDeX platform, to optimise sales processes and improve overall operational efficiency.
- Finalise the migration to SharePoint Online, fully transitioning data from legacy on-premises architecture and maximising cloud collaboration capabilities.
- Extend the deployment of Azure AD and Autopilot across the organisation for enhanced, secure, and streamlined device and identity management.
- Strategically deploy AI assistants such as Microsoft Co-pilot across key business functions to augment decision-making and boost operational productivity.
- Continuously refine and enhance our digital platforms and tools to deliver an intuitive, efficient, and superior user experience for employees and customers.
- Proactively identify and implement further automation opportunities across business functions to streamline workflows, reduce manual effort, and improve overall operational performance.

Intellectual Capital

Cyber Security & Data Protection

Initiatives implemented to strengthen cyber security and data protection:

- Deployed advanced AI-driven monitoring tools to improve real-time threat identification and security management capabilities.
- Rolled out AI-assisted data classification and sensitivity labelling using Microsoft Copilot, enabling context-aware protection of confidential and regulated information
- Implemented comprehensive digital Acceptable Use Policies (AUPs) to establish clear guidelines and expectations for secure employee interaction with company technology resources.



Below Areas Covered in Cyber Security & Data Protection Trainings for DPL Employees:

- Cyber **Security and Data Protection – why it matters** for the company and individuals and Sharing Updates on Recent Cyber Threats and Trends
- Recognising **Phishing, Smishing, and Social Engineering Attacks and Password Security Best Practices, Physical Security and Cyber Hygiene**
- Safe **Internet and Email Usage and Protecting Company Devices (Laptops, Phones, USBs) especially in Remote Work**
- Data **Classification and Handling**
- Compliance **on Personal Data and Privacy Laws and Regulations and Company-Specific Compliance** – National Data Protection Act, EU GDPR, other regional and local data protection laws (if relevant) and Internal Policies and Procedures
- Social **Media Security Risks and Awareness on Ransomware, Malware, Fake Apps and Software Downloads**
- Human **Error Prevention and Safe Use of Collaboration Tools such as Cloud Applications**
- Incident **Reporting Procedures**
- Building a **Security-First Mindset** part of everyday behaviour and Responsibility beyond IT Team to **Role-Based Data Protection Responsibilities** (Ex: HR, Finance, Marketing, procurement etc)

1,051 Hrs

Employee Capacity Building on IT, Digitization, Cyber Security & Data Protection

General Management Committee Completed Training on Cyber Security & Data Protection



Work In Progress to Enhance Cyber Security and Data Protection at DPL:

- Pursuing ISO 27001 certification to benchmark and validate our enhanced security controls and risk management framework against international standards. Work in progress to finalise the establishment of our Information Security Management System (ISMS) and achieve ISO 27001 certification, embedding a culture of continuous security improvement.
- Enforce comprehensive Data Classification policies and ensure full alignment with GDPR and other pertinent regional data protection regulations to safeguard sensitive information effectively.



Plantations

Kelani Valley Plantations PLC



**Achieved the ISO / IEC
27001:2022 Information Security
Management System Certification**

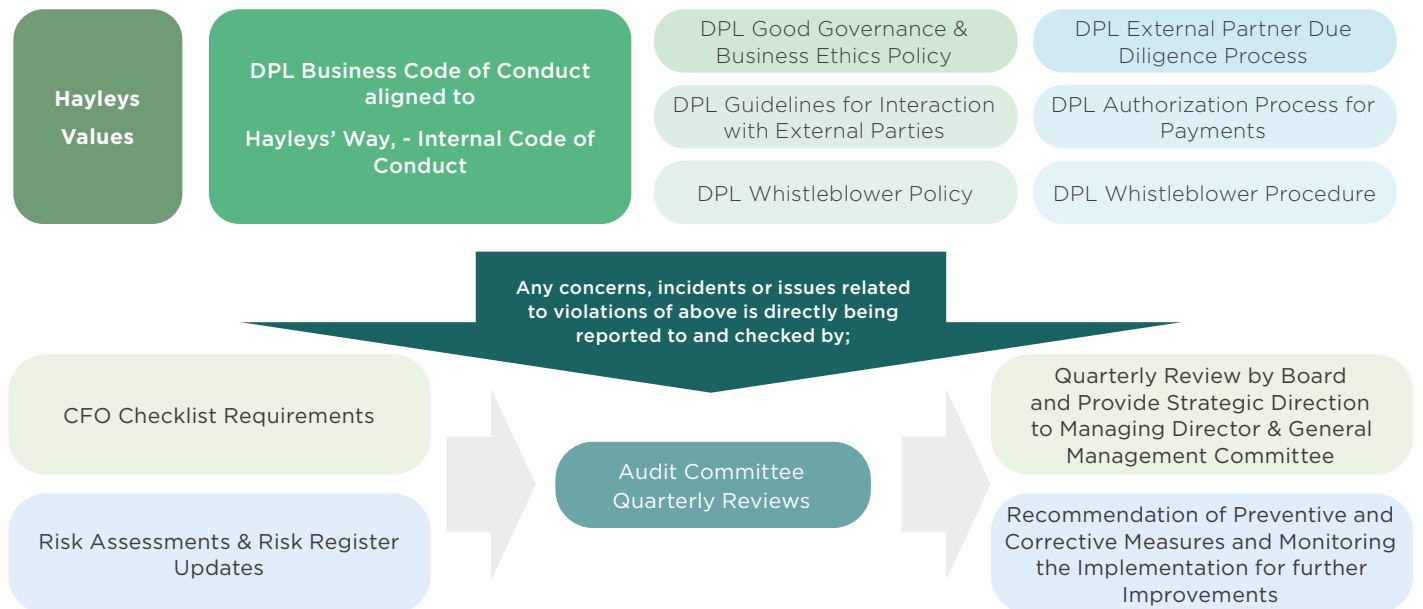
**Becoming the
First Sri Lankan Company in
Plantation & Agriculture Industry**

showcasing the commitment to
highest standards and excellence in
service delivery



BUSINESS ETHICS AND COMPLIANCE GRI 205-1, 3, 206-1

As part of our intellectual capital, we recognise that strong governance frameworks, a deeply embedded ethical culture, and clear decision-making protocols are vital intangible assets that drive long-term value creation. Our Code of Conduct, ethics and compliance training, and whistleblower mechanisms function not only as control tools, but as institutional knowledge systems that guide responsible behaviour, support risk-informed decisions, and promote accountability across the organisation. These frameworks are continuously refined through stakeholder feedback, legal updates, and internal learning, reinforcing our ability to operate with integrity and resilience in a dynamic global environment.



These policies frameworks and procedures in place sets clear behavioural expectations, upholding values and highest standard of ethics as a responsible organisation engaging in ethical trade.



Hayleys Values

- INTEGRITY** - ethical and transparent in all our dealings.
- ENDURING CUSTOMER VALUE** - enhancing experiences for every customer, from the rural farmer to the global consumer
- A WILL TO WIN** - exhibiting the will to win that which is important to Hayleys and its shareholders
- RESPECT FOR PEOPLE** - treating everyone with respect and dignity, providing for the development of our people and rewarding them for good performance.
- GOOD CITIZENSHIP** - caring for the communities in which we work, actively supporting their growth and being environmentally responsible in all we do
- TEAMWORK** - working with each other and with our partners across boundaries, to make things happen
- ACCOUNTABILITY** - holding ourselves responsible to deliver what we promise

DPL BUSINESS CODE OF CONDUCT ALIGNED TO HAYLEYS' WAY - INTERNAL CODE OF CONDUCT





DPL Good Governance & Business Ethics Policy

At DPL, our commitment to governance and ethics is firmly guided by the above governance tools and DPL Pulse: ESG Roadmap 2030, which sets the strategic direction for promoting good governance, ethical practices, and upholding the principles of transparency and accountability across all our operations.

Our Finance and other respective functional teams are dedicated to ensuring comprehensive processes are in place to raise awareness and implement strict guidelines that prevent incidents / cases / concerns on and ethics -related areas such as below;

- National / Regional / International Laws and Regulations
- Corruption
- Conflict of Interest
- Bribery (Financial & Non-Financial)
- Illegal Gratuities
- Economic Extortion
- Anti-Competitive Practices and Violations of Anti-Trust laws
- Associations with Public or Government Officials and Politically Exposed Persons (PEP)
- Anti-Money Laundering
- Information Security, Data Protection & Cyber Security
- Transparency of Business Practices
- Compliance with Environmental, Social and Labour Requirements



100%

Coverage of customers, suppliers and other business partners in communicating the Policy through the ESG Quarterly Newsletter Communication

The above areas are considered applicable within our own operations and partners in the entire value chain. Strict adherence and compliance are expected and checked through the Evaluations and Due Diligence conducted for suppliers and other business partners. Evaluation and Due Diligence Evidence procedure takes a risk-based approach and collects data on external parties

Published Social Media Communications to raise awareness about the topics and publicly disclosed the Policy to access via the DPL Website by anyone.

DPL maintains a **zero-tolerance approach** to governance and ethics -related areas mentioned and is committed to ensuring that all stakeholders are fully aware of our policies and procedures. As part of our compliance framework, tailored communication and training programs were implemented to cater to different stakeholder categories

Intellectual Capital

Whistleblower Policy & Procedure

In line with the DPL Whistleblower Policy, we encourage our internal and external stakeholders to Speak Up if they observe or witnesses any concerning experience. We believe that the establishment of a robust reporting mechanism, is important in ensuring that any issues are addressed through a just and fair process. We also recognize that fostering strong governance and ethical standards requires collaborative engagement with all our stakeholders, especially our customers and suppliers, reinforcing our commitment to responsible and sustainable business practices.

If any concern, incident or issue related to the ethics violations is experienced or observed by an internal or external party of the organisation then below reporting channels can be used.

Direct Reporting available through the dedicated email
ethics@dplgroup.com



Anonymous Reporting through
<https://www.dplgroup.com/whistleblower-policy/>





The raised case will be accessed only by the designated authority

The information provided directly through the direct email or the anonymous form is secured, and confidentiality is guaranteed.

Once the concern is raised, it will be reviewed based on findings and appropriate actions will be taken such as warnings, disciplinary action, suspension, termination, corrective measures or policy changes.

If the whistleblower has provided contact details and expects a response, they may receive an update on the case.

The whistleblower is protected against retaliation as per company policy and legal frameworks.

GRI 205-2

Policy Communication & Training Coverage in Sri Lanka & Overseas			
Level of Organisation	Total Number	% that Policy was communicated to	% that received awareness & Training on the Topics
Board	15	100%	100%
General Management Committee	11	100%	100%
Executive Level	253	100%	85%
Non-Executive Level	2,217	100%	40%

Zero cases

were reported on ethical misconduct or any breaches of Good Governance & Business Ethics policy through Whistleblower or Other Grievance Mechanisms

Every quarter 100%

coverage of all operating locations with an internal audit (CFO Checklist) and risk assessment (Risk Register) for above listed areas which is then reviewed and approved by Audit Committee.

Regular monitoring of the effectiveness of ethics and compliance control systems performed through internal testing and formal external audits such as SMETA Certification on ethical trade obtained for all Sri Lankan operating facilities



DPL CHEMICAL GLOVES

Complete Defense Against

CHEMICAL HAZARDS

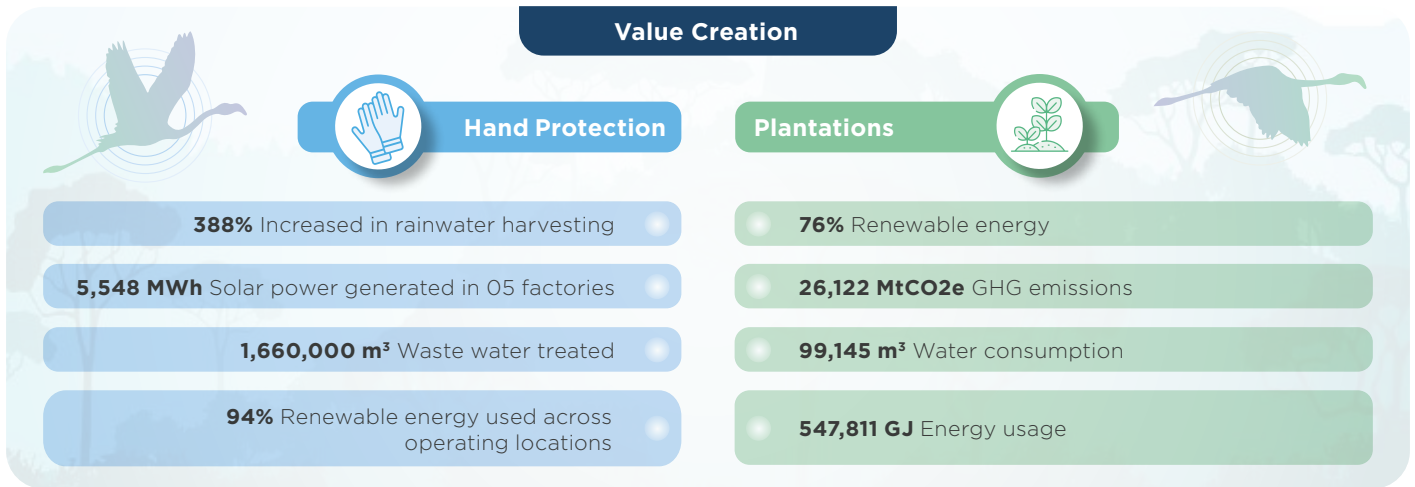
Natural Capital



Flamingos helps maintain the health of wetlands by feeding on algae and small organisms, keeping ecosystems in balance. At DPL, this reflects our commitment to protecting natural resources and supporting the environments that sustain both biodiversity and our long-term growth.

Key Focus Areas in 2024/25





Material Topics

- M2** Product and Packaging Lifecycle
- M3** Water Stress & Management of Consumption
- M5** Material Management
- M7** Climate Change Adaptation
- M8** Regulations and Compliance
- M9** Waste Management
- M11** Chemical Management
- M13** Physical Climate Risks - Rainfall
- M15** Emissions & Air quality
- M16** Energy consumption
- M22** Water Discharge and Effluents
- M24** Biodiversity Conservation.

Impacted Stakeholders



Impacted SDGs



Alignment with Strategic Priorities



Link with Key Risks and Opportunities/SRROs/CRROs

- RCR 01
- SRRO 02
- CRRO 01
- CRRO 02
- CRRO 03



Future Focus



Short Term

- Implement energy-efficient measures to reduce consumption.
- Monitor and reduce greenhouse gas emissions across operations.
- Improve water usage efficiency and reduce waste.
- Enhance waste management practices to minimise landfill impact.
- Identify and manage key biodiversity risks within operations.



Long Term

- Transition to renewable energy sources for sustainable operations.
- Achieve long-term emission reduction targets aligned with global standards.
- Implement water conservation strategies across the supply chain.
- Move towards zero waste through circular economy practices.
- Promote biodiversity conservation initiatives within and around operations.

Natural Capital

OUR ENVIRONMENTAL MANAGEMENT FRAMEWORK

GRI 2-23, 27 SASB RT-CH-530a.1

Our environmental management framework adheres to the DPL Pulse: ESG Roadmap 2030 targets and action plan for the Hand Protection sector. Our ESG Framework’s objectives and targets established for key environmental areas, including energy and emission management, water and effluent management, material and waste management, and biodiversity conservation. To track progress, we utilise the Cube system, which is updated monthly and quarterly, enabling thorough reviews of our ESG performance by DPL’s Senior Management and Boards, as well as the Group Management Committee and Board of Directors of Hayleys PLC. Further details on our environmental governance framework can be found in the ESG integration section.

Governance & Regulatory Compliance

The environmental regulatory landscape in Sri Lanka and Thailand is evolving, with a growing focus on addressing environmental risks, particularly those linked to climate change.

As global efforts shift toward a low-carbon economy, we anticipate that environmental regulations may become more stringent in the coming years. DPL’s proactive approach to sustainability ensures that we are well-positioned to comply with both current and future regulations, while also capitalising on emerging opportunities in the increasingly environmentally-conscious market.

As a Group, we fully comply with all environmental regulations in Sri Lanka and Thailand, and we align our practices with international standards. Our environmental credentials include international certifications.

We conduct quarterly environmental audits to identify and address any issues, ensuring swift corrective actions are taken. Additionally, our environmental management framework undergoes annual surveillance and re-certification audits by the relevant certification bodies. Throughout the year, we maintained full compliance with no reported instances of non-compliance.





MATERIAL AND CHEMICAL MANAGEMENT

Material Management Policy

Established a material management programme to prioritise sustainable material sourcing while increasing the use of recycled and reclaimed material inputs where ever possible

Sustainable Raw Material Sourcing

GRI 301-1-3

SASB

CG-HP-410a.1-2

Product Raw Material

For our Hand Protection Sector, we source approximately 70% of natural latex locally through our Firstlight farmer network, total amount of local purchasing of 8,090 Mt annually. We collaborate with these farmers to promote sustainable agricultural practices. In addition, rigorous procurement and supplier standards ensure responsible and sustainable sourcing of all raw materials.

With the recent adoption of requirements to comply with European Union's Deforestation Regulation, we have begun a process of activities which have been elaborated in detail under "Social & Relationship Capital – Supplier Relations on Page 148.

Our efforts to increase reliance on renewable and recycled input materials (Eg: Chemicals, Yarns/ liner etc.) in our products in line with the DPL Pulse: ESG Roadmap 2030, is comprehensively discussed under product innovations in the Intellectual Capital on Page 252. We have used 59% renewable material and 41% non renewable material in our operations.

Indicators	Hand Protection	
	2024/25 (Mt)	2023/24 (Mt)
Renewable Materials	14,481	13,521
Natural Rubber Latex	11,755	11,607
Packing Material	2,726	1,914
Non-Renewable Materials	10,197	7,274
Chemicals & Other RMs	9,637	6,720
Packing Material	560	554
Recycled Input Material	2,422	2,191
rPET Yarn	22	21
Packing Material	2,400	2,170
Total Material Consumption	27,100	22,986

Efficient Resource Consumption

Efficient resource management is essential to our cost management strategy and overall sustainability performance. We achieve this through a combination of key initiatives: continuous Total Productive Maintenance (TPM) and process enhancements that drive efficiency and minimise waste; ongoing research to optimise raw material consumption in our product formulations; and an increasing prioritisation of renewable and recycled materials in our products and packaging.

715,000 pairs reclaimed Nitrile gloves

13% packaging converted to recycled material

Natural Capital

Packaging Material

GRI 301-1-3 SASB CG HP-410a.1-2

By collaborating with strategic partners and other packaging suppliers to align our ESG strategies and drive innovation in sustainable packaging, we are pursuing sustainable packaging solutions, driven by environmental responsibility and evolving regulatory requirements.

We maintain continuous dialogue with customers to anticipate evolving sustainability expectations, understand market trends and offer our packaging solutions. This collaborative approach ensures our effective response to specific requests and preparedness for regulatory shifts, such as the EU's forthcoming Packaging and Packaging Waste Regulation (PPWR) and customer preferences for reduced plastic and polythene usage.

With 80% of the paper based packaging consisting of reclaimed paper products and approximately 13% of the plastic packaging material is made from post-consumer recycled plastic, we track the use of reclaimed materials in packaging by collaborating with our suppliers and requesting certifications and detailed reports on the content of recycled materials. This data is then entered into our internal tracking system and reviewed quarterly by the procurement team.

DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Usage of Recycled / Renewable Input Material in Packaging	N/A	4%	13%	15%	30%	On Track
Usage of Recyclable Packaging Material	N/A	80%	82%	55%	100%	On Track
Usage of Compostable and Biodegradable Packaging Material	N/A	On customer request	On customer request	On customer request	20%	On Track

Our Packaging Portfolio:

Our efforts translate into tangible actions across our packaging portfolio:

- Recycled Content Integration (PCR LDPE):** Meeting customer requirements and addressing regulations (ex: UK & Spanish Customers), we successfully transitioned to Post-Consumer Recycled (PCR) Low-Density Polyethylene (LDPE) for our polybags, offering a more sustainable alternative to virgin plastics.
- Proactive EU Rollout:** Anticipating the EU's PPWR mandate set to take effect by 2030, which will require all plastic packaging to contain recycled content and/or be recyclable, we are strategically expanding PCR LDPE use across our packaging for EU customers, positioning ourselves well ahead of the deadline.

- Material Substitution:** Where viable, we have transitioned from plastic packaging to alternatives, such as introducing paper bands for specific product lines (e.g., supported gloves).
- Enhanced Recyclability:** We convert packaging formats to improve end-of-life recyclability, for instance, by moving from complex multi-layer laminated bags to simpler, monolayer LDPE material, which are easier to recycle.
- Sustainable Components:** We accommodate specific customer needs for other sustainable elements, including the use of sustainable inks for packaging, further reducing the environmental impact of our products.

Progress & Collaborations:



These concerted initiatives, supported by close collaboration with strategic partners throughout the value chain, have resulted in approximately 75% of our packaging now incorporating these more sustainable materials and designs.

Our commitment to sustainable packaging is a core component of our broader ESG strategy, demonstrating environmental stewardship and our dedication to meeting the evolving needs of a responsible global marketplace.



Sustainable Packaging Initiatives in FY 2024/25 SASB CG-aa-440a.4(2)



Unsupported Glove Range - Sample Bag Redesign with Sustainable Materials and Removal of PP-based (polypropylene) zip lock closure

Impact & Progress

This shift reduces the environmental burden by supporting a circular economy model, where materials are reused, reducing the need for virgin resources. By reintroducing PCR materials into the production cycle, we help reduce plastic waste and promote resource efficiency.

The use of PCR materials directly contributes to reducing plastic waste and lowers the overall environmental footprint of the product lifecycle. This transition helps divert plastics from landfills and incineration, reducing the environmental impacts associated with waste management.

This PP-based zip lock closure removal streamlines the recycling process, making it easier to recover the materials in the sample bag for reuse. By eliminating a non-recyclable component, we also reduce contamination in the recycling stream, supporting cleaner recycling practices.

Key Achievement:

- Replaced approximately 20,000 PET-based bags contributing significantly to our environmental impact reduction goals.
- The redesigned bags have been shared with customers as a case study in promoting sustainable practices.



Supported Glove Range - Introduced FSC-certified paper-based header cards and R-PET plastic tag pins to replace traditional PET packaging components

Impact & Progress

The FSC-certified paper ensures that the materials used are sourced from responsibly managed forests, contributing to the preservation of biodiversity and natural resources.

This transition supports the reduction of plastic waste by replacing PET-based elements with paper alternatives, which have a smaller environmental footprint and are more easily recyclable.

The use of R-PET plastic tag pins ensures that the materials come from post-consumer recycled plastics, contributing to a circular economy by reintroducing recycled materials into the packaging process.

The R-PET pins maintain the integrity and functionality of the product's packaging while reducing the demand for virgin plastics, supporting our environmental goals.

Key Achievement:

- Eliminated the need for approximately 15,000 PET-based bags significantly reducing plastic waste.
- The introduction of eco-friendly packaging has resonated positively with customers, especially those who prioritize environmental consciousness.

Natural Capital



Recycled paper for Corrugated Boxes

Impact & Progress

By using recycled paper, we reduce the demand for virgin wood pulp, helping conserve natural resources like forests and water. This supports responsible forest management and helps protect biodiversity.

The use of recycled materials diverts paper waste from landfills, contributing to waste reduction and supporting a circular economy where materials are reused.

Recycled paper production requires less energy and water compared to the production of virgin paper, contributing to a lower carbon footprint and resource conservation.

Key Achievement:

- With 90% recycled content used in corrugated boxes, we minimize the need for new fibre, preserving forests and other natural habitats.
- The use of recycled paper in 96% of our corrugated boxes has diverted a significant amount of waste from landfills, reducing landfill waste and supporting the principles of recycling and reuse.



Paper-based solutions made from renewable materials - paper bags, folding boxes and paper belly bands.

Impact & Progress

The transition to paper-based materials for bags, boxes, and belly bands helps significantly reduce the overall usage of plastic in our packaging, contributing to lower plastic waste generation.

Paper packaging is recyclable and biodegradable, ensuring that materials are returned to the supply chain instead of ending up in landfills. This promotes the circular economy, where products are reused, repurposed and recycled, reducing the need for new raw materials.

We are collaborating closely with our suppliers to redesign our paper-based packaging by eliminating laminations and coatings, with the goal of making these materials fully biodegradable and more environmentally sustainable.

Key Achievement:

- 26% of our packaging portfolio contains paper-based packaging.
- By shifting to renewable resources, we reduce our reliance on non-renewable materials and encourage sustainable resource management.

Supplier Screening & Evaluations

Moreover, we continued to screen suppliers for social and environmental compliance identifying no negative impacts or forced labour risks which have been discussed in detail under “Social & Relationship Capital – Supplier Relations on Page 162”.

Efficient Logistics

Driven by growing ESG demands, we nurture a sustainable supply chain. Another key achievement includes reductions in fuel consumption through streamlined logistics which is discussed in detail in the emission reduction initiatives in this same capital under “Energy & Emissions Management on page 280 and “Optimising our supply chain for efficiency, resilience, and sustainability” section of Social and Relationship Capital on Page 162.



Sustainable Chemical Consumption and Responsible Chemical Management

SASB RT-CH-410b.1-2, CG-AA-250a.1-2



DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Sustainable Chemical Consumption Application	N/A	3%	2%	4%	10%	On Track
Alignment with Safe Chemical Management Practices within Group Operations	N/A	25%	30%	40%	100%	On Track
Alignment of Supply Chain to Implement Safe Chemical Management Practices	N/A	8%	57%	65%	30%	Achieved

Our responsible chemical handling procedure

We are committed to safe and responsible practices, guided by key principles that ensure compliance with global regulations and minimize risks to human health and the environment.

- Before introducing any new chemical, we conduct a thorough assessment against both the Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL) standards.
- We also utilise the ZDHC (Zero Discharge of Hazardous Chemicals) guidelines and database, along with the ZDHC Gateway, as key resources for chemical selection and management.
- Adhere to individual customer RSL requirements, verifying chemical acceptability against their specific criteria before procurement.
- To prevent the purchase of unapproved chemicals, our procurement process is tightly controlled, requiring all chemicals to be registered and approved within our system before they can be procured.
- Detailed Standard Operating Procedures (SOPs) govern all aspects of chemical management, including storage, handling, and transportation, ensuring the safe and responsible management of chemicals throughout their lifecycle.
- Strictly adhere to Material Safety Data Sheet (MSDS) guidelines for safe chemical disposal methods, including proper disposal of chemical waste after use.
- Maintain readily available spill kits and follow established procedures to prevent contamination in the event of a chemical spill or other emergency.

Natural Capital

Energy and Emissions Management

Energy is a vital input across our value chain. While the manufacture of our product range is reliant on a mix of renewable and non-renewable energy sources. Our approach to energy management—from prioritising renewable sources and optimising combustion to investing in energy-efficient technologies and driving process innovation—is enabling us to reduce our environmental impact, enhance our energy security, and create a more sustainable future for our business and the communities we serve.

Almost

94%

Renewable
Energy across Hand
Protection sector



Across the Group

Almost 5 MWp

Total Installed Solar Power Capacity in Sri Lanka and Thailand

18%

Out of Total Electricity Consumed is from Solar Power

3,884 MtCO2e

The GHG Emission offset in FY 2024/25

5,548 MWh

Total Solar Power Generation in FY 2024/25

Sports Glove Facility

Contribution of

234,671 kWh

to the National Grid

Contribution to the National Grid is equivalent to light up

2,000 Households



Energy Consumption GRI 302-1-3

Energy Type	FY 2024/25 (MJ Mn)	FY 2023/24 (MJ Mn)
Consumption from Renewable Sources	2,150	1,945
Consumption from Non-Renewable Sources	138	138
Total Energy Consumption	2,288	2,083
Electricity Consumption	104	111
Heating Consumption	24	20
Steam Consumption	2,131	1,943
Electricity Sold (Contributed to National Grid)	19	2

We currently do not calculate energy consumption that is not directly consumed by the company. However, we do track and report on our indirect energy use, through the detailed disclosure on Scope 3 emissions in our greenhouse gas (GHG) reporting on Page 296. This includes energy consumed throughout our value chain, such as in the raw material sourcing,

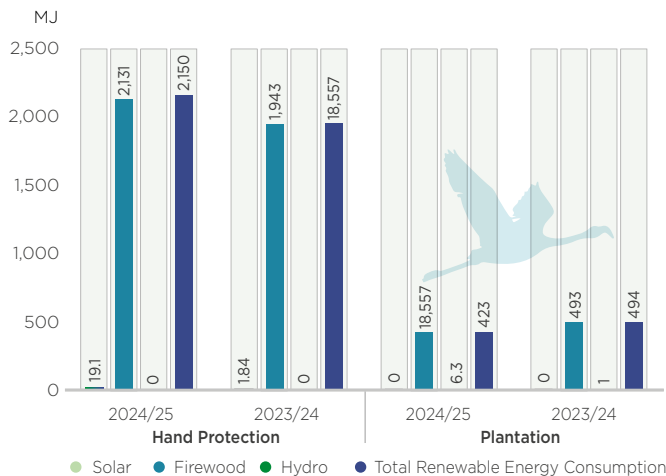
employee commuting, and energy usage associated with the distribution of our products.

In FY 2024/25, the energy intensity of ratio for DPL is 8.01 MJ per pair gloves produced. This ratio is calculated using the total number of gloves produced as the denominator.

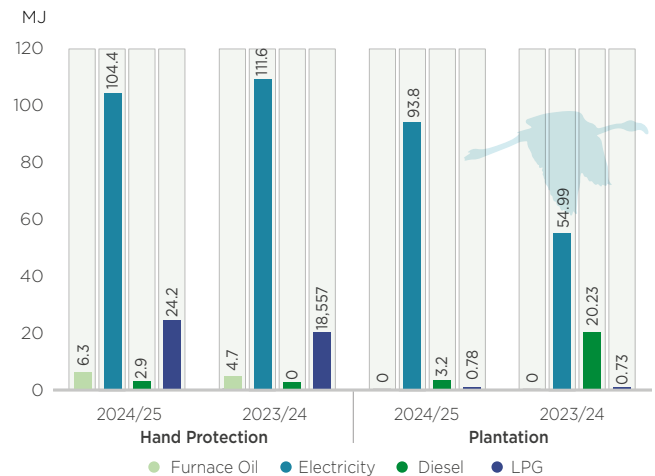
The calculation includes all types of energy consumed in our operations: electricity, natural gas (fuel), heating, cooling, and steam. The ratio is based solely on energy consumption within the organisation, excluding energy used outside of it.

Renewable & Non-Renewable Energy Consumption SASB RT-CH-130a.1, FB-AG-130a.1, HCO201-08

RENEWABLE ENERGY CONSUMPTION



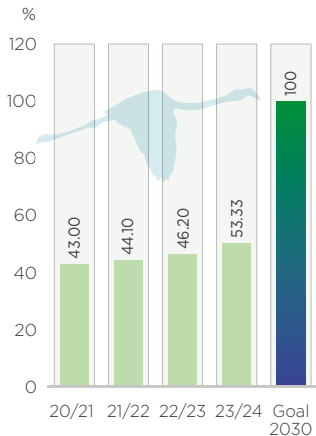
NON RENEWABLE ENERGY CONSUMPTION



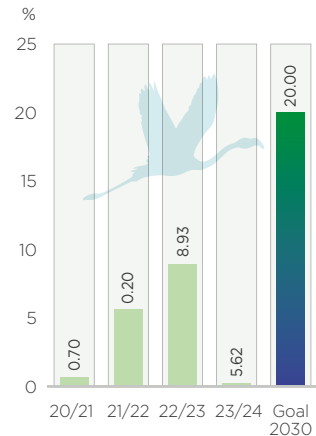
DPL Pulse: ESG Roadmap 2030 Target & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Renewable Energy Consumption	93%	93.3%	94%	94.2%	95%	On Track
Sustainable Biomass usage	51%	46.2%	50.3%	51%	100%	On Track
Reduction in absolute GHG emissions (Scope 1 & 2)	0.7%	8.9%	0.2%	1%	20%	On Track

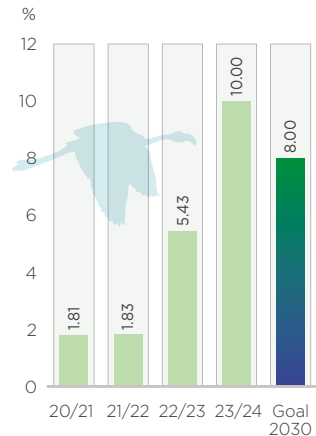
SUSTAINABLE BIOMASS SOURCING



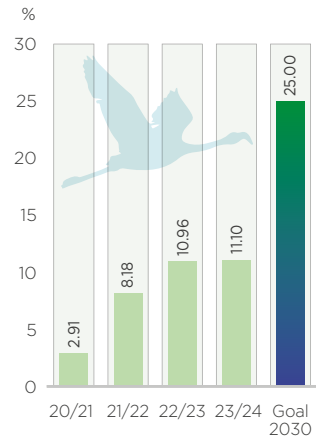
REDUCTION IN GHG EMISSION SCOPE 1 & 2



REDUCTION IN GHG EMISSION SCOPE 3



CHANGE IN ENERGY INTENSITY



Energy efficiency initiatives implemented by the Plantations sector in FY 2024/25

- Continued operation of mini-hydro plants, generating more than the required electricity consumption from renewable sources.
- Significantly increased solar power generation through rooftop installations on factories and bungalows across all three companies.
- The new factory in Kirwanaganga incorporates green building components focusing on energy savings, energy efficiency, and water conservation. This building has obtained the Green Building Certification.

Recognising the intrinsic link between the plantation industry, the natural environment, and surrounding communities, sustainability is central to our operations, ensuring responsible practices and long-term commercial success. We utilise a diverse energy portfolio, incorporating on-site biomass, externally sourced diesel and gasoline, and electricity from the national grid. To enhance energy independence and reduce our environmental impact, Talawakele Plantations (TTE), Horana Plantations, and Kelani Valley Plantations have invested in renewable energy sources, including rooftop solar infrastructure at factories and mini-hydro systems in selected estates within hydro catchment areas. Moreover, our sector has established a framework dedicated to promoting responsible energy consumption and improving energy intensity across all operations, driving us towards a more sustainable and efficient future.

Management of Energy Consumption through Energy Conservation & Efficiency Initiatives GRI 302-4, 302-5

The initiatives aim to reduce energy consumption both within the organisation's operations and in the design, manufacturing, and delivery of products. This includes achieving overall energy savings through operational efficiency improvements and the adoption of energy-efficient manufacturing processes, as well as utilizing eco-friendly materials to further reduce energy requirements. Refer Page 259 for more details on Eco-Friendly Products and Page 291 for Manufacturing Process Improvements.

Installed Variable Refrigerant Flow (VRF) air conditioning in the Head Office, with plans to extend the technology to our factories.

Impact: VRF systems provide more efficient and targeted cooling, reducing overall electricity consumption compared to traditional systems.



Installed new 2 Mn kcal/hr heater with high-efficiency combustion in Hanwella factory.

Impact: A 15% improvement in energy efficiency, directly reducing our carbon footprint and overall emissions.



Kottawa facility will be transitioning from logs to wood chips for 12 tonne common steam boiler, coupled with automated fuel feeding.

Impact: Increased combustion efficiency by 15% compared to logs. The greater surface area of wood chips, combined with automated feeding, promotes more complete combustion and reduces emissions.



Implementing robotic technology in our production processes.

Impact: Improves dipping accuracy, resource efficiency, lowers energy usage through optimised operations, enables 24/7 operation. The energy intensity of our operations has also been reduced.



Upgraded to high-efficiency compressors in our facilities (Universal Gloves).

Impact: Achieved a 10% reduction in energy consumption related to our compressed air systems.



Replacing older chillers with high-efficiency models across our facilities – Hanwella: completed, Kottawa and Biyagama: ongoing, and Thailand: completed.

Impact: Reduced 6.5% electricity consumption.



Using IE3 high-efficiency electric motors with 93% efficiency in all new expansions and enhancements.

Impact: Minimises electrical energy losses and reduces overall electricity consumption.

Expanding and increase height the roof of factory.

Impact: Increased ventilation, reduced electricity for light usage and improved working condition.

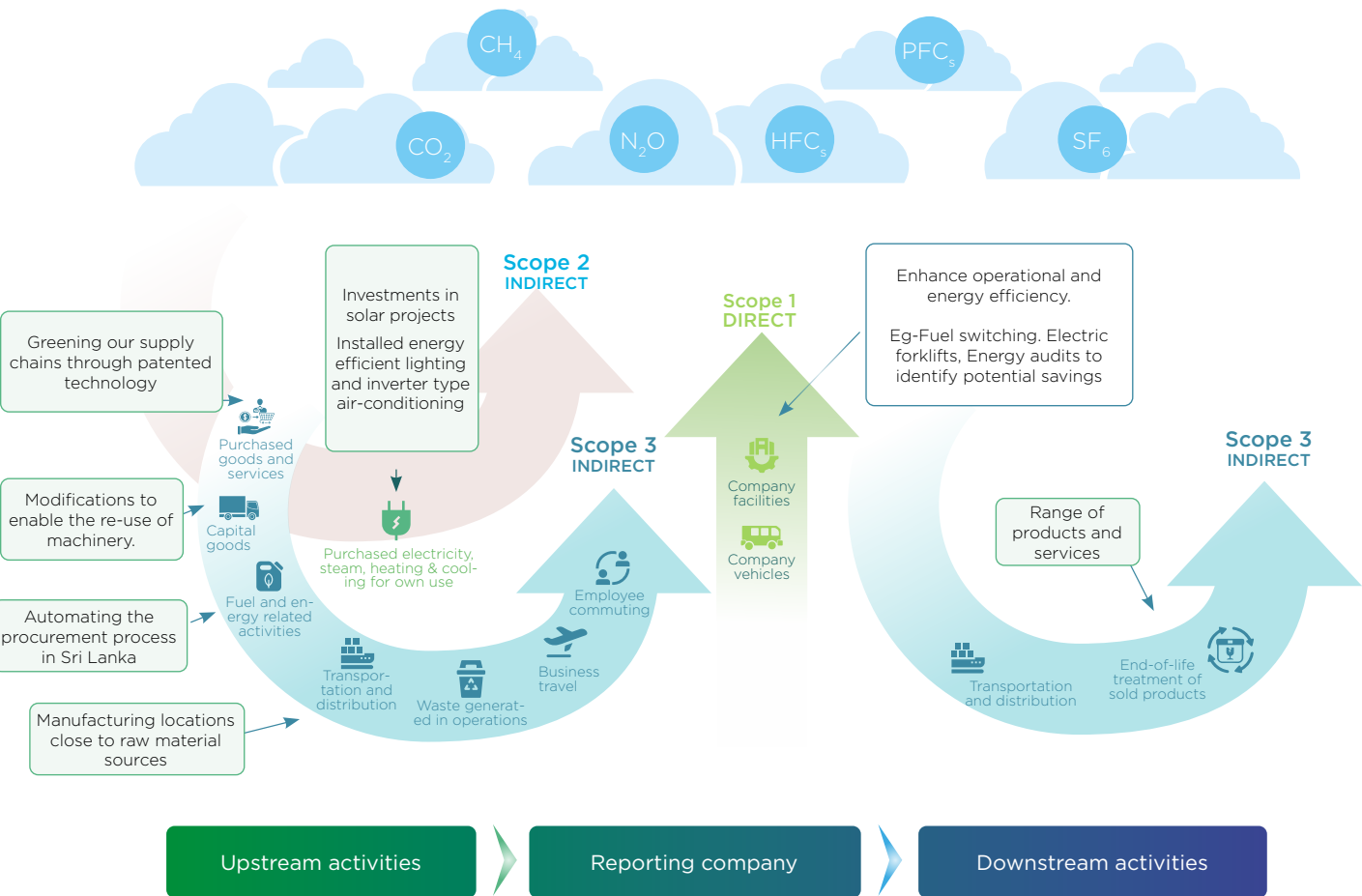
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MANAGING OUR EMISSIONS GRI 305-1-3 SASB FB-AG-110a.1, FB-AG-110a.2, RT-CH-110a.1, RT-CH-110a.2

As a leading glove manufacturer and exporter in Sri Lanka, DPL is deeply committed to transparency and continuous improvement in our emissions reduction efforts, guided by our DPL Pulse: ESG Roadmap 2030. Our strategic shift towards renewable energy sources and enhanced energy efficiency measures has already yielded significant reductions in our carbon footprint and intensity across both the Hand Protection and Plantation Sectors.

Demonstrating our commitment to transparency, we collect emissions data and have consistently disclosed our Scope 1, 2, and partial Scope 3 emissions. To further strengthen this process, we partnered with an external consultant for the 2024/25 financial year to provide expertise in comprehensively collecting and analysing data for all applicable Scope 3 GHG categories in our entire value chain.

Within our Plantation Sector, Talawakelle Tea Estates (TTE), Kelani Valley Plantations (KVPL) and Horana Plantation PLC (HPL) exemplify our ambition by committing to achieve NetZero emissions by 2050 through the Science-Based Targets initiative (SBTi). Notably, TTE achieved a significant milestone as the first Sri Lankan company to have its Science-Based Target (SBT) verified by SBTi, aligning with the objectives of the 2015 Paris Climate Agreement.





Scope 1: Direct Emissions

Scope 1 emissions arise from sources owned or controlled by the company, including fuel combustion in manufacturing operations and transportation.

Category	FY 2024/25 Emissions (metric tons CO ₂ e)	FY 2023/24 Emissions (metric tons CO ₂ e)	Key Initiatives to Meet Reduction Targets
Fuel Combustion	6,348	5,527	- Transition to biomass and renewable energy sources. - Installed updated heating, ventilation and air conditioning systems, which reduced refrigerant leakage and heating usage, leading to a decrease in emissions - Optimisation of fuel use in transport and logistics - Long range planning of demand and supply to manage transport and distribution - Implementation of energy efficiency measures across production lines
Company-Owned Vehicles	775	798	
Fugitive Emissions	375	345	
Total	7,498	6,670	

Scope 2: Indirect Emissions from Energy Use

Scope 2 emissions result from purchased electricity consumption across production facilities and offices.

Category	FY 2024/25 Emissions (metric tons CO ₂ e)	FY 2023/24 Emissions (metric tons CO ₂ e)	Key Initiatives to Meet Reduction Targets
Electricity Consumption	12,661	13,530	- Increased adoption of solar power across manufacturing plants. - Energy efficiency upgrades, including LED lighting and smart energy management systems. - Reduced overall electricity consumption (Scope 2) due to energy efficiency measures and adoption of energy saving measures in facilities - Collaboration with utilities to source more sustainable energy.
Total	12,661	13,530	



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Scope 3: Indirect Value Chain Emissions GRI 305-3

Scope 3 emissions cover all other indirect emissions in the company's value chain and DPL has previously reported on selected categories of Scope 3 and this FY, we will disclose emissions from all applicable categories of Scope 3 emissions.

The scope 3 emissions calculated for FY 23/24 will not be used for comparison purpose in the below table as the categories considered for FY 23/24 is limited and in the FY 24/25, full scope of Scope 03 with all applicable categories were considered. This is to avoid an incorrect interpretation of Scope 3 emissions.

Category	FY 2024/25 Emissions (metric tons CO ₂ e)	Key Initiatives to Meet Reduction Targets
Category 01: Purchased Goods and Services	99,557	- Sustainable Sourcing: Increase procurement of natural rubber from FSC-certified suppliers. - Supplier Engagement: Implement a Supplier Code of Conduct to drive emission reductions in material sourcing. - Circular Economy: Use recycled nitrile and biodegradable raw materials in glove production.
Category 02: Capital Goods	1,091	- Low-Carbon Machinery: Increase investments in energy-efficient dipping lines, air compressors, and curing ovens. - Sustainable Infrastructure: Construct new facilities and renovate existing facilities using low-carbon cement and green building designs.
Category 03: Fuel- and Energy-Related Activities	1,843	Increased volume of biomass transport in a single trip reducing rounds of transporting required material.
Category 04: Upstream Transportation & Distribution	1,714	- Low-Carbon Logistics: Partner with green-certified logistics providers for inbound shipments. - Efficient Demand Planning: Implementing improved demand planning and more streamlined logistics operations - Transport Mode Shift: Increase sea freight utilisation over air freight to reduce transport emissions.
Category 05: Waste Generated in Operations	554	- Zero Waste to Landfill: Expand biodegradable waste repurposing and composting initiatives. - Recycling: Improve latex and nitrile waste recycling in production.
Category 06: Business Travel	61	- Sustainable Travel Policy: Encourage virtual meetings and limit international travel. - Carbon Offsetting: Invest in reforestation programs for unavoidable travel emissions.
Category 07: Employee Commuting	1,791	- EV Incentives: Provide electric vehicle (EV) charging system at locations. - Public Transport Support: Promote and implement more company shuttle services and encourage carpooling initiatives.
Category 09: Downstream Transportation & Distribution	6,741	- Eco-Friendly Freight: Shift exports to low-carbon shipping routes and invest in biofuels for transport. - Planning: Implementing improved planning and more streamlined logistics operations - Supply Chain Visibility: Use advanced tracking to optimise shipping emissions.



Category	FY 2024/25 Emissions (metric tons CO ₂ e)	Key Initiatives to Meet Reduction Targets
Category 12: End-of-Life Treatment of Sold Products	54,751	- Biodegradable Gloves: Expand production of compostable gloves to reduce end-user impact. - Partnering with customers to improve end-of-life product disposal and circularity efforts. - Customer Education: Promote eco-friendly disposal methods to be communicated to end-consumers
Total Emission	168,103	

Note: Other categories of Scope 3 emissions are not applicable for DPL.

First-time disclosure of **all applicable categories of Scope 3** GHG Emissions comes to a total of 168,103 Mt CO₂e in FY 24/25

In FY 2023/24, DPL focused on a limited set of Scope 3 emission categories. While we have expanded our reporting this year to include all applicable Scope 3 categories, we are unable to use the newly reported figures for comparison. Therefore, for this reporting period, we have based our analysis on the Scope 3 emission categories from the previous year. Moving forward, starting in FY 2025/26, we plan to include total emissions from all Scope 3 categories in our reporting for a more comprehensive comparison.

Verification of GHG Emissions

DPL Group obtained a third-party assurance from Sri Lanka Climate Fund for its total GHG Emissions for the financial year 2023/24 and 2024/25.

The Certificate was handed over to the Managing Director by Secretary to the Ministry of Environment.



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Overall Summary of GHG Emissions in FY 24/25 compared to FY 23/24

GRI 305-1-5

Scope	FY 2024/25 Total Emissions (metric tons CO ₂ e)	FY 2023/24 Total Emissions (metric tons CO ₂ e)	GRI 305-5 Change of GHG emissions (metric tons CO ₂ e)
GRI 305-1 Scope 1 emissions	7,500	6,671	+829
FB-AG-110a.1 Gross global Scope 1 emissions, percentage covered under emissions- limiting regulations			
RT-CH-110a.1 Gross global Scope 1 emissions			
GRI 305-2 Scope 2 emission	12,661	13,530	-869
GRI 305-3 Scope 3 emissions	6,077*	5,533	+544
Total GHG Emissions	26,238	25,735	+503
GRI 305-4 GHG Emission intensity (kgCO ₂ e/pair)	0.09	0.1	-0.01
Biogenic Emissions	238,716	217,593	+21,123

*This figure was calculated for comparison purpose with the categories of Scope 3 that was used for FY 2023/24, though we have calculated Scope 3 for all applicable categories in FY 2024/25.

Basis of preparation for Greenhouse Gas (GHG) Emission reporting - Reporting of Green House Gases, Corporate Standard of Greenhouse Gas Protocol by World Resource Institute (WRI), IPCC Sixth Assessment Report (AR6) and Energy balance 2021 by Sri Lanka Sustainable Energy Authority

In FY 2024/25, DPL's GHG emissions intensity ratio was 0.09 kgCO₂e/pair., with the denominator being the total number of gloves produced (285 million pairs). The ratio includes direct emissions (Scope 1), energy indirect emissions (Scope 2), and other indirect emissions (Scope 3). The gases considered in the calculation include CO₂, CH₄, and N₂O.

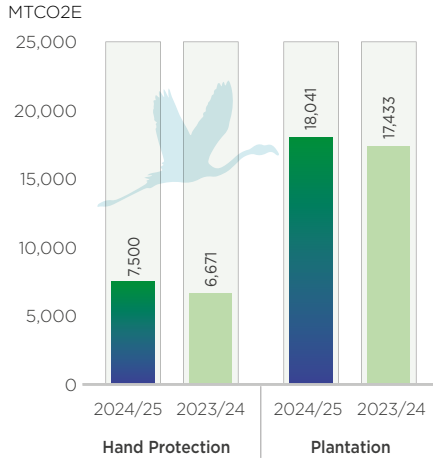
In FY 2024/25, even though DPL was unable to achieve an overall reduction of GHG emissions, but efforts were made for energy-efficient technologies, improved waste management practices, and the increased adoption of renewable energy. The emissions calculated across Scope 1, Scope 2, and Scope 3 emissions, and the base year for this calculation is FY 2020/21. The emissions were calculated using the GHG Protocol and ISO 14064 Emissions Management System, with assumptions based on improved energy efficiency in manufacturing.

8% Reduction in CO₂ emissions per pair of gloves YoY

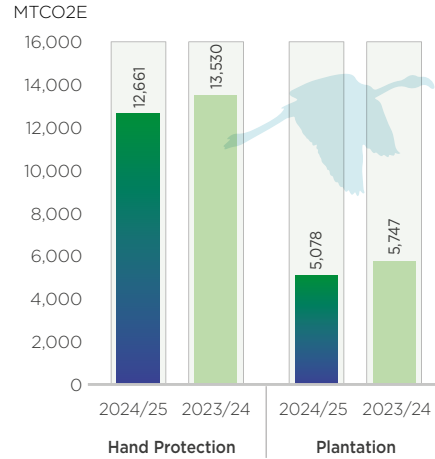
6% Reduction in Scope 2 emissions YoY



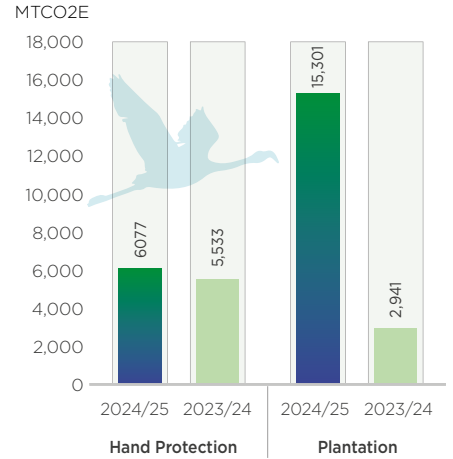
SCOPE 01 EMISSIONS



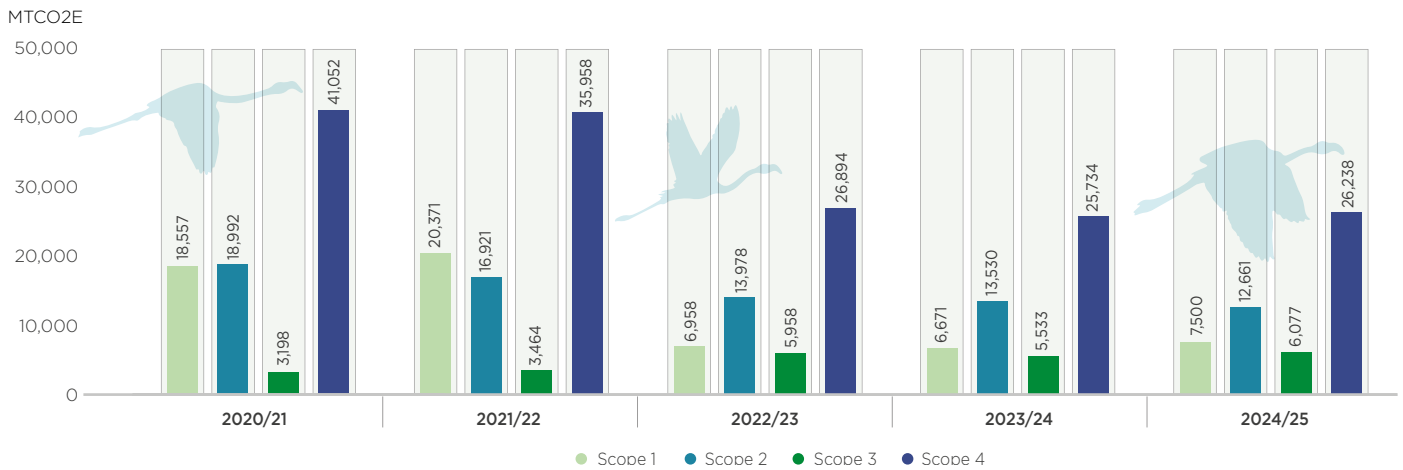
SCOPE 02 EMISSIONS



SCOPE 03 EMISSIONS



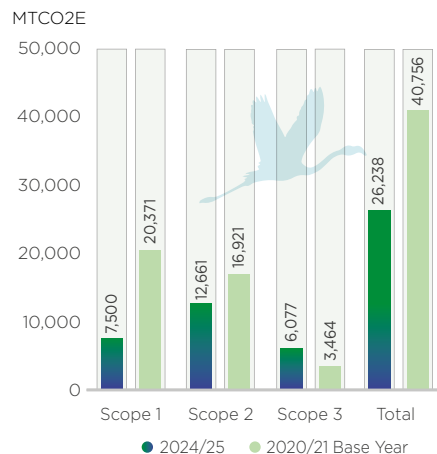
COMPARISON OF YEARLY EMISSIONS



TOTAL EMISSIONS



EMISSIONS COMPARISON OF CURRENT YEAR VS BASE YEAR



Managing Other Air Pollutants GRI 305-6 - 7 SASB RT-CH-120a.1

Emissions of Ozone-Depleting Substances (ODS)

DPL Manufacturing facilities complies with all relevant environmental regulations and has been verified through continuous monitoring and third-party audits to emit insignificant amounts of ODS and we continue to make necessary measures to avoid emissions of Ozone-Depleting Substances (ODS) such as Chlorofluorocarbons (CFCs), Hydrochlorofluorocarbons (HCFCs), Halons, Methyl Bromide, Carbon Tetrachloride & Methyl Chloroform. Below are a few actions we drive to prevent ODS emissions;

Upgraded Refrigeration & Cooling Systems

- Installed high-efficiency chillers which are HCFC-free in glove dipping lines to reduce refrigerant leaks.

Used Eco-Friendly Solvents & Cleaning Agents

- Shift from ODS-based industrial cleaners (e.g., carbon tetrachloride) to water-based and biodegradable solvents for mold and equipment cleaning.
- Partner with chemical suppliers to ensure compliance with the Montreal Protocol.

ODS Recovery & Safe Waste Disposal Programme

- Establish a proper refrigerant recovery and recycling program to prevent ODS leaks during maintenance.
- Partner with certified disposal agencies for old air-conditioning and refrigeration units.

Training and Awareness for Suppliers

- Conduct ODS phase-out training for procurement teams and suppliers.
- Provide guidelines on alternative refrigerants, solvents, and insulation materials.

Installed ODS-Free Fire Suppression Systems

- Implement dry powder or water mist systems where possible.
- Phasing out halon-based fire suppression systems and adopting HFC-free clean agents like FK-5-1-12 (Novec 1230).

Used ODS-Free Foam Insulation in Factory Buildings

- Use pentane-blown foam insulation instead of HCFC-based materials in cold storage and factory insulation.
- Ensure new factory buildings meet low-ODS or ODS-free construction standards.

Supplier ODS Compliance Standards

- Implement DPL Supplier Code of Conduct requiring all vendors to refrain from using ODS-containing products.
- Work with rubber and chemical suppliers to ensure ODS-free production processes.

Eco-Friendly Shipping & Warehousing

- Partner with logistics providers that comply with ODS phase-out regulations in packaging and shipping.

Hazardous Air Pollutants (HAPs)

As an organisation engaging in manufacturing processes, we comply with all relevant environmental regulations and has been verified through continuous monitoring and third-party audits to emit negligible amounts of emissions other than GHG. We ensure to have actions to avoid and prevent Hazardous Air Pollutants (HAPs) such as Volatile Organic Compounds (VOCs), Persistent Organic Pollutants (POPs), toxic fumes from solvents and processing chemicals HAPs emissions through below measures;

- Switched to water-based or low-VOC coatings instead of solvent-based chemicals for glove manufacturing process.
- Replaced solvent-based adhesives with bio-based or hot-melt adhesives.
- Improved chemical storage and handling by using sealed containers to prevent VOC evaporation.
- Installed activated carbon filters & scrubbers in chemical processing areas to trap VOC emissions.
- Used enclosed chemical mixing & dipping systems to minimize exposure.
- Eliminated POP-containing substances by reformulating glove production chemicals (aligned with the Stockholm Convention).
- Switched to non-chlorinated rubber processing agents to prevent dioxin and furan emissions.
- Adopted closed-loop curing systems to minimize the release of combustion byproducts.
- Implemented non-incineration disposal methods (e.g., material recovery, pyrolysis) for waste gloves.
- Regularly tested air emissions to detect and phase out POP-related compounds.
- Used enclosed and automated dosing systems to reduce worker exposure and emissions.
- Optimized process temperatures and ventilation to minimise thermal degradation of chemicals.
- Deployed wet scrubbers & biofilters to neutralise toxic fumes.
- Implemented fume extraction systems with HEPA & activated carbon filtration.
- Trained employees on safe chemical handling and spill prevention.





Non-Hazardous Air Pollutants

We have a comprehensive monitoring processes in place to ensure our air quality and emissions are tracked to ensure there is minimal emissions in Non-Hazardous Air Pollutants such as Particulate Matter (PM), Dust, Sulfur dioxide (SO₂), Nitrogen oxides (NO₂). The external audits done as per national regulations have verified that DPL has insignificant amounts of NHAPs due to the efforts we have made continuously such as;

- Switched to powder-free gloves and use biodegradable coatings to replace cornstarch-based glove powder.
- Installed high-efficiency baghouse filters & HEPA filters in production areas to trap fine particulates.
- Implemented enclosed material handling systems to prevent dust dispersion in the compounding areas.
- Conducted regular workplace air quality monitoring to ensure compliance with PM limits.
- Used low-sulfur fuels in backup generators and industrial heating
- Installed Flue Gas Desulfurization (FGD) scrubbers to capture SO₂ emissions from combustion.
- Adopted alternative energy sources (e.g., solar) to reduce reliance on SO₂-emitting fuels.
- Used low-NO₂ furnace in boilers to optimise combustion efficiency.
- Switched to renewable energy sources to replace NO₂-heavy fuel types.
- Installed Selective Catalytic Reduction (SCR) or Selective Non-Catalytic Reduction (SNCR) systems to reduce NO₂ emissions from combustion sources.
- Encouraged electric vehicles (EVs) and hybrid transport for logistics and employee commuting.



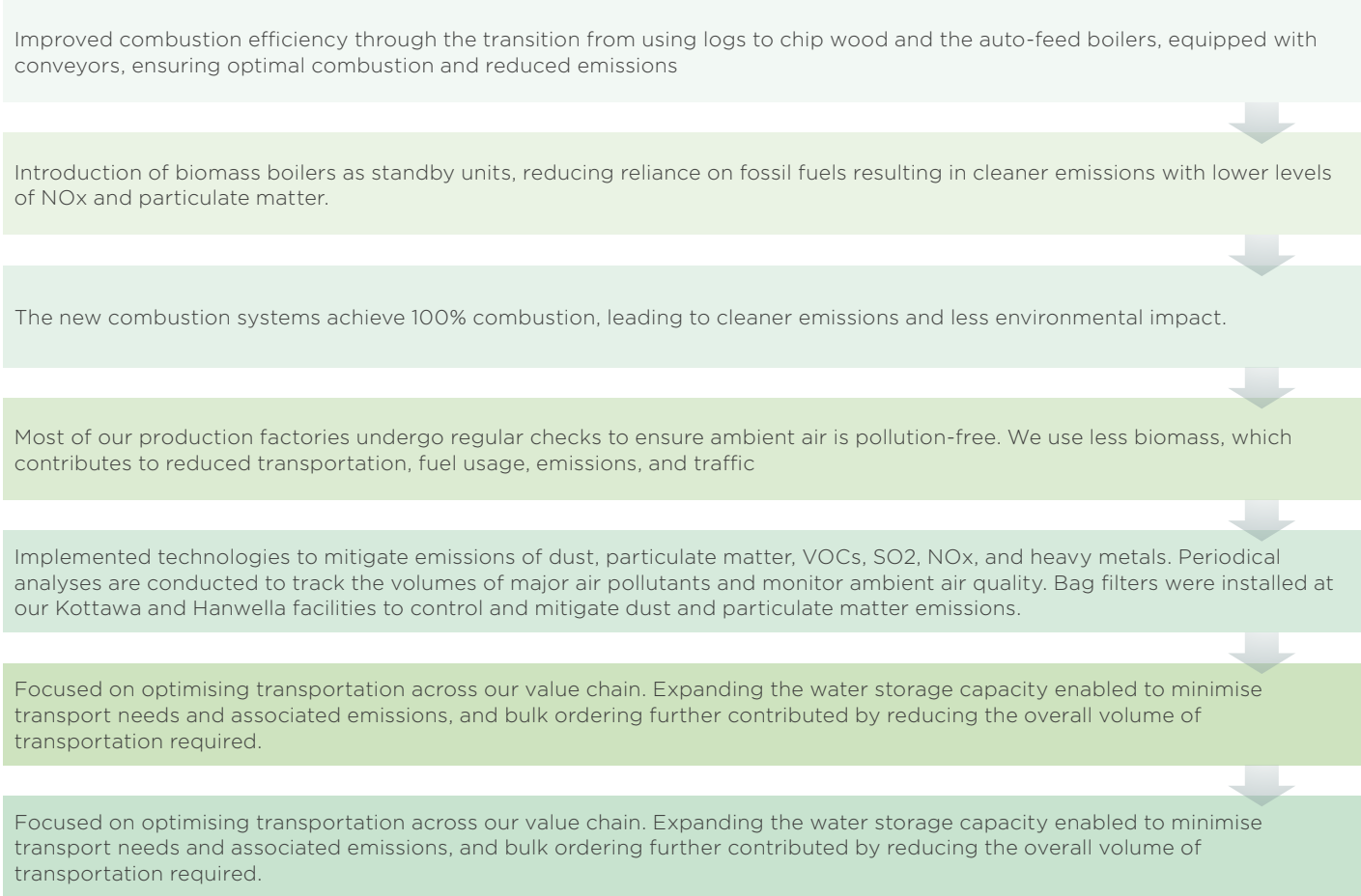
Emissions of Ozone-Depleting Substances (ODS)

We are required to meet all expected compliance standards in preventing local pollutants and public nuisances such as noise and odor pollution, Light pollution, Road and traffic congestions to obtain the relevant ISO Certifications, pass external audits and receive Sri Lanka Environmental Protection Licenses (EPL) for each of our operating locations, therefore we continue to implement and drive actions to reduce local pollutants within operating locations and prevent any public nuisances for surrounding communities. such as These pollutants impact both worker well-being and the surrounding communities near manufacturing facilities.

Noise Pollution Prevention	Odor Pollution Prevention
• Installed noise barriers and acoustic enclosures around high-noise machinery (e.g., compressors, generators). • Used vibration-dampening foundations to reduce noise transmission from industrial equipment. • Scheduled high-noise activities during non-sensitive hours to minimize community disturbance. • Implemented regular maintenance to prevent excessive noise from aging machinery. • Provided noise-reducing PPE (e.g., earmuffs) for factory workers in high-noise zones. • Adopted quieter, energy-efficient motors and equipment in production lines.	• Used enclosed chemical mixing and curing systems to minimize airborne odor emissions. • Installed activated carbon filters, biofilters, or wet scrubbers in chemical processing areas. • Implemented odor-neutralizing agents in wastewater treatment and chemical storage areas. • Properly stored and handled raw materials to prevent odor leaks from storage tanks. • Adopted low-odor chemical formulations for glove manufacturing and surface treatments. • Monitored air quality and community feedback on odor concerns for continuous improvement.
Light Pollution Prevention	Reduction in Road and Traffic Congestions
• Used motion-activated LED lighting instead of continuous high-intensity lighting. • Installed downward-facing, shielded lighting fixtures to reduce glare and skyglow. • Implemented smart lighting controls to adjust brightness based on real-time needs. • Used warm-toned lighting (instead of blue-white LEDs) to minimize environmental impact. • Ensured factory perimeter lighting complies with local environmental regulations.	• Used designated loading/unloading bays to prevent trucks from blocking roads. • Optimised delivery schedules to reduce vehicle idling and congestion during peak hours. • Encouraged suppliers and logistics partners to use electric or low-emission vehicles. • Worked with local authorities to improve road traffic management near factory locations.



Initiatives in FY 24/25 to Reduce Other Emissions and Air pollutants



Continuous Monitoring and Compliance

- Real-time air quality monitoring emission levels in and around manufacturing plants.
- Conduct regular noise, odor, and light pollution audits to track improvements.
- Adopt ISO 14001-certified emission control and tracking systems.
- Train employees on clean production techniques to minimize emissions from day-to-day operations.
- Engage with local communities to address concerns about factory operations.
- Use an Environmental Management System (EMS) to track and mitigate pollution.
- Ensure compliance with Sri Lanka's National Environmental Act (NEA) and global best practices.
- Conduct regular third-party audits to ensure compliance with national and global standards.

Conclusion and Next Steps

DPL is actively working toward reducing emissions across all scopes through renewable energy adoption, supply chain collaboration, and sustainable production improvements. The data collected and analysed will be used to refine reduction targets, contributing to our DPL Pulse: ESG Roadmap 2030 and positioning our business for long-term sustainability.

DPL remains committed to ongoing emissions monitoring and reporting, ensuring our transition to a low-carbon future aligns with both industry best practices and national climate goals.



DPL Group's SBTI Journey

All three plantation companies have demonstrated a strong commitment to the SBTI, aiming to significantly reduce greenhouse gas emissions and contribute to global climate goals. Both TTE and HPL have completed the verification process for near-term, long-term, and net-zero targets, including FLAG emissions.

Emissions reduction strategies

- The primary focus is to reduce our Scope 1 and Scope 2 emissions, which include energy and fertiliser use, representing over 70% of total emissions.
- We collaborated with fertiliser suppliers to reduce synthetic fertiliser use and improve the efficiency of current fertiliser types. The introduction of slow-releasing fertilisers and biochar is expected to reduce emissions significantly.
- Biochar is being integrated as a game-changing tool to enhance soil health and reduce the need for chemical fertilisers, contributing to lower emissions.



		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Talawakele Plantations PLC	Near-term status		Committed		Revised Commitments		Target Set	
	Net-zero status		Committed		Revised Commitments		Target Set	
Kelani Valley Plantations PLC	Near-term status	Committed						Target Set
	Net-zero status	Committed						Target Set
Horana Plantations PLC	Near-term status				Committed			
	Net-zero status				Committed			
Dipped Products PLC	Near-term status							Planned
	Net-zero status							Planned

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WATER AND EFFLUENT MANAGEMENT

GRI 303-1 **SASB** RT-CH-140-a.1-3, FB-AG-140a.1-3, CG-HP-140a.1-2, HC-0201-09

Recognising Sri Lanka's water-stressed status and the rising costs of water, DPL, a high-water-intensity industry with significant Hand Protection and Plantation Sector operations, is committed to responsible water stewardship. We prioritise reducing water consumption across our value chain using a multi-pronged approach. We have set relevant targets in our DPL Pulse: ESG Roadmap 2030 on water recycling, through systematically implemented process improvements.

During the year under review, there were no incidents of non-compliance associated with water quality permits, standards and regulations. In FY 2024/25, DPL interacted with water primarily for production, cooling and cleaning activities. Water consumed in operations is both reused and discharged after treatment, with a focus on preserving water and reducing the impact on local water bodies. We have conducted annual water risk assessments using ISO 14001 and CDP Water Security Framework to identify water-related impacts, focusing on water availability, consumption, and discharge. We work with local stakeholders, suppliers, and customers to steward water as a shared resource, implementing water-saving technologies and promoting water-efficient practices. Our water-related goals are discussed, with these targets aligned with local public policies and global sustainability frameworks such as UN SDG 6 (Clean Water and Sanitation).

DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Sustainable Water Sourcing (rain water / water recoveries)	15%	8.4%	8.8%	10%	30%	On Track
Re-use of Treated Waste Water	15%	16%	15%	17%	55%	On Track

Water Withdrawal & Consumption **GRI** 303-3, 303-5

Indicators	Hand Protection		Plantation	
	2024/25 (m³)	2023/24 (m³)	2024/25 (m³)	2023/24 (m³)
Surface water	1,007,621	1,000,665	99,145	103,878
Groundwater	76,342	63,655	-	-
Rainwater	7,289	1,494	44,698	116,886
Municipal lines	891,429	807,051	-	-
Other Sources	184,170	175,902	-	-
Total Sources	2,166,851	2,048,767	143,843	220,764

In FY 2024/25, DPL withdrew a total of 2,166,851 m³ across our Hand Protection operations. The water sources included surface water, groundwater, rainwater and from third-party sources, such as municipal lines. All water withdrawals were from freshwater sources, with no seawater or produced water used in operations. DPL's total water consumption is equal to withdrawal. There was no seawater withdrawal and there was no use of produced water in our operations.

According to FAO, Sri Lanka's water stress is already at 90.8%, which means that the country is consuming 90.8% of its total available renewable freshwater resources at present apart from environmental needs, and is therefore categorised as highly water stressed and Thailand is also a water-stressed country and is facing significant water stress.

We are mindful that our operations are happening in such context, even though the areas we are located in within the countries are not yet identified as dry zones or facing any issue in access to water; however, water withdrawal and consumption from areas identified as water-stressed regions is currently not separated, but we are working towards assessing and reporting on water withdrawal and consumption in water-stressed regions in future reports.

The water consumption data was compiled based on actual water usage records from our facilities, with no assumptions made. We used direct measurements for all water withdrawals, and no sector-specific factors were applied. This data follows standard water consumption reporting practices as outlined by the ISO 14046 Water Footprint Standard and CDP Water Security Framework.

Water Discharge & Effluent Management GRI 303-2-4

Our core approach involves treating wastewater to a level where it can be safely reused, focusing on reducing key parameters such as Chemical Oxygen Demand (COD) and Biochemical Oxygen Demand (BOD), which are strictly monitored frequently to ensure compliance with national laws and regulations, which is monitored by Central Environment Authority. While our operations are located in areas not currently experiencing water stress, we are committed to sustainable water management and consistently evaluate our water usage impact on local water bodies. Moreover, we have implemented chemical-free buffer zones across our plantations to proactively prevent water contamination originating from chemical fertilizers.

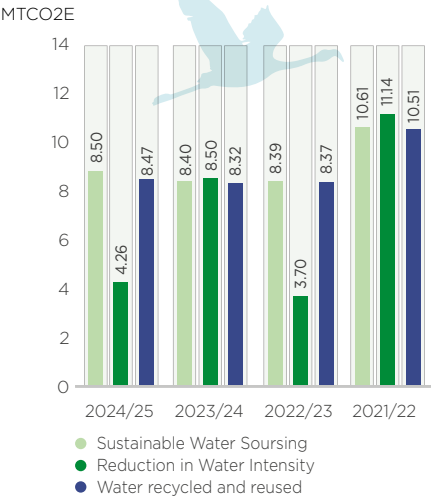
In FY 2024/25, DPL generated a total of 1,659,995 m³ of effluent in Hand Protection Sector. The water was primarily discharged to surface water and internal treatment plants. We do not discharge any water to sea or send for the use of third-party organisations. We have set minimum standards for effluent discharge that meet or exceed national regulations, ISO 14001 and WHO guidelines. Zero incidents of non-compliance were recorded.

We use internationally recognised standards and internally developed guidelines to ensure high water quality in effluent. The water discharged was primarily freshwater with ≤1,000 mg/L TDS, and the discharge was compliant with local environmental regulations. Sector-specific standards, including those from the textile and garment industry, are also considered to maintain alignment with best practices. Additionally, the profile of receiving water-bodies, such as their flow rate and ecological sensitivity, is carefully considered when determining discharge quality to minimize any adverse environmental impacts.

Indicators	Hand Protection		Plantation	
	2024/25 (m³)	2023/24 (m³)	2024/25 (m³)	2023/24 (m³)
Surface water body	1,258,108	1,287,104	438	97
Internal Treatment Plant	401,887	328,531	69,588	81,899
Sewerage	-	-	7,547	3,490
Total Effluents Generated	1,659,995	1,615,635	77,573	85,486

Photo Story about Water Treatment & Constructed Wetland

WATER



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Key Initiatives Implemented in FY 2024/25

We expanded the capacity of our Effluent Treatment Plants (ETPs), resulting in enhanced treated wastewater quality and ensuring all discharged water meets regulatory standards. As a result of this investment. TDS of water is reduced by 7-10 %.



Our commitment to water stewardship is reflected in our focus on water consumption efficiency. We adopt a continuous improvement approach, combining best practices in water recycling and reuse with regular internal water audits to assess our performance, identify opportunities for optimisation, and implement necessary adjustments. With high level of quality level archived, we have been able to reduce the fresh water usage and increase the reused even when the capacity has been increased.

We utilise engineered ecosystems constructed wetlands at Kottawa and Hanwella to naturally purify wastewater as part of our water management. Beyond purification, these wetlands providing valuable habitat for local wildlife, supporting biodiversity. This multi-functional approach allows us to minimise our reliance on external water sources and protect the health of local water bodies.



5



Water treatment plants across factories

1.7 Mn



Total water treatment capacity (m³)

6



Rain water harvesting systems in factories



To enhance our sustainability efforts and reduce our reliance on external water sources, we have implemented rainwater harvesting systems at all operating locations. By supplementing our water supply with this readily available and sustainable resource, we minimise our impact on the environment and prevent emissions of atmospheric pollutants and other nuisances, such as road congestion, associated with water transport.



To minimise transport costs and emissions while ensuring sustainable water management, we have increased water storage capacity and implemented process automation using high-tech sensors in our J3 Plant, which Manufacture supported gloves. These improvements reduce our carbon footprint and optimise resource utilisation.

7,289 

Total rainwater harvesting (m³)

4% 

Reduction in water intensity

39% 

of water recycled through constructed wetland in Hanwella Factory

Our Plantations Sector

Initiative implemented for responsible water stewardship

- Operate effluent treatment plants across all three plantations companies to prevent the introduction of unwanted water into streams, ensure compliance with environmental standards and protect local water resources.
- Improve the microclimatic conditions within the estates and increase groundwater levels, through restoration projects and implementation of water conservation practices.
- Constructed three additional ponds in high-ground areas for rainwater harvesting. This approach has enabled securing a reliable water supply for irrigation and soil replenishment, mitigating the impact of dry spells.
- To address the challenges of changing rainfall patterns, the companies engaged in reforestation, especially on high grounds. Planting trees improves water retention and manages rainfall runoff. To this end, 11 kilometers of forest was restored.
- Beyond these specific initiatives, the plantation companies engage in continuous improvement in water conservation. This includes ongoing training programs focused on water retention techniques and the implementation of best practices.

Natural Capital

RESPONSIBLE WASTE MANAGEMENT & DISPOSAL

GRI 306-1-5 SASB RT-CH-150a.1, HC-0201-10

We have a comprehensive waste management programme encompassing internal waste reduction and sorting to strategic partnerships with external stakeholders, demonstrating our commitment to circularity and environmental responsibility.

Our significant waste related impacts arise primarily from our production processes at the Hand Protection and Plantation sectors. Key inputs contributing to waste generation include raw materials such as rubber, latex, and chemicals used in the manufacturing of gloves. The production processes, such as molding, cutting, and packaging, lead to outputs like rubber scraps, plastic packaging, and wastewater. These impacts primarily result from our own activities, but also extend to upstream activities, as waste is generated during the production and delivery of raw materials by our suppliers. Additionally, downstream waste is generated by the disposal of our products, including packaging, after they reach consumers.

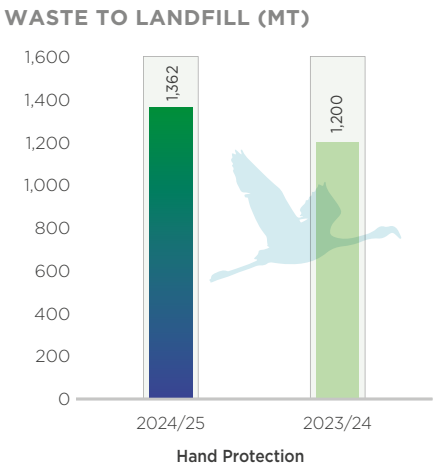
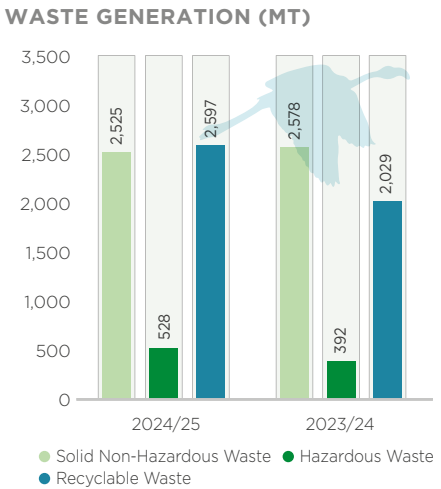
	Hand Protection		Plantation	
Breakdown of the total waste by composition	2024/25 (Mt)	2023/24 (Mt)	2024/25 (Mt)	2023/24 (Mt)
Solid Waste Non-hazardous Waste	2,525	2,578	233	161
Hazardous Waste	528	392	1	2
Recyclable Waste	2,597	2,029	N/A	N/A
Total Waste Generated	5,650	4,999	234	163

Hand Protection 24/25			
		Non-Hazardous Waste (Mt)	Hazardous Waste (Mt)
Waste diverted from Disposal	Preparation for Reuse	1,513	-
	Recycling	1,108	3
	Other Recovery Operations	553	-
Waste directed to disposal	Incineration (with energy recovery)	352	393
	Landfilling	1,362	-
	Other Disposal Operations	233	132

Over

30

Main waste categories identified & segregated from the point of generation to accommodate proper eco-friendly methods of disposal





Key programmes include:

Waste reduction and sorting

Our waste management programme is built upon a foundation of reducing internal waste through material reuse, recovery, and repurposing. To support this, we provide all employees with training on effective waste reduction strategies and proper sorting techniques. This ensures that waste is handled efficiently and responsibly through our established internal sorting and disposal processes, which are aligned with clearly defined and mapped waste streams, allowing us to better understand and manage our waste generation.

Strategic partnerships for waste transformation & circularity

We collaborate with external stakeholders to transform waste into valuable resources. These include:

- Utilising natural scrapped gloves as filler material after recycling approximately 8 tons of material, generating income and reducing landfill waste.
- Reusing cut beads as rubber bands in partnership with a leading Foot Wear Manufacturer, generating income and reducing the need for virgin rubber.
- Converting nitrile waste, previously incinerated at a cost, into a raw material provided free of charge.
- As part of our commitment to reducing single-use plastic waste, we have implemented small-scale projects focused on reusing materials such as stationary that prevented plastics from entering the environment.
- Reusing compound washing waste as a raw material for small scale coir based mattress manufacturers, generating income and supporting local businesses.
- Repurposing sports glove cotton waste through Universal Gloves, minimising waste and finding a new application for the material.
- Transforming waste cotton flock through a third party into filler used in the tire industry, diverting waste from landfills and contributing to resource efficiency.



Our Plantation Sector

The plantation factory operations continued to generate minimum waste and a significant portion of the generated waste was recycled for productive use across factory operations. The briquettes used as biomass fuel are produced from recycled agricultural waste and the biodegradable waste generated by estate communities was composted and added to tea fields and home garden plots.



Natural Capital

BIODIVERSITY CONSERVATION GRI 304-I-4 SASB FB-AG-000.C

Recognising the importance of biodiversity conservation, we are committed to protecting and enhancing the ecosystems surrounding our operations. Our approach aligns with our DPL Pulse ESG Roadmap Target, which aims to drive a biodiversity-enhancing programme to cover five times the area occupied by the organisation by 2030.

DPL Pulse: ESG Roadmap 2030 Targets & Performance

DPL Target	Baseline Performance (2020/21)	Performance in 2023/24	Performance in 2024/25	Expected Performance for 2025/26	Expected Performance for 2030/31	Status
Increase the biodiversity enhancing programme to over 5 times the area occupied by the group	0 acres	N/A	2 acres	5 acres	100 acres	On Track

DPL's Statement on Impact to Biodiversity

DPL does not operate near any sensitive biodiversity areas, including protected areas or areas of high biodiversity value outside protected areas. Our operations are located in regions that are not adjacent to, nor do they overlap with any designated conservation areas or critical biodiversity zones. In FY 24/25, we have recorded zero negative impacts on the environment. Our operations, including manufacturing sites in Sri Lanka and Thailand, have adhered to stringent environmental protocols, ensuring no pollution, habitat conversion, or introduction of invasive species. Furthermore, there have been no direct or indirect significant impacts on local species or ecosystems. We remain committed to sustainable practices and monitor our environmental footprint regularly to maintain this record.

EcoSystem Restoration Project at Bambarakelle Estate in Lindula

- Pioneering biodiversity conservation in Sri Lanka, we are embarking on a groundbreaking ecosystem restoration project at Bambarakelle Estate in Lindula, the first initiative of its kind above 5,000ft.
 - We have formalised our commitment through a Memorandum of Understanding (MOU) with Horana Plantations PLC, signifying our leadership in environmental stewardship.
 - This project encompasses 39 hectares and is strategically located near a branch of the Agra Oya, providing essential water resources for
- successful restoration. Furthermore, direct road access from Lindula opens possibilities for future eco-tourism ventures, fostering sustainable economic opportunities within the local community.
 - Currently, the biodiversity survey is ongoing with the support of professional experts on the subject.
 - A Long term vision to develop as a study centre.
 - We have begun a biodiversity survey in FY 24/25 to map plant, wildlife, and endemic species, including but not limited to IUCN Red List species or
- National Conservation List species, which are critically endangered, endangered, vulnerable, near-threatened, and least concern species in the areas we are currently focusing on restoring. While our operations do not directly threaten any of these species, we are committed to preserving habitats through conservation efforts and working with local authorities to monitor and protect different species in the areas we operate and beyond.





Key Biodiversity Protection & Ecosystem Restoration Initiatives

EcoPulse Nature Reserve at the Hanwella Operating Location

In an effort to safeguard the biodiversity surrounding our facilities, we have established the Eco-Park. Spanning two acres within our operating location, the Eco-Park provides a sanctuary for a variety of endemic species. With the development completed, the Nature reserve is now open for visitors where we will showcase the colourful birdlife and other wildlife that thrive even within our industrial environment.

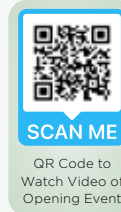
What are the expected outcomes of this project;

- Preserving plant life
- Animal habitats restoration

We believe this natural environment will be a great space for our employees to take a break from work and re-energize and our visitors will be invited to take a walk and enjoy the natural surrounding while attending to important meetings during their visits.

Next Phase:

- Biodiversity survey mapping to begun
- Butterfly garden to be established within the park
- A Long-term vision to develop as a study centre



Natural Capital

Environment & Climate Advocacy & Services

DPL was represented at Sri Lanka Climate Summit 2024

Advocated for strong environmental policies and expedited response to climate crisis



- DPL is a Member of UNGC SL Network
- Aligned our strategies and operations with the Ten Principles of the United Nations Global Compact
- Member of the Working Group on Sustainable Supply Chain
- Participates in the Climate Ambition Accelerator

DPL's Public Commitments though DPL Pulse: ESG Roadmap 2030

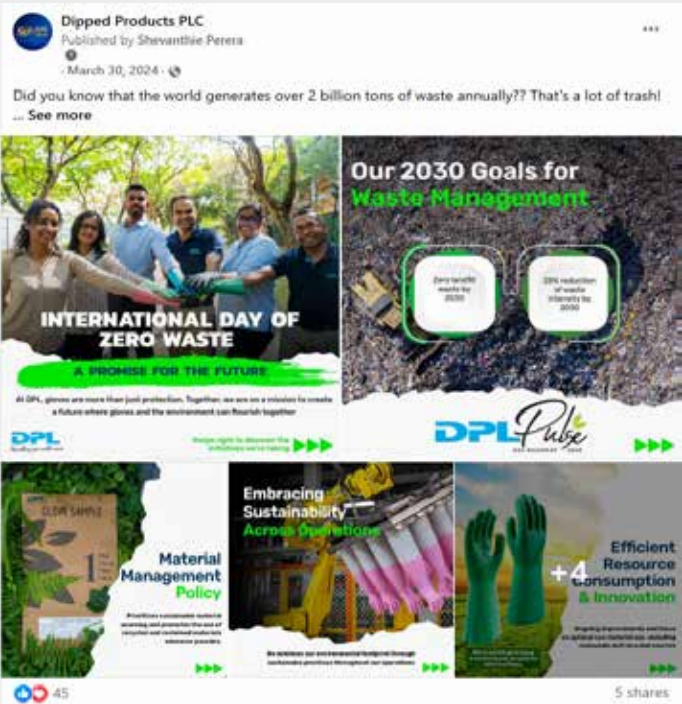
Adoption of Reporting Standards for Public Disclosures ex: GRI, SASB, TCFD, SLFRS S1 & S2

Verification of Quantified Data through External Assurances

Collaborated with external partners to deliver projects, especially nature-based solutions like mangrove restoration, tree planting, waste cleanups etc

Efforts on greening the value chain by offering sustainability services to customers and encouraging suppliers for increased action and accountability

Use digital platforms to promote success stories and best practices in sustainability and to raise awareness among public (e.g., waste disposal, recycling, pollution prevention etc).





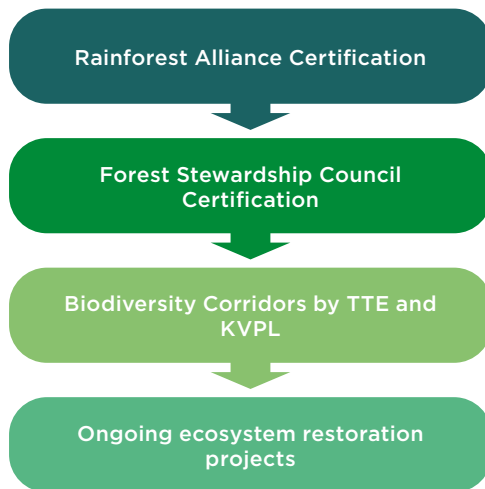




Plantation Sector Efforts for Biodiversity Conservation

To protect natural ecosystems, our plantation sector adheres to strict sustainable land-use practices. These include a zero-deforestation policy, a commitment to zero biodiversity loss, and avoiding the conversion of natural ecosystems for agricultural purposes. We prioritise sustainable and regenerative agriculture to maintain soil quality, minimize fossil fuel dependence, and preserve biodiversity. This year, we applied biochar to improve soil health, and implemented precision agriculture techniques to optimise resource use and maximize land productivity through crop diversification.

Certifications



Compliance

We maintain a strong commitment to environmental stewardship, adhering to all applicable environmental laws, regulations, and standards through rigorous compliance measures. Our performance is continuously monitored via the group's CUBE Management Information System (MIS), with oversight provided by the Audit Committees within the Hand Protection and Plantation Sectors. Our sourcing practices guarantee that raw materials originate solely from lands free of deforestation. Emphasising data collection ensures we maintain comprehensive records of our operations, while our investment in farmer awareness programmes aims to educate and empower them. Furthermore, we are dedicated to upholding human and land rights, safeguarding these principles throughout our entire supply chain.

During the reporting period, we are pleased to report zero instances of non-compliance with environmental regulations.



Annual Report of the Board of Directors on the Affairs of the Company

1. GENERAL

The Board of Directors of Dipped Products PLC have pleasure in presenting the Annual Report of the Board of Directors on the affairs of the Company together with the Audited Financial Statements for the year ended March 31, 2025.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 ("the Companies Act"), Listing Rules of the Colombo Stock Exchange ("Listing Rules"), the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and are guided by recommended best accounting practices.

The Financial Statements were reviewed and approved by the Board of Directors on May 14, 2025.

2. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW OF THE YEAR

Principal Business Activities of the Company and the Group consist of manufacturing and marketing of industrial, general purpose, sports and examination rubber gloves and management of tea and rubber plantations.

There were no material changes in the nature of business of the Company and the Group during the financial year.

There has been no non-compliance with laws or regulations and the Directors to the best of their knowledge and belief, confirm that the Company has not engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company by the Government or any regulatory authority in any jurisdiction where the Group companies operate.

The Group's businesses and their performance during the year, with comments on financial results, as well as future business developments are apprised in the joint letter from the Chairman and the Managing Director on page 28 of this Report. Those also

provide an overall assessment of the state of affairs of the Group and the Company with details of important events that took place during the period.

The segment wise contribution to Group revenue, profit, result, assets and liabilities are provided in Note 30 to the Financial Statements.

These reports together with the Financial Statements reflect the state of affairs of the Company.

The Company was listed on the Colombo Stock Exchange on January 1, 1982 subsequent to an Initial Public Offering.

2.1 Financial Statements

The Financial Statements of the Company and Group are given on pages 337 to 404

2.2 Independent Auditor's Report

The Independent Auditor's Report on the Financial Statements is given on pages 333 to 336

2.3 Accounting Policies

The accounting policies adopted by the Company and the Group in the preparation of the Financial Statements are given on pages 345 to 363

The Financial Statements and Notes thereto give a true and fair view of the Company's and Group's financial position as of March 31, 2025 and of their performance for the year-ended on that date.

There were no material changes in the Accounting Policies adopted with those of the last year other than disclosed in Notes in the financial statements.

2.4 Directors' Interests In Transactions

The Directors of the Company and its subsidiaries have made the general disclosures provided for in Section 192(2) of the Companies Act. Note 33 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

2.5 Directors' Interests In Shares

Directors of the Company who have relevant interests in the shares of the Company have disclosed their shareholding and any acquisitions/disposals to their Boards, in compliance with Section 200 of the Companies Act.

2.6 Interests Register

The Company, in compliance with the Companies Act, maintains an Interests Register. As further required by the Act, particulars of entries in the Interests Register of the Company and those subsidiaries, which have not dispensed with the requirement to maintain Interest Registers, as permitted under Section 192 (2) of the Companies Act are detailed in page 313

Particulars of entries in the Interests Register are detailed below;

Mr. Dhammika Perera directly and indirectly holds 51.01% of the total issued shares of Hayleys PLC which in return holds 42.12% of shares in the Company.

Hayleys PLC, in which Mr. Mohan Pandithage, Mr. Rajitha Kariyawasan, Mr. Sarath Ganegoda, Mr. Gamini Gunaratne, Mr. Yohan Perera and Mr. Timothy Speldewinde are Directors, holds 252,109,380 shares (42.12%) in the Company.

Volanka (Private) Limited, in which Mr. Mohan Pandithage, Mr. Rajitha Kariyawasan and Mr. Sarath Ganegoda are Directors, holds 48,736,400 shares (8.14%) in the Company.

Haycarb PLC, in which Mr. Mohan Pandithage, Mr. Rajitha Kariyawasan, Mr. Sarath Ganegoda, Mr. Yohan Perera, Ms. Brindhiini Perera, Mr. Nanda Fernando, Ms. Anomi Wanigasekera and Mr. Timothy Speldewinde are Directors, holds 40,687,460 shares (6.80%) in the Company.

Ravi Industries Limited, in which Mr. Mohan Pandithage, Mr. Rajitha Kariyawasan and Mr. Sarath Ganegoda are Directors, holds 5,670,000 shares (0.95%) in the Company.

2.7 Directors' Shareholdings

Details of Directors' shareholdings in the Company are given below.

Name of Director	No of Shares as at 31.03.2025	No of Shares as at 31.03.2024
Mr. A.M.Pandithage	-	-
Mr. H.S.R.Kariyawasan & Mrs. K.H.S Kariyawasan 4,150,850	4,950,710	4,950,710
Mr. H.S.R. Kariyawasan & Mr. H.B. Kariyawasan 799,860		
Mr. R.H.P. Janadheera	440,000	440,000
Mr. S.C. Ganegoda	270,000	270,000
Mr. N.A.R.R.S. Nanayakkara	350,000	350,000
Mr. K.D.G. Gunaratne	-	-
Mr. K.M.D.I. Prasad	-	-
Mr. B.K.C.R. Ratnasiri	-	-
Ms. K.A.D.B Perera	-	-
Mr. M.N.R. Fernando	-	-
Prof. A.P. De Silva	-	-
Mr. P.Y.S. Perera	5,000	5,000
Mr. S. Rajapakse (Resigned w.e.f. 30.11.2024)	-	-
Mr. F. Mohideen (Resigned w.e.f. 30.11.2024)	-	-
Ms. A. I. Wanigasekera (Appointed w.e.f. 04.12.2024)	-	-
Mr. T. A. B. Speldewinde (Appointed w.e.f. 01.04.2025)	-	-
Dr. R. M. U. N. Rathnayake (Appointed w.e.f. 01.04.2025)	-	-
Total	6,015,710	6,015,710

2.8 DIRECTORS' REMUNERATION

Executive Directors' Remuneration is determined within an established framework. The total remuneration of Executive Directors for the year ended March 31, 2025 was Rs. 224,187,178 (2024 - Rs. 172,493,420), which includes the value of perquisites granted to them as part of their term of service. The total remuneration of Non-Executive Directors for the year ended 31st March 2025 was Rs. 10,800,000 Mn (2024 - Rs. 9,300,000), determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

Remuneration paid to the Directors of the subsidiary companies for the financial year ended March 31, 2025 is Rs. 367,415,491 (2024 - Rs. 353,912,148).

2.9 DIRECTORS' INDEMNITY AND INSURANCE

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Company.

2.10 DONATIONS GRI 415

No donations were made for the year ended 31st March 2025. (2023/24 - Nil).

No Donations were made for political purposes.

3. FUTURE DEVELOPMENTS

Information on future developments are contained in the Joint Chairman and Managing Directors Report on page 28 to 33 of this Report.

4. GROUP REVENUE AND INTERNATIONAL TRADE

The gross turnover of the Group during the year was Rs.79,288,551,768 (2024 - Rs. 73,941,959,941). The Group turnover from international trade in the Hand Protection Sector amounted to Rs.46,396,877,746 (2024 - Rs. 43,043,870,007). Further information on Group turnover is detailed in Note 03 to the Financial Statements.

The Group's exports from Sri Lanka during the year under review amounted to Rs.40,230,665,962 (2024- Rs. 37,648,409,261).

The Group's revenue from international trade, which includes the revenue of overseas subsidiaries in addition to exports from Sri Lanka during the year under review amounted to Rs.19,650,212,136 (2024 - Rs. 20,162,315,000).

Annual Report of the Board of Directors on the Affairs of the Company

Trade between Group companies is conducted at fair market prices.

Profits	2025 Rs.'000	2024 Rs.'000
After making provisions for all known liabilities and depreciation on property, plant & equipment the profit earned by the Group before taxation was	6,835,890	7,567,448
And taxation on Group profits amounting to were deducted	(1,802,371)	(1,788,403)
The Group was left with a profit of	5,033,519	5,779,045
And the amount attributable to non-controlling interest of	1,158,061	1,307,229
And other comprehensive income attributable to parent was	(196,093)	(198,021)
And the balance of the previous year net of final dividend and appropriations were adjusted	22,813,078	19,675,210
The profit before appropriation was	26,407,729	23,864,291
Appropriations		
Your Directors have made appropriations as follows:		
First Interim dividend authorised	149,654	598,615
Second Interim dividend authorised	269,377	299,308
Third Interim dividend authorised	209,515	149,654
Forth Interim dividend authorised	508,823	-
Total appropriations	1,137,369	1,047,587

5. RESERVES

The total Group reserves as at 31st March 2025 amount to Rs.31,179,868,327 (2024 - Rs.28,278,241,145) comprising capital reserves of Rs.728,604,235 (2024 - Rs. 610,315,324), available-for-sale reserve of Rs.97,174,421 (2024 - Rs. 88,159,358) and revenue reserves of Rs.30,354,090,128 (2024 - Rs. 27,579,766,256). The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

6.DIVIDEND

First Interim Dividend of Cents Twenty Five (Rs. 0.25) per share was paid to the shareholders on July 18, 2024. The second Interim Dividend of Cents Forty Five (R. 0.45) per share was paid to the shareholders on October 23, 2024. Third Interim Dividend of Cents Thirty Five (Rs.0.35) per share was paid to the Shareholders on January 24, 2025. Fourth Interim Dividend of Cents Eighty Five (Rs.0.85) per share was paid to the Shareholders on April 24, 2025.

The Directors have confirmed that the Company satisfied the solvency test requirement under Section 56 of the Companies Act for the interim dividend

paid. Solvency certificates were obtained from the Auditors as required.

7. PROPERTY, PLANT AND EQUIPMENT

The capital expenditure during the year, on property, plant and equipment by the Group amounted to Rs.4,406,581,000 (2024 - Rs. 4,325,219,000). Information Relating to movement in property, plant and equipment is given in Note 10 to the Financial Statements.

8. MARKET VALUES OF THE PROPERTIES

The freehold land in the Group has in general been subject to routine revaluation by independent qualified valuers. The most recent valuation was conducted in the financial year 2024/25 and results have been incorporated in the Financial Statements.

9. ISSUES OF SHARE AND DEBENTURES

9.1 Stated Capital and Debentures

The stated capital of the Company, consisting of 598,615,120 ordinary shares, amounts to Rs. 598,615,120 as at March 31, 2025. There was no change in the stated capital during the year. The

Company did not issue any shares or Debenture during the year ended March 31, 2025.

9.2 Share Information

Information relating to earnings, dividend, net assets per share and share trading are given on pages 408 to 411.

9.3 Shareholding

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

The Company has an established Policy on Relations with Shareholders and Investors and it is published on the Company's website, <https://www.dplgroup.com/policies/>

9.4 Major Shareholding

The Twenty major shareholders as at March 31, 2025 are given on page 409 in this Report.

9.5 Public Holding

There were 11,594 registered shareholders as at March 31, 2025 (2024 - 14,295). The percentage of shares held by the public, as per the rules of



the Colombo Stock Exchange is 40.99% (2024 – 40.99%). Details are given on page 409.

10. DIRECTORATE

The names of the Directors who served during the year are given below and their brief profiles appear on pages 36 and 39 of this report.

Executive Directors

Mr. A. M. Pandithage (Chairman)

Mr. H.S.R. Kariyawasan (Deputy Chairman)

Mr. R.H.P. Janadheera (Managing Director)

Mr. N.A.R.R.S. Nanayakkara

Mr. K.M.D.I. Prasad

Mr. B.K.C.R. Ratnasiri

Dr. R. M. U. N. Rathnayake (appointed w.e.f. April 1, 2025)

Non-Executive Directors

Mr. S. C. Ganegoda

Mr. K.D.G. Gunaratne

Ms. K.A.D.B Perera

Mr. F. Mohideen (Resigned w.e.f. November 30, 2024)

Independent Non-Executive Directors

Mr. P.Y.S. Perera (Senior Independent Director)

Mr. M.N.R. Fernando

Prof. A.P. De Silva

Mr. S. Rajapakse (Resigned w.e.f. November 30, 2024)

Ms. A.I. Wanigasekera (appointed w.e.f. December 4, 2024)

Mr. T.A.B. Speldewinde (appointed w.e.f. April 1, 2025)

With a view to improving the collective effectiveness and performance of the Board, Board and Sub-committee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

Ms. A. I. Wanigasekera was appointed to the Board on December 4, 2024. In terms of Article 27(2) of the Articles of Association of the Company, Shareholders will be requested to re-elect her at the Annual General Meeting.

Mr. T.A.B. Speldewinde was appointed to the Board on April 1, 2025. In terms of Article 27(2) of the Articles of Association of the Company, Shareholders will be requested to re-elect him at the Annual General Meeting.

Dr. R. M. U. N. Rathnayake was appointed to the Board on 1st April 2025. In terms of Article 27(2) of the Articles of Association of the Company, Shareholders will be requested to re-elect him at the Annual General Meeting.

In terms of Article 29(1) of the Articles of Association of the Company, Mr. S.C. Ganegoda, Mr. N.A.R.R.S. Nanayakkara, Mr. B. K. C. R. Ratnasiri and Ms. K. A. D. B. Perera retire by rotation and being eligible offer themselves for re-election.

Notice has been given of the intention to propose an Ordinary Resolution in terms of Section 211 of the Companies Act for the re-appointment of Mr. A. M. Pandithage who is over Seventy years of age, resolving that the age limit of Seventy years stipulated in Section 210 of the Companies Act shall not apply to the aforesaid director.

The Directors have provided declarations in terms of the Listing Rules on the fitness of Directors and CEO and the Board is satisfied that the Directors have continuously satisfied the 'fit and proper' criteria.

None of the Directors or their close family members have any material business relationship with other directors of the Company.

11. DIRECTORS' MEETING

The number of Directors' meetings comprises Board meetings, Sub-Committees meetings and the attendance of Directors at these meetings are given on page 318 to 326

Furthermore, the Directors contributed towards policy advocacy and direction by participating in the deliberations of the Board-appointed Subcommittees on strategic review, procurement and disposal of assets.

12. BOARD SUBCOMMITTEES

The Board has established and maintains the following sub committees;

Audit Committee

Related Party Transactions Review Committee

Nominations and Governance Committee

Remuneration Committee

Please refer page 318 to 326 for the Board subcommittee reports.

13. RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 9 of the CSE Listing Rules. Please refer Related Party Transactions Review Committee Report on page 322.

The Board of Directors hereby declare that the Company and the Group have complied with the Listing Rules pertaining to related party transactions.

14. DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and Group to present a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, The Companies Act and the Listing Rules. The Statement of Directors' Responsibility for Financial Reporting is given on page 329 which forms an integral part of the Annual Report of the Board of Directors.

Annual Report of the Board of Directors on the Affairs of the Company

15. AUDITORS

The Financial Statements for the year have been audited by Messrs. Ernst & Young, Chartered Accountants.

The Auditors, Messrs Ernst & Young, Chartered Accountants, will be paid Rs.3,772,224 (2024-Rs. 3,383,300) and Rs.24,867,452 (2024-Rs. 23,515,160) as audit fees by the Company and its Subsidiaries respectively. Messrs Ernst & Young, Chartered Accountants will be paid Rs.1,666,231(2024-Rs. 2,923,720) and Rs.7,917,064 (2024-Rs. 8,874,522) by the Company and the Group, for non-audit related work, which consisted mainly of tax consultancy services.

In addition to the above, Rs. 22,921,107 (2024-Rs. 15,927,481) for ICOGUANTI S.p.A., Rs. 1,974,038 (2024 -2,473,745) for Dipped Products (Thailand) Ltd, Rs.8,172,162 (2024- Rs. 11,312,771) for DPL France SAS, Rs.338,845 (2024-Rs. 1,245,575) for ROZENBAL POLSKA Sp.z.o.o and Rs. 140,733 for Dipped Products India (Private) Limited were paid as audit fees in FY 2024/25 respectively.

As far as the Directors are aware, the Auditors of the Company and of the subsidiaries do not have any relationships (other than that of an Auditor) with the Company or any of its subsidiaries other than those disclosed above. The Auditors also do not have any interests in the Company or any of its Group Companies.

Messrs. Ernst & Young, Chartered Accountants have expressed their willingness to continue in office and in accordance with the Companies Act, a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the Financial Year 2025/26 and to authorise the directors to determine their remuneration is being proposed at the Annual General Meeting..

16. EMPLOYMENT

The Company has a structure and a culture that recognises the aspirations, competencies and commitment of its employees. Career growth and

advancement within the Company is promoted. The number of persons employed by the Company at the year-end, details of the Group's human resource practices and employee and industrial relationships are given in the Social and Relationship Capital of the Sustainability Review. The Company does not operate any share option scheme.

17. EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the Reporting date that would require adjustments, other than those disclosed in Note 38 to the Financial Statements.

18. STATUTORY PAYMENTS & ADHERENCE WITH ALL REGULATIONS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due in relation to employees, the Government and other regulatory institutions have been made promptly and are up to date. Dipped Products PLC was in adherence with all Tax regulations of each country of operations and no incidents of Non-compliance were reported during the year.

The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on page 329.

19. ESG RISK AND OPPORTUNITIES

The Group's efforts to conserve scarce and non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on pages 280 to 310. Please refer the Risks and Opportunities and Climate Risk Report on pages 114 for further details.

20. POLICIES

The Company has adopted the following policies, effective from October 1, 2024 and has uploaded them to the Company's website;

- Policy on the Matters relating to the Board of Directors

- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Rewards and Remuneration
- Business Code of Conduct
- Policy on Risk Management and Internal Control
- Policy on Shareholder and Investor Communications
- ESG - Environmental Policies
- ESG - Social Policies
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosure
- Policy on Whistleblowing
- Policy on Good Governance and Business Ethics

'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Company.

The Company has adopted its own policies including "DPL Pulse" its ESG Roadmap in line with the ESG framework of Hayleys PLC.

21. INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records, reliability of financial information generated and cyber security.

All internal controls which include financial controls, operational and compliance controls and risk management have been reviewed by the Board of Directors and they have obtained reasonable assurance of the effectiveness of the existing controls. The successful adherence to existing



controls has been ascertained and improvements have been carried out where necessary. The Board is satisfied with the Company's adherence to and the effectiveness of these controls.

22. CORPORATE GOVERNANCE

The Company has complied with the revised Corporate Governance rules laid down under the Listing Rules and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages from 63 to 104 discusses this further.

Mr. G.D.D. Gunaratne served as the Senior Independent Director of the Company from November 1, 2023 to December 4, 2024.

Mr. P.Y.S Perera was appointed as the Senior Independent Director on December 4, 2024, in accordance with the Corporate Governance requirements. The Board is of the opinion that Mr. A.M. Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Company. Please refer the Senior Independent Director's Report on page 327.

The Directors satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules. There were no non-compliances by any Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and the Group and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules of the Colombo Stock Exchange and other regulatory requirements.

23. RATIOS AND MARKET PRICE INFORMATION

Ratios relating to equity and debt and market price information are given on pages 22 and 23.

24. EXPOSURE TO RISK

The Group has a structured risk management process in place to support its operations. The Audit Committee plays a major role in this process. The risk management section referred in pages 106 to 131 elaborates these practices and the risk factors.

25. GOING CONCERN

The Directors, after making necessary inquiries and reviews including reviews of the Company's budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

26. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on, Thursday, June 26, 2025 at 11:00 A.M. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10. The Notice of the Annual General Meeting appears on page 437

For and on behalf of the Board,

MOHAN PANDITHAGE

Chairman

PUSHPIKA JANADHEERA

Managing Director

HAYLEYS GROUP SERVICES (PRIVATE) LIMITED

Secretaries

No. 400, Deans Road
Colombo 10

May 14, 2025

Nominations and Governance Committee Report

The Board has an established Nominations and Governance Committee which complies with Section 9 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

The Nominations and Governance Committee of the parent company, Hayleys PLC served as the Nominations and Governance Committee of the Company until it formed its own Nominations and Governance Committee ('the Committee') on May 16, 2024. The Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors.

The Members who served on the Committee during Financial Year 2024/25 are as follows:

- Mr. P. Y. S. Perera - Chairman, Senior Independent Director
- Mr. K. D. G. Gunaratne - Non-Executive Director
- Mr. S. C. Ganegoda - Non-Executive Director
- Mr. M. N. R. Fernando - Independent Non-Executive Director
- Prof. A. P. De Silva - Independent Non-Executive Director

MEETING ATTENDANCE

The Committee met twice during the Financial Year 2024/25.

Name of Committee Member	Date of Appointment to the Committee	No. of meetings eligible to attend	No. of meetings attended
Mr. P. Y. S. Perera	May 16, 2024	2	2
Mr. K. D. G. Gunaratne	May 16, 2024	2	2
Mr. S. C. Ganegoda	May 16, 2024	2	2
Mr. M. N. R. Fernando	December 4, 2024	1	1
Prof. A. P. De Silva	December 4, 2024	1	1

Mr. K. D. G. Gunaratne, stepped down as the Chairman of the Nominations and Governance Committee when he was re classified as Non-Independent since having served over 9 years on the Board. Mr. P.Y.S. Perera, Independent Non-Executive Director was appointed as the Chairman of the Committee on December 4, 2024.

The Board has approved well-defined terms of reference outlining the Committee's purpose, composition, quorum, authority, responsibilities, and meeting related matters.

DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- To establish and maintain a formal and transparent procedure to evaluate and recommend the appointment of Directors of the Company considering the required skills, experience and qualifications necessary.
- To establish and maintain a set of criteria for selection of Directors taking into consideration the nature of the business of the Company and industry specific requirements.
- To consider and recommend (or not recommend) the re-election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.

- To establish and maintain a suitable process for the periodic evaluation of the performance of the Board Directors and the Chief Executive of the Company to ensure their responsibilities are satisfactorily discharged.
- To review the succession plans for Board of Directors and Key Management Personnel.
- To review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices.
- To review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- To receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

ACTIVITIES DURING THE YEAR

The Committee reviewed and evaluated the profiles of proposed Directors and recommended their appointment to the Board. The Committee also reviewed the structure and composition of the Board and Board Committees and recommended additions to Committees. Board performance evaluation was



carried out and discussed at Board meetings. This entails the evaluation of performance of the Board, its Committees and the performance of the Chief Executive. Any major issues relating to the company are updated to the Independent Directors by the Chairman or Managing Director.

The Policies of the Company were reviewed during the year and necessary amendments were incorporated. The Committee ensured that the Policies were uploaded on the Company website. Sub Committee Charters and Terms of Reference were reviewed and amended where necessary. The list of Policies of the Company is given on page 66 of this Report. The policies and processes relating to the nomination of new Members to the Board are governed by the Policy on Corporate Governance.

The Committee also checked the Independence of the Directors against the criteria for independence as set out in the Listing Rules. The Committee ensured that the declaration of independence is carried out by the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence. The Committee also evaluated all the Directors against the Fit and Proper assessment criteria.

The Committee ensured that Corporate Governance rules stipulated by the Colombo Stock Exchange are adhered to by the Board and the Company throughout the year. It has further established Board diversity by bringing a wide range of experience and skills, age and gender diversity to the Board to make certain that the Board effectively performs its duties.

Newly appointed Directors were inducted to the Board by giving adequate information on the Group companies and their respective local and foreign operations. They were also updated on the Listing Rules on corporate governance and securities market regulations.

RE-APPOINTMENTS / RE-ELECTIONS

One Third (1/3) of all the directors, except the Managing Director and those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Mr. S.C. Ganegoda, Mr. N.A.R.R.S. Nanayakkara, Mr. B.K.C.R. Ratnasiri and Ms. K.A.D.B. Perera to the Board at the Annual General Meeting to be held on June 26, 2025, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. Ganegoda, Non-Executive Director, was appointed to the Board on September 1, 2009, and was last re-appointed as a Director in June 2023. His directorships and other principal commitments are given in the profile on page 36. He serves on the Remuneration, Related Party Transactions Review and Nominations and Governance Committees of the Company.

Mr. Nanayakkara, Executive Director, was appointed to the Board on July 1, 2014, and was last re-appointed as a Director in June 2023. His profile is given on page 37. He does not serve on any Board Sub-Committees.

Mr. Ratnasiri, Executive Director, was appointed to the Board on April 1, 2022 and was re-appointed as a Director in June 2023. His profile is given on page 37. He does not serve on any Board Sub-Committees.

Ms. Perera, Non-Executive Director, was appointed to the Board on October 19, 2022 and was re-appointed as a Director in June 2023. Her directorships and other principal commitments are given in the profile on page 37. She does not serve on any Board Sub-Committees.

Directors Ms. A.I. Wanigasekera who was appointed to the Board on December 4, 2024, and Mr. T A B Speldewinde and Dr. R.M.U.N. Rathnayake who were appointed to the Board on April 1, 2025 will come up for re-election by the shareholders at the Annual General Meeting. Their profiles in pages 38 set out their other principal commitments and directorships

Ms. A.I. Wanigasekera, Independent and Non-Executive Director serves on the Audit Committee of the Company.

Mr. T.A.B. Speldewinde, Independent and Non-Executive Director and Dr. R.M.U.N. Rathnayake, Executive Director do not serve on any sub committees of the Company.

Due to the invaluable contribution made to the Board as a result of his many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. Abeyakumar Mohan Pandithage who is over seventy years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in page 64.

Yohan Perera

Chairman - Nominations and Governance Committee

May 14, 2025

Remuneration Committee Report

The Remuneration Committee of the Company was formed on May 16, 2024. Until such time, the Remuneration Committee of the Parent Company, Hayleys PLC functioned as the Remuneration Committee to the Company.

The Remuneration Committee ('the Committee') is appointed by and is responsible to the Board of Directors. The Members who served on the Committee during the Financial Year 2024/25 are as follows:

- Mr. P. Y. S. Perera - Chairman, Senior Independent Director
- Mr. K. D. G. Gunaratne - Non-Executive Director
- Mr. S. C. Ganegoda - Non-Executive Director
- Mr. M. N. R. Fernando - Independent Non-Executive Director
- Prof. A. P. De Silva - Independent Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

The Committee met once during the year under review.

Name of Committee Member	No. of meetings eligible to attend	No. of meetings attended
Mr. P. Y. S. Perera	1	1
Mr. K. D. G. Gunaratne	1	1
Mr. S. C. Ganegoda	1	1
Mr. M. N. R. Fernando	N/A	N/A
Prof. A. P. De Silva	N/A	N/A

With the revision of the Listing Rules in relation to independence of Directors, Mr. K.D.G. Gunaratne, who served as the Chairman of the Committee stepped down as Chairman on December 4, 2024 to comply with the Listing Rules as he was reclassified as a Non-Independent Non-Executive Director, since he had served on the Board for over nine years. The Board appointed Mr. P.Y.S. Perera, Senior Independent Director as the Chairman of the Remuneration Committee on December 4, 2024. Further Mr. M.N.R. Fernando and Prof. A.P. De Silva were appointed as Members of the Committee on December 4, 2024.

Hayleys Group Services (Private) Limited, the Secretary of the Company, acts as the Secretary to the Committee.

The Remuneration Committee has well defined Terms of Reference outlining the Committee's, composition, quorum, authority, responsibilities and meeting related matters. The Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors who are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Committee is responsible to the Board to determine the policy of the remuneration package of the Directors and Senior Management.

The Committee evaluates, assesses and recommends to the Board of Directors on matters that may affect Human Resources Management of the Company and specifically include;

- Review and approve the Remuneration Policy of the Company and its specific application to the Directors and Senior Management.
- Review the process of determination of the compensation of the Executive Directors and Senior Management.
- Review and approve guidelines, policies and parameters for the compensation structures for Senior Management.
- Evaluate the performance of the Senior Management against the predetermined targets and goals.
- Review information related to Executive Directors' and Senior Management pay from time to time to ensure same is in par with the market/industry rates.
- Approve the guidelines and parameters for annual salary increments and bonuses.

REMUNERATION POLICY

The remuneration policy of the Company is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Company and



commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Companies short term and long-term strategy.

All Non-Executive Directors (other than Directors who are employed by Hayleys PLC) receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related incentive payments.

ACTIVITIES IN 2024/2025

During the year the Committee reviewed the performance of the Managing Director, Executive Directors and Senior Management based on the targets set in the previous year. The Committee also reviewed, Executives Directors and Senior Management's compensation packages and implemented market corrections to total compensation packages in line with the market median.

The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to Rs. 234,978,178.

Yohan Perera

Chairman - Remuneration Committee

May 14, 2025

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee of the Company was formed on May 16, 2024. Until such time, the Related Party Transactions Review Committee of the Parent Company Hayleys PLC functioned as the Related Party Transactions Review Committee ('the Committee') to the Company.

The Members who served on the Committee during the Financial Year 2024/25 are as follows:

- Mr. P. Y. S. Perera - Chairman, Senior Independent Director
- Mr. K. D. G. Gunaratne - Non Executive Director
- Mr. S. C. Ganegoda - Non Executive Director
- Mr. M. N. R. Fernando - Independent Non Executive Director
- Ms. A. I. Wanigasekera - Independent Non Executive Director

ATTENDANCE AT COMMITTEE MEETINGS

The Committee met 4 times, on a quarterly basis during the year under review.

Name of Committee Member	No. of meetings eligible to attend	No. of meetings attended
Mr. P. Y. S. Perera	4	4
Mr. K. D. G. Gunaratne	4	4
Mr. S. C. Ganegoda	4	4
Mr. M. N. R. Fernando	2	2
Ms. A. I. Wanigasekera	2	2

With the revision of the Listing Rules in relation to independence of Directors, Mr. K.D.G. Gunaratne, who served as the Chairman of the Committee stepped down as Chairman on December 4, 2024 to comply with the Listing Rules as he was reclassified as a Non-Independent Non-Executive Director, since he had served on the Board for over nine years. The Board appointed Mr. P.Y.S. Perera, Senior Independent Director as the Chairman of the Committee on December 4, 2024.

Profiles of the Committee Members are given in Pages 36 to 39.

Hayleys Group Services (Private) Limited, the Secretary of the Company, acts as the Secretary to the Committee. Minutes of the Committee meetings are tabled at the Board meetings thereby providing the Directors access to the deliberations of the Committee.

The Chairman of the Company, Managing Director, Chief Financial Officer and any other officers as may be required by the Committee attend the meetings by invitation.

THE DUTIES OF THE COMMITTEE

- To review in advance all proposed related party transactions of the Group companies either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

- Seek any information the Committee requires from the Management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the Group companies are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/ non-recurrent-related party transactions.

- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining “competent independent advice” from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

TASK OF THE COMMITTEE

The Committee reviewed the related party transactions of the Company and its subsidiaries and their compliances and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management.

POLICY AND TERMS OF REFERENCE

The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify the related parties and the process of reporting the transactions with related parties to the Committee on a quarterly basis. The Policy outlines the composition of the Committee, meeting procedures and the responsibilities of the Committee. It also specifies the approval processes and disclosure requirements, including market announcements and Annual Report disclosures. The Policy guides the Committee and makes them responsible for ensuring that no director or major shareholder takes advantage of their position to the detriment of the interest of minority shareholders.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclose under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 33 in the financial statements given in page 393 to 394 this report.

DECLARATION

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the report of the Board of Directors on page 312 of this Report.



Yohan Perera

Chairman - Related Party Transactions Review Committee

May 14, 2025

Audit Committee Report

The Audit Committee ('the Committee') is appointed by and is responsible to the Board of Directors of the Company in fulfilling its oversight responsibilities on financial reporting. It will review the financial reporting process, the integrity of the financial statements, the systems of internal control, the audit process and the Company's process for monitoring compliance with laws and regulations:

COMPOSITION

The Members who served on the Committee during the Financial Year 2024/25 are as follows:

- Mr. P. Y. S. Perera (Chairman, Senior Independent Director)* (appointed as Chairman of the Committee w.e.f. 12.11.2024)
- Mr. S. Rajapakse* (resigned as Member and Chairman of the Committee w.e.f. 12.11.2024)
- Mr. F. Mohideen** (resigned w.e.f. 30.11.2024)
- Mr. M. N. R. Fernando*
- Ms. A. I. Wanigasekera* (appointed w.e.f. 04.12.2024)

*Independent Non-Executive Director

**Non-Executive Director

The Chairman of the Committee is a senior Chartered Accountant. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. The other Members possess relevant knowledge, qualifications and experiences in financial reporting, control, legal and regulatory requirements.

Brief profiles of each Member are provided on pages 36 to 39 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Hayleys Group Services (Private) Limited, the Secretary of the Company, acts as the Secretary to the Committee.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relating to the functions of the Committee are updated.

The Terms of Reference of the Committee are clearly defined in the Audit Committee Charter. The Terms of Reference of the Committee were last reviewed and approved by the Committee on February 7, 2024.

The 'Rules on Corporate Governance' under the Listing Rules of the Colombo Stock Exchange and the 'Code of Best Practice on Corporate Governance' issued by the Institute of Chartered Accountants of Sri Lanka in 2023, further regulate the composition, roles and functions of the Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Committee meets as often as may be deemed necessary. It met 4 times to discuss the quarterly and annual Financial Statements for the financial year under review.

The attendance of the Members at these meetings is as follows:

Name of Directors	No. of meetings eligible to attend	No. of meetings attended
Mr. P. Y. S. Perera	4	4
Mr. S. Rajapakse	2	2
Mr. F. Mohideen	2	2
Mr. M. N. R. Fernando	4	4
Ms. A. I. Wanigasekera	2	2

The Chairman of the Board, Managing Director, Executive Directors and the Chief Financial Officer of the Company, the Hayleys Group Chief Financial Officer and Head of Group Management Audit and System Review Department (MA&SRD) attend the meetings of the Committee by invitation. The External Auditors are also invited to be present where relevant.

The proceedings of the Committee are reported quarterly to the Board of Directors by tabling the minutes of the Committee Meetings and updates by the Chair of the Committee on matters that require the attention of the Board.



Audit Committee meeting papers, including the agenda, minutes and related reports and documents, are circulated to the Committee Members in advance.

THE AUTHORITY OF THE AUDIT COMMITTEE

- Recommend the appointment, reappointment, dismissal, service period and fees of the External Auditor.
- Establish and maintain a direct communication channel with the External Auditor.
- Resolve any issues regarding financial reporting between the Management and the External Auditor.
- Pre-approve all audit and non-audit services performed by the External Auditor and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the Management and External Auditor as necessary to carry out the assigned duties.

ACTIVITIES IN 2024/25

The Committee, inter alia, engaged in the following activities during the financial year under review:

FINANCIAL REPORTING SYSTEM

The Committee reviewed the quality and integrity of the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Finance and Directors in charge of operating units and the Chief Financial Officer. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognised the adequacy of the content and quality of routine management

information reports forwarded to the management, regulatory authorities and shareholders.

Further, the Committee reviewed the procedures established by the Management to comply with regulatory requirements and is satisfied that financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirement are met.

INTERNAL CONTROL SYSTEMS

The Committee reviewed the process to assess the adequacy and effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that Group assets are safeguarded and the financial reporting system can be relied upon in the preparation and presentation of Financial Statements.

The Hayleys Group MA&SRD regularly reports on key control elements and procedures in Group companies that are selected according to a Group Annual Internal Audit Plan. Internal Audits are outsourced wherever necessary, to leading audit firms in line with the Annual Audit Plan. The Committee obtained significant findings and recommendations together with the Management's responses on the review of the internal controls carried out by the internal auditors and provided recommendations for improvement. Follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee also evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Hayleys Group MA&SRD, in the conduct of their assignments.

The Annual Internal Audit Plan is approved by the Audit Committee and its progress is reviewed on a quarterly basis in order to reflect the changing business needs and to ensure new and emerging risks are considered. During

the financial year 2024/25, 04 internal audits were performed.

RISK MANAGEMENT

The Committee obtained and reviewed statements from the Heads of Business Sectors identifying their respective major business risks, and mitigation action taken or contemplated for the management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the Group.

The Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related-risks and opportunities.

The Committee reviewed the risk management, internal controls, business continuity planning, information security system and potential cyber risks in the Group and appropriate remedial actions were recommended to the Management and the Board.

A review of the insurance policies and their adequacy was also carried out.

SUBSIDIARY COMPANY AUDIT COMMITTEES

Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC and Horana Plantations PLC which are the other listed companies in the Group have Independent Non-Executive Directors in their own Audit Committees to review activities. Their Terms of Reference are similar to the Terms of Reference of the Company and reports from these Audit Committees are forwarded to the Company's Audit Committee

EXTERNAL AUDIT

During the year under review, the Committee held meetings with the External Auditor to review the nature, approach, scope of the audit, Audit Plan and the Audit Management Letters of Group Companies. Actions taken by the Management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the Heads of Business Units. Remedial action was recommended wherever necessary.

Audit Committee Report

The Committee has reviewed the other services provided by the External Auditor to the Group to ensure that their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity for the External Auditor to meet the Audit Committee Members independently, if necessary.

The Committee annually reviews the appointment of the External Auditor and makes recommendations to the Board accordingly. During the year under review, the Committee assessed the independence and effectiveness of the External Audit function and is satisfied that the independence of the External Auditor had not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the External Auditor and the level of audit and non-audit fees received by the Auditor, in order to ensure that it did not compromise their independence.

The Committee obtained written assurance from the External Auditors that they are and have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same.

The current External Auditor, Messrs. Ernst & Young, Chartered Accountants was initially appointed as External Auditor in 2011/12 and continues to hold that position at present. A partner rotation of the Auditors takes place periodically. A rotation of the Audit Partner took place in 2022/23.

APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, continue as External Auditors for the financial year ending 31st March 2026 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2024/25.

COMPLIANCE

The Committee obtained written assurances from the respective Managing Director and CFOs of Group Companies on the status of the Group's operations and finances. The Committee also received representations on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from the Head of HR and Legal regarding compliance matters.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, the Internal Code of Business Conduct and Ethics, the policies on Whistleblowing and Anti-Bribery and Corruption were put in place. The Policies were followed by educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblowers.

SRI LANKA ACCOUNTING STANDARDS

The Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Company and made recommendation to the Board of Directors. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals. The Committee has pursued the assistance of Messrs. Ernst & Young to assess and review the existing SLFRS policies and procedures adopted by the Group and continuously monitors the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

SUPPORT TO THE COMMITTEE

The Committee received information and support from the Management during the year to enable it to carry out its duties and responsibilities effectively.

EVALUATION OF THE COMMITTEE

An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year, and considering the overall conduct of the Committee and its contribution on the overall performance of the Company, the Committee has been rated as highly effective.



Yohan Perera

Chairman - Audit Committee

May 14, 2025

Statement By the Senior Independent Director

In order to comply with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of Dipped Products PLC ('the Company') designated me as the Senior Independent Director (SID) of the Company with effect from December 4, 2024. Prior to my appointment, Mr. K. D. D. Gunaratne served as the SID of the Company.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and CEO are the same person or where the Chairman is not an Independent Director, a Senior Independent Director (SID) shall be appointed. At Dipped Products PLC although the Chairman is not the CEO, he is not an Independent Director.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

A Meeting was held with the Non-Executive Directors without the presence of the Executive Directors. At this meeting the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors. Discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations was duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and making a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



Yohan Perera

Senior Independent Director

May 14, 2025

Responsibility Statement of Chairman, Managing Director and Chief Financial Officer

The Financial Statements of Dipped Products PLC and the Consolidated Financial Statements of the Group, as at March 31, 2025, are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- The Companies Act No. 07 of 2007
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Listing Rules of the Colombo Stock Exchange
- The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka

We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied, as described in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our External Auditors.

We have also taken proper and sufficient care in installing systems of internal controls and accounting records to safeguard assets and to prevent and detect frauds as well as other irregularities. These have been reviewed, evaluated, and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by Group's Internal Auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the effectiveness of the audits and to discuss auditing, internal controls, and financial reporting issues. The Independent Auditors and the Internal Auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by independent External Auditors, Messrs Ernst & Young, Chartered Accountants. Their report is given on pages 333 to 336 of the Annual Report.

The Audit Committee approves the audit and non-audit services provided by the External Auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that,

The Company and its Subsidiaries have complied with all applicable laws, regulations and prudential requirements;

There are no material non-compliances; and

There are no material litigations that are pending against the Group.



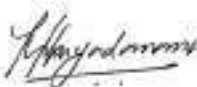
Mohan Pandithage

Chairman/Chief Executive



Pushpika Janadheera

Managing Director



Amila Priyadarshana

Chief Financial Officer

May 14, 2025

Statement of Director's Responsibility Report

The Directors are responsible, under Sections 150 (1), 151, 152 (1), 153 (1) & 153 (2) of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards/Sri Lanka Accounting Standards (SLFRS/LKAS). The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken reasonable measures to safeguard the assets of the Group, and in that context, have instituted appropriate systems of internal control with a view to preventing and detecting frauds and other irregularities.

The Directors are also required to ensure that company has adequate resources to continue in operations to justify applying the going concern basis in preparing these financial statements.

The External Auditors, Messrs Ernst & Young, Chartered Accountants who were re-appointed in terms of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 333 to 336 sets out their responsibilities in relation to the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its Subsidiaries as at the Balance Sheet date have been paid or where relevant, provided for.

By Order of the Board,



Hayleys Group Services (Private) Limited.

Secretaries

May 14, 2025



Financial Statements



Anchored in Stability

DPL's financial statements reflect hard work, innovation, and prudent decision-making that have guided us for decades. They provide a snapshot of our stability and growth, highlighting the strong foundation we have built and the promising future ahead.

The Pelican, known for its resourcefulness, teamwork, and adaptability symbolises DPL's approach to financial stability. Just as these birds collaborate to gather resources and navigate diverse environments, we remain agile and focused, ensuring that our financial strategies drive long-term growth, no matter the challenges.

Financial Calendar 2024/25 **332** / Independent Auditor's Report **333** /
Statement of Profit or Loss **337** / Statement of Comprehensive Income **338** / Statement of Financial Position **339** /
Statement of Changes in Equity **340** / Statement of Cash Flows **343** / Notes to the Financial Statements **345**

Financial Calendar

Interim Reports

Quarter ended June 30, 2024	August 8, 2024
Quarter ended September 30, 2024	November 11, 2024
Quarter ended December 31, 2024	February 10, 2025
Quarter ended March 31, 2025	May 14, 2025
Annual Report - 2024/25	June 03, 2025
Forty Ninth Annual General Meeting	June 26, 2025
First Interim dividend paid	July 18, 2024
Second Interim dividend paid	October 23, 2024
Third Interim dividend paid	January 24, 2025
Fourth Interim dividend paid	April 24, 2025

Independent Auditor's Report



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka
Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eyst@k.ey.com
ey.com

TO THE SHAREHOLDERS OF DIPPED PRODUCTS PLC Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Dipped Products PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics

for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue The Group recognised revenue from contracts with customers amounting to Rs. 79,289Mn, as disclosed in Notes 3 and 2.18.1 to the financial statements Revenue was a key audit matter due to: - the materiality of revenue reported for the year; and - considerations to be made on terms of sales arrangements relating to the timing of transfer of control of the goods and services.	Our audit procedures included the following key procedures: - Assessed whether the Group’s accounting policy for revenue recognition has been appropriately applied. - Tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue. - Obtained an understanding of the nature of revenue contracts entered in to by the Group. - Performed analytical procedures to understand and assess the reasonableness of the reported revenues. - Tested revenue transactions to sales contracts and other supporting documents. Our procedures included testing: - Revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; In particular, we tested how terms of sales arrangements were considered within the revenue recognition process. - Journal entries recognised to revenue. We also assessed the adequacy of the related disclosures set out in Notes 3 and 2.18.1 to the financial statements.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Measurement of Retirement Benefit Obligation As disclosed in note 25 to the financial statements, the Group's retirement benefit obligation amounted to Rs. 4,737 Mn and represented 14% of the Group's total liabilities as of 31 March 2025. The value of retirement benefit obligation was based on the actuarial valuations carried out by an external valuer engaged by the Group. This was a key audit matter due to: ▪ The materiality of the reported retirement benefit obligation balance; and ▪ The degree of management judgements, assumptions and estimation uncertainties associated with measurement of the retirement benefit obligation. Key areas of significant judgements, assumptions and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary / wage growth rate as disclosed in Note 25 to the financial statements.	Our audit procedures included the following key procedures: ▪ Assessed the competence, capability and objectivity of the external actuary engaged by the Group. ▪ Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. ▪ Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. ▪ Assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in Note 25 to the financial statements.
Measurement of Bearer Biological Assets As of 31 March 2025, the Group's bearer biological assets amounted to Rs. 9,253 Mn and represented 12% of the Group's total assets. Bearer Biological Assets comprised of Rs. 6,861 Mn Mature Plantations and Rs 2,392 Mn of Immature plantations, as disclosed in Note 10 to the financial statements. Measurement of Bearer Biological Assets in the financial statements was a key audit matter due to: ▪ The materiality of the reported bearer biological asset balance; and ▪ The degree of management's judgement involved in the identification of the point at which transfers are to be made from immature plantations to mature plantations and possible indicators of impairment, as disclosed in Notes 2.7 and 10 to the financial statements.	Our audit procedures included the following key procedures: ▪ Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalised in relation to immature plantations. ▪ Tested the significant expenses incurred by capital expenditure authorisations and other corroborative evidence. ▪ Tested transfer of immature plants to respective matured plantation categories by examining ageing profile of immature plantations ▪ Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. ▪ Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the disclosures made in Notes 2.7 and 10 to the financial statements.

Other Information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

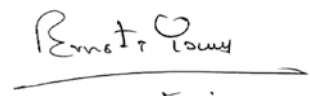
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.



May 14, 2025
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Statement Of Profit Or Loss

Year ended March 31,	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue from contracts with customers	3	79,288,552	73,941,960	9,385,267	9,003,205
Cost of sales		(62,724,264)	(56,882,914)	(6,689,449)	(6,086,685)
Gross profit		16,564,288	17,059,046	2,695,818	2,916,520
Other income and gains	4	1,303,493	819,820	670,535	754,572
Distribution costs		(2,012,670)	(1,956,362)	(87,387)	(132,032)
Administrative expenses		(8,683,199)	(8,193,104)	(1,612,977)	(1,459,515)
Finance cost	5.1	(972,431)	(1,466,345)	(169,680)	(371,414)
Finance income	5.2	629,228	1,296,256	70,874	254,374
Share of Profit from equity accounted investee (Net of tax)	17	7,181	8,137	-	-
Profit before tax	6	6,835,890	7,567,448	1,567,183	1,962,505
Tax expense	7	(1,802,371)	(1,788,403)	(105,319)	(162,336)
Profit for the year		5,033,519	5,779,045	1,461,864	1,800,169
Attributable to:					
Equity holders of the parent		3,875,458	4,471,816	1,461,864	1,800,169
Non-controlling interest		1,158,061	1,307,229	-	-
		5,033,519	5,779,045	1,461,864	1,800,169
Basic earnings per share (Rs.)	8	6.47	7.47	2.44	3.01
Diluted earnings per share (Rs.)	8	6.47	7.47	2.44	3.01
Dividends per share (Rs.)	9	1.90	2.25	1.90	2.25

Figures in brackets indicate deductions.

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended March 31,	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit for the year		5,033,519	5,779,045	1,461,864	1,800,169
Other comprehensive income (OCI)					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)					
Currency translation of foreign operations		229,005	(971,030)	(878)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)					
Actuarial gain/(loss) on defined benefit plans and agents' indemnity fund	25.1	(491,049)	(484,428)	(19,862)	(42,792)
Tax effect on actuarial gain/(loss)	7.2/18.2	140,252	147,722	5,959	12,837
Net gain on equity instruments designated at Fair Value through Other Comprehensive Income	16.1/16.2.1	12,447	26,260	-	-
Revaluation of land	10	169,745	-	94,394	-
Tax effect on land revaluation	7.2/18.2	(42,268)	-	(28,318)	-
Other comprehensive income for the year (net of tax)		18,132	(1,281,476)	51,295	(29,955)
Total comprehensive income for the year (net of tax)		5,051,651	4,497,569	1,513,159	1,770,214
Attributable to:					
Equity holders of the parent		4,036,016	3,330,895	1,513,159	1,770,214
Non-controlling interest		1,015,635	1,166,674	-	-
Total comprehensive income for the year (net of tax)		5,051,651	4,497,569	1,513,159	1,770,214

Figures in brackets indicate deductions.

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

Statement of Financial Position

As at March 31,	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	30,106,785	23,971,323	2,683,620	2,043,185
Formers (moulds)	11	943,511	729,505	319,915	207,694
Biological assets	12	1,651,025	1,506,271	-	-
Right of use assets	13	2,226,241	1,798,682	218,737	-
Intangible assets	14	717,748	683,449	-	-
Investments in subsidiaries	15.1	-	-	8,886,052	7,347,658
Other non-current financial assets	16	442,049	426,349	117	522
Investments in equity accounted investee	17	147,039	139,858	-	-
Deferred tax assets	18.1	212,117	233,926	117,776	62,700
		36,446,515	29,489,363	12,226,217	9,661,759
Current Assets					
Inventories	19	13,935,238	11,685,227	1,548,835	1,227,962
Trade and other receivables	20	13,352,185	12,193,920	2,413,328	1,931,850
Advances and prepayments		1,783,066	1,568,917	271,190	316,532
Amounts due from subsidiaries	21	-	-	732,438	1,325,931
Cash and short term deposits		9,098,676	8,975,940	776,878	1,212,006
		38,169,165	34,424,004	5,742,669	6,014,281
Total assets		74,615,680	63,913,367	17,968,886	15,676,040
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	598,615	598,615	598,615	598,615
Capital reserves		728,604	610,315	332,353	266,277
Fair value reserve of financial assets at fair value through OCI		97,174	88,159	-	-
Revenue reserves		30,354,090	27,579,766	9,802,505	9,489,811
Equity attributable to equity holders of the parent		31,778,483	28,876,855	10,733,473	10,354,703
Non-controlling interest		7,852,737	7,203,020	-	-
Total equity		39,631,220	36,079,875	10,733,473	10,354,703
Non-Current Liabilities					
Interest-bearing loans and borrowings	23.1	3,820,982	4,300,664	223,250	400,308
Deferred income	24	849,174	886,703	-	-
Defined benefit obligations	25.2	4,736,991	4,006,968	879,453	837,589
Agents' indemnity fund	26	140,966	131,779	-	-
Deferred tax liabilities	18.2	2,758,394	2,526,532	-	-
		12,306,507	11,852,646	1,102,703	1,237,897
Current Liabilities					
Trade and other payables	27	13,883,559	10,146,063	2,616,698	2,288,667
Interest-bearing loans and borrowings	23.2	8,192,783	5,290,534	2,289,432	860,629
Amounts due to subsidiaries	28	-	-	1,123,720	877,047
Income tax payable	29.2	601,611	544,249	102,860	57,097
		22,677,953	15,980,846	6,132,710	4,083,440
Total liabilities		34,984,460	27,833,492	7,235,413	5,321,337
Total equity and liabilities		74,615,680	63,913,367	17,968,886	15,676,040

Figures in brackets indicate deductions.

These financial statements have been prepared in compliance with the requirements of the Companies Act No : 07 of 2007

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

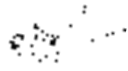


Amila Priyadarshana
Chief Financial Officer

The Board of Directors are responsible for these Financial Statements.
Signed for and on behalf of the Board by,



Mohan Pandithage
Chairman
Colombo
May 14, 2025



Pushpika Janadheera
Managing Director

Statement of Changes in Equity

Year ended March 31,	Stated Capital	Attributable to Equity holders of the Parent											Non-Controlling Interest	Total Equity
		Capital Reserves		Components of Equity			Revenue Reserves							
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through OCI	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve	Total			
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 1, 2023	598,615	167,409	305,299	137,607	69,139	1,190,950	285,459	32,811	19,650,048	4,537,723	26,975,061	6,540,249	33,515,310	
Profit for the year	-	-	-	-	-	-	89,184	(4,470)	4,387,102	-	4,471,816	1,307,229	5,779,045	
Other comprehensive income														
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	(961,920)	(961,920)	(9,110)	(971,030)	
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	19,020	-	-	-	-	-	-	7,240	26,260	
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(286,261)	-	(286,261)	(198,167)	(484,428)	
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	88,240	-	88,240	59,482	147,722	
Total other comprehensive income	-	-	-	-	19,020	-	-	-	(198,021)	(961,920)	(1,140,921)	(140,555)	(1,281,476)	
Total comprehensive income for the year	-	-	-	-	19,020	-	89,184	(4,470)	4,189,081	(961,920)	3,330,895	1,166,674	4,497,569	
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,346,884)	-	(1,346,884)	(516,731)	(1,863,615)	
Unclaimed dividend written-back	-	-	-	-	-	-	-	-	6,199	-	6,199	6,245	12,444	
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,340,685)	-	(1,340,685)	(510,486)	(1,851,171)	
Adjustment due to change in holding									(91,329)	2,914	(88,415)	6,583	(81,832)	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(91,329)	2,914	(88,415)	6,583	(81,832)	
Balance as at March 31, 2024	598,615	167,409	305,299	137,607	88,159	1,190,950	374,643	28,341	22,407,115	3,578,717	28,876,855	7,203,020	36,079,875	

Other Capital Reserve comprises legal reserve of ICOGUANTI S.p.A and Dipped Products (Thailand) Ltd.

Revaluation Reserve relates to the revaluation of land.

Fair Value Reserve of Financial Assets at FVTOCI relates to change in fair value of financial assets at FVTOCI.

General Reserve comprises profits set aside for future distribution and investment.

Timber Reserve relates to changes in fair value of managed trees and commercial timber plantations cultivated on estates.

Bearer Biological Produce Reserve relates to the changes in the fair value of agricultural produce of bearer biological assets on plantation estates.

Exchange Fluctuation Reserve comprises all foreign currency differences arising from translation of the Financial Statements of foreign operations.

Figures in brackets indicate deductions.

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

Year ended March 31,	Stated Capital	Attributable to Equity holders of the Parent												Non-Controlling Interest	Total Equity
		Capital Reserves		Total Other Components of Equity			Revenue Reserves				Total				
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through OCI	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve					
												Rs.'000	Rs.'000		
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 1, 2024	598,615	167,409	305,299	137,607	88,159	1190,950	374,643	28,341	22,407,115	3,578,717	28,876,855	7,203,020	36,079,875		
Profit for the year	-	-	-	-	-	-	48,249	6,521	3,820,688	-	3,875,458	1,158,061	5,033,519		
Other comprehensive income															
Revaluation of land	-	-	156,711	-	-	-	-	-	-	-	156,711	13,034	169,745		
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	229,348	229,348	(343)	229,005		
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	9,015	-	-	-	-	-	9,015	3,432	12,447		
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(270,168)	-	(270,168)	(220,881)	(491,049)		
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	-	74,074	-	66,178	140,252		
Tax effect on land revaluation	-	-	(38,422)	-	-	-	-	-	-	-	(38,422)	(3,846)	(42,268)		
Total other comprehensive income	-	-	118,289	-	9,015	-	-	-	(196,094)	229,348	160,558	(142,426)	18,132		
Total comprehensive income for the year	-	-	118,289	-	9,015	-	48,249	6,521	3,624,594	229,348	4,036,016	1,015,635	5,051,651		
Transactions with owners, recorded directly in equity															
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,137,369)	-	(1,137,369)	(365,918)	(1,503,286)		
Unclaimed dividend written-back	-	-	-	-	-	-	-	-	2,980	-	2,980	-	2,980		
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,134,389)	-	(1,134,389)	(365,918)	(1,500,306)		
Balance as at March 31, 2025	598,615	167,409	423,588	137,607	97,174	1,190,950	422,892	34,862	24,897,320	3,808,065	31,778,483	7,852,737	39,631,220		

Other Capital Reserve comprises legal reserve of ICOGUANTI S.p.A and Dipped Products (Thailand) Ltd.

Revaluation Reserve relates to the revaluation of land

Fair Value Reserve of Financial Assets at FVTOCI relates to change in fair value of financial assets at FVTOCI.

General Reserve comprises profits set aside for future distribution and investment.

Timber Reserve relates to changes in fair value of managed trees and commercial timber plantations cultivated on estates

Bearer Biological Produce Reserve relates to the changes in the fair value of agricultural produce of bearer biological assets on plantation estates.

Exchange Fluctuation Reserve comprises all foreign currency differences arising from translation of the Financial Statements of foreign operations.

Figures in brackets indicate deductions.

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

Statement of Changes in Equity

Year ended March 31,	Stated Capital	Capital Reserves		Reserves		Total Equity
		Revaluation Reserve	Other Capital Reserves	Exchange Fluctuation Reserve	Retained Earnings	
Company	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at April 01, 2023	598,615	266,097	180	-	9,066,481	9,931,373
Profit for the year	-	-	-	-	1,800,169	1,800,169
						-
Other comprehensive income						-
Actuarial gain on defined benefit plans	-	-	-	-	(42,792)	(42,792)
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	12,837	12,837
Total other comprehensive income	-	-	-	-	(29,955)	(29,955)
Total comprehensive income for the year	598,615	266,097	180	-	1,770,214	1,770,214
Transactions with owners, recorded directly in equity						
Dividends to equity holders					(1,346,884)	(1,346,884)
Total transactions with owners, recorded directly in equity	-	-	-	-	(1,346,884)	(1,346,884)
Balance as at March 31, 2024	598,615	266,097	180	-	9,489,811	10,354,703
Balance as at April 01, 2024	598,615	266,097	180	-	9,489,811	10,354,703
Profit for the year	-	-	-	-	1,461,864	1,461,864
Other comprehensive income						
Revaluation of land	-	94,394	-	-	-	94,394
Currency translation of foreign operations	-	-	-	(878)	-	(878)
Actuarial gain on defined benefit plans	-	-	-	-	(19,862)	(19,862)
Tax effect on actuarial gain/(loss) on defined benefit plans	-	-	-	-	5,959	5,959
Tax effect on Land revaluation	-	(28,318)	-	-	-	(28,318)
Total other comprehensive income	-	66,076	-	(878)	(13,903)	51,295
Total comprehensive income for the year	-	66,076	-	(878)	1,447,961	1,513,159
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(1,137,369)	(1,137,369)
Unclaimed dividend written-back	-	-	-	-	2,980	2,980
Total transactions with owners, recorded directly in equity	-	-	-	-	(1,134,389)	(1,134,389)
Balance as at March 31, 2025	598,615	332,173	180	(878)	9,803,383	10,733,473

Figures in brackets indicate deductions.

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended March 31,	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash flows from/(used in) operating activities					
Cash generated from operations (Note A)		9,471,903	10,451,438	1,500,185	427,744
Interest paid	5.1	(791,461)	(943,757)	(169,680)	(235,560)
Taxes paid	29.2	(1,398,279)	(2,050,504)	(136,993)	(613,744)
Retiring gratuity paid	25.2	(560,086)	(748,193)	(125,909)	(111,521)
Release in defined benefit obligation due to employee transfers	25.2	244	(1,685)	314	(1,532)
Agents' indemnity paid	26	(195)	(2,675)	-	-
Net cash flow from operating activities		6,722,126	6,704,624	1,067,917	(534,613)
Cash flows from/(used in) investing activities					
Purchase & construction of property, plant and equipment		(4,406,581)	(4,325,216)	(758,429)	(811,947)
Purchase of formers (moulds)	11	(363,521)	(265,708)	(146,815)	(107,108)
Acquisition of intangible assets	14	(84,773)	(145,209)	-	-
Grants received	24	24,715	36,551	-	-
Proceeds from disposal of property, plant and equipment		88,473	80,589	280	15,104
Development cost (net) incurred on biological assets net of harvest	12	22,452	8,706	-	-
Interest and dividend received	5.2	577,097	1,182,718	58,931	254,374
Dividend received from subsidiary companies	4	-	-	593,500	698,500
Investments in group companies	15.1	-	-	(1,500,000)	-
Investment in equity accounted investee	17	-	(131,721)	-	-
Acquisition of subsidiary net of cash and short term borrowings	15.2	(1,555,103)	-	-	-
Net cash flows from investing activities		(5,697,241)	(3,559,289)	(1,752,533)	48,923
Cash flows from/(used in) financing activities					
Long term loans obtained	23.1.1	986,154	2,900,275	-	1,080,000
Repayment of long term loans	23.1.1	(1,981,535)	(3,385,853)	(366,105)	(313,587)
Capital payment on lease liabilities	23.1.2	(51,322)	(97,895)	(7,641)	(14,493)
Dividend paid to equity holders of the parent		(771,795)	(1,228,508)	(771,795)	(1,228,508)
Dividend paid to shareholders with non-controlling interest		(365,918)	(598,023)	-	-
Net movement of short term loans	15.2/23.2	(729,969)	(315,476)	394,562	(43,687)
Net cash flows from financing activities		(2,914,385)	(2,725,480)	(750,979)	(520,276)
Net increase / (decrease) in cash & cash equivalents		(1,889,500)	419,855	(1,435,595)	(1,005,966)
Cash & cash equivalents at the beginning of the year		8,293,855	7,874,000	1,167,295	2,173,261
Cash & cash equivalents at the end of the year (Note B)		6,404,355	8,293,855	(268,300)	1,167,295

Statement of Cash Flows

Year ended March 31,	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
A. Cash Generate from operations					
Profit before tax		6,835,890	7,567,448	1,567,183	1,962,505
Adjustments for:					
Interest cost	5.1	791,461	943,757	169,680	235,560
Share of (profit)/loss of equity accounted investees	17	(7,181)	(8,137)	-	-
(Gain) on fair value change in consumable biological assets	19.1	(16,768)	6,472	-	-
(Gain)/Loss on change in fair value of produce on bearer biological assets	12	(142,455)	(206,129)	-	-
Depreciation on property, plant and equipment	10	2,129,513	1,923,403	210,252	153,050
Depreciation on right of use assets	13	139,050	145,900	11,725	9,974
Impairment of formers	11	123,256	71,053	24,620	15,471
Write-off & breakages of formers	11	28,868	65,752	9,973	6,892
Amortisation of intangible assets	14	49,407	87,865	-	11,826
(Gain)/Loss on disposal of property, plant & equipment	4	(41,502)	(35,473)	1,858	(13,598)
Impairment loss/(reversal) on investment and other amounts due	15.1.1	-	-	-	5,000
Amortisation of grants	24	(62,243)	(46,288)	-	-
Impairment provision for / (reversal of) bad & doubtful debts	20.1	(118,750)	(196,586)	(25,356)	(67,722)
Provision for retiring gratuity	25.2	772,260	840,339	147,597	170,424
Provision for agents' indemnity fund	26	10,638	11,938	-	-
Provision for slow-moving / obsolete inventories	19.2	15,630	(173,108)	15,573	11,764
Interest and dividend income	4/5.2	(577,097)	(1,182,718)	(652,431)	(952,874)
Differences of exchange on translation of foreign entities		104,470	(879,950)	(878)	-
Gain on bargain purchase on acquisition	4	(370,271)	-	-	-
		9,664,176	8,935,538	1,479,796	1,548,272
(Increase) / decrease in trade and other receivables		(954,913)	91,144	99,381	(1,193,900)
(Increase) / decrease in advances and prepayments		(214,149)	2,876	45,342	(37,918)
(Increase) / decrease in inventories		(2,161,715)	1,130,011	(336,446)	(108,570)
Increase / (decrease) in trade and other payables		3,138,504	291,869	212,112	219,860
		(192,273)	1,515,900	20,389	(1,120,528)
		9,471,903	10,451,438	1,500,185	427,744
B Analysis of cash & cash equivalents at end of the period					
Cash at bank and in hand		2,380,801	3,348,598	776,878	1,080,961
Short term deposits		6,717,875	5,627,342	-	131,045
Bank overdraft	23.2	(2,694,321)	(682,085)	(1,045,178)	(44,711)
		6,404,355	8,293,855	(268,300)	1,167,295

The Notes on pages 345 to 404 form an integral part of the Financial Statements.

The figures in brackets indicate deductions

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 General

Dipped Products PLC, is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company's registered office is given on the back inner cover in this report.

The Consolidated Financial Statements of Dipped Products PLC, as at and for the year ended March 31, 2025 encompass the Company and its Subsidiaries (together referred to as the 'Group'). All subsidiaries in the Group are limited liability companies incorporated and domiciled in Sri Lanka other than Dipped Products (Thailand) Ltd., Hi-Care Thai Gloves Co. Ltd, ICOGUANTI S.p.A, DPL France SAS and ROZENBAL POLSKA Sp.z.o.o and Dipped Products India Private Limited which are incorporated and domiciled in Thailand, Italy, France , Poland and India respectively.

Descriptions of the nature of the operations and principal activities of the Company and its Subsidiaries are given on the pages 414 and 415. There were no significant changes in the nature of the principle activities of the Company and the Group during the financial year under review.

The Company's ultimate Parent undertaking and controlling entity is Hayleys PLC which is incorporated in Sri Lanka.

The Financial Statements of all companies in the Group other than those mentioned in Note 36 to the Financial Statements are prepared for a common financial year which ends on March 31.

The Consolidated Financial Statements of the Group for the year ended March 31, 2025 were authorised for issue by the Directors on May 14, 2025.

1.2 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report.

1.3 Basis of Preparation

1.3.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 7 of 2007.

1.3.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following items in the Statement of Financial Position:

- Land which is recognised as property plant and equipment is measured at cost at the time of the acquisition and subsequently carried at fair value.
- Financial instruments reflected at fair value through profit or loss and fair value through OCI measured at fair value.
- Consumable biological assets are measured at fair value, less cost to sell.
- Agricultural produce from biological assets are reflected at fair value, less cost to sell.
- No adjustments have been made for inflationary factors in the Consolidated Financial Statements.
- Where appropriate, the specific policies are explained in the succeeding notes.

1.3.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the Group's functional currency except for certain subsidiaries whose functional currencies are different as they operate in different economic environments. All financial information presented in Sri Lankan Rupees have been given to the nearest thousand (Rs. '000), unless stated otherwise.

1.3.4 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements.

1.3.5 Changes in Accounting Policies

New and Amended Standards and Interpretations

No significant impact resulted on the financial statements of the Group due to changes in Accounting Standards and disclosures during the year.

1.3.6 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

In addition, the Group presents an additional Statement of Financial Position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in Financial Statements.

Notes to the Financial Statements

1.3.7 Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

1.3.8 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows.

2.1.1 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Such includes management's assessment of the existing and anticipated effects of the current state of the national economy and the circumstances surrounding volatility of the external environment on the Company and its subsidiaries. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.1.2 Taxation

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

2.1.3 Employee Benefit Liability - Gratuity

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined benefit obligations are given in Note 25 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

2.1.4 Biological Assets

The group measures consumable Biological Assets at fair value and changes in value being recognised in the Statement of Profit or Loss. Fair valuation involves assumptions which are provided in Note 12. Such estimations are subject to significant uncertainties.

Judgement is also required in relation to bearer biological assets in assessing immature plantation for indicators of impairment and determining the point at which transfers to mature plantation are to be made.

2.2 Basis of Consolidation

The Consolidated Financial Statements (referred to as the 'Group') comprise the Financial Statements of the Company and its Subsidiaries. List of subsidiaries are disclosed in Note 15 to the Financial Statements.

2.2.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee.

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting right.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in Statement of Profit or Loss. Any investment retained is recognised at its fair value.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Investments in subsidiaries are carried at cost less any accumulated impairment in the separate financial statements of the Company.

2.2.2 Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate in the statement of profit or loss.

Notes to the Financial Statements

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.3 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with business combinations are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss recognised in Statement of Profit or Loss.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 financial instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether

it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on bargain purchase is recognised in Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion the cash-generating unit retained.

2.2.4 Transactions with Non-Controlling Interests

Profit or loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.2.5 Transactions Eliminated on Consolidation

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and intra-group dividends are eliminated in full in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2.2.6 Companies with Different Accounting Years

The Financial Statements of all subsidiaries in the Group other than those mentioned below are prepared on a common financial year, which ends on March 31.

The subsidiaries with December 31 financial year ends prepare additional financial information as of the same date as the Financial Statements of the Parent for consolidation purpose except for ICOQUANTI S.p.A, DPL France SAS, ROZENBAL POLSKA Sp.z o.o, Dipped Products (Thailand) Ltd and Hi-Care Thai Gloves Co. Ltd as explained below.

ICOGUANTI S.p.A, DPL France SAS and ROZENBAL POLSKA Sp.z.o.o statutory financial year ends on December 31. However for the consolidation purposes, financial statements for the 12 months period from March 1 to February 28 has been used.

Dipped Products (Thailand) Ltd and Hi-Care Thai Gloves Co. Ltd, statutory financial year ends on December 31. Financial statements for the 12 months period from April 1 to March 31 has been consolidated.

2.3. Foreign Currency Translation

The Group's Consolidated Financial Statements are presented in Sri Lanka Rupees, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

2.3.1 Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit or Loss.

2.3.2 Foreign Operations

The results and financial position of all Group entities that have a functional currency other than the Sri Lanka Rupee are translated into Sri Lanka Rupees as follows:

- Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Sri Lankan Rupees at the exchange rate at the reporting date;

- Income and expenses are translated at the average exchange rates for the period.

Foreign currency differences are recognised in exchange fluctuation reserve through Other Comprehensive Income.

When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to Statement of Profit or Loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to Statement of Profit or Loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised in Other Comprehensive Income in the exchange fluctuation reserve.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.3.3 Current Versus Non-current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

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- It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.4 Fair Value Measurement

The Group measures financial instruments such as investments which are designated as fair value through Other Comprehensive Income (OCI), financial assets at fair value through Profit or Loss and derivatives; non-financial assets such as owner-occupied land, investment properties, consumable biological assets and agricultural produce from bearer plants at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods, estimates and assumptions Note 34.
- Quantitative disclosures of fair value measurement hierarchy Note 34.
- Property (land) under revaluation model Note 10.
- Financial instruments (including those carried at amortised cost) Note 34.
- Biological assets Note 12 and 34.
- Agricultural produce from bearer plants Note 19.1.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Property, Plant and Equipment

2.4.1 Property, Plant & Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

2.4.2 Basis of Recognition

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

2.4.3 Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, whilst land is measured at fair value

Owned Assets

The cost of property, plant and equipment includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs if it is a qualifying asset.

Purchased software that is integral to functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in the Statements of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings..

2.4.4 Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the day-to-day servicing of property, plant and equipment are recognised in Statement of Profit or Loss as incurred.

2.4.6 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and

the carrying amount of the asset) in Statement of Profit or Loss and gains are not classified as revenue. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

2.4.7 Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The Group reviews its residual values, useful lives and method of depreciation at each reporting date. Judgement by management is exercised in the estimation of these values, rates and methods and hence they are subject to uncertainty.

The estimated useful lives for the current and comparative periods are as follows:

Description	Years
Buildings	20-40
Plant and Machinery	10-30
Stores Equipment	5
Laboratory Equipment	5
Office & Canteen Equipment	5-8
Furniture & Fittings	6-10
Motor Vehicles	4-10

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

In respect of formers, a 10% provision on the written down value is recognised as an impairment in the Statement of Profit or Loss.

2.5 Leases

The group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease

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payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described in Note 13.

Leasehold Rights of the Plantation Sector

The leasehold rights of assets taken over from Janatha Estates Development Board (JEDB)/Sri Lanka State Plantation Corporation (SLSPC) are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

Description	Years
Bare land	53
Improvements to land	30
Mature plantations (Tea & rubber)	20-33 1/3
Building	25

Lease period of land acquired from JEDB and SLSPC will be expired in year 2045.

Land Development Costs

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold land. The costs have been capitalised and amortised over the remaining lease periods.

Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and

reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings in Note 23.1.2 to the Financial Statements.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of computer equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.6 Intangible Assets Basis of Recognition

An Intangible asset is recognised if it is probable that the future economic benefits associated with the assets will flow to the Group and cost of the assets can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The amortisation period and method are reviewed annually.

2.6.1 Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

Amortisation is recorded in Statement of Profit or Loss. During the period of development, the asset is tested for impairment annually.

2.6.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill is recognised in the Statement of Profit or Loss as incurred.

2.6.3 Amortisation

Amortisation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date on which they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Development Cost - 15 years
- Computer Software - 5 to 8 years

2.6.4 De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.7 Biological Assets

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

2.7.1 Bearer Biological Asset

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber) which comes into bearing during the year, is transferred to mature plantations.

2.7.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

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Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

Description	Years
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each spices in different geographical regions. Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimate based on the normal life span of each spices by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfil in bringing the trees in to saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.

2.7.3 Consumable Biological Assets

Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using Discounted Cash Flow (DCF) method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 12.

The Main Variables in DCF Model Concerns;

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to Biological Asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

2.7.4 Nursery Plants

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

2.8.1 Financial Assets - Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial Assets at Amortised Cost (Debt Instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and amounts due from related parties..

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never reclassified to profit or loss. Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Notes to the Financial Statements

Derecognition

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset.
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its

historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, derivatives and amounts due to related parties.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The group has not designated any financial liability at fair value through profit or loss.

Financial Liabilities at Amortised Cost (Loans and Borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

2.8.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if;

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

2.8.4 Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Such techniques may include:

- Using recent arm's length market transactions.
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

2.8.5 Derivative Financial Instruments

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when net cash inflows are expected to be delivered to the entity and as financial liabilities when net cash outflows are expected to be delivered from the entity.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit or Loss.

2.8.6 Non-Current Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in Statement of Profit or Loss. Gains are not recognised in excess of any cumulative impairment loss.

Notes to the Financial Statements

2.9 Inventories

Inventories are measured at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- All inventory items, except manufactured inventories and work- in-progress are measured at weighted average directly attributable cost
- Manufactured inventories and work- in-progress are measured at weighted- average factory cost which includes all direct expenditure and appropriate shares of production overhead based on standard operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Finished Goods Manufactured from Agricultural Produce of Biological Assets

These are valued at the lower of cost and estimated net realisable. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

2.10 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash generating unit to which goodwill relates. Where the recoverable value of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets on a pro-rata basis to carrying amount to each asset in the unit.

2.11 Cash and Short Term Deposits

Cash in hand and at bank and short term deposits in the Statement of Financial Position comprise cash at banks and cash on hand and short term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts.

2.12 Employee Benefits

2.12.1 Defined Contribution Plans GRI 201-3

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in Statement Profit or Loss in the periods during which services are rendered by employees.

The Group contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund respectively.

2.12.2 Defined Benefit Plans GRI 201-3

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 on 'Employee Benefits'. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on 'Employee Benefits'. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The settlement of the liability is based on legal liability method.

2.12.3 Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related service is provided.

2.12.4 Recognition of Actuarial Gains or Losses

Actuarial gains or losses are recognised in full in Other Comprehensive Income

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Grants and Subsidies

Grants and subsidies are recognised at their fair value where there is a reasonable assurance the grant / subsidy will be received and all attaching conditions, if any, will be complied with. When the grant or subsidy relates to an income item is recognised as income over the periods necessary to match them to the costs to which it is intended to compensate on a systematic basis.

Grants and subsidies related to assets, including non-monetary grants at fair value are deducted at arriving at the carrying value of the asset (or are deferred in the Statement of Financial Position and credited to the Statement of Profit or Loss over the useful life of the asset).

Grants received for forestry are initially deferred and credited to Statement of Profit or Loss once when the related blocks of trees are harvested.

Notes to the Financial Statements

2.15 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

Current Tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Tax withheld on dividend income from Subsidiaries recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

Deferred Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of taxable temporary differences associated with investments in subsidiaries and equity accounted investees when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investees deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable asset or as part of the expense item, as applicable
- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

Social Security Contribution Levy (SSCL)

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of manufacturing, supply of services or whole/ retail sales, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No. 25 of 2022, at the rate of 2.5%, with effect from 1st October 2022 and subsequent amendments thereto.

2.16 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes 31 & 32 to the Financial Statements.

2.17 Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the Issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.18 Statements of Profit or Loss

For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

2.18.1 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's operating segments are described in Note 30 to these financial statements. In all operating segments, the Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In relation to sales with local customers, this point is generally the delivery of goods, while exports also take in to account the term related to each shipment of goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Sale of Plantation Produce

Black tea and rubber produce are sold at the Colombo tea/rubber auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from sale of other crops are recognised at the point in time when the control of the goods has transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

Rendering of Services

The Group recognises revenue from services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Generation of Hydro Power

Revenue from the generation of hydro energy is recognised at the point of hydro energy releases to the national grid calculated at a pre-determined unit price.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to the Financial Statements

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18.2 Other Income

Dividend

Dividend income is recognised in profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Grants

Grants are recognised initially as deferred income when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

Gains and Losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

Other Income

Other income is recognised on an accrual basis.

2.18.3 Expenses

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income.

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to Statement of Profit or Loss in the year in which the expenditure is incurred.

Borrowing Costs

Borrowing costs are recognised as an incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognised based on the EIR in the Statement of Profit or Loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in the Statement of Profit or Loss.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currency gains and losses are reported on a net basis.

2.19 Statement of Cash Flows

The Cash Flow Statement has been prepared using the 'indirect method'.

Interest paid is classified as an operating cash flow. Grants received, which are related to purchase and construction of property, plant and equipment are classified as investing cash flows. Dividend and interest income are classified as cash flows from investing activities.

2.20 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

2.21 Events After the Reporting Period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements

2.22 Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.23 Related Party Transactions

Terms and Conditions of Transactions with Related Parties

The Group and the Company carried out transactions in the ordinary course of business with related parties and those transactions are made on terms equivalent to those that prevail in arm's length transactions.

2.24 New and Amended Standards and Interpretations

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt this new and amended standard and interpretation, if applicable, when they become effective.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Notes to the Financial Statements

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended March 31,	Group	
	2025 Rs.'000	2024 Rs.'000
Hand Protection (Note 3.1)	46,396,879	43,043,870
Plantations (Note 3.2)	33,143,701	31,117,595
	79,540,580	74,161,465
Inter-group sales/services	(252,028)	(219,505)
	79,288,552	73,941,960

3.1 Hand Protection

Year ended March 31,	Group	
	2025 Rs.'000	2024 Rs.'000
Sale of Manufactured Goods		
Dipped Products PLC	9,216,846	8,845,139
Dipped Products (Thailand) Ltd	7,600,609	6,682,236
Hanwella Rubber Products Ltd	5,799,216	5,454,346
D P L Premier Gloves Ltd	8,963,011	7,884,887
D P L Universal Gloves Ltd	4,032,399	2,941,528
Hi-Care Thai gloves Co. Ltd	439,890	-
	36,051,970	31,808,136
Rendering of Services		
Dipped Products PLC	168,421	158,066
Dipped Products India (Private) Limited	22,269	-
Distribution Operations		
ICOGUANTI S.p.A	8,240,426	8,949,039
DPL France SAS	2,705,796	3,573,420
ROZENBAL POLSKA Sp.z.o.o	991,758	956,476
Dipped Products India (Private) Limited	98,142	-
	48,278,782	45,445,137
Intra-group sales/services	(1,881,903)	(2,401,267)
	46,396,879	43,043,870

3.2 Plantations

Year ended March 31,	Group	
	2025 Rs.'000	2024 Rs.'000
Sale of Plantation Produce	8,308,708	7,974,920
Sale of Manufactured Goods	24,797,957	23,128,042
Generation of Hydro Power	120,409	102,918
Hospitality Services	82,966	81,785
	33,310,040	31,287,665
Intra-group sales/services	(166,339)	(170,070)
	33,143,701	31,117,595

Geographical segmentation of revenue is presented in Note 30.1 and business segment information is presented in Note 30.2.

3.3 Contract Balances

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Contract assets				
Trade receivables (Note 20)	12,325,178	11,347,875	2,392,801	1,950,903
Contract liabilities				
Advances received (Note 27)	1,612,434	1,132,516	1,143,160	861,964

Contract liability balance at the beginning of the period is fully realised in the revenue recognised in the reporting period.

4. OTHER INCOME AND GAINS

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gain on disposal of property, plant and equipment	41,502	35,473	-	13,598
Lease rental income	68,545	65,649	-	-
Amortisation of Government grants (Note 24)	62,243	46,288	-	-
Gain on fair value change in consumable biological assets (Note 19.1)	26,418	3,375	-	-
Gain on fair value of produce on bearer biological assets (Note 12)	142,455	206,129	-	-
Dividend income	-	-	593,500	698,500
Hydro Power/ Solar Income	94,346	15,528	37,713	-
Sundry income	497,713	448,378	39,322	42,474
Gain on bargain purchase on Acquisition (Note 15.2)	370,271	-	-	-
	1,303,493	819,820	670,535	754,572

Notes to the Financial Statements

5. FINANCE COSTS/INCOME

5.1 Finance Cost

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest on short-term borrowings	283,031	316,755	89,689	66,856
Interest on long-term borrowings	225,070	393,862	74,132	167,704
Interest on leases liabilities	283,360	233,140	5,859	1,000
Exchange loss	180,970	522,588	-	135,854
	972,431	1,466,345	169,680	371,414

5.2 Finance Income

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest income	577,091	1,182,712	58,931	254,374
Exchange gain	52,131	113,538	11,943	-
Dividend Income -Other Group	6	6	-	-
	629,228	1,296,256	70,874	254,374

6. PROFIT BEFORE TAX

Profit before tax is stated after charging all expenses including the following.

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Directors' emoluments	602,403	535,706	234,987	181,793
Staff costs (Note 6.1)	16,935,156	15,345,186	1,431,788	1,317,699
Staff training and development cost	24,669	24,046	9,410	6,818
Depreciation and amortisation of property, plant and equipment (Note 10)	2,129,513	1,922,791	210,252	153,050
Impairment of formers (moulds) (Note 11)	123,256	71,053	24,620	15,471
Depreciation on right of use assets (Note 13)	139,050	145,900	11,725	9,974
Amortisation of intangible assets (Note 14)	49,407	87,865	-	11,826
Auditors' remuneration				
Audit services	63,944	54,475	3,772	3,383
Non-audit services	9,231	9,241	1,666	2,924
Provision for/(reversal of) impairment of trade receivables (Note 20.1)	(118,750)	(196,586)	(25,356)	(67,722)
Provision for impairment of slow moving inventories/obsolete inventories (Note 19.2)	15,630	(173,108)	15,573	11,764
Legal fees	84,633	109,876	2,150	26,075
Donations	3,289	689	-	-

6.1 Staff Costs

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Defined contribution plan cost	1,308,575	1,198,994	153,904	137,804
Defined benefit plan costs	772,260	840,338	147,597	170,424
Staff costs - others	14,854,321	13,305,854	1,130,287	1,009,471
	16,935,156	15,345,186	1,431,788	1,317,699
No. of employees at year - end	18,345	17,584	516	584

7. TAX EXPENSE

7.1 Income Statement

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income tax on current year profits (Note 7.3)	1,386,010	1,180,976	190,519	153,467
Under/(over) provision in respect of previous years	(14,496)	(13,954)	(7,764)	1,101
	1,371,514	1,167,022	182,755	154,568
Deferred tax expense / (reversal) (Note 18.2)	322,603	398,991	(77,436)	7,768
Withholding tax on dividends	108,254	222,390	-	-
	1,802,371	1,788,403	105,319	162,336

7.2 Statement of Other Comprehensive Income

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Deferred tax effect on actuarial (gain)/loss on defined benefit obligation (Note 18.2)	(140,252)	(147,722)	(5,959)	(12,837)
Land Revaluation (Note 18.2)	42,268	-	28,318	-
	(97,984)	(147,722)	22,359	(12,837)

Notes to the Financial Statements

7.3 Reconciliation of accounting profit to income tax expense

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit before tax	6,835,890	7,567,448	1,567,183	1,962,505
Intra-group eliminations	1,252,346	1,029,859	-	-
	8,088,236	8,597,307	1,567,183	1,962,505
Disallowable expenses	5,442,425	3,664,503	322,233	391,566
Tax deductible expenses	(5,813,446)	(7,901,604)	(660,353)	(1,007,122)
Tax exempt income	(1,273,021)	(1,348,633)	(593,500)	(835,393)
Tax loss brought forward	(2,886,166)	(858,907)	-	-
Tax loss carried forward	1,016,404	1,822,291	-	-
Taxable income	4,574,432	3,974,957	635,563	511,556

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income tax @ 20%	12,502	13,099	-	-
Income tax @ 30%	1,353,276	1,167,136	190,519	153,467
Income tax @ other tax rates	20,232	741	-	-
Income tax on current year profits	1,386,010	1,180,976	190,519	153,467
Effective tax rate	20%	16%	12%	8%

According to the Inland Revenue (Amendment) Act, No. 45 of 2022, Business Income subject to tax at the rate of 30% other than following entities.

Dipped Products (Thailand) Ltd and Hi-Care Thai gloves Co. Ltd are liable to corporate tax rate of 20%.

ICOGUANTI S.p.A., Italy is liable to a corporate tax rate of 24% and a regional tax of 3.9% on its taxable income. DPL France SAS is liable to a corporate tax rate of 25% and ROZENBAL POLSKA Sp.z.o.o is liable to a corporate tax rate of 19% and Dipped Products India (Private) Limited is liable to a corporate tax rate of 25.17%.

8. EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted - average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic earnings per share computations:

Year ended March 31,	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Amount used as the Numerator:				
Net profit attributable to the equity holders of the parent	3,875,458	4,471,816	1,461,864	1,800,169
Number of Ordinary Shares used as the Denominator:				
Weighted-average number of ordinary shares in issue	598,615,120	598,615,120	598,615,120	598,615,120
Earnings per ordinary share - basic (Rs.)	6.47	7.47	2.44	3.01

Diluted Earnings Per Share

There are no potentially dilutive ordinary shares of the Company and as a result, the diluted earnings per share is the same as the basic earnings per share shown above.

9. DIVIDENDS PER SHARE

Year ended March 31,	Company			
	2025		2024	
	Per share Rs.	Rs.'000	Per share Rs.	Rs.'000
Final dividend - 2022/2023	-	-	0.50	299,308
First Interim dividend	0.25	149,654	1.00	598,615
Second Interim dividend	0.45	269,377	0.50	299,308
Third Interim dividend	0.35	209,515	0.25	149,654
Fourth Interim dividend	0.85	508,823	-	-
Gross dividend		1,137,369		1,346,885
Number of shares		598,615,120		598,615,120
Dividend per share	1.90		2.25	

Total Distribution of dividend to shareholders comprise redistribution of dividends received by the Company.

Notes to the Financial Statements

10. PROPERTY, PLANT & EQUIPMENT

10.1 Group

As at March 31,	Group										2025 Total	2024 Total
	Land	Mature/ Immature Plantations	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles		Rs.'000	Rs.'000
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000
Freehold												
Cost/Valuation												
At beginning of the year	1,206,309	12,656,178	6,383,014	16,159,977	12,481,08	235,636	455,462	883,766	1,446,232		40,674,682	38,077,641
Acquisition of subsidiary	405,712	-	1,519,161	21,32,465	170,965	17,215	91,010	31,209	23,662		4,391,399	-
Effect of movement in foreign exchange	19,119	-	74,970	395,887	39,817	3,442	8,473	293	1,381		543,382	(1,360,019)
Additions	62,328	887,854	856,188	1,623,955	77,676	55,532	63,076	219,239	193,232		4,039,080	4,297,758
Revaluation	169,745	-	-	-	-	-	-	-	-		169,745	-
Disposals	-	(39,361)	(303)	(148,667)	(29)	-	(430)	(51,476)	(73,093)		(313,359)	(431,929)
Write off during the Year	-	-	-	-	-	-	-	-	-		-	(612)
Transfers (Note 14)	-	-	-	-	-	-	-	(19,806)	-		(19,806)	-
Transfer from/(to) consumable (Note 12)	-	(24,752)	-	-	-	-	-	-	-		(24,752)	4,220
Borrowing cost capitalised	-	59,320	-	-	-	-	-	-	-		59,320	87,623
At end of the year	1,863,213	13,539,239	8,833,030	20,163,617	15,36,537	311,825	617,591	1,063,225	1,591,414		49,519,691	40,674,682
Depreciation and Impairment												
At beginning of the year	-	3,899,479	2,260,133	9,839,460	737,100	137,480	323,115	474,830	969,336		18,640,933	18,098,859
Acquisition of subsidiary	-	-	210,623	615,804	77,465	11,229	59,257	17,562	22,399		1,014,339	-
Effect of movement in foreign exchange	-	-	41,819	298,682	23,715	2,531	7,250	981	1,643		376,621	(993,904)
Charge for the year	-	423,832	295,501	932,820	129,146	33,782	50,817	162,880	100,735		2,129,513	1,922,791
Transfers	-	-	-	-	-	-	-	(15,181)	-		(15,181)	-
Disposals	-	(36,572)	(249)	(141,048)	(29)	-	(306)	(54,081)	(34,102)		(266,387)	(386,813)
At end of the year	-	4,286,739	2,807,827	11,545,718	967,398	185,022	440,133	586,991	1,060,011		21,879,838	18,640,933
Net book value at year end	1,863,213	9,252,500	6,025,203	8,617,899	569,140	126,803	177,457	476,234	531,404		27,639,853	22,033,749
Capital work-in-progress (Note 10.3)											2,466,932	1,937,574
Carrying value of freehold property, plant and equipment											30,106,785	23,971,323

10.2 Company

As at March 31,	Company										2025 Total	2024 Total
	Land	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles				
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Freehold												
Cost/Valuation												
At beginning of the year	295,265	448,663	1,796,945	148,231	118,919	176,586	90,171	144,026		3,218,806	2,586,038	
Additions	34,101	21,045	242,388	22,815	28,149	23,259	2,458	1,850		376,065	740,724	
Revaluation	94,394	-	-	-	-	-	-	-		94,394	-	
Disposals	-	(177)	(99,093)	(29)	-	(430)	-	-		(99,729)	(107,954)	
At end of the year	423,760	469,531	1,940,240	171,017	147,068	199,415	92,629	145,876		3,589,536	3,218,808	
Depreciation and impairment												
At beginning of the year	-	149,841	828,133	76,086	70,798	117,147	26,747	94,970		1,363,722	1,317,123	
Charge for the year	-	18,768	102,968	18,954	17,289	19,319	11,834	21,120		210,252	153,050	
Disposals	-	(177)	(97,080)	(29)	-	(307)	-	-		(97,593)	(106,448)	
At end of the year	-	168,432	834,021	95,011	88,087	136,159	38,581	116,090		1,476,381	1,363,723	
Net book value	423,760	301,099	1,106,219	76,006	58,981	63,256	54,048	29,786		2,113,155	1,855,085	
Capital work-in-progress (Note 10.3)										570,465	188,100	
Carrying value of property, plant & equipment										2,683,620	2,043,185	

Notes to the Financial Statements

10.3 Capital work in progress

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	1,937,574	1,997,738	188,100	116,876
Addition during the year	2,451,744	2,966,821	660,941	764,712
Acquisition of subsidiary	221,177	-	-	-
Capitalised during the year	(2,143,563)	(3,026,985)	(278,576)	(693,488)
At end of the year	2,466,932	1,937,574	570,465	188,100

10.4 Other Explanatory Information

- (i) The value of lands which have been revalued by independently qualified valuers are indicated below together with the last date of revaluation. The valuation of Dipped Products PLC land was carried out by Messrs. KPMG Real Estate & Valuation Services (Pvt) Ltd. Valuations for Mabroc Teas (Private) Limited land was performed by Mr. P. B. Kalugalgedara (Chartered Valuation Surveyor – UK), while the land valuation for Dipped Products (Thailand) Limited was conducted by S.L. Standard Appraisal Company Limited.

Company	Location & date of last revaluation	Land in Acres 2025	Land in Acres 2024	Written up as at	
				31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Dipped Products PLC	Brahmanagama, Kottawa (March 31,2025)	11.12	10.67	360,499	266,104
Dipped Products (Thailand) Limited	Khuan Niang, Songkhla (March 31,2025)	13.05	13.05	42,301	13,450
Mabroc Teas (Private) Limited	New Hunupitiya Road, Kiribathgoda (March 31,2025)	1.94	1.94	109,215	62,715

- (ii) Cost of revalued lands given above, amounts to Rs. 936,887,000/-

- (iii) The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at reporting date is Rs. 893,520,153/- (2024 - Rs. 890,750,899/-) and for the Group is Rs. 9,053,982,025/- (2024 - Rs. 7,988,655,201/-).

- (iv) Number of buildings owned by the Company and the Group are 20 and 125 respectively.

- (v) Value of immature and mature plantations in the Group as at March 31, 2025 is Rs. 2,392,252,420/- and Rs. 6,860,247,580/- respectively

11. FORMERS (MOULDS)

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost				
At beginning of the year	1,380,694	1,221,179	386,512	286,297
Additions	363,521	265,708	146,815	107,108
Acquisition of Subsidiary	170,657	-	-	-
Write off / breakage of formers	(28,868)	(65,752)	(9,973)	(6,893)
Effect of movement in foreign exchange	14,812	(40,441)	-	-
At end of the year	1,900,816	1,380,694	523,353	386,512
Impairment				
At beginning of the year	651,189	612,746	178,818	163,347
Acquisition of Subsidiary	170,657	-	-	-
Charge for the year	123,256	71,053	24,620	15,471
Effect of movement in foreign exchange	12,203	(32,610)	-	-
At end of the year	957,305	651,189	203,438	178,818
Net book value				
At beginning of the year	729,505	608,433	207,694	122,950
At end of the year	943,511	729,505	319,915	207,694

12. BIOLOGICAL ASSETS

	Group	
	2025 Rs.'000	2024 Rs.'000
At beginning of the year	1,506,271	1,313,068
Transfer from/(to) immature plantations (Note 10.1)	24,752	(4,220)
Increase due to development	33,102	16,417
Gain arising from changes in fair value less cost to sell	142,455	206,129
Decrease due to harvest	(55,555)	(25,123)
At end of the year	1,651,025	1,506,271

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

The fair value of mature managed trees were ascertained in accordance with SLFRS 13 & LKAS 41. The valuation of Kelani Valley Plantations PLC was carried out by Messers FRT Valuation Services (Pvt) Ltd using market approach method and valuation of Talawakelle Tea Estates PLC was carried out by Messers KPMG Real Estate & Valuation Services (Pvt) Ltd using Discounted Cash Flow (DCF) method. The valuation of Horana Plantations PLC was carried out by Messers Mr.A.A.M.Fathihiu-Proprietor of FM Valuers using Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber, a physical verification was carried out covering all the estates.

Notes to the Financial Statements

12. BIOLOGICAL ASSETS (CONTD.)

Information about fair value measurements using significant unobservable inputs (Level 3)

Non Financial Asset	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average)		Relationship of Unobservable Inputs to Fair Value
			2025	2024	
Consumable managed biological assets	DCF/Market approach	Discounting Rate	13%-15%	14%-16%	Higher the discount rate, lesser the fair value
		Optimum rotation (Maturity)	15-25 Years	20-25 Years	Lower the rotation period, higher the fair value
		Volume at rotation	23-530 cu.ft	23-190 cu.ft	Higher the volume, higher the fair value
		Price per cu.ft.	Rs.67/- to Rs.4,020/-	Rs.60/- to Rs.5,250/-	Higher the price per cu. ft., higher the fair value

Key Assumptions Used in Valuation

- 1 The harvesting is approved by the Plantation Management Monitoring Division (PMMD) and the forest department based on the forestry development plan.
- 2 The price adopted are net of expenditure.
- 3 Though the replanting is a condition precedent for harvesting, yet the cost is not taken into consideration.

The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable.

Sensitivity Analysis

Sensitivity Variation - Sales Price

Values of biological assets are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Group	-10%		+10%
Managed Timber	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2025	1,500,769	1,651,025	1,801,283
As at March 31, 2024	1,352,513	1,506,271	1,660,029

Sensitivity Variation - Discount Rate

Values of biological assets are very sensitive to changes of the discount rate applied. Simulations made timber trees show that a rise or decrease by 1 % of the estimated discounted rate has the following effect on the net present value of biological assets:

Group	-1%		1%
Managed Timber	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2025	1,691,384	1,651,025	1,621,446
As at March 31, 2024	1,538,010	1,506,271	1,478,032

13. RIGHT OF USE ASSETS

Group	Land	Building	Mature/ Immature Plantation	Machinery & Equipments	Office Equipment	2025 Total	2024 Total
Carrying value	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost							
At beginning of the year	1,936,737	426,462	644,946	35,452	26,850	3,070,447	2,594,957
Addition	330,119	232,822	-	-	-	562,941	10,479
Re-assessment	-	-	-	-	-	-	465,011
On Disposal	(27,316)	(11,225)	(396)	-	-	(38,937)	-
On Acquisition of Subsidiaries	-	4,366	-	-	-	4,366	-
At end of the year	2,239,539	652,424	644,550	35,452	26,850	3,598,815	3,070,447
Depreciation and Impairment							
At beginning of the year	255,599	374,212	579,652	35,452	26,850	1,271,765	1,125,865
Charge for the year	88,893	34,744	15,412	-	-	139,050	145,900
On Disposal	(27,316)	(11,225)	(396)	-	-	(38,937)	-
On Acquisition of Subsidiaries	-	696	-	-	-	696	-
At end of the year	317,176	398,428	594,668	35,452	26,850	1,372,574	1,271,765
Carrying value of right of use assets	1,922,363	253,996	49,882	-	-	2,226,241	1,798,682

Company	Building	2025 Total	2024 Total
	Rs.'000	Rs.'000	Rs.'000
Cost			
At beginning of the year	-	-	79,568
Additions	230,462	230,462	-
At end of the year	230,462	230,462	79,568
Depreciation and Impairment			
At beginning of the year	-	-	69,594
Charge for the year	11,725	11,725	9,974
At end of the year	11,725	11,725	79,568
Carrying value of right of use assets	218,737	218,737	-

Notes to the Financial Statements

14. INTANGIBLE ASSETS

	Group						Company		
	Goodwill	Development Cost	Computer Software	Trade Mark	2025	2024	Computer Software	2025	2024
Carrying value	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost									
At beginning of the year	532,080	18,297	261,623	73,766	885,766	767,879	71,025	71,025	71,025
Additions	-	-	84,773	-	84,773	145,209	-	-	-
Transfers	-	-	19,806	-	19,806	-	-	-	-
Effect of movement in foreign exchange	-	-	(7,083)	(864)	(7,948)	(27,322)	-	-	-
At end of the year	532,080	18,297	359,119	72,902	982,398	885,766	71,025	71,025	71,025
Amortisation									
At beginning of the year	-	18,104	154,936	29,277	202,317	121,516	71,025	71,025	59,199
Charge for the year	-	193	34,613	14,601	49,407	87,865	-	-	11,826
Effect of movement in foreign exchange	-	-	(1,843)	(411)	(2,254)	(7,064)	-	-	-
Transfers	-	-	15,181	-	15,181	-	-	-	-
At end of the year	-	18,297	202,886	43,467	264,650	202,317	71,025	71,025	71,025
Net book value									
At beginning of the year	532,080	193	106,687	44,489	683,449	646,363	-	-	11,826
At end of the year	532,080	-	156,233	29,435	717,748	683,449	-	-	-

Goodwill acquired through business combinations have been allocated to the following cash-generating units (CGUs) for impairment testing:

	Group	
	2025	2024
Carrying value	Rs.'000	Rs.'000
Mabroc Teas (Pvt) Ltd	33,310	33,310
Talawakelle Tea Estates PLC	220,623	220,623
Horana Plantations PLC	278,147	278,147
	532,080	532,080

Recoverable value of goodwill for Talawakelle Tea Estates PLC has been based on market approach which has been determined by market value of share price. Market value per share at the year end was Rs. 139.00 (2024 - 113.75).

The recoverable value of goodwill for Horana Plantations PLC has been based on Value In Use (VIU) calculations which has been determined by discounting the future cash flows generated from the continuing use of the CGUs. Key assumptions used are given below:

	2025		2024	
	Discount Rate	Terminal Growth Rate	Discount Rate	Terminal Growth Rate
Horana Plantations PLC	8%-16%	2%	8%-16%	2%

Terminal Growth Rate

For the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity is applied immediately at the end of the five year forecast period and is based on the lower of

- the nominal GDP growth rate forecasts for the country of operations; and
- the long-term compound annual growth rate in adjusted EBITDA as estimated by the management

Long-term compound annual growth rates determined by the management may be lower than forecast nominal GDP growth rates due to the following market-specific factors: competitive intensity levels, maturity of business, regulatory environment or sector-specific inflation expectations.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings; the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

15. INVESTMENTS

15.1 Investments in Subsidiaries (at cost) - Unquoted Investments

Company Name	% Holding		No. of Shares		Carrying value	
	2025 %	2024 %	2025 No.	2024 No.	2025 Rs.'000	2024 Rs.'000
DPL Plantations (Pvt) Ltd.	100	100	55,000,000	55,000,000	550,000	550,000
Venigros (Pvt) Ltd.	100	100	8,000,000	8,000,000	202,450	202,450
Dipped Products (Thailand) Ltd.	99	99	3,722,184	3,722,184	1,208,854	1,208,854
ICOGUANTI S.p.A.	100	100	3,150,000	3,150,000	624,734	624,734
Feltex (Pvt) Ltd.	100	100	1,500,000	1,500,000	15,000	15,000
Hanwella Rubber Products Ltd.	73	73	18,152,000	18,152,000	151,620	151,620
D P L Premier Gloves Ltd.	100	100	145,000,000	145,000,000	1,450,000	1,450,000
D P L Universal Gloves Ltd.	100	100	500,000,000	350,000,000	5,000,000	3,500,000
Dipped Products India (Private) Limited	100	-	1,080,900	-	38,394	-
					9,241,052	7,702,658
Impairment of investment in subsidiaries (Note 15.1.1)					(355,000)	(355,000)
					8,886,052	7,347,658

15.1.1 Impairment of Investments in Subsidiaries

Carrying value	Company			2025	2024
	D P L Universal Gloves Ltd	Dipped Products (Thailand) Ltd.	Venigros (Pvt) Ltd.	Rs.'000	Rs.'000
At beginning of the year	100,000	150,000	105,000	355,000	350,000
Impairment Provision /(Reversal)	-	-	-	-	5,000
At end of the year	100,000	150,000	105,000	355,000	355,000

Notes to the Financial Statements

15.2 Acquisition of subsidiaries

In December 2024, Dipped Products (Thailand) Ltd acquired the 100% stake in Hi-Care Thai Gloves Co. Ltd for a total consideration of Rs. 1,582.15 million (THB 185.02 million). The fair values of the acquired assets and assumed liabilities under this business combination are presented below.

	Fair value recognised on Hi-Care Thai Gloves Co. Ltd Rs.'000
Property, plant & equipment	3,598,237
Right of use assets	3,670
Inventories	87,158
Trade and other receivables	117,870
Short term loans	(1,624,511)
Retirement benefit obligations	(21,613)
Trade & other payables	(235,437)
Net Identifiable assets and liabilities	1,925,374
Gain on bargain purchase	(370,271)
Net Cash flow on acquisition	1,555,103
Satisfied by	
Cash Consideration	(1,582,150)
Cash in hand and bank acquired	27,047
	(1,555,103)

16 OTHER NON-CURRENT FINANCIAL ASSETS

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial assets at fair value through OCI				
Quoted equity shares (Note 16.1)	81	68	-	-
Unquoted equity shares (Note 16.2)	435,659	423,225	-	-
Total financial assets at fair value through OCI	435,740	423,293	-	-
Loan debtors	6,309	3,056	117	522
Total non-current Financial Assets	442,049	426,349	117	522

16.1 Quoted Equity Shares

	Group	
	2025 Rs.'000	2024 Rs.'000
Royal Ceramic Lanka PLC		
At the beginning of the year	68	63
Change in fair value	13	5
At the end of the year	81	68

16.2 Unquoted Equity Shares

	Group	
	2025 Rs.'000	2024 Rs.'000
Mabroc International (Pvt) Ltd	732	732
Mabroc Japan Ltd.	4,567	4,567
Total short term investments	5,299	5,299
Provision for fall in value of investment	(5,299)	(5,299)
Martin Bauer Hayleys (Pvt) Ltd. (Note 16.2.1)	435,659	423,225
Total long term investments	435,659	423,225

16.2.1 Martin Bauer Hayleys (Pvt) Ltd.

Fair Value Through Other Comprehensive financial Asset.

	No of Shares	Group	
		2025 Rs.'000	2024 Rs.'000
At beginning of the year	39,091,550	423,225	396,970
Change in fair value	-	12,434	26,255
At end of the year	39,091,550	435,659	423,225

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Fair value of a share	11.14	10.83

Based on the valuation performed, per share value of Martin Bauer Hayleys (Pvt) Ltd increased by Rs. 0.31 resulting a fair value gain of Rs 12.43 Mn which is recognised in other comprehensive Income.

Information About Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Valuation technique	Unobservable inputs	Unobservable inputs	
			2025	2024
Financial Asset	Discounted Cash Flow Method	Discounting rate	14%	15%
(Investment in shares of Martin Bauer Hayleys (Pvt) Ltd		Growth rate	1%	2%

Notes to the Financial Statements

16.2.1 Martin Bauer Hayleys (Pvt) Ltd. (Contd.)

Sensitivity Analysis - Based on Discounting Rate

Discount Rate	-1%	1%
	Rs.'000	Rs.'000
As at March 31, 2025	37,608	(31,843)
As at March 31, 2024	61,438	(3,909)

Sensitivity Analysis - Based on Growth Rate

Growth Rate	-1%	1%
	Rs.'000	Rs.'000
As at March 31, 2025	(19,488)	22,687
As at March 31, 2024	(7,762)	47,856

17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

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	Holding %	No of Shares	Group	
			2025 Rs.'000	2024 Rs.'000
At the beginning of the year	24	564	139,858	-
Investment			-	131,721
Group's share of profit for the year			7,181	8,137
At end of the year			147,039	139,858

18. DEFERRED TAX ASSETS AND LIABILITIES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
18.1 Deferred Tax Assets				
At end of the year (Note 18.2)	212,117	233,926	117,776	62,700
18.2 Deferred Tax Liability				
At beginning of the year	2,292,607	2,018,754	(62,700)	(57,629)
Recognised during the year				
In Statement of Profit or Loss	322,603	398,991	(77,436)	7,768
In OCI - Actuarial gain/(loss)	(140,252)	(147,722)	(5,959)	(12,837)
Land Revaluation	42,268	-	28,318	-
Effect of movement in foreign exchange	29,051	22,584	-	-
At end of the year	2,546,277	2,292,607	(117,776)	(62,700)
Deferred tax assets	212,117	233,926	117,776	62,700
Deferred tax liability	2,758,394	2,526,532	-	-

18.3 Recognised Deferred Tax Assets and Liabilities

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Deferred tax relates to the following:				
Tax effect of property, plant & equipment	4,415,555	4,055,108	151,295	112,491
Defined benefit obligation	(1,321,933)	(887,205)	(263,836)	(251,277)
Losses available for offset against future taxable income	(61,381)	(320,212)	-	-
Effect of movement in foreign exchange	(6,349)	50,572	23,165	113,128
Provision for bad debts	(45,412)	(17,251)	(6,637)	(244)
Right to use of assets	(208,117)	(196,466)	(1,225)	-
Provision for Stocks	(54,049)	(51,328)	(20,651)	(15,979)
Provision for Formers	(141,891)	(122,514)	(61,032)	(53,645)
Grants received	(186,327)	(195,980)	-	-
Financial assets	130,697	117,771	-	-
Land revaluation	93,909	51,641	61,145	32,827
Others	(68,425)	(191,529)	-	-
Net deferred tax liability/(assets)	2,546,277	2,292,607	(117,776)	(62,700)

- 18.4** A deferred tax asset has not been recognised by the Group in relation to carried forward tax losses amounting to Rs. 682,794,556/- as at March 31, 2025 (2024 Rs. 2,844,577,492/-) and tax losses amounting to Rs. 142,175,090/- will expire in year 2025/26.

19. INVENTORIES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Raw materials and consumables	4,916,259	4,758,468	950,097	821,767
Finished goods	5,225,005	4,509,958	234,925	202,440
Work-in-progress	2,229,671	1,463,681	432,649	257,018
Produce stock	2,081,203	1,471,158	-	-
Produce on bearer biological assets (Note 19.1)	71,734	54,966	-	-
	14,523,872	12,258,231	1,617,671	1,281,225
Provision for slow-moving/obsolete inventories (Note 19.2)	(588,634)	(573,004)	(68,836)	(53,263)
	13,935,238	11,685,227	1,548,835	1,227,962

19.1 Produce on Bearer Biological Assets

	Group	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	54,966	61,438
Change in fair value less cost to sell	26,418	3,375
Charge to Statement of Profit & loss	(9,650)	(9,847)
At end of the year	71,734	54,966

Notes to the Financial Statements

19.2 Movement in the provision for slow-moving/obsolete inventories

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At beginning of the year	573,004	746,112	53,263	41,499
Charge/(Reversal) for the year	15,630	(173,108)	15,573	11,764
At end of the year	588,634	573,004	68,836	53,263

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade receivables - Related parties	81,845	85,805	634,384	371,416
- Others	12,243,333	11,262,070	1,758,417	1,579,487
Total trade receivables	12,325,178	11,347,875	2,392,801	1,950,903
Impairment provision for bad and doubtful debts (Note 20.1)	(109,010)	(227,760)	(22,124)	(47,480)
	12,216,168	11,120,115	2,370,677	1,903,423
Income tax recoverable (Note 29)	241,632	271,646	-	-
Other receivables	894,385	802,159	42,651	28,427
	13,352,185	12,193,920	2,413,328	1,931,850

20.1 Movement in Impairment Provision

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At beginning of the year	227,760	424,346	47,480	115,202
Reversal for the year	(118,750)	(196,586)	(25,356)	(67,722)
At end of the year	109,010	227,760	22,124	47,480

20.2 Age Analysis of the Trade Receivables

Group	Total	Neither past due nor impaired	Past due but not impaired				
			0 - 60 days	61 - 120 days	121-180 days	181-365 days	> 365 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2025	12,325,178	9,168,929	2,613,891	270,760	193,541	59,894	18,163
As at March 31, 2024	11,347,875	5,879,204	4,866,588	319,485	147,270	121,123	14,205

Company	Total	Neither past due nor impaired	Past due but not impaired				
			0 - 60 days	61 - 120 days	121-180 days	181-365 days	> 365 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at March 31, 2025	2,392,801	1,502,563	699,918	84,491	78,995	19,221	7,613
As at March 31, 2024	1,950,903	1,281,159	600,355	32,279	36,298	378	434

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

21. AMOUNT DUE FROM SUBSIDIARIES

Amounts due from Subsidiaries - Current

	Company	
	2025 Rs.'000	2024 Rs.'000
Fully-owned subsidiaries	91,124	1,187,235
Partly-owned subsidiaries	641,314	138,696
	732,438	1,325,931

22. STATED CAPITAL

	2025		2024	
	Number	Rs.'000	Number	Rs.'000
Issued and fully-paid				
At beginning of the year	598,615,120	598,615	598,615,120	598,615
At end of the year	598,615,120	598,615	598,615,120	598,615

23. INTEREST-BEARING BORROWINGS

23.1 Interest-Bearing Borrowings - Non-Current

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Long term loans (Note 23.1.1)	1,638,220	2,581,929	34,203	400,308
Lease liabilities (Note 23.1.2)	2,182,762	1,718,735	189,047	-
	3,820,982	4,300,664	223,250	400,308

Notes to the Financial Statements

23.1.1 Long Term Loans

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At beginning of the year	4,390,426	5,155,672	766,413	-
Obtained during the year	986,154	2,900,275	-	1,080,000
Repayments during the year	(1,981,535)	(3,385,853)	(366,105)	(313,587)
Effect of movement in foreign exchange	9,050	(279,668)	-	-
At end of the year	3,404,095	4,390,426	400,308	766,413
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	1,765,875	1,808,497	366,105	366,105
Repayment due after one year	1,638,220	2,581,929	34,203	400,308

Maturity profile of long term loans

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Long term loans repayable within one year from the reporting date	1,765,875	1,808,497	366,105	366,105
Long term loans repayable between 1-5 years from the reporting date	1,574,220	2,517,929	34,203	400,308
Long term loans repayable after 5 years from the reporting date	64,000	64,000	-	-
	3,404,095	4,390,426	400,308	766,413

23.1.2 Lease Liabilities

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At beginning of the year	1,755,981	1,417,084	-	14,493
Re-assessment/New Lease	562,940	475,484	230,462	-
Accretion of interest	283,360	233,139	5,859	1,000
Payments	(334,682)	(331,035)	(13,500)	(15,493)
Effects of movements in foreign exchange	(9,498)	(38,691)	-	-
At end of the year	2,258,101	1,755,981	222,821	-
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	75,339	37,246	33,774	-
Repayment due after one year	2,182,762	1,718,735	189,047	-

Maturity profile of Lease Liabilities

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Lease Liabilities repayable within one year from the reporting date	75,339	37,246	33,774	-
Lease Liabilities repayable between 1-5 years from the reporting date	583,504	285,684	189,047	-
Lease Liabilities repayable after 5 years from the reporting date	1,599,258	1,433,051	-	-
	2,258,101	1,755,981	222,821	-

The following are the amounts recognised in Statement of Profit or Loss

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Depreciation expense of right of use assets (Note 13)	139,050	145,900	11,725	9,974
Interest expense on lease liabilities (Note 23.1.2)	283,360	233,139	5,859	1,000
Total amount recognised in Statement of Profit or Loss	422,410	379,039	17,584	10,974

23.2 Interest-Bearing Borrowings - Current

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Long term loans (Note 23.1.1)	1,765,875	1,808,497	366,105	366,105
Lease liabilities (Note 23.1.2)	75,339	37,246	33,774	-
Short term loans	3,657,248	2,762,706	844,375	449,813
Bank overdrafts	2,694,321	682,085	1,045,178	44,711
	8,192,783	5,290,534	2,289,432	860,629

23.3 Payments relating to short term and low value lease payments of Rs. 25,460,533 (2024 - Rs. 9,907,881) and Rs. 1,687,688 (2024 - Rs. 3,740,876) have been recognised by the Group and Company respectively, within administrative expenses.

Notes to the Financial Statements

23 INTEREST-BEARING BORROWINGS CONTD.

23.4 Details of Term Loans

Company	Lender/rate of interest (p.a.)	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Dipped Products PLC	HSBC SLFR + 1%	400,309	766,413
Kelani valley Plantations PLC	NDB 6.3%	-	2,728
	NDB 6.3%	-	647
Mabroc Teas (Pvt) Ltd.	HSBC 9.48%	61,824	112,687
ICOGUANTI S.p.A	Alessandria Financing 1.95% (EURO 1 million)	-	32,730
	BANCO BPM 1.3% (EURO 3 million)	377,001	658,566
	BNL - BNP PARIBAS 0.27% (EURO 3 million)	-	81,124
	INTESA SAN PAOLO 1% (EURO 1 million)	-	118,302
	INTESA 1% (EURO 1 million)	9,009	90,927
	CREDEM 1.2% (EURO 1.2 million)	191,792	350,454
	UNICREDIT 1% (EURO 1.5 million)	239,740	438,068
Dipped Products (Thailand) Ltd	TMBThanachart Bank 4.5%	164,436	189,222
	TMBThanachart Bank 2%	862,469	-
Talawakelle Tea Estates PLC	NDB Bank 6.6%	-	2,619
Horana Plantations PLC	HNB AWPLR + 2.00%	-	21,200
	HNB AWPLR + 1.75%	-	61,400
	HNB AWPLR + 1.25%	-	109,384
	HNB AWPLR + 1%	199,500	228,000
	HNB AWPLR + 1%	150,520	172,000
	HNB AWPLR + 1.5%	148,940	217,700
	Commercial Bank AWPLR + 2.00%	-	31,890
	Sampath Bank AWPLR + 0.5%	15,200	65,600
	Sampath Bank AWPLR + 0.5%	400,000	400,000
	Peoples Bank For 1-5 years Monthly AWPLR -1% and for 6th year AWPLR +1%	86,250	-
	Commercial Bank 8.50%	69,968	139,976
	HNB AWPLR + 1.4%	6,850	48,550
	Commercial Bank 7.75%	20,288	28,984
	Commercial Bank AWPLR + 1.5%	-	21,255
		3,404,095	4,390,426

Repayment Rs.'000		Security
30,000 x 36 inst	Monthly ending 25.05.2026	Nil
303 x 72 inst	Monthly ending 19.01.2025	Primary mortgage over the leasehold rights, Buildings, Plant & Machinery of Pedro, Mahagastota & Panawatte estates
72 x 72 inst	Monthly ending 19.01.2025	Nil
4,174 x 36 inst	Monthly ending 05.07.2026	Nil
Repayment over 2 years as per schedule	Monthly ending 30.06.2025	Nil
Repayment over 2 years as per schedule	Monthly ending 30.05.2026	Nil
Repayment over 2 years as per schedule	Quarterly ending 02.03.2024	Nil
Repayment over 2 years as per schedule	Monthly ending 30.03.2025	Nil
Repayment over 1 year and 3 months	Monthly ending 12.07.2024	Nil
Repayment over 3 years	Quarterly ending 31.03.2026	Nil
Repayment over 3 years	Quarterly ending 31.12.2026	Nil
as per schedule	Monthly ending 30.06.2029	Pledged the land, buildings, and machinery of Dipped Products Thailand Ltd and Hi-Care Thai Gloves Co. Ltd as collateral for loans and credit facilities. Additionally shares in Hi-Care Thai Gloves Co. Ltd have also been pledged.
as per schedule	Monthly ending 31.12.2031	
975 x 72 Inst.	Monthly ending 31.01.2025	Fixed Deposits of Rs.24 Mn with the letter of setoff.
52,00 x 48 inst	Monthly ending 24.07.2024	Primary Floating Mortgage for Rs.550 Million, over leasehold rights of Frocester Estate/ Primary Floating Mortgage for Rs.400 Million, over leasehold rights of Bambrakelly Estate.
4,200 x 48 inst	Monthly ending 30.05.2025	
52,08 x 48 inst	Monthly ending 31.12.2025	
4,750 x 48 inst	Monthly ending 21.09.2028	
3,583 x 48 inst	Monthly ending 21.09.2028	
5,730 x 48 inst	Monthly ending 28.02.2027	Primary Floating Mortgage Bond for Rs.275 Million, over Leasehold property of Mirishena Estate.
1,390 x 72 inst	Monthly ending 25.01.2026	Primary Floating Mortgage for Rs.120 Million, over the leasehold rights land and buildings of Stockholm Estate.
4,200 x 48 inst	Monthly ending 25.06.2025	Primary Mortgage for Rs.150 Million, over the leasehold rights of land and buildings of Gouravilla Estate & Alton Estate.
8,333 x 48 inst	Monthly ending 13.12.2029	Existing Primary Mortgage of Rs. 150 Million and additional Mortgage for Rs.158.75 Million, over the leasehold rights land and buildings of Gouravilla Estate. Existing Primary Mortgage of Rs. 150 Million and additional Mortgage for Rs.118.45 Million, over the leasehold rights land and buildings of Alton Estate. Lien Over funds lying to the Fixed Deposit.
1,250 x 72 inst	Monthly ending 31.12.2031	Monthly buildup margin of Rs.250,000 per month & Negative pledge over solar panels and other accessories related to the project.
5,834 x 60 inst	Monthly ending 25.02.2026	Primary Mortgage Bond over receivables of Tea sales routed through Forbes and Workers Tea Brokers (Pvt) Ltd and John Keels PLC.
3,475 x 36 inst	Monthly ending 05.04.2025	Primary Floating Mortgage Bond for Rs.125 Million, over Leasehold property of Mirishena Estate.
726 x 60 inst	Monthly ending 24.07.2027	Primary mortgage bond over Solar Panels and related equipment of Alton, Fairlawn, Stockholm, Gouravila and Mahanilu Estates.
484 x 60 inst	Monthly ending 24.11.2027	

Notes to the Financial Statements

24. DEFERRED INCOME Government Grants

	Group	
	2025 Rs.'000	2024 Rs.'000
Grants		
At beginning of the year	1,416,563	1,380,012
Received during the year	24,715	36,551
At end of the year	1,441,278	1,416,563
Amortisation		
At beginning of the year	529,860	483,572
Amortised during the year	62,244	46,288
At end of the year	592,104	529,860
Carrying amount	849,174	886,703

Group received grants from the Plantation Reform Project (PRP), Plantation Human Development Trust, Ministry of Community Development, Asian Development Bank, Social Welfare Project, Estate Infrastructures Development Project, Plantation Development Support Project, Ceylon Electricity Board, Tea Board, Save the Children International, Export Agriculture Department (EAD) and Rubber Development Department of Ministry of Plantation Industries.

The amount spent is capitalised under relevant classification of improvement to Leasehold Property, Plant & Equipment, and Biological Assets. Corresponding grant component is reflected under deferred grants and subsidies and amortised over the useful life span of the asset.

25. DEFINED BENEFIT OBLIGATIONS GRI 201-4

The Group measures the Present Value of Defined Benefit Obligation (PVDBO) which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit Method (PUC).

The actuarial valuation involves making assumptions about discount rate, average expected future working lives, salary escalation rate, promotion rates and mortality rates.

Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Accordingly, the employee benefit obligation actuarial valuation as of March 31, 2025, carried out by Messrs Actuarial & Management Consultants (Pvt) Ltd, ICOGUANTI S.p.A which were valued by Messrs Managers & Partners - Actuarial Services S.p.A.

The key assumptions used by the actuary include the following:

Assumptions regarding future mortality are based on a A1967/70 for Staff and A1967/52 for Workers, mortality table, issued by the Institute of Actuaries, London.

The demographic assumptions underlying the valuation with respect to retirement age, early withdrawals from service and retirement on medical grounds were considered.

Company	2025						2024					
	ICOGUANTI	DPTL	KVPL	HPSL	HPL	Other*	ICOGUANTI	DPTL	KVPL	HPSL	HPL	Other*
Discount rate (%)	3.32	2.4	10	10.5	11	11	3.5	2.7	12	12	12	12
Salary Escalation Rate (%)												
Workers (%)	1	4.5	10	9	9	10	1	4.5	11	11	10	11
Executive and clerical (%)	2.5	4.5	10	10	10	10	1	4.5	10	11	11	11
Other assumptions												
Retirement age												
Workers	67	60	60	60	60	60	67	60	60	60	60	60
Executive and clerical	67	60	60	60	60	60	67	60	60	60	60	60
Expected future working life												
Workers	11.3	9	5	6.9	9.4	7.9	11.8	7.8	5	5.9	11.6	7.6-8.5
Executive and clerical	11.3	9	5	7.5	9.4	7.8	11.8	7.8	5	6.5	12.4	7.9

* Other - Refers to companies in the Hand Protection sector excluding Dipped Products (Thailand) Ltd. and ICOGUANTI S.p.A.
ICOGUANTI : ICOGUANTI S.p.A. , DPTL : Dipped Products (Thailand) Ltd, KVPL : Kelani Valley Plantations PLC, HPSL : Hayleys Plantation Services (Pvt) Ltd, HPL : Horana Plantations PLC

25.1 Net Benefit Expense Categorised under Administrative Expenses and Other Comprehensive Income.

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current service cost (under Administrative Expense)	406,325	238,519	54,295	47,846
Interest cost (under Administrative Expense)	365,935	601,820	93,302	122,578
Actuarial loss/(gain) (under Other Comprehensive Income)	491,049	484,428	19,862	42,792
	1,263,309	1,324,767	167,459	213,216

25.2 Movement in the Present Value of the Defined Benefit Obligations are as Follows:

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At beginning of the year	4,006,969	3,464,696	837,590	737,427
Effect of movement in foreign exchange	4,942	(32,617)	-	-
On acquisition of Subsidiaries	21,613	-	-	-
Benefits paid	(560,086)	(748,193)	(125,909)	(111,521)
Received/ (Paid) to DBO due to employee transfers	244	(1,685)	314	(1,532)
Current service cost	406,325	238,519	54,295	47,846
Interest cost	365,935	601,820	93,302	122,578
Actuarial loss/(gain)				
Experience adjustments	320,621	6,477	24,505	14,670
Change in financial assumptions	126,727	474,330	(4,643)	27,520
Change in demographic assumptions	43,701	3,621	-	601
At end of the year	4,736,991	4,006,968	879,453	837,589

The liability as per Payment of Gratuity Act for Group and Company as at March 31, 2025 are Rs. 4,524,340,014/- (2024 - Rs. 4,377,665,926/-) and Rs. 693,693,890/- (2024 - Rs.716,190,287/-) respectively.

Notes to the Financial Statements

25 DEFINED BENEFIT OBLIGATIONS CONTD.

25.3 Sensitivity Analysis - Salary Escalation Rate and Discount Rate:

Values appearing in the Financial Statements are very sensitive to the changes in financial and non-financial assumptions used.

A sensitivity analysis was carried out as follows:

	Group		Company	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	1%	-1%	1%	-1%
A one percentage point change in the salary escalation rate				
- The present value of defined benefit obligation	278,695	(263,556)	72,217	(55,378)
A one percentage point change in the discount rate				
- The present value of defined benefit obligation	(124,118)	280,261	(50,560)	67,812

25.4 Distribution of Defined Benefit Obligations Over Future Working Life:

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within the next 12 months	666,468	593,393	80,515	110,003
Between 1 to 5 years	1,682,789	1,378,492	335,470	292,814
Beyond 5 years	2,387,734	2,035,083	463,468	434,772
	4,736,991	4,006,968	879,453	837,589

26. AGENTS' INDEMNITY FUND

	Group	
	2025 Rs.'000	2024 Rs.'000
At beginning of the year	131,779	135,865
Provision for the year	10,638	11,938
Payments during the year	(195)	(2,675)
Effect of movement in foreign exchange rate	(1,256)	(13,349)
At end of the year	140,966	131,779

Agents' Indemnity Fund consist of provisions made for sales agents' retirement benefits of ICOGUANTI S.p.A as set by the provisions in Italian Law.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade payables - Related parties	255,590	651,598	99,103	402,277
- Others	5,871,989	4,987,675	456,013	474,852
Total trade payables	6,127,579	5,639,273	555,116	877,129
Other payables including accrued expenses - Parent	165,792	98,193	48,376	22,378
- Others	5,435,779	3,096,700	328,071	347,815
Advance received	1,612,434	1,132,516	1,143,160	861,964
Unclaimed dividends/Dividends payable	541,975	179,381	541,975	179,381
	13,883,559	10,146,063	2,616,698	2,288,667

28. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2025 Rs.'000	2024 Rs.'000
Fully-owned subsidiaries	1,115,321	371,244
Partly-owned subsidiaries	8,399	505,803
	1,123,720	877,047

29. INCOME TAX

29.1 Income Tax Recoverable

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the end of the year	241,632	271,646	-	-

29.2 Income Tax Payable

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	272,603	900,384	57,097	516,273
Income tax on current year profit (Note 7.1)	1,386,010	1,180,976	190,519	153,467
Under /(Over) provision in respect of previous years (Note 7.1)	(14,496)	(13,954)	(7,764)	1,101
Irrecoverable Taxes	-	2,900	-	-
WHT,ACT set-off against income tax	(6,193)	(5,533)	-	-
Withholding tax on dividends (Note 7.1)	108,254	222,390	-	-
Effect of movements in exchange rates	12,080	35,945	-	-
Payments made during the year	(1,398,279)	(2,050,504)	(136,993)	(613,744)
Net Income Tax payable/(recoverable)	359,979	272,603	102,860	57,097
Income tax recoverable (Note 29.1)	241,632	271,646	-	-
At the end of the year	601,611	544,249	102,860	57,097

Notes to the Financial Statements

30. SEGMENT INFORMATION

The Group's results have been identified to the Hand Protection sector and the Plantation sector having considered the nature of operations and principle activities of entities.

30.1 Geographical Segment Information

	Hand Protection Sector		Plantation Sector	
	2025 %	2024 %	2025 %	2024 %
Asia/Africa/Middle East	12.66	10.74	34.69	34.32
South America	11.56	11.75	-	-
Australia/New Zealand	1.77	1.88	1.43	0.73
Europe	54.23	57.54	3.87	3.76
North America	19.12	17.78	0.29	0.92
	99.34	99.69	40.28	39.73
Indirect exports	-	-	58.53	59.17
Sri Lanka	0.66	0.31	1.19	1.10
	100.00	100.00	100.00	100.00

30.2 Business Segment Information

	Hand Protection		Plantation		Inter - Segment		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue from contracts with customers	46,396,879	43,043,870	33,143,701	31,117,595	(252,028)	(219,505)	79,288,552	73,941,960
Operating profit	4,294,186	4,523,482	3,347,976	3,904,418	(470,250)	(698,500)	7,171,912	7,729,400
Profit before tax	3,857,294	4,012,515	3,448,846	4,253,433	(470,250)	(698,500)	6,835,890	7,567,448
Non cash Expenses								
Depreciation and impairment of property, plant & equipment and right of use assets	1,373,428	1,142,917	895,135	926,386	-	-	2,268,563	2,069,303
Provision for defined benefit obligation	352,605	362,569	419,655	477,770	-	-	772,260	840,339
Provision for / (reversal of) agents indemnity fund	10,638	11,938	-	-	-	-	10,638	11,938
Provision for slow moving/obsolete Inventories	8,863	(166,167)	6,767	(6,941)	-	-	15,630	(173,108)
Finance cost	437,445	669,711	534,986	796,634	-	-	972,431	1,466,345
Finance income	554	158,744	628,674	1,137,512	-	-	629,228	1,296,256
Tax expense	631,783	298,902	1,170,587	1,489,501	-	-	1,802,371	1,788,403
Capital expenditure	2,435,162	2,684,046	1,971,419	1,641,170	-	-	4,406,581	4,325,216
Total assets	41,437,220	33,514,638	33,352,195	30,429,729	(173,735)	(31,000)	74,615,680	63,913,367
Non - interest bearing liabilities	11,984,452	8,613,895	11,158,791	9,651,085	(172,548)	(22,686)	22,970,695	18,242,294
Cash Flows								
- Cash flows from operating activities	2,545,895	3,417,986	4,176,231	3,286,638	-	-	6,722,126	6,704,624
- Cash flows from investing activities	(3,151,152)	(1,996,873)	(2,075,839)	(863,916)	(470,250)	(698,500)	(5,697,241)	(3,559,289)
- Cash flows from financing activities	(2,000,294)	(1,796,714)	(1,384,341)	(1,627,266)	470,250	698,500	(2,914,385)	(2,725,480)

31. CAPITAL EXPENDITURE COMMITMENTS

The approximate amount of capital expenditure approved by the Directors and not contracted for as at March 31, 2025 amounts to Rs. 1,377,422,747/- (2024 - Rs. 2,276,168,543/-). The approximate Capital expenditure contracted for which no provision is made in the Financial Statements as at March 31, 2025 amounts to Rs. 1,984,668,177/- (2024 - Rs. 678,388,095/-).

32. CONTINGENT LIABILITIES

The contingent liabilities as at March 31, 2025 amounting to Rs. 128,056,631/- (2024- Rs. 28,315,797/-). This include Letter of Credit outstanding of Rs. 112,599,231/- (2024- Rs.15,533,784/-), bank guarantees provided on behalf of the companies within the group of Rs. 15,457,400/- (2024 - Rs. 12,782,013/-).

33. RELATED PARTY DISCLOSURES

Key Management Personal(KMP) comprise the Directors of the group and the ultimate parent entity. Directors' remuneration in respect of the Company and the Group for the financial year ended March 31, 2025 are given in Note 6 to the Financial Statements. The remuneration to the Managing Director is paid by the parent and included within the services related expenses given below.

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Transactions with related parties				
Subsidiaries				
Inventory transfers	-	-	309,657	416,584
Purchase of latex	-	-	(167,140)	(153,583)
Skim sales	-	-	14,560	16,539
Export sales	-	-	326,090	211,005
Export Services	-	-	168,421	158,066
Services related expenses reimbursed	-	-	977,511	1,043,025
Loan Repayment	-	-	(437,263)	-
Reimbursement of cost (Electricity, Fuel & Water)	-	-	4,625	4,271
Dividend income	-	-	593,500	698,500
Fund Transfers	-	-	(205,358)	703,877
Processing related expenses reimbursed	-	-	78,896	(34,723)
Current account interest paid	-	-	47,499	29,801
Sale of gloves	-	-	235	29
Glove Purchases	-	-	(196,441)	-
Purchase of goods	-	-	(271)	(259)
Flock purchases	-	-	(42,590)	(47,446)
Share Allotment	-	-	(1,538,394)	-
Packing Material Disposal	-	-	146	3,889
Parent - Hayleys PLC				
Services related expenses paid	(1,118,760)	(1,082,601)	(374,915)	(288,469)
Dividend paid	(512,008)	(506,740)	(512,008)	(506,740)
Affiliates				
Sale of gloves	1,614	18,992	419	167
Sale of rubber products	4,175	2,470	-	-
Sale of Latex	46,931	17,258	-	-
Sale of cinnamon and cloves	664	-	-	-
Services related expenses	(498,321)	(492,241)	(154,269)	(144,108)
Purchase of Latex	(6,072)	(3,004)	(2,433)	-
Purchase of goods	(1,341,909)	(1,777,207)	(93,023)	(401,271)
Dividend paid	(180,678)	(191,139)	(180,678)	(191,139)

Notes to the Financial Statements

33. RELATED PARTY DISCLOSURES CONTD.

Terms and conditions of transactions with related parties.

Companies within the group engage in trading transactions under relevant commercial terms and conditions. Outstanding current account balances at the year end are unsecured, charged with weighted average cost of debt rate, and settlements occur in cash.

Transactions with Advantis Express (Pvt) Ltd., Advantis Freight (Pvt) Ltd., Advantis Project & Engineering (Pvt) Ltd., Alumex PLC., Ceva Logistics Lanka (Pvt) Ltd., Clarion Shipping (Pvt) Ltd., CMA-CGM Lanka (Pvt) Ltd., COSCO Shipping Line Lanka (Pvt) Ltd., Culture Club Resorts (Pvt) Ltd., Delmege Forsyth & Company Ltd., Energynet (Pvt) Ltd., Expelogix (Pvt) Ltd., Haycarb PLC., Haycolour (Pvt) Ltd., Hayleys Advantis Ltd., Hayleys Agriculture Holdings Ltd., Hayleys Agro Fertilizers (Pvt) Ltd., Hayleys Aventura (Pvt) Ltd., Hayleys Aviation Projects Pvt Ltd., Hayleys Business Solutions International (Pvt) Ltd., Hayleys Consumer Products Ltd., Hayleys Fabric PLC., Hayleys Fentons Ltd., Hayleys Free Zone Ltd., Hayleys Lifesciences (Pvt) Ltd., Hayleys Travels (Pvt) Ltd., Inovative Solutions Lanka (Pvt) Ltd., Logiwiz Ltd., MIT Global Solutions (Pvt) Ltd., Ocean Network Express Lanka (Pvt) Ltd., Puritas (Pvt) Ltd., Quality Seed Co. (Pvt) Ltd., Ravi Industries Ltd., Rileys (Pvt) Ltd., Royal Ceramics Lanka PLC., Singer (Sri Lanka) PLC., Sri Lanka Shipping Co. Ltd., The Kingsbury PLC., Toyo Cusion Lanka (Pvt) Ltd., Uni Dil Packaging (Pvt) Ltd., Uni Dil Packaging Solution Ltd., Valibel Plantations (Pvt) Ltd., Volanka (Pvt) Ltd and Yusen Logistics & Kusahara Lanka (Pvt) Ltd are given above under details of related party transactions with affiliates.

Non-recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower of the Group as per audited financial statements ending March 31, 2024, which require additional disclosures in the 2024/25 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue Group as per audited financial statements ending March 31, 2024, which require additional disclosures in the 2024/25 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

34. FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants of the measurement date.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments and certain non-financial asset that are carried in the Financial Statements.

Group	Notes	Carrying Amount		Fair Value	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial Assets					
Equity instrument designated at fair value through OCI					
Quoted equity shares	16.1	81	68	81	68
Unquoted equity shares	16.2	435,659	423,225	435,659	423,225
Total		435,740	423,293	435,740	423,293
Loans and Receivables					
Trade and other receivables	20	13,352,185	12,193,920	13,352,185	12,193,920
Cash and short term deposits		9,098,676	8,975,940	9,098,676	8,975,940
Total		22,450,861	21,169,860	22,450,861	21,169,860
Non-Financial Assets					
Freehold land	10.1	1,863,213	1,206,309	1,863,213	1,206,309
Biological assets	12	1,651,025	1,506,271	1,651,025	1,506,271
Total		3,514,238	2,712,580	3,514,238	2,712,580
Financial Liabilities					
Interest-bearing loans and borrowings					
Lease liabilities	23.1.2	2,258,101	1,755,981	2,258,101	1,755,981
Long term loans	23.1.1	3,404,095	4,390,426	3,404,095	4,390,426
Short term loans and bank overdraft	23.2	6,351,569	3,444,791	6,351,568	3,444,791
Trade and other payables (excluding unclaimed dividend)	27	13,341,584	9,966,682	13,341,584	9,966,682
Total		25,355,349	19,557,880	25,355,348	19,557,880

Notes to the Financial Statements

Company	Notes	Carrying Amount		Fair Value	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial Assets					
Trade and other receivables	20	2,413,328	1,931,850	2,413,328	1,931,850
Amount due from subsidiaries	21	732,438	1,325,931	732,438	1,325,931
Cash and short term deposits		776,878	1,212,006	776,878	1,212,006
Total		3,922,644	4,469,787	3,922,644	4,469,787
Non-Financial Assets					
Freehold land	10.2	423,760	295,265	423,760	295,265
Total		423,760	295,265	423,760	295,265
Financial Liabilities					
Interest-bearing loans and borrowings					
Lease liabilities	23.1.2	222,821	-	222,821	-
Long term loans	23.1.1	400,308	766,413	400,308	766,413
Short term loans and bank overdrafts	23.2	1,889,553	494,524	1,889,553	494,524
Amount due to subsidiaries	28	1,123,720	877,047	1,123,720	877,047
Trade and other payables (excluding unclaimed dividend)	27	2,074,723	2,109,286	2,074,723	2,109,286
Total		5,711,125	4,247,270	5,711,125	4,247,270

The following methods and assumptions were used to estimate the fair values:

Cash and short term deposits, trade and other receivables, amounts due to/from related parties and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long term loans and lease liabilities approximate their carrying amount as majority of the loan portfolio consist of loans obtained at variable interest rates.

The methods and assumptions used to estimate fair value of freehold land and biological assets are reflected in Note 10.1 and 12 respectively.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 :** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 :** Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 :** Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2025 the Group/Company held the following financial assets carried at fair value in the Statement of Financial Position.

34. FAIR VALUE MEASUREMENT CONTD.

	Notes	Group				Company			
		2025 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	2025 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets Measured at Fair Value									
Financial assets at fair value through OCI									
Equity shares	16.2	435,740	81	-	435,659	-	-	-	-
Freehold land	10	1,863,213	-	-	1,863,213	423,760	-	-	423,760
Biological asset	12	1,651,025	-	-	1,651,025	-	-	-	-

During the reporting period ended March 31, 2025 there were no transfers between Level 1 and Level 2 fair value measurements.

As at March 31, 2024, the Group/Company held the following financial instruments measured at fair value:

		Group				Company			
		2024	Level 1	Level 2	Level 3	2024	Level 1	Level 2	Level 3
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets Measured at Fair Value									
Financial assets at fair value through OCI									
Equity shares	16.2	423,293	68	-	423,225	-	-	-	-
Freehold land	10	1,206,309	-	-	1,206,309	295,265	-	-	295,265
Biological asset	12	1,506,271	-	-	1,506,271	-	-	-	-

During the reporting period ended March 31, 2024 there were no transfers between Level 1 and Level 2 fair value measurements.

The table below sets out information about significant unobservable inputs used in measuring non-financial assets measured at fair value categorised as level 3 in the fair value hierarchy as at March 31, 2025

	Fair Value as at 31-Mar	Valuation Technique	Significant Unobservable Inputs	Estimates for Unobservable		Fair value Measurement Sensitivity to Unobservable Inputs Measurement
				2025 Rs. '000	2024 Rs. '000	
Freehold land (Kottawa)	423,760	Market Comparable Approach	Estimated value per perch	Rs. 225-1,000	Rs. 105-175	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value
Freehold land (Mabroc)	822,051	Direct Capital Comparison Method	Estimated value per perch	Rs. 1,900	Rs. 1,700- Rs. 3,100	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value
Freehold land (DPTL)	203,088	Market Comparable Approach	Estimated value per rai	Rs. 6,140	Rs.5,276	Significant increases (decreases) in estimated price per rai would result in a significantly higher (lower) fair value
Freehold land (HI-Care)	414,311	Cost Approach	Estimated value per rai	Rs. 6,380	-	Significant increases (decreases) in estimated price per rai would result in a significantly higher (lower) fair value

Notes to the Financial Statements

35. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

- 1 Credit risk
- 2 Liquidity risk
- 3 Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework, which includes developing and monitoring the Group's risk management policies.

Credit risk

Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables at the reporting date by currency-wise was as follows:

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rupees	1,899,005	1,996,301	159,514	68,687
United States Dollar	4,206,816	5,066,550	2,118,302	1,695,523
Euro	6,884,977	4,927,893	109,202	167,640
Thai Baht	197,533	137,850	-	-
Chinese Yuan	125,417	65,326	26,310	-
Indian Rupees	38,437	-	-	-
	13,352,185	12,193,920	2,413,328	1,931,850

Management has assessed the existing and anticipated effect of the current state of the national economy on recoverability of trade and other receivable and concluded that Company and its subsidiaries don't have significant doubt on recoverability of trade and other receivable. Therefore, no incremental impairment allowance has been recognised.

Investments

Credit risk from invested balances with the financial institutions are managed by the Hayleys Group Treasury Department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore, mitigate financial loss through potential counterparty's failure.

Cash and Cash Equivalents

The Group and Company held cash at bank and in hand of Rs. 9,099 million and Rs. 777 million respectively as at March 31, 2025 (Rs. 8,976 million and Rs. 1,212 million respectively in 2024) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which group cash balances held are as follows:

Citibank, N.A. - AAA(Ika)

Standard Chartered Bank - AAA(Ika)

Hongkong and Shanghai Banking Corporation Ltd. - AAA(Ika)

Sampath Bank PLC - AA-(Ika)

Hatton National Bank PLC - AA-(Ika)

Bank of Ceylon - AA-(Ika)

Deutsche Bank AG - AAA(Ika)

NDB Bank PLC - A-(Ika)

People's Bank- AA-(Ika)

Commercial Bank of Ceylon PLC - AA-(Ika)

Nations Trust Bank - A(Ika)

Bank of China Limited - CCC+

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The liquidity requirements of business units and subsidiaries are met through short term loans to cover any short term fluctuations and longer term funding to address any structural liquidity requirements. The Group monitors the cash flows of its group companies and obtains adequate bank facilities to meet the funding requirements. The Group does not concentrate on a single financial institution, thereby minimising the exposure to liquidity risk. The Group aims to fund investment activities of its group companies by funding the long term investment with long term financial sources. Short term investments are funded using short term loans.

Notes to the Financial Statements

35. FINANCIAL RISK MANAGEMENT CONTD.

The monthly liquidity position is monitored by the Hayleys Group Treasury. All liquidity policies and procedures are subject to review and approval by the Hayleys Group Treasury.

Year ended March 31, 2025	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	>5 Years Rs.'000	Total Rs.'000
Group						
Interest-bearing loans and borrowings (undiscounted)	2,694,321	4,117,552	1,380,911	2,324,271	1,827,583	12,344,638
Trade payables (excluding dividend payable)	-	10,953,765	1,528,300	859,492	27	13,341,584
	2,694,321	15,071,317	2,909,211	3,183,763	1,827,610	25,686,222
Company						
Interest-bearing loans and borrowings (undiscounted)	1,045,178	944,345	299,909	245,917	112,596	2,535,349
Trade payables (excluding dividend payable)	-	2,025,255	33,906	15,562	-	2,074,723
Amount due to related parties	1,123,720	-	-	-	-	1,123,720
	2,168,898	2,969,600	333,815	261,479	112,596	5,733,792
Year ended March 31, 2024	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	>5 Years Rs.'000	Total Rs.'000
Group						
Interest-bearing loans and borrowings (undiscounted)	682,085	3,224,140	1,384,307	3,091,564	1,661,207	10,043,305
Trade payables (excluding dividend payable)	-	8,550,936	573,892	615,205	226,649	9,966,682
	682,085	11,775,076	1,958,199	3,706,769	1,887,856	20,009,987
Company						
Interest-bearing loans and borrowings (undiscounted)	44,711	541,339	274,579	444,342	-	1,304,971
Trade payables (excluding dividend payable)	-	2,066,102	28,517	14,667	-	2,109,286
Amount due to related parties	877,047	-	-	-	-	877,047
	921,758	2,607,441	303,096	459,009	-	4,291,304

Management has assessed the existing and anticipated effect of the current state of the national economy on liquidity of the Company and its subsidiaries to settle liabilities when it is due and management are satisfied that the Company and its subsidiaries don't have significant concerns relating to the Group's liquidity.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly borrows in the short term to fund its working capital requirement which are linked to floating interest rates. For other funding needs the Group maintains a proper mix of interest rate based on the basis of the predictability of future cash flows. The Hayleys Group Treasury closely monitors the interest rate fluctuations in the market and advises the sectors on a daily basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the Group's and Company's profit before tax is affected through the impact on rate of borrowings as follows:

	Increase/ decrease in interest rate	Effect on profit before tax 2025	
		Group Rs.'000	Company Rs.'000
Originated from Sri Lanka			
Sensitivity only using borrowings			
Increase	2%	(164,705)	(45,797)
Decrease	-2%	164,705	45,797
Sensitivity using borrowings and deposits			
Increase	2%	(30,348)	(45,797)
Decrease	-2%	30,348	45,797
Originated from outside Sri Lanka			
Sensitivity only using borrowings			
Increase	1%	(37,785)	-
Decrease	-1%	37,785	-
Sensitivity using borrowings and deposits			
Increase	1%	(37,785)	-
Decrease	-1%	37,785	-
	Increase/ decrease in interest rate	Effect on profit before tax 2024	
		Group Rs.'000	Company Rs.'000
Originated from Sri Lanka			
Sensitivity only using borrowings			
Increase	2%	(128,053)	(25,219)
Decrease	-2%	128,053	25,219
Sensitivity using borrowings and deposits			
Increase	2%	(15,506)	(22,598)
Decrease	-2%	15,506	22,598
Originated from outside Sri Lanka			
Sensitivity only using borrowings			
Increase	1%	(31,886)	-
Decrease	-1%	31,886	-
Sensitivity using borrowings and deposits			
Increase	1%	(31,886)	-
Decrease	-1%	31,886	-

Notes to the Financial Statements

35. FINANCIAL RISK MANAGEMENT CONTD.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases and borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are: the Euro, US Dollars (USD) and Thai Baht (THB).

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency forwards contracts. Hayleys Group Treasury closely monitors the exchange rate fluctuations and advises to the sectors on a daily basis.

The impact on the Group's and Company's profit before tax due to the change in exchange rate is as follows:

	2025										
	Group							Company			
	USD Rs. '000	EURO Rs. '000	THB Rs. '000	GBP Rs. '000	CNY Rs. '000	AED Rs. '000	INR Rs. '000	USD Rs. '000	EURO Rs. '000	GBP Rs. '000	CNY Rs. '000
Closing exchange rate (Rs.)	296.25	319.65	8.73	383.44	41.48	80.66	3.46	296.25	319.65	383.44	41.48
Increase exchange rate in 10% (Rs.)	325.88	351.62	9.60	421.78	45.63	88.72	3.81	325.88	351.62	421.78	45.63
Impact to the PBT	309,270	271,067	-	(239)	6,289	-	-	114,117	10,888	(38)	2,631
Impact to the Equity	-	484,535	634,581	-	-	195	3,239	-	-	-	-
Decrease exchange rate in 10% (Rs.)	266.63	287.69	7.86	345.09	37.33	72.59	3.11	266.63	287.69	345.09	37.33
Impact to the PBT	(309,270)	(271,067)	-	239	(6,289)	-	-	(114,117)	(10,888)	38	(2,631)
Impact to the Equity	-	(484,535)	(634,581)	-	-	(195)	(3,239)	-	-	-	-

	2024										
	Group							Company			
	USD Rs. '000	EURO Rs. '000	THB Rs. '000	AUD Rs. '000	CNY Rs. '000	GBP Rs. '000		USD Rs. '000	EURO Rs. '000	GBP Rs. '000	CNY Rs. '000
Closing exchange rate (Rs.)	299.88	324.49	8.23	195.58	41.50	378.71		299.88	324.49	378.71	41.50
Increase in exchange rate by 10% (Rs.)	329.86	356.94	9.05	215.14	45.65	416.58		329.86	356.94	416.58	45.65
Impact to the Profit before tax	353,931	15,001	-	(20)	(5,660)	(44)		117,126	(1,255)	(16)	(4,763)
Impact to the Equity	-	459,251	425,794	-	-	-		-	-	-	-
Decrease in exchange rate by 10% (Rs.)	269.89	292.05	7.40	176.02	37.35	340.84		269.89	292.05	340.84	37.35
Impact to the Profit before tax	(353,931)	(15,001)	-	20	5,660	44		(117,126)	1,255	16	4,763
Impact to the Equity	-	(459,251)	(425,794)	-	-	-		-	-	-	-

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest-Bearing borrowing (non-current)	3,820,982	4,300,664	223,250	400,308
Current portion of long term interest-bearing borrowings	1,841,214	1,845,743	399,879	366,105
Short term interest-bearing borrowings	6,351,569	3,444,791	1,889,553	494,524
Total borrowings	12,013,765	9,591,198	2,512,682	1,260,937
Equity	39,631,220	36,079,875	10,733,473	10,354,703
Equity and debts	51,644,985	45,671,073	13,246,156	11,615,640
Gearing Ratio (%)	23%	21%	19%	11%

36. EFFECT ON CONSOLIDATION OF COMPANIES WITH DIFFERENT ACCOUNTING YEARS

Financial year end of ICOGUANTI S.p.A, DPL France SAS and Rozenbal Polska Sp.z.o.o ends on 31 December. However, in order to minimise the gap with parent company's year end which is 31 March, financial statements for the 12 months period from March 1, 2024 to February 28, 2025 have been consolidated.

Financial year end of Dipped Products (Thailand) Ltd and Hi-careThai gloves Co.Ltd also ends on 31 December. However its Financial Statements for the 12 months ended March 31, 2025 have been consolidated with Group Financial Statements.

37. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of Equity Interest Held by Non - Controlling Interests

Company Name	Country of incorporation and operation	2025 %	2024 %
Kelani Valley Plantations PLC	Sri Lanka	27.57	27.57
Hayleys Plantation Services (Pvt) Ltd	Sri Lanka	33.33	33.33

Accumulated Balances of Material Non - Controlling Interest

Company Name	2025 Rs.'000	2024 Rs.'000
Kelani Valley Plantations PLC	2,463,122	2,237,138
Hayleys Plantation Services (Pvt) Ltd	4,493,467	4,176,729
Accumulated Material Non - Controlling Interest	6,956,589	6,413,867

Profit Allocated to Material Non - Controlling Interest

Company Name	2025 Rs.'000	2024 Rs.'000
Kelani Valley Plantations PLC	280,764	332,919
Hayleys Plantation Services (Pvt) Ltd	769,339	828,066
Accumulated Material Non - Controlling Interest	1,050,103	1,160,985

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Notes to the Financial Statements

37. MATERIAL PARTLY-OWNED SUBSIDIARIES CONTD.

Summarised Statements of Profit or Loss for the year ended March 31

	Kelani Valley Plantations PLC (Group)		Hayleys Plantation Services (Pvt) Ltd (Group)	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue from contracts with customers	23,360,753	19,968,249	11,502,909	11,149,346
Cost of sales	(20,682,408)	16,925,221	(8,985,651)	(8,727,580)
Other Income	308,405	212,626	184,623	259,763
Administrative & distribution expenses	(1,535,091)	(1,375,496)	(802,563)	(655,336)
Finance costs and income	(78,071)	(38,851)	168,212	337,865
Profit / (loss) before tax	1,373,589	1,841,305	2,067,532	2,371,478
Tax expense	(438,825)	(666,590)	(719,498)	(810,932)
Profit for the year	934,765	1,173,456	1,348,034	1,553,126
Total comprehensive income	(21,873)	(135,126)	(244,190)	(175,177)
Attributable to non-controlling interests	(29,114)	(20,591)	(321,584)	(65,105)
Dividends paid to non-controlling interests	-	-	(199,898)	(354,662)

Summarised Statement of Financial Position as at March 31

	Kelani Valley Plantations PLC (Group)		Hayleys Plantation Services (Pvt) Ltd (Group)	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current Assets	7,273,577	6,616,425	6,695,124	5,976,399
Non-Current Assets	9,247,602	8,445,133	9,938,716	9,220,102
Current Liabilities	3,548,398	3,185,431	3,081,021	2,442,365
Non-Current Liabilities	4,296,477	3,943,097	5,033,085	4,786,595
Total equity	8,676,304	7,933,031	8,519,734	7,967,540
Attributable to:				
Equity holders of parent	8,578,141	7,863,983	6,039,483	5,686,299
Non-controlling interest	98,163	69,048	2,480,251	2,281,241

38. EVENTS AFTER THE REPORTING PERIOD

No other circumstances have arisen since the reporting period end which would require adjustments to, or disclosure in the Financial Statements.

Annexes



DECADE AT A GLANCE

	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000
Trading Results					
Revenue	79,288,552	73,941,960	80,099,312	55,293,983	46,386,667
Profit before tax	6,835,890	7,567,448	11,218,692	7,596,775	7,191,273
Taxation	(1,802,371)	(1,788,403)	(2,716,267)	(1,185,975)	(1,357,946)
Profit after tax	5,033,519	5,779,045	8,502,424	6,410,800	5,833,327
Non-controlling interest	(1,158,061)	(1,307,229)	(1,995,341)	(1,028,149)	(669,293)
Profit attributable to equity holders of the Company	3,875,458	4,471,816	6,507,083	5,382,651	5,164,034
Non-Current Assets					
Property, plant & equipment	30,106,785	23,971,323	21,811,416	16,344,832	13,075,168
Investments	589,088	566,207	397,033	391,009	390,977
Other non-current assets	5,750,642	4,951,833	4,461,350	2,867,933	3,182,863
	36,446,515	29,489,363	26,669,799	19,603,774	16,649,008
Current Assets	38,169,165	34,424,004	36,011,260	34,445,826	27,656,383
Total Assets	74,615,680	63,913,367	62,681,059	54,049,600	44,305,391
Capital & Reserves					
Stated capital	598,615	598,615	598,615	598,615	598,615
Capital reserves	728,604	610,315	610,315	645,549	585,174
Revenue and fair value reserves	30,451,264	27,667,925	25,766,130	20,662,636	14,462,463
Shareholders' funds	31,778,483	28,876,855	26,975,060	21,906,800	15,646,252
Non-controlling interest	7,852,737	7,203,020	6,540,249	4,452,443	3,495,286
Total Equity	39,631,220	36,079,875	33,515,309	26,359,243	19,141,538
Non-Current Liabilities					
Deferred tax liability	2,758,394	2,526,532	2,277,368	775,949	747,639
Interest bearing borrowings	3,820,982	4,300,664	3,576,522	2,535,569	1,819,967
Other non-current liabilities	5,727,131	5,025,449	4,497,001	3,806,846	3,688,072
	12,306,507	11,852,646	10,350,891	7,118,364	6,255,678
Current Liabilities					
Current portion of interest bearing borrowings	1,841,214	1,845,743	2,996,234	1,779,406	533,119
Short term loans and bank overdrafts	6,351,569	3,444,791	4,863,945	10,094,227	8,972,762
Other current liabilities	14,485,170	10,690,313	10,954,680	8,698,360	9,402,294
	22,677,953	15,980,846	18,814,859	20,571,993	18,908,175
Total Equity and Liabilities	74,615,680	63,913,367	62,681,059	54,049,600	44,305,391
Ratios & Other Information					
Earnings per share (Rs.)*	6.47	7.47	10.87	8.99	8.63
Return on equity (%)	13.3	15.49	24.12	24.57	33.00
Market price per share (Rs.)	55.00	30.40	27.70	32.50	46.40
Price earnings ratio (times)*	8.50	4.07	2.55	3.61	5.38
Dividend per share (Rs.)	1.90	2.25	3.00	2.50	2.30
Net assets per share (Rs.)*	53.09	48.24	45.06	36.60	26.14
Dividend yield (%)	3.45	7.40	10.83	7.69	4.96
Dividend cover (times)	3.41	3.32	3.62	3.60	3.75
Debt to equity ratio (times)	0.30	0.27	0.34	0.55	0.59
Current ratio	1.68	2.15	1.91	1.67	1.46

Figures in brackets indicate deductions.

*Computed based on 598,615,120 shares on issue as at March 31, 2025. Earning per share, Dividend per share and Net asset per share in all reporting periods were adjusted based on post sub-division of ten shares for every one ordinary share held.

2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000	
Trading Results					
30,562,982	30,089,318	28,484,874	24,334,423	21,931,303	Revenue
1,160,426	1,642,546	1,240,494	1,057,260	690,608	Profit before tax
(310,133)	(418,720)	(439,644)	(139,526)	(214,653)	Taxation
850,293	1,223,826	800,850	917,734	475,955	Profit after tax
(102,196)	(355,402)	(305,382)	(164,533)	(127,826)	Non-controlling interest
748,097	868,424	495,468	753,201	348,129	Profit attributable to equity holders of the Company
Non-Current Assets					
12,316,577	12,217,758	12,408,303	12,414,457	12,188,554	Property, plant & equipment
390,932	390,933	23	26	22	Investments
2,862,418	1,616,164	1,446,534	1,692,470	1,788,001	Other non-current assets
15,569,927	14,224,855	13,854,860	14,106,953	13,976,577	
11,709,180	11,976,799	10,775,220	9,063,244	7,381,572	Current Assets
27,279,107	26,201,654	24,630,080	23,170,197	21,358,149	Total Assets
Capital & Reserves					
598,615	598,615	598,615	598,615	598,615	Stated capital
585,142	573,686	447,227	478,788	450,178	Capital reserves
9,953,105	9,249,276	8,693,473	8,044,601	7,115,483	Revenue and fair value reserves
11,136,862	10,421,577	9,739,315	9,122,004	8,164,276	Shareholders' funds
2,894,169	2,791,075	2,566,261	2,312,205	2,406,025	Non-controlling interest
14,031,031	13,212,652	12,305,576	11,434,209	10,570,301	Total Equity
Non-Current Liabilities					
717,332	761,058	713,849	686,093	565,781	Deferred tax liability
1,377,134	883,102	1,397,541	2,114,650	2,136,957	Interest bearing borrowings
3,921,075	3,540,753	3,090,164	2,859,687	3,359,121	Other non-current liabilities
6,015,541	5,184,913	5,201,554	5,660,430	6,061,859	
Current Liabilities					
261,082	435,988	874,758	801,486	321,495	Current portion of interest bearing borrowings
3,124,003	3,951,213	2,767,380	2,201,582	1,891,333	Short term loans and bank overdrafts
3,847,450	3,416,888	3,480,812	3,072,490	2,513,161	Other current liabilities
7,232,535	7,804,089	7,122,950	6,075,558	4,725,989	
27,279,107	26,201,654	24,630,080	23,170,197	21,358,149	Total Equity and Liabilities
Ratios & Other Information					
1.25	1.45	0.83	1.26	0.58	Earnings per share (Rs.)*
6.72	8.33	6.50	8.26	4.26	Return on equity (%)
57.00	78.00	85.50	76.00	73.00	Market price per share (Rs.)
4.56	5.38	10.33	6.00	12.60	Price earnings ratio (times)*
0.40	0.45	0.30	0.25	0.20	Dividend per share (Rs.)
18.60	17.41	16.27	15.24	13.64	Net assets per share (Rs.)*
7.02	5.77	3.50	3.30	2.70	Dividend yield (%)
3.12	3.22	2.76	5.00	2.90	Dividend cover (times)
0.34	0.40	0.41	0.45	0.41	Debt to equity ratio (times)
1.62	1.53	1.51	1.49	1.56	Current ratio

The Share

1. STOCK EXCHANGE LISTING

The ordinary shares of Dipped Products PLC, are listed with the Colombo Stock Exchange of Sri Lanka. Interim Financial Statements of the 4th quarter for the year ended March 31, 2025 have been submitted to the Colombo Stock Exchange as required by the Listing Rules.

2. ORDINARY SHAREHOLDERS

Number of shareholders as at March 31,2025 - 11,594 (as at March 31,2024 - 14,295).

Number of Shares held	Resident			Non-Resident			Total		
	No. of Share- holders	No. of Shares	%	No. of Share- holders	No. of Shares	%	No. of Share- holders	No. of Shares	%
1 -1,000	6,074	1,881,001	0.32	13	7,452	0.00	6,087	1,888,453	0.32
1,001 -10,000	3,642	14,333,092	2.39	19	110,294	0.02	3,661	14,443,386	2.41
10,001 -100,000	1,502	45,617,568	7.62	20	659,866	0.11	1,522	46,277,434	7.73
100,001 -1,000,000	269	77,885,628	13.01	13	4,679,966	0.78	282	82,565,594	13.79
Over 1,000,000	40	450,876,813	75.32	2	2,563,440	0.43	42	453,440,253	75.75
Total	11,527	590,594,102	98.66	67	8,021,018	1.34	11,594	598,615,120	100.00

Over 90% of the issued share capital is held by residents of Sri Lanka

Number of Shares held	Resident			Non-Resident			Total		
	No. of Share- holders	No. of Shares	%	No. of Share- holders	No. of Shares	%	No. of Share- holders	No. of Shares	%
CATEGORY									
Individuals	10,980	136,892,549	22.87	60	4,508,946	0.75	11040	141,401,495	23.62
Institutions	547	453,701,553	75.79	7	3,512,072	0.59	554	457,213,625	76.38
	11,527	590,594,102	98.66	67	8,021,018	1.34	11,594	598,615,120	100.00

3. SHARE VALUATION

The market value of an ordinary share of Dipped Products PLC:

	2024/25	2023/24
Highest	Rs. 63.00 (January 29, 2025)	Rs. 35.70 (August 02, 2023)
Lowest	Rs. 28.90 (April 19, 2024)	Rs. 24.50 (June 01, 2023)
Closing	Rs.55.00 (March 28, 2025)	Rs.30.40 (March 28, 2024)

4 SHARE TRADING

	2025	2024
Number of transactions	72,413	34,977
Number of shares traded	225,925,599	52,617,997
Value of shares traded (Rs.)	10,184,760,237	1,596,961,083

5. FIRST TWENTY SHAREHOLDERS AS AT MARCH 31, 2025

Name of the Shareholder	No.of Shares as at 31/03/2025	%	No.of Shares as at 31/03/2024	%
1 Hayleys PLC	252,109,380	42.12	252,109,380	42.12
2 Volanka (Private) Limited	48,736,400	8.14	48,736,400	8.14
3 Haycarb PLC	40,687,460	6.80	40,687,460	6.80
4 Employee's Provident Fund	27,551,107	4.60	27,551,107	4.60
5 Employees Trust Fund Board	5,758,545	0.96	5,916,261	0.99
6 Ravi Industries Limited	5,670,000	0.95	5,670,000	0.95
7 J.B. Cocoshell (PVT) LTD	5,638,969	0.94	1,750,684	0.29
8 Mr. Hanif Yusoof	5,460,234	0.91	-	-
9 Dr. Dilesh Jayantha	5,080,000	0.85	5,080,000	0.85
10 Mr. H.S.R. Kariyawasan & Mrs.K.H.S. Kariyawasan	4,150,850	0.69	4,150,850	0.69
11 Amana Bank PLC/HI-Line Trading Pvt Ltd	3,938,383	0.66	-	-
12 Mr. H.A.R. Pieris	3,400,000	0.57	3,250,000	0.54
13 Mr. Nihal Samarasuriya	3,175,860	0.53	3,175,860	0.53
14 Mr. Tissa Eleperuma	2,459,045	0.41	-	-
15 Mr. Sivagurunathan Rameshan	2,377,480	0.40	2,377,480	0.40
16 Mr. M.I.M. Shafie & Mrs. F.R. Shafie	2,050,362	0.34	2,050,362	0.34
17 DFCC Bank PLC A/C No .02	2,048,323	0.34	-	-
18 Seylan Bank PLC/ Phantom Investments (Pvt) Ltd	2,033,088	0.34	-	-
19 Renuka Hotels PLC	2,013,626	0.34	2,013,626	0.34
20 Mr. K.D.H.Perera	1,858,149	0.31	200,000	0.03
TOTAL	426,197,261	71.20	404,719,470	67.61

6. SHARES HELD BY THE PUBLIC

Public Holding as at 31.03.2025

Percentage of Public Holding 40.99%

Total number of shareholders representing the public holding 11,582

Float - Adjusted Market Capitalisation (Rs.) 13,496,239,350

The Company complies with option 1 of the Listing Rules 7.13.1 (i) (a) more than Rs.10.0Bn

Float Adjusted Market Capitalisation which no minimum Public Holding % required.

7. HISTORY OF DIVIDEND AND SCRIP ISSUES (LAST 34 YEARS)

Year ended March 31	Issue	Basis	No. of shares '000	Cumulative No. of shares '000	Dividend per Share Rs.	Dividend paid Rs'000
1991	Bonus	1:05	1,000	6,000	3.30	19,800
1992				6,000	2.60	15,600
1993				6,000	2.60	15,600
1994	Share Trust (at Rs. 41.00)		600	6,600	3.00	19,800
1995				6,600	3.50	23,100
1996	Bonus	1:05	1,320	7,920	1.75	13,860
	Rights (at Rs. 60.00)	1:05	1,584	9,504	17.50	16,632
1997	Bonus	1:05	1,901	11,405	3.50	39,917
1998	Bonus	1:05	2,281	13,686	4.00	54,743
1999	Bonus	1:05	2,737	16,423	3.50	57,480
2000	Bonus	1:08	2,053	18,476	3.00	55,427
2001				18,476	4.00	73,903
2002				18,476	3.50	64,665
2003	Bonus	1:08	2,309	20,785	3.50	72,748
2004	Bonus	1:05	4,157	24,942	4.00	99,769
2005	Bonus	1:05	4,988	29,931	-	-
	Bonus	1:01	29,931	59,861	4.00	239,446
2006				59,861	3.00	179,585
2007				59,861	4.50	269,377
2008				59,861	3.00	179,585
2009				59,861	3.00	179,585
2010				59,861	3.75	224,480
2011				59,861	3.00	179,585
2012				59,861	6.00	359,169
2013				59,861	7.00	419,031
2014				59,861	5.50	329,238
2015				59,861	7.00	419,031
2016				59,861	2.00	119,723
2017				59,861	2.50	149,653
2018				59,861	3.00	179,585
2019				59,861	4.50	269,374
2020				59,861	4.00	239,444
2021	Share Split	1:10		598,615	2.30	1,376,815
2022				598,615	2.50	1,496,538
2023				598,615	3.00	1,795,845
2024				598,615	2.25	1,346,884
2025				598,615	1.90	1,137,369

MARKET CAPITALISATION (LAST 34 YEARS)

Year ended March 31	Market capitalisation Rs. million	Net assets Rs. million
1991	690	178
1992	618	210
1993	537	223
1994	574	284
1995	574	340
1996	893	492
1997	984	611
1998	1,505	794
1999	854	961
2000	905	1,032
2001	859	1,179
2002	1,109	1,312
2003	1,143	1,498
2004	2,120	1,782
2005	5,507	2,148
2006	4,909	2,179
2007	6,540	2,646
2008	4,759	2,810
2009	3,307	3,079
2010	6,211	3,310
2011	6,950	5,142
2012	5,992	5,801
2013	6,645	6,845
2014	5,214	7,327
2015	8,261	8,044
2016	4,370	7,896
2017	4,550	9,122
2018	5,118	9,739
2019	4,669	10,422
2020	3,412	11,136
2021	27,776	15,646
2022	19,455	21,907
2023	16,582	26,975
2024	18,198	28,836
2025	32,924	31,780

Horizontal & Vertical Analysis

Statement of Profit or Loss

Profit or Loss	FY 24/25 Rs'000	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000	FY 20/21 Rs'000
Revenue from contracts with customers	79,288,552	73,941,960	80,099,312	55,293,983	46,386,667
Cost of sales	(62,724,264)	(56,882,914)	(60,490,240)	(44,561,333)	(34,556,902)
Gross profit	16,564,288	17,059,046	19,609,072	10,732,650	11,829,765
Other income and gains	1,303,493	819,820	766,748	833,407	340,669
Distribution costs	(2,012,670)	(1,956,362)	(2,660,512)	(1,402,795)	(1,012,659)
Administrative expenses	(8,683,199)	(8,193,104)	(8,087,179)	(4,803,655)	(3,837,952)
Other expenses	-	-	-	-	-
Finance cost	(972,431)	(1,466,345)	(1,054,716)	(706,458)	(618,834)
Finance income	629,228	1,296,256	2,645,279	2,943,626	465,822
Change in fair value of investment properties	-	-	-	-	24,462
Deemed disposal gain/loss on equity accounted investee	7,181	8,137	-	-	-
Profit before tax	6,835,890	7,567,448	11,218,692	7,596,775	7,191,273
Tax (expense) / reversal	(1,802,371)	(1,788,403)	(2,716,268)	(1,185,975)	(1,357,946)
Profit for the year	5,033,519	5,779,045	8,502,424	6,410,800	5,833,327

Statement of Financial Position

	FY 24/25 Rs'000	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000	FY 20/21 Rs'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	30,106,785	23,971,323	21,976,520	16,344,832	13,075,168
Formers (moulds)	943,511	729,505	608,431	436,494	379,355
Investment properties	-	-	-	-	392,622
Biological assets	1,651,025	1,506,271	1,313,068	599,064	530,543
Right of use assets	2,226,241	1,798,682	1,469,092	1,345,567	1,438,123
Intangible assets	717,748	683,449	646,363	315,131	310,532
Other non-current financial assets	442,049	426,349	397,711	393,261	391,571
Investments in equity accounted investee	147,039	139,858	-	-	-
Deferred tax assets	212,117	233,926	258,614	169,425	131,094
	36,446,515	29,489,363	26,669,799	19,603,774	16,649,008
Current Assets					
Inventories	13,935,238	11,685,227	12,648,602	12,070,081	11,103,664
Trade and other receivables	13,352,185	12,193,920	12,131,102	12,129,696	10,110,737
Advances and prepayments	1,783,066	1,568,917	1,571,793	1,201,284	2,708,504
Cash and short term deposits	9,098,676	8,975,940	9,659,763	9,044,765	3,733,478
	38,169,165	34,424,004	36,011,260	34,445,826	27,656,383
Total assets	74,615,680	63,913,367	62,681,059	54,049,600	44,305,391
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent	31,778,483	28,876,855	26,975,061	21,906,800	15,646,252
Non-controlling interest	7,852,737	7,203,020	6,540,249	4,452,443	3,495,286
Equity	39,631,220	36,079,875	33,515,310	26,359,243	19,141,538
Non-Current Liabilities					
Interest-bearing loans and borrowings	3,820,982	4,300,664	3,576,522	2,535,569	1,819,967
Deferred income	849,174	886,703	896,440	809,083	806,159
Defined benefit obligations	4,736,991	4,006,968	3,464,696	2,866,645	2,725,467
Agents' indemnity fund	140,966	131,779	135,865	131,118	84,992
Deferred tax liabilities	2,758,394	2,526,532	2,277,368	775,949	747,639
Other non current liabilities	-	-	-	-	71,454
	12,306,507	11,852,646	10,350,891	7,118,364	6,255,678
Current Liabilities					
Trade and other payables	13,883,559	10,146,063	9,742,403	8,201,624	8,352,217
Interest-bearing loans and borrowings	8,192,783	5,290,534	7,860,179	11,873,634	9,505,881
Income tax payable	601,111	544,249	1,212,276	496,735	1,050,077
	22,677,953	15,980,846	18,814,858	20,571,993	18,908,175
Total liabilities	34,984,460	27,833,492	29,165,749	27,690,357	25,163,853
Total equity and liabilities	74,615,680	63,913,367	62,681,059	54,049,600	44,305,391

	Horizontal Analysis					Vertical Analysis				
	FY 24/25 YoY %	FY 23/24 YoY %	FY 22/23 YoY %	FY 21/22 YoY %	FY 20/21 YoY %	FY 24/25 % of Revenue	FY 23/24 % of Revenue	FY 22/23 % of Revenue	FY 21/22 % of Revenue	FY 20/21 % of Revenue
	7	(8)	45	19	52	100	100	100	100	100
	10	(6)	36	29	34	(79)	(77)	(76)	(81)	(74)
	(3)	(13)	83	(9)	>100	21	23	24	19	26
	59	7	(8)	>100	21	2	1	1	2	1
	3	(26)	90	39	44	(3)	(3)	(3)	(3)	(2)
	6	1	68	25	35	(11)	(11)	(10)	(9)	(8)
	-	-	-	-	(100)	-	-	-	-	-
	(34)	39	49	14	29	(1)	(2)	(1)	(1)	(1)
	(51)	(51)	(10)	>100	>100	1	2	3	5	1
	-	-	-	(100)	>100	-	-	-	-	0
	-	-	-	-	-	0	0	-	-	-
	(10)	(33)	48	6	>100	9	10	14	14	16
	1	(34)	>100	(13)	>100	(2)	(2)	(3)	(2)	(3)
	(13)	(32)	33	10	>100	6	8	11	12	11

Group Structure



Manufacture and marketing of industrial and general purpose rubber gloves, Management of tea and rubber plantations

DIPPED PRODUCTS PLC

Incorporated in 1976 in Sri Lanka
Stated capital - Rs 598,615,120

Directors:

A. M. Pandithage - Chairman
H. S. R Kariyawasan - Deputy Chairman
R. H. P. Janadheera - Managing Director
S. C. Ganegoda
F. Mohideen (resigned w.e.f. 30.11.2024)
S. Rajapakse (resigned w.e.f. 30.11.2024)
N. A. R. R. S. Nanayakkara
K. D. G. Gunaratne
K. M. D. I. Prasad
B. K. C. R. Ratnasiri
K. A. D. B. Perera
M. N. R. Fernando
Prof. A. P. De Silva
P. Y. S. Perera - Senior Independent Director
A. I. Wanigasekera (appointed w.e.f. 12.04.2024)
T. A. B. Speldewinde (appointed w.e.f. 01.04.2025)
Dr. R. M. U. N. Ratnayake (appointed w.e.f. 01.04.2025)

HAND PROTECTION

Manufacture and export of household and industrial gloves

HANWELLA RUBBER PRODUCTS LIMITED

Incorporated in 1987 in Sri Lanka
Stated capital - Rs 250,000,000
Group interest - 72.6%

Directors:

A M Pandithage - Chairman
R H P Janadheera
K M D I Prasad
B A D H C Mahipala

Manufacture and export of household and industrial gloves

D P L PREMIER GLOVES LIMITED

Incorporated in 2014 in Sri Lanka
Stated capital - Rs. 1,450,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
R H P Janadheera
Dr. R M U N Rathnayake
S A N Pushpakumara

Manufacture and export of fabric supported and industrial gloves

D P L UNIVERSAL GLOVES LIMITED

Incorporated in 2014 in Sri Lanka
Stated capital - Rs. 5,000,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
R H P Janadheera
N A R R S Nanayakkara
B K C R Ratnasiri
H U A Fonseka

Manufacture and export of examination gloves

DIPPED PRODUCTS (THAILAND) LTD

Incorporated in 2002 in Thailand
Share capital - THB 375,000,000
Group interest - 99.26%

Directors:

A M Pandithage - Chairman
H S R Kariyawasan
R H P Janadheera
N A R R S Nanayakkara
S C Ganegoda
T G Thoradeniya
D P P Mendis
K M D I Prasad

Manufacture and export of examination gloves

Hi Care Thai gloves Co.,Ltd

Acquired in 2024 in Thailand
Share capital - THB 335,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
H S R Kariyawasan
R H P Janadheera
N A R R S Nanayakkara
D P P Mendis
P V Ajayan

Marketing and distribution of household, industrial and medical gloves and personal protective wear

ICOQUANTI S.p.A

Registered in Milan and successors to ICO Srl
Incorporated in 1968 in Genoa
Share capital - Euro 3,500,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
R H P Janadheera - Managing Director
H S R Kariyawasan
N A R R S Nanayakkara
S C Ganegoda

Marketing and distribution of Household and Professional cleaning equipments

DPL FRANCE SAS

Incorporated in 2022 in Avignon
Share capital - Euro 6,000,000
Group interest - 96.67%

Directors:

A M Pandithage - Chairman
R H P Janadheera - Managing Director
T Taddei- Managing Director
H S R Kariyawasan
N A R R S Nanayakkara

Marketing and distribution of Household and Professional cleaning equipments

ROZENBAL POLSKA Sp.z.o.o
Incorporated in 2001 in Żwirowa
Share capital - PLN 922 000
Group interest - 96.5%
A M Pandithage - Chairman
H S R Kariyawasan
R H P Janadheera
T Taddei

Manufacture, Marketing and distribution of supported and unsupported gloves

DIPPED PRODUCTS INDIA PRIVATE LIMITED

Incorporated in 2024 in India
Stated capital - INR 10,809,000
Group interest - 100%

Directors:

R H P Janadheera
G Sharma

Manufacture and export of fabric supported and unsupported gloves

VENIGROS (PRIVATE) LIMITED

Incorporated in 1994 in Sri Lanka
Stated capital - Rs. 80,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
S C Ganegoda

Manufacture of cotton and synthetic flock

FELTEX (PRIVATE) LIMITED

Incorporated in 2005 in Sri Lanka
Stated capital - Rs 15,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
H. S. R Kariyawasan (appointed w.e.f. 01.12.2024)
R. H. P. Janadheera (appointed w.e.f. 01.12.2024)
S. C. Ganegoda (appointed w.e.f. 01.12.2024)
K. M. D. I. Prasad (appointed w.e.f. 01.12.2024)

Export trading

D P L INTERNATIONAL LIMITED

Incorporated in 2016 in Sri Lanka
Group interest - 100%

Directors:

A M Pandithage - Chairman
R H P Janadheera
N A R R S Nanayakkara

PLANTATIONS

Plantation management

DPL PLANTATIONS (PVT) LTD

Incorporated in 1992 in Sri Lanka
Stated capital - Rs. 550,000,000
Group interest - 100%

Directors:

A M Pandithage - Chairman
Dr. W G R Rajadurai
S C Ganegoda
A Weerakoon

Tea and rubber plantations

KELANI VALLEY PLANTATIONS PLC

Incorporated in 1992 in Sri Lanka
Stated capital - Rs. 340,000,010
Group interest - 72.43%

Directors:

A M Pandithage - Chairman
Dr. W G R Rajadurai - Managing Director
A Weerakoon - Chief Executive Officer
F Mohideen
S C Ganegoda
C V Cabraal
N Ekanayake
S P Peiris
S Amarasekera
M C B Talwatte

Plantation management

HAYLEYS PLANTATION SERVICES (PRIVATE) LIMITED

Incorporated in 1992 in Sri Lanka
Stated capital - Rs. 408,030,000
Group interest - 66.67%

Directors:

A M Pandithage - Chairman
Dr. W G R Rajadurai
M J Fernando
N R Ranatunga
S C Ganegoda
(alternate to Mr. A M Pandithage)
D C Fernando
Ms. M Perera
(alternate to Mr. M J Fernando)
S. B. Alawattegama

Glossary

ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

ACTUARIAL GAINS & LOSSES

Gain or loss arising from the difference between estimates and actual experience in a company's pension plan

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AVAILABLE FOR SALE

Non-derivative financial asset that are designated as available for sale or are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

BIOLOGICAL ASSETS

A living animal or plant

BORROWINGS

Bank loans, overdrafts and finance lease obligations.

CAPITAL EMPLOYED

Total assets less interest free liabilities.

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS

Liquid investments with original maturities of three months or less.

CONTINGENT LIABILITIES

Conditions or situations at the Statement of Financial Position date, the financial effect of which are to be determined by future events which may or may not occur.

CURRENT RATIO

Current assets divided by current liabilities.

CURRENT SERVICE COST

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

CLIMATE RELATED SCENARIO ANALYSIS

A process for identifying and assessing a potential range of outcomes of future climate related events under conditions of uncertainty

CLIMATE RELATED RISKS AND OPPORTUNITIES (CRRO)

Risks and opportunities that arise from climate-related events that could reasonably be expected to affect the entity's financial performance, position and prospects

DIVIDEND COVER

Post-tax profit divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

DIVIDEND YIELD

Gross dividend per share as a percentage of the market price. A measure of return on investment.

DIVIDEND PER SHARE

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding. The figure is calculated by dividing the total dividends paid out by a business by the number of outstanding ordinary shares issued

DEFERRED TAXATION

The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date

EBIT

Earning Before Interest & tax

EBITDA

Earnings before interest expense, tax, depreciation and amortisation (includes other operating income). Note that EBITDA includes interest income, fair value gains and losses on investment property and share of results of equity accounted investees, but excludes exchange gains or losses on its foreign currency denominated debt and cash.

EFFECTIVE TAX RATE

Income tax expense divided by profit before tax.

EARNINGS PER SHARE

Profit attributable to ordinary shareholders divided by a weighted average number of ordinary shares in issue and ranking for dividend.

EQUITY

The value of an asset after all the liabilities or debts have been paid

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FAIR VALUE THROUGH PROFIT & LOSS

A financial asset/liability acquired/ incurred principally for the purpose of selling or repurchasing it in the near term.

FINANCIAL ASSETS

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

FINANCIAL INSTRUMENTS

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

FINANCIAL LIABILITY

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity

GROSS DIVIDEND

Portion of profits inclusive of tax withheld distributed to shareholders.

GAIN ON BARGAIN PURCHASE

The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred

GEARING

Proportion of total interest bearing borrowings to capital employed

INTEREST COVER

Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

KEY MANAGEMENT PERSONAL (KMP)

KMP are those persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

MARKET CAPITALISATION

Number of shares in issue multiplied by the market value of a share at the reported date.

NET ASSET PER SHARE

Total equity attributable to equity holders divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

NON-CONTROLLING INTEREST

Equity in subsidiary not attributable, directly or indirectly, to a parent.

NET ASSETS PER SHARE

Shareholders' funds divided by the number of ordinary shares issued.

OPERATING PROFIT MARGIN

Operating profit divided by Group turnover.

OTHER COMPREHENSIVE INCOME

An entry that is generally found in the shareholders' equity section of the balance sheet.

PRICE EARNINGS RATIO

Market price of a share divided by earnings per share.

RELATED PARTIES

A person or entity that is reporting to the reporting entity.

RETURN ON EQUITY

Attributable profits divided by average shareholders' funds.

RETURN ON CAPITAL EMPLOYED

Profit before tax and net finance cost divided by average capital employed.

REVENUE RESERVES

Reserves considered as being available for distributions and investments.

SEGMENT

Constituent business units grouped in terms of nature and similarity of operations.

SLFRS/LKAS

Sri Lanka Accounting Standards corresponding to International Financial Reporting Standards.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SRRO)

Risks and opportunities that arise from sustainability-related events that could reasonably be expected to affect the entity's financial performance, position and prospects

TOTAL EQUITY

Share capital, reserves and minority interest.

VALUE ADDITION

The quantum of wealth generated by the activities of the Group and its distribution.

WORKING CAPITAL

Capital required to finance the day-to-day operations (current assets minus current liabilities)

GRI Assurance Report



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF DIPPED PRODUCTS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY 2024/25

Scope

We have been engaged by **Dipped Products PLC** to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on **Dipped Products PLC's Economic, Environment, Social and Governance (EESG) indicators** (the "Subject Matter") contained in **Dipped Products PLC's** (the "Entity's") **Integrated Annual Report for the year ended 31 March 2025** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Dipped Products PLC

In preparing the Subject Matter, **Dipped Products PLC** applied the following criteria ("Criteria"):

- **The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines**, publicly available at <https://www.globalreporting.org>

Such Criteria were specifically designed for **the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria**; As a result, the subject matter information may not be suitable for another purpose.

Dipped Products PLC's responsibilities

Dipped Products PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the **Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised))**, and the terms of reference for this engagement as agreed with the **Dipped Products PLC on 12 May 2025**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the **Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)** and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

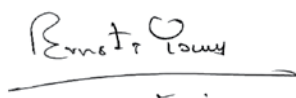
Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Dipped Products PLC for the year ended 31 March 2025**, in order for it to be in accordance with the Criteria.



30 May 2025

Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeevani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

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A member firm of Ernst & Young Global Limited

Integrated Assurance Report



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF DIPPED PRODUCTS PLC ON THE INTEGRATED ANNUAL REPORT 2024/25

Scope

We have been engaged by **Dipped Products PLC** to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on **Dipped Products PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term** (the "Subject Matter") contained in **Dipped Products PLC's** (the "Entity's") **Integrated Annual Report** for the year ended **31 March 2025** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Dipped Products PLC

In preparing the Subject Matter, **Dipped Products PLC** applied the **Integrated Reporting Framework (<IR> Framework)** issued by the **International Integrated Reporting Council (IIRC)** ("Criteria"):

Such Criteria were specifically designed for **the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria;** As a result, the subject matter information may not be suitable for another purpose.

Dipped Products PLC's responsibilities

Dipped Products PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the **Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised))**, and the terms of reference for this engagement as agreed with the **Dipped Products PLC on 12 May 2025**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the **Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)** and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

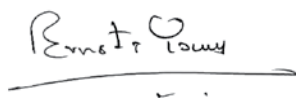
Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the information contained in the Integrated Annual Report of Dipped Products PLC for the year ended 31 March 2025**, in order for it to be in accordance with the Criteria.



30 May 2025

Colombo

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GRI CONTEXT INDEX

Statement of use	Dipped Products PLC has reported in accordance with the GRI Standards for the period April 1, 2024 to March 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/a

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	12	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	7				
	2-4 Restatements of information	4				
	2-5 External assurance	4				
	2-6 Activities, value chain and other business relationships	8, 12, 165, 183, 236, 251				
	2-7 Employees	201				
	2-8 Workers who are not employees			Not applicable	Company does not have workers who are not employees by the company.	
	2-9 Governance structure and composition	64				
	2-10 Nomination and selection of the highest governance body	68				
	2-11 Chair of the highest governance body	70				
	2-12 Role of the highest governance body in overseeing the management of impacts	66, 76, 82				
	2-13 Delegation of responsibility for managing impacts	68, 76				
	2-14 Role of the highest governance body in sustainability reporting	76, 77				
	2-15 Conflicts of interest	74				
	2-16 Communication of critical concerns	78				
	2-17 Collective knowledge of the highest governance body	67				
	2-18 Evaluation of the performance of the highest governance body	68, 75				
	2-19 Remuneration policies	79				
	2-20 Process to determine remuneration	79				
	2-21 Annual total compensation ratio				Due to confidentiality, data not disclosed	
	2-22 Statement on sustainable development strategy	28				
	2-23 Policy commitments	64, 65, 76, 80, 200, 237, 282				
	2-24 Embedding policy commitments	64, 80				

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
	2-25 Processes to remediate negative impacts	80, 200, 225, 278				
	2-26 Mechanisms for seeking advice and raising concerns	80, 200, 225, 278				
	2-27 Compliance with laws and regulations	65, 265, 282				
	2-28 Membership associations	266, 269, 271				
	2-29 Approach to stakeholder engagement	48				
	2-30 Collective bargaining agreements	224				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	58	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	60-61				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14, 248, 255				
	201-2 Financial implications and other risks and opportunities due to climate change	121				
	201-3 Defined benefit plan obligations and other retirement plans	359				
	201-4 Financial assistance received from government	388				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	206				
	202-2 Proportion of senior management hired from the local community	201	202-2	Information unavailable/ incomplete	Not tracked currently	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	178, 237, 248, 251				
	203-2 Significant indirect economic impacts	178				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	165				
Anti corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission		GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	248, 275			
	205-2 Communication and training about anti-corruption policies and procedures	278			
	205-3 Confirmed incidents of corruption and actions taken	275			
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	275			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 207: Tax 2019	207-1 Approach to tax	145			
	207-2 Tax governance, control, and risk management	145			
	207-3 Stakeholder engagement and management of concerns related to tax	145			
	207-4 Country-by-country reporting	145			
Materials					
GRI 3: Material Topics 2021 GRI 301: Materials 2016	3-3 Management of material topics	62			
	301-1 Materials used by weight or volume	260, 261, 263, 264, 283, 284			
	301-2 Recycled input materials used	261, 263, 264, 283, 284			
	301-3 Reclaimed products and their packaging materials	283-284			
Energy					
GRI 3: Material Topics 2021 GRI 302: Energy 2016	3-3 Management of material topics	62			
	302-1 Energy consumption within the organization	248, 251, 289			
	302-2 Energy consumption outside of the organization	289		Information unavailable/incomplete	Energy consumption outside the organisation is not tracked at the moment
	302-3 Energy intensity	248, 289			
	302-4 Reduction of energy consumption	237, 248, 263, 264, 289, 291			
	302-5 Reductions in energy requirements of products and services	291			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	302				
	303-2 Management of water discharge-related impacts	303				
	303-3 Water withdrawal	237, 248, 302, 303				
	303-4 Water discharge	303				
	303-5 Water consumption	237, 248, 302				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A		308		
	304-2 Significant impacts of activities, products and services on biodiversity	N/A		308		
	304-3 Habitats protected or restored	192, 308				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A		308		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
305-1 Direct (Scope 1) GHG emissions	305-1 Direct (Scope 1) GHG emissions	292, 296				
305-2 Energy indirect (Scope 2) GHG emissions	305-2 Energy indirect (Scope 2) GHG emissions	292, 296				
	305-3 Other indirect (Scope 3) GHG emissions	292, 294, 296				
	305-4 GHG emissions intensity	261, 263, 264, 296				
	305-5 Reduction of GHG emissions	251, 261, 263, 264, 296				
	305-6 Emissions of ozone-depleting substances (ODS)	298				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	298				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission		GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	
GRI 306: Waste 2020	3-3 Management of material topics	62			
	306-1 Waste generation and significant waste-related impacts	306			
	306-2 Management of significant waste-related impacts	306, 248, 260, 261, 263, 264			
	306-3 Waste generated	306			
	306-4 Waste diverted from disposal	306, 248			
	306-5 Waste directed to disposal	306, 248			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	166			
	308-2 Negative Environmental impact in supply chain and action taken	163, 168			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	204-205			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	206			
	401-3 Parental leave	207			
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	224			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	208,248			
	403-2 Hazard identification, risk assessment, and incident investigation	208,248			
	403-3 Occupational health services	208,248			
	403-4 Worker participation, consultation, and communication on occupational health and safety	208,248			
	403-5 Worker training on occupational health and safety	208,248			
	403-6 Promotion of worker health	208,248			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	208,248			
	403-8 Workers covered by an occupational health and safety management system	208,248			
	403-9 Work-related injuries	208,248			
	403-10 Work-related ill health	208			

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	220				
	404-2 Programs for upgrading employee skills and transition assistance programs	221				
	404-3 Percentage of employees receiving regular performance and career development reviews	218				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	228				
	405-2 Ratio of basic salary and remuneration of women to men	227				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	200, 227				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	168, 224				
Child Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	168, 200				
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	168, 200				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	221				
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	62				

GRI CONTEXT INDEX

GRI Standard/ Other Source	Disclosure	Page No.	Omission		GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	201			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	178			
	413-2 Operations with significant actual and potential negative impacts on local communities	178			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	166			
	414-2 Negative social impacts in the supply chain and actions taken	168			
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 415: Public Policy 2016	415-1 Political contributions	313			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	156, 248, 255, 260, 261, 263, 265			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	156, 248			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	159, 255, 263, 265			
	417-2 Incidents of non-compliance concerning product and service information and labeling	159, 248			
	417-3 Incidents of non-compliance concerning marketing communications	160			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	160			

SASB STANDARD - SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
	RT-CH-110a.1	FB-AG-110a.1			Greenhouse Gas Emissions	1) Gross global Scope 1 emissions 2) Percentage covered under emissions-limiting regulations	MT CO2e %	Quantitative	1) 7,498 Page 292 2) Not Applicable
	RT-CH-110a.2	FB-AG-110a.2				Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	Discussion and Analysis	Page 292
		FB-AG-110a.3				Fleet fuel consumed, percentage renewable	GJ %	Quantitative	Not Applicable
	RT-CH-120a.1				Air Quality	Air emissions of the following pollutants: 1) NOX (excluding N2O), 2) SOX 3) Volatile organic compounds (VOCs) 4) Hazardous air pollutants (HAPs)	Mt	Quantitative	Insignificance emissions Page 298
HC0201-08	RT-CH-130a.1		FB-AG-130a.1		Energy Management	1) Total energy consumed 2) Percentage grid electricity 3) Percentage renewable 4) Total self-generated energy 5) Operational Energy consumed	GJ %	Quantitative	1) 2,289,779.56 2) 4.56% 3) 94% 4) 19,973 5) 2,288,434
HC0201-09	RT-CH-140a.1	FB-AG-140a.1		CG-HP-140a.1	Water Management	1) Total water withdrawn 2) Total Water consumed 3) Percentage of each in regions with High or Extremely High Baseline Water Stress	M3 %	Quantitative	1) 2,166,851 2) 2,166,851 3) Not Applicable Page 302
HC0201-10						Amount of waste: (in metric tons) • Percentage recycled • Percentage incinerated: • Percentage landfilled	Mt %	Quantitative	1) 46% 2) 7% 3) 24% Page 306
	RT-CH-140a.2	FB-AG-140a.3				Number of incidents of non-compliance: Associated with: Water quality permits Water quality standards Water quality regulations	Number	Quantitative	Zero Page 302
	RT-CH-140a.3	FB-AG-140a.2		CG-HP-140a.2		Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Discussion and Analysis	Page 302
	RT-CH-150a.1				Hazardous waste management	1) Amount of hazardous waste generated, 2) percentage recycled	Mt %	Quantitative	1) 528 2) 46% Page 306
	RT-CH-210a.1				Community relations	Discussion of engagement processes to manage risks and opportunities associated with community interests.	N/A	Discussion and Analysis	Page 178

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
	RT-CH-320a.1	FB-AG-320a.1			Workforce Health & Safety	1) Total recordable incident rate (TRIR) 2) Fatality rate for a) direct employees b) contract employees	Rate	Quantitative	1) Zero 2) a) Zero b) Zero Page 208
	RT-CH-320a.2					Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	N/A	Discussion and Analysis	Page 208
HC0201-01					Product Safety	List of products recalled.	N/A	Discussion and Analysis	Not Applicable
HC0201-02						List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products Medical Devices) database.	N/A	Discussion and Analysis	Not Applicable
HC0201-03						Number of fatalities related to products, as reported in the FDA Adverse Event Reporting System.	Number	Quantitative	Zero
HC0201-04					Ethical Marketing	Description of legal and regulatory fines and settlements Rs. amount of fines and settlements Description of corrective actions implemented in response to events.	N/A	Quantitative	Not applicable
HC0201-05						Description of Code of Ethics Governing Promotion of Off-Label Use of Products. Mechanisms to Ensure Compliance Whistleblower protections and reporting hotlines.	Narrative	Discussion & Analysis	Page 159-160
HC0201-06					Affordability	Ratio of weighted average rate of net price increases	%	Quantitative	Not Applicable
HC0201-07					and Fair Pricing	Description of how price information (such as average and median) for each product is disclosed to customers or their agents	Rs.	Descriptive	Page 153
HC0201-11	RT-CH-410a.1				Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Rs.Mn	Quantitative	Rs.616 Mn

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
	RT-CH-410b.1				Safety & Environmental Stewardship of Chemicals	1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, 2) percentage of such products that have undergone a hazard assessment	Percentage (%) by revenue, Percentage (%)	Quantitative	N/A N/A
	RT-CH-410b.2					Discussion of strategy to 1) manage chemicals of concern 2) develop alternatives with reduced human and/or environmental impact	N/A	Discussion and Analysis	Page 287
	RT-CH-410c.1				Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage (%) by revenue, Percentage (%)	Quantitative	Not Applicable
	RT-CH-530a.1				Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	N/A	Discussion and Analysis	Page 282
	RT-CH-540a.1				Operational Safety, Emergency Preparedness & Response	1) Process Safety Incidents Count (PSIC) 2) Process Safety Total Incident Rate (PSTIR) 3) Process Safety Incident Severity Rate (PSISR) 2	Number Rate	Quantitative	Page 208
	RT-CH-540a.2					Number of transport incidents ³	Number	Quantitative	Zero
			CG-AA-250a.1		Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations		Discussion and Analysis	Page 156
			CG-AA-250a.2			Discussion of processes to assess and manage risks or hazards associated with chemicals in products		Discussion and Analysis	Page 156

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
			CG-AA-430a1		Environmental Impacts in the Supply Chain	Percentage of; 1) Tier 1 supplier facilities and 2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	%	Quantitative	1) 96% 2) Not Applicable Page 168
			CG-AA-430a2			Percentage of; 1) Tier 1 supplier facilities and 2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	%	Quantitative	1) 96% 2) Not Applicable Page 168
HC0201-13					Corruption and Bribery	1) Description of legal and regulatory fines and settlements related to: • Bribery • Corruption • Unethical business practices • Violations of the Foreign Corrupt Practices Act (FCPA) Providing kickbacks to physicians 2) Rs. amount of fines and settlements imposed. 3) Description of corrective actions implemented in response to these events.			2) Zero
HC0201-14						Description of code of ethics governing interactions with health care professionals including mechanisms to ensure employee compliance.		Discussion and Analysis	
HC0201-15					Manufacturing and Supply Chain Quality Management	Number and type of FDA enforcement actions taken in response to violations of current good manufacturing practices (cGMP) including: product deemed adulterated, form 483s, suggested recall (Class I, II, III), Warning Letters, Border Alerts, license suspension or revocation, product seizure, Consent Decrees, criminal prosecution.	%	Discussion and Analysis	Not Applicable
HC0201-16						01) Percentage of facilities participating in third-party audit programs to ensure supply chain and product integrity (e.g., materials, devices, packaging, etc.). 02) Percentage of Tier I suppliers participating in third-party audit programs for the same purposes.	%	Quantitative	96% Page 168
HC0201-17						Description of efforts to maintain traceability within the distribution chain, particularly with respect to wholesalers, re-packagers, and/or contract distributors	%	Discussion and Analysis	Not Applicable

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
HC0201-18						Discussion of any existing or projected risks or constraints with obtaining raw materials (or components) within the supply chain, including those related to restricted/limited availability, political situations, local labor conditions, natural disasters, climate change, or regulations.	%	Discussion and Analysis	Not Applicable
			CG-AA-430b.1		Labour Conditions in the Supply Chain	Percentage of: 1) Tier 1 supplier facilities and 2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, 3) percentage of total audits conducted by a third-party auditor	%	Quantitative	1) 96% 2) Not Applicable 3) 90% Page 168
			CG-AA-430b.2			1) Priority non-conformance rate and 2) associated corrective action rate for suppliers' labour code of conduct audits 2	Rate	Quantitative	Zero
			CG-AA-430b.3			Description of the greatest 1) labour and 2) environmental, health and safety risks in the supply chain	N/A	Discussion and Analysis	Page 168
			CG-AA-440a.3		Raw Materials Sourcing	1) List of priority raw materials; for each priority raw material: 2) environmental or social factor(s) most likely to threaten sourcing, 3) discussion on business risks or opportunities associated with environmental or social factors and 4) management strategy for addressing business risks and opportunities	N/A	Discussion and Analysis	Page 165
			CG-AA-440a.4			1) Amount of priority raw materials purchased, by material, and 2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	MT	Quantitative	27,100 Mt Page 165
		FB-AG-250a.1			Food Safety	Global Food Safety Initiative (GFSI) audit 1) non-conformance rates and 2) associated corrective action rates for a) major and (b) minor non-conformances	Rate	Quantitative	Not Applicable
		FB-AG-250a.2			Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	% by Cost	Quantitative	Not Applicable
		FB-AG-250a.3				1) Number of recalls issued and 2) total amount of food product recalled 1	MT	Quantitative	Not Applicable

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
		FB-AG-430a.1			Environmental & Social Impacts of Ingredient Supply Chain	1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, and 2) percentages by standard	%	Quantitative	01) 70% 02) N/A
		FB-AG-430a.2				Suppliers' social and environmental responsibility audit 1) non-conformance rate and 2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	Quantitative	Zero
		FB-AG-430a.3				Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	N/A	Discussion and Analysis	Page 114-130
		FB-AG-430b.1			GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	N/A	Discussion and Analysis	N/A
		FB-AG-440a.1				Identification of principal crops and description of risks and opportunities presented by climate change	N/A	Discussion and Analysis	Page 114-130
		FB-AG-440a.2			Ingredient Sourcing	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	% by cost	Quantitative	N/A
				CG-HP-250a.1	Product Environmental, Health and Safety Performance	Revenue from products that contain substances of high concern	Presentation Currency	Quantitative	N/A
				CG-HP-250a.3	Product	Discussion of process to identify and manage emerging materials and chemicals of concern	N/A	Discussion and Analysis	Page 287
				CG-HP-250a.4		Revenue from products designed with green chemistry principles	Presentation Currency	Quantitative	Rs.616Mn
				CG-HP-410a.1	Packaging Lifecycle Management	1) Total weight of packaging, 2) percentage made from recycled or renewable materials, and 3) percentage that is recyclable, reusable or compostable	MT %	Quantitative	1) 5686Mt 2) 13% 3) 82% Page 283-284
				CG-HP-410a.2		Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	N/A	Discussion and Analysis	Page 284-286

MEDICAL EQUIPMENT	CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/ PAGE REFERENCE
				CG-HP-430a.1	Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as a) Identity Preserved, b) Segregated, c) Mass Balance or d) Book & Claim	MT %	Quantitative	Not Applicable

Activity Metrics

CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/PAGE REFERENCE
			CG-HP-000.A		Units of products sold, total weight of products sold	% of Products	Quantitative	Unsupported 65% Supported glove 4% Disposable gloves 31%
			CG-HP-000.B		Number of manufacturing facilities	Number	Quantitative	Local 05 Abroad 02 Total 07
	FB-AG-000.A				Production by principal crop ²	MT	Quantitative	Page 236
	FB-AG-000.B				Number of processing facilities ³	Number	Quantitative	07
CHEMICAL	AGRICULTURAL	APPAREL	HOUSEHOLD	TOPIC	ACCOUNTING METRIC	UNIT	CATEGORY	DISCLOSURE/PAGE REFERENCE
	FB-AG-000.C				Total land area under active production	Hectares	Quantitative	04 Page 237, 308
	FB-AG-000.D				Cost of agricultural products sourced externally ⁴	Presentation Currency	Quantitative	Page 165
		CG-AA-000.A			Number of: (1) Tier 1 suppliers and (2) suppliers beyond Tier 13	Number	Quantitative	1) 4,243 2) Not Applicable Page 168
RT-CH-000.A					Production by reportable segment ⁴	M3 MT	Quantitative	

Notes

Notice of Annual General Meeting

DIPPED PRODUCTS PLC - COMPANY NO. PQ 60 NOTICE OF MEETING - ANNUAL REPORT 2024/ 2025

NOTICE IS HEREBY GIVEN THAT THE FORTY NINTH ANNUAL GENERAL MEETING OF DIPPED PRODUCTS PLC, will be held on Thursday, 26th June, 2025 at 11.00 a.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

- 1) To consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2025, with the Report of the Auditors thereon.
- 2) To re-elect as a Director Mr. S. C. Ganegoda, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
- 3) To re-elect as a Director Mr. N. A. R. S. Nanayakkara, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
- 4) To re-elect as a Director Mr. B. K. C. R. Ratnasiri, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
- 5) To re-elect as a Director Ms. K. A. D. B. Perera, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
- 6) To re-elect as a Director Ms. A. I. Wanigasekera, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.
- 7) To re-elect as a Director Mr. T. A. B. Speldewinde, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.
- 8) To re-elect as a Director Dr. R. M. U. N. Rathnayake, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.
- 9) To propose the following resolution for the re-appointment of Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No.07 of 2007

Ordinary Resolution

"That Mr. Abeyakumar Mohan Pandithage, who is over the age of Seventy years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to him."

- 10) To authorise the Directors to determine donations and contributions to charities for the ensuing year.
- 11) To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.
- 12) To consider and if thought fit, to pass the following Special Resolutions to amend the existing articles in the Articles of Association of the Company;

Special Resolution (1)

IT IS HEREBY RESOLVED THAT Article 27 (1) of the Articles of Association of the Company be deleted in its entirety and be replaced by the following Article:

"27(1) Unless otherwise determined by ordinary resolution of the shareholders of the Company, the number of Directors shall not be less than five (5) and not more than fifteen (15)."

Special Resolution (2)

IT IS HEREBY RESOLVED THAT Articles 27 (4), 27 (5), 27(6), 27 (7) and 27 (8) of the Articles of Association of the Company be deleted in their entirety, and be replaced by the following Articles 27 (4) (i) to 27 (4) (vi):

"27 (4) Alternate Directors

- i) An Alternate Director shall only be appointed under exceptional circumstances by any Director ('appointor'), giving notice in writing left at the office of the Company and approved by the Board to be an Alternate Director of the Company to act in their place during their absence, subject to applicable laws, rules and regulations. Any such appointment shall not exceed a period of one (1) year from the date of appointment.
- ii) If an Alternate Director is appointed for a Non-Executive Director such Alternate should not be an Executive of the Company. Similarly, if an Alternate Director is appointed for an Independent Director, the person so appointed shall meet the criteria for independence under applicable laws, rules and regulations. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate qualifies as an Independent Director before the appointment is made.
- iii) In the event a Director appoints another Director to be his Alternate Director he shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at meetings of the Board. A person shall not act as an Alternate Director for more than one Director.

Notice of Annual General Meeting

- iv) An Alternate Director shall on his giving an address for such notice to be served upon him be entitled to receive notices of all meetings of Directors and to attend and vote as a Director, at any such meeting at which the Director appointing him is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in the absence of such appointor.
- v) The attendance of any Alternate Director at any meeting including Board Committee meetings shall be counted for the purpose of the quorum.
- vi) An Alternate Director may be appointed for a specified period (not exceeding one (1) year) or until the happening of a specified event, but he shall ipso facto cease to be an Alternate Director if his appointor ceases for any reason to be a Director."

Special Resolution (3)

IT IS HEREBY RESOLVED THAT the existing Article 27 (9), Article 27 (10) and Article 27 (11) of the Articles of Association of the Company be renumbered as Article 27 (5), Article 27 (6) and Article 27 (7) respectively.

- 13) To consider any other business of which due notice has been given.

By Order of the Board

DIPPED PRODUCTS PLC



Hayleys Group Services (Private) Limited

Secretaries

Colombo

May 30, 2025

Form of Proxy

DIPPED PRODUCTS PLC

(Company Registration Number - PQ 60)

I/We (full name of shareholder)

NIC No./Reg. No. of Shareholder

of

being Shareholder/Shareholders of **DIPPED PRODUCTS PLC** hereby appoint:

(1) (full name of proxyholder)

NIC No. of Proxyholder of

..... or, failing him/them

(2) **ABEYAKUMAR MOHAN PANDITHAGE** (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our proxy to attend and vote as indicated hereunder for me/us and on my/our behalf at the Forty Ninth Annual General Meeting of the Company to be held on Thursday, June 26, 2025 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended March 31, 2025 with the Report of the Auditors thereon.	☐	☐
2. To re-elect as a Director Mr. S.C. Ganegoda, as set out in the Notice.	☐	☐
3. To re-elect as a Director Mr. N.A.R.R.S. Nanayakkara, as set out in the Notice.	☐	☐
4. To re-elect as a Director Mr. B.K.C.R. Ratnasiri, as set out in the Notice.	☐	☐
5. To re-elect as a Director Ms. K.A.D.B. Perera, as set out in the Notice.	☐	☐
6. To re-elect as a Director Ms. A.I. Wanigasekera, as set out in the Notice.	☐	☐
7. To re-elect as a Director Mr. T.A.B. Speldewinde, as set out in the Notice.	☐	☐
8. To re-elect as a Director Dr. R.M.U.N. Rathnayake, as set out in the Notice.	☐	☐
9. To re-appoint Mr. A. M. Pandithage in terms of Section 211 of the Companies Act No.07 of 2007.	☐	☐
10. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	☐	☐
11. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.	☐	☐
12. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.	☐	☐
Special Resolution (1)	☐	☐
Special Resolution (2)	☐	☐
Special Resolution (3)	☐	☐

Signed on this day of 2025.

.....

Signature of Shareholder

FORM OF PROXY

INSTRUCTIONS:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. **Delayed Proxy Forms shall not be accepted.**
2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Proxy Form must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

Corporate Information

NAME OF THE COMPANY

Dipped Products PLC

LEGAL FORM

A Public Limited Company with Limited Liability
Incorporated in Sri Lanka in 1976

COMPANY NO.

PQ 60

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo
Stock Exchange of Sri Lanka.

PRINCIPAL LINES OF BUSINESS

Manufacture and marketing of industrial and general-purpose
gloves, management of tea and rubber plantations

DIRECTORS

Mr. Mohan Pandithage - Chairman
Mr. Rajitha Kariyawasan - Deputy Chairman
Mr. Pushpika Janadheera - Managing Director
Mr. Sarath Ganegoda
Mr. Ramesh Nanayakkara
Mr. Gamini Gunaratne
Mr. Indika Prasad
Mr. Chandika Ratnasiri
Ms. Brindhiini Perera
Mr. Nanda Fernando
Prof. Arjuna De Silva
Mr. Yohan Perera - Senior Independent Director
Mrs. Anomi Wanigasekera
Mr. Timothy Speldewinde (appointed w.e.f. 01.04.2025)
Dr. Upul Ratnayake (appointed w.e.f. 01.04.2025)
Mr. Faiz Mohideen (resigned w.e.f. 30.11.2024)
Mr. Sujeewa Rajapakse (resigned w.e.f. 30.11.2024)

AUDIT COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Nanda Fernando
Ms. Anomi Wanigasekera

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
Mr. Nanda Fernando
Ms. Anomi Wanigasekera

REMUNERATION COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
Mr. Nanda Fernando
Prof. Arjuna De Silva

NOMINATION AND GOVERNANCE COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
Mr. Nanda Fernando
Prof. Arjuna De Silva

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-6 (7 Lines)

BANKERS

Citibank, N.A.
Standard Chartered Bank
Hongkong and Shanghai Banking Corporation Ltd.
Sampath Bank PLC
Hatton National Bank PLC
Bank of Ceylon
Deutsche Bank AG
NDB Bank PLC
Bank of China
Commercial Bank of Ceylon PLC
Peoples Bank

AUDITORS

Ernst & Young Chartered Accountants 201, De Saram
Place, Colombo 10

REGISTERED OFFICE

400, Deans Road, Colombo 10 Sri Lanka
Tel: +94-11-2683964 Fax: +94-11-2699018
E-mail: postmast@dplgroup.com
Website: www.dplgroup.com

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